Critical incidents in the gaming industry: Perceptions of guests and employees

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CRITICAL INCIDENTS IN THE GAMING INDUSTRY: PERCEPTIONS OF GUESTS AND EMPLOYEES

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ABSTRACT

Critical Incidents in the Gaming Industry: Perceptions of Guests and Employees

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During the service encounter or “moment of truth” the customer judges the quality of the service organization. Not all guest-employee service encounters, however, are equally important. For every organization there are probably particular service encounters that are critical to customer satisfaction. Before they can initiate efforts to service their customers, service firms must first identify and manage critical service encounters. Using the environment of the gaming industry, this exploratory research investigated the concept of identifying and evaluating critical service encounters from the perspectives of both guests and customer-contact employees and measured the level of congruence/incongruence between the two parties involved in the service interaction. The study also examined the applicability of the critical incident classification scheme of Bitner, Booms, and Tetreault (1990) to the gaming industry.

Using the critical incident technique, slot customers and slot department employees of a major Las Vegas strip hotel/casino were interviewed using the same set of open-ended questions. Slot customers and employees were asked to recall both particularly satisfactory and dissatisfactory service events that had transpired at the study hotel/casino or another hotel/casino. Employees were asked to recall incidents in the manner in which they felt their customers perceived the incidents. The model and decision tree of Bitner, Booms, and Tetreault (1990) was used to code the recalled incidents. Two judges completed the
initial round of coding, and then a third judge independently coded the incidents in order to obtain a measurement of inter-rater reliability.

All of the customer and employee reported incidents were classified into major groups, categories, and subcategories. All of the major groups agreed with the classification of the Bitner, Booms and Tetreault (1990). However, two new categories and two subcategories that differed from Bitner, Booms and Tetreault emerged in this study. These new categories and subcategories appeared to be more specific to the gaming industry and were designated as response to customer requests, response to customer requests for comps, and comp service. The subcategories were related to requests for non-smoking rooms. Systems and service encounter problems identified included the unavailability of non-smoking rooms, slot machine fill, change service, and booth cashier service.

The results showed that as a whole, customer-contact employees in this study demonstrated a genuine service orientation and did identify with and understand customer needs in the gaming environment. This was particularly true in the perception of dissatisfactory incidents reported by both customers and employees. The majority of satisfactory incidents customer and employee reported incidents concerned unprompted and unsolicited actions, in particular, attention paid to the customer. This finding highlights the importance of hiring service-oriented staff as well as directing training and other organizational resources towards cultivating a close customer-frontline employee relationship. The distributions of customer and employee critical incidents as compared to respective distributions found by Bitner, Booms, and Tetreault (1990) and Bitner, Booms, and Mohr (1994) suggest the need to continue to their model in terms of incident distribution in other industries.
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CHAPTER 1

INTRODUCTION

Chief executives of today's prominent service firms realize that the foremost way to drive profitability is to make front-line employees and customers the focus of management efforts. Successful service managers direct attention to the crucial factors that determine profitability in this new and unique service paradigm: investment in staff, technology that supports customer-contact employees, revised hiring and training protocols, and remuneration connected to performance for employees at every level of the organization. These practices represent a fresh vision as well as a radical shift in the way service firms manage and measure success.

In this new paradigm, success is equated with providing superior service quality. Garvin (1987) states that quality is not simply a problem to be solved, but is a competitive advantage. Service quality researchers feel that the move to a quality focus is absolutely necessary to survive in today's competitive service business, just as it has become essential in manufacturing (Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994; Schlesinger & Heskett, 1991). Competition has forced companies to realize the value of the long-term customer as well as the price for the opportunity cost of lost revenue due to poor service.

Reichheld and Sasser (1990) suggest that customer loyalty is a more important determinant of profit than growth in market share and they estimate that a 5% increase in customer loyalty can create profit increases from 25% to 85%. Bateson (1991) reports that it costs six times as much to obtain a new customer as it does to keep an existing one. According to Albrecht and Zemke (1985), firms lose revenue when a customer chooses to obtain services or purchase items from the competition. Customer service research shows that 96% of unhappy customers never inform businesses of their dissatisfaction (Albrecht & Zemke). Many unhappy customers show their dissatisfaction by simply not returning. Failure to satisfy the customer also includes a "quality cost," which includes the costs of redoing the service or

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compensating for poor service, lost customers, negative word-of-mouth and decreased employee morale (Bitner, Booms, & Mohr, 1994).

Gronroos (1995) advocates that successful companies must dominate the quality dimension by not only supplying a quality product, but also by fostering good interactions between customers and employees. Parasuraman, Zeithaml, and Berry (1985) concluded that the service quality, specifically in terms of interpersonal contact, is vital to the success of a service organization. Every time a customer has contact with a service organization, whether it is by phone, via technology, mail, or in person, a service encounter takes place. It is during these service encounters or “moments of truth” that the customer judges the organization’s quality. Each interaction also builds upon the customer’s overall satisfaction and intentions to continue the business relationship in the future (Bitner, 1990; Bitner, Booms, & Tetreault, 1990). The service organization approaches each encounter as an opportunity to demonstrate its ability to be a quality service provider, build trust, and strengthen a relationship. On the other hand, each encounter also opens the possibility of reducing perceptions of quality, destroying trust, and decreasing customer loyalty (Bitner, 1995).

An evaluation of a service encounter results in one of two outcomes: satisfaction or dissatisfaction. Oliver (1979) describes satisfaction/dissatisfaction as a continuum, with the outcome determined as a result of an evaluation between expectations and outcomes. Satisfaction occurs when the service provided meets or exceeds the customer's expectations. In service organizations, it is frequently the employee-guest interaction that determines satisfaction/dissatisfaction for the guest. Although both parties expect the service delivery to run smoothly, the very nature of services can result in occasional lapses of quality. Such service promises are most often either honored or broken by front-line employees (Bitner, 1995).

Given the intangible nature of services, the employee frequently defines the service to a customer (Booms & Nyquist, 1981). The guest-employee encounter is the service as seen from the customer's point of view. Since employee-guest interactions play a critical role in most service encounters, it has been suggested that employee perceptions and satisfaction can have an effect on the outcome of services exchange (Booms & Nyquist). Unfortunately, front-line employees are not usually trained to understand customers and are not empowered to act with customers in ways that promote effective service. In
addition, the fact that customer-contact employees are frequently on the lower end of the payscale and in general are under-trained can create low levels of motivation, job dissatisfaction, and high turnover (Biter, Booms, & Tetreault, 1990). The cycle can continue with the ultimate result being dissatisfied, and in the long run, lost customers.

Not all guest-employee service encounters are equally important. For every organization, there are probably particular critical encounters that are key to both customer satisfaction (Biter, 1995; Headley & Choi, 1992) and employee satisfaction (Biter, Booms, & Mohr, 1994). In a study of hospital patients, Woodside, Frey and Daly (1989) found that interactions with nursing staff were more predictive of customer satisfaction than were encounters with food service or patient discharge personnel. Chung and Hoffman (1998) discovered that restaurant physical plant problems, such as sanitation, were the most negatively rated by customers when evaluating service failures. Cleanliness issues were also remembered the longest by the restaurant customer and were associated with the lowest customer retention rate. Schneider, Parkington, and Buxton (1980) examined relationships between bank employee and customer perceptions of service orientation and attitudes toward service quality. These researchers found that customer attitudes toward service quality were strongly related to employee views of the service customers received. A study of critical service encounters from the employee’s perspective found that a primary source of customer dissatisfaction was the customer’s own behavior (Biter, Booms, & Mohr). It appears that in many service industries, there are likely to be certain types of service encounters that can have a greater impact on both guest and customer-contact employee satisfaction.

Purpose and Contribution of the Research

The service encounter has been defined as “a period of time during which a consumer directly interacts with a service” (Shostack, 1985, p. 243). These encounters are depicted as discrete, separate, and distinct events and behaviors (Biter, Booms, & Tetreault, 1990). The more common definition of the service encounter is the interpersonal exchange between customers and service providers (Suprenant & Solomon, 1987). These personal interactions can significantly influence customers’ overall satisfaction with service organizations.
It is imperative to realize that the customers' and employees' perceptions of service satisfaction are intertwined. Headley and Choi (1992) state that to improve service quality, the firm must listen to both the customer and the front-line staff. Although service quality is ultimately defined by customers' perceptions, it is important to know what employees perceive as critical customer concerns. The task of management is to continually revise critical process elements and meet reasonable customer expectations. Headley and Choi advocate that examining the gaps between customer expectations and the expectations of those who deliver the services is an achievable approach to monitoring the two most important elements of service delivery. Scheinder (1980) suggests that customers would be better served if service firms were designed to meet and satisfy the needs of their staff. According to Scheinder, employees who chose to work in service organizations truly want to provide good service to their customers. In a study of branch banks, Schneider found that the way customers perceive their experience is related, either in a positive or negative manner, to what the employees perceive as the organization's commitment to customer service. When management makes it easier for the employee to service the guest, both employees and customers respond positively. When employees feel that the company is not customer-oriented, both employees and customers tend to report that the customer has less positive experiences.

The key to satisfying guests through exceptional service is understanding and responding to customer expectations (Parasuraman, Berry, & Zeithaml, 1991). According to these researchers, organizations that seek to surpass customer expectations in order to heighten their quality image should capitalize on the best opportunity for doing so, which is the service delivery. The traditional service delivery is the "moment of truth," when the customer interacts with the employee. At this point the employee makes or breaks the service organization's promise to its customer. According to Headley and Choi (1992), service quality is significantly influenced by customer and provider interactions at the point of the encounter. Many times, this interaction is the service from the customer's point of view. Parasuraman, Berry, and Zeithaml found that the potential for exemplary service is so strong that it could hold customer loyalty to the point that competitors' offerings are "tuned out."

Before organizations can initiate any efforts to service their customers, they must first be able to effectively manage the service encounter. Bitner, Booms, and Tetreault (1990) point out that managing the
service encounter means more than teaching employees to say, “have a nice day”. Services are performances carried out by people supported by technology (Berry & Parasuraman, 1992). Because of the heavy involvement of employees, performance levels can differ among employees as well as occasions. Services often encompass multiple interactions between the customer and various employees. A poor performance by any one individual may lead to customer perception of poor service. Bitner, Booms, and Tetreault state: “Effective management of the service encounter involves understanding the often- complex behaviors of employees that can distinguish a highly satisfactory service encounter from a dissatisfactory one, and then training, motivating, and rewarding employees to exhibit those behaviors” (p.71). Since a service cannot be placed in inventory, consistency of employee performance is often difficult to attain and sustain (Ostrowski, O’Brien, & Gordon, 1993).

The interactive nature of hospitality services and their simultaneous production and consumption supports the need to examine the perceptions of both parties involved in critical service encounters—the front-line employees and the guests. Identifying and addressing any inconsistencies appear to be logical starting points for developing strategies and tactics to promote consistent expectations and experiences (Brown & Schwartz, 1989). Headley and Choi (1992) point out that customers have quality perceptions about a service, and firms have their own expectations of what the customer wants. If a significant discrepancy exists between these two critical perceptions, service quality and long-term organizational success may be at risk. By narrowing this perceptual gap, the organization can increase the likelihood of customer and staff satisfaction and maintain a positive evaluation by both parties (Brown and Schwartz; Headley & Choi).

**Critical Service Encounters**

This process begins by identifying critical service encounters. Although every service encounter is not necessarily critical to satisfaction, it is not always obvious which ones are critical and which ones are not. Ostrowski, O’Brien, and Gordon (1993) advise that service organizations must keep a close watch on the customer, assessing the performance and importance of each contact. It is vital that quality measures, such as identifying critical service encounters, be customer-driven, as there could be a discrepancy between
managerial thoughts and customer expectations (Ostrowski, O'Brien, & Gordon, 1993; Healdey & Choi, 1992). By identifying key guest service issues, management can appropriately direct its resources to those areas that maximize customer and employee satisfaction. According to Bateson (1991), controlling critical incidents and periods is one of the three major ways that service organizations can successfully manage long-term relationships.

Critical Incident Research

Critical incident research concerning the service encounter has been conducted in a variety of fields. Grant (1993) collected favorable and unfavorable critical reports of internal marketing service encounters in the banking industry. Grant found that there are relationships between psychological type and components of the internal critical incident, and that an understanding of employee psychological types should be incorporated into marketing practice. Schneider and Bowen (1985) also examined service encounters in the banking industry. They found good support for relationships between employees and customers' service perceptions and attitudes.

Grove and Fisk (1997) used the critical incident technique (CIT) in a study of the effect that customers have on each other in the tourism environment. These researchers found that over half the subjects had experienced an occasion when a visit to a tourist attraction was significantly affected by the presence of others. Hoffman, Kelley, and Rotalsky (1995) employed critical incidents to track service failures and employee recovery efforts in the restaurant industry. Using the critical incident method, Bitner, Booms and Tetreault (1990) collected 700 incidents from customers of airlines, hotels, and restaurants. The study categorized and analyzed these incidents to determine the specific events and associated behaviors of front-line employees that cause customers to distinguish very satisfactory service encounters from very dissatisfactory ones. The authors categorized service failure incidents into three groups: (1) employee response to service delivery system failures, (2) employee response to implicit/explicit customer requests, and (3) unprompted and unsolicited employee actions. In a subsequent study, Bitner, Booms and Mohr (1994) examined sources of satisfaction and dissatisfaction in the service encounter from the employee's
point of view. The results found a new source of customer dissatisfaction – the customer’s own misbehavior.

Nyquist, Bitner, and Booms (1985) used the CIT to describe and analyze the types of verbal exchanges with customers that service employees feel are particularly difficult. The CIT enabled the researchers to identify “critical” interpersonal exchanges in the service interaction from the employee’s point of view. The underlying assumption of the study was that incidents that employees find uncomfortable to handle would also influence the customer’s satisfaction with the service.

The Service Encounter in the Gaming Industry

Although service encounter research has been conducted in a variety of fields, including some sectors of the hospitality industry, it is lacking in the area of gaming. Publications concerning the service encounter and quality in gaming tend to have a descriptive or anecdotal, rather than research, focus. For reasons ranging from negative economic conditions in some states to increased public acceptance to the positive inducements extended by Federal law to Indian-owned casinos, gaming is this country’s fastest growing industry (Fenich, 1995) and has attracted tens of millions of new regular patrons and players.

Long (1995) cites gaming as a major force in the tourism industry. Gaming as a tourist attraction and economic development instrument is a quickly emerging, viable way for many states and communities to attempt to increase their share of the tourism market. In 1997, revenues for all commercial gaming industries in the United States totaled $50.9 billion (Christiansen, 1998). This amount accounts for approximately 10% of the 1997 U.S. leisure economy. As a result, gaming is continuing to diversify into new forms and locations. According to Christiansen and Cummings (1995), conventional boundaries between games are blurring, and its most dynamic form—the casino—is growing into a generalized family entertainment center that competes with Disney’s theme parks and Hollywood movie studios for leisure and tourist dollars.

As of 1997, casinos still remain the largest segment of the commercial gaming industries, with gaming revenues exceeding $26.9 billion (Christiansen, 1998). These revenues parallel the total amounts spent on movie tickets ($6.2 billion), recorded music ($12.2 billion), and theme parks ($7.6 billion) and represents
51.6 cents of every dollar spent on commercial gaming. Casino gaming is now viewed as a legal, legitimate, and highly regulated industry that has been undergoing extensive growth. Continued casino expansion, however, is creating pressure on profits. Even in 1990, for example, the Nevada Gaming Control Board reported that 42% of Las Vegas casinos were unprofitable (Rudinsky, 1991). Christiansen (1998) forecasts that a return to double-digit growth in consumer spending on casino games appears unlikely without the advent of new markets.

In spite of this increased competition, Fenich (1995) reports that gaming experts feel that casinos will continue to thrive as long as they adjust to changes in customer desires. Gaming guests are no longer satisfied with slot machines, table games and sleeping accommodations. Christiansen (1998) reports that customers are moving away from the core gaming products and seeking more entertainment products, such as those offered by companies such as Mirage Resorts. Customers are actively seeking a complete experience, which by the nature of the casino business, involves numerous service encounters. Successful management of the service encounters, particularly those that result in very satisfied or very dissatisfied customers as well as employees, may emerge as a key for continued profitability in the casino gaming industry. Research, however, is lacking in this area. The purpose of this research is to help fill that gap and provide insight into how the management of the service encounter affects the satisfaction level of the gaming customer.

Using the environment of the gaming industry, this research explores the concept of evaluating critical encounters from the perspective of both the customer and customer-contact employee and measures the level of congruence/incongruence between the two parties. As competition in the gaming industry intensifies, the role of customer and employee satisfaction in generating loyalty and revenue gains increasing importance. By identifying critical service encounters and developing processes to effectively manage them, gaming properties can create a competitive advantage through customer service.

The content of this study also potentially offers several contributions to the body of marketing literature that concerns critical service encounters. As stated by Bitner, Booms, and Tetreault (1990), “by demonstrating the importance of the human interaction component of the service encounter to service quality and satisfaction, these empirical studies provide a valuable contribution “ (p.72). These researchers
also state that an area for future research involves comparing manager, customer, and contact employee perceptions of critical incidents. This research seeks to deepen the general knowledge and understanding of the service encounter, but in a unique hospitality environment, the gaming industry. It is also unique in its approach of comparing the perceptions of critical incidents between customers and guests.

According to Zeithaml, Berry, and Parasuraman (1988), service quality theory suggests that to obtain customer satisfaction in service encounters, conformity between the organization's managers, contact employees, and customers as to what constitutes satisfactory and dissatisfactory service is important. Some research (Scheinder, Parkington, & Buxton, 1980; Schneider & Bowen, 1985; Headley & Choi, 1992) has shown that customers and employees hold common perceptions of quality of service provided, while other studies (Folkes & Kotsos, 1986; Nyquist, Bimer, & Booms (1985) propose that customer and employee perceptions of the reasons for service difficulties are different. According to Folkes and Kotsos, congruent cognitions between the buyer and seller facilitate marketing transactions, while dissimilar cognitions may hinder and even prevent exchanges. This study builds on such past research by demonstrating a process for identifying the gap between what customers perceive as critical and what employees think is critical in fulfilling the customer's service expectations. By bridging the gap between the perceptions of the two fundamental parties (contact employees and customers) involved in the service encounter, the service organization can enhance not only customer satisfaction, but the satisfaction level of its employees as well.

Objectives of the Study

The overall objective of this study is to assess the level of congruence between the perception of critical incidents of guests and contact employees in the environment of the gaming industry. The first objective of this study is to examine the customer's and contact employee's perspectives of critical encounters in the gaming industry and to understand the types of circumstances and behaviors that these two groups believe underlie customer satisfaction and dissatisfaction. The second purpose is to determine the level of congruence between the critical incidents reported by the two groups, and how this level can impact an organization's ability to provide quality in service encounters. It is hypothesized that if the organization, as represented by its customer-contact employees, has congruent perceptions of critical service encounters,
the organization will be better able to serve its customers. The CIT methodology will be used to collect and analyze the data.

Grove and Fisk (1997) state that the “exploration of phenomena such as the service experience requires a research methodology that can capture the unique subjective and processual qualities of services” (p.67). The method utilized to explore the nature of a service should allow for the investigation of different aspects over the duration of the total interaction. Headley and Choi (1992) state that measuring the perceptions of the two participants in the service encounter can best be accomplished by surveying both the customer and the employee, using identical questions. According to Grove and Fisk (1997), the CIT meets this criterion and has been used to research customers’ responses to service in a variety of situations. Numerous researchers (Bitner, Booms, & Tetreault, 1990; Bitner, Nyquist, & Booms, 1985; Grove & Fisk, 1992; Grove & Fisk, 1997; Hoffman, Kelley, & Rotalsky, 1995; Youngdahl & Kellog, 1994; Grant, 1993) also support the use of CIT as an effective methodology for identifying satisfactory and unsatisfactory service experiences. Bitner, Booms, and Tetreault indicate that the CIT can be especially useful in exploratory research, and Grove and Fisk (1992) state that the CIT is a versatile and reliable way to collect a variety of observations from a large number of participants. Given that the objective of this study is to collect and analyze critical satisfactory/dissatisfactory service incidents and that the research is an interpretive study with qualitative data and techniques as well as exploratory in nature, the CIT appears to be the most appropriate methodology.

Importance of the Study

The dramatic expansion of gaming in both Las Vegas and Atlantic City, combined with new casino offerings in seven (excluding Indian gaming) other states, has presented industry marketers with a formidable challenge. According to Thompson and Comeau (1992), competition for gaming customers will begin to intensify. The supply of the gaming product is not likely to continually create everlasting demand for the gaming product. Las Vegas currently has nearly 106,000 hotel and motel rooms, with an additional 21,000 rooms being added through the year 2000. At a price tag of nearly $7 billion, this is one of the largest building booms in the history of Las Vegas. According to gaming executives quoted in The
Los Angeles Times (La Ganga, 1998), the Las Vegas gaming economy is “flat.” Las Vegas will need 6 million more tourists annually to fill these new hotel rooms since hotel occupancy rates as of the first four months of 1998 were at their lowest levels since 1992. Even if the new luxury resorts fill up when they open, the lingering question is: What will happen to the rest of the properties over the long run? And with casinos having to offer more and more outlandish fringe attractions to get customers, there is little doubt that casinos will face more intense competition in the years ahead (Rudnisky, 1991).

Marketers know that the gaming product is rather similar at each location. Underneath the innovative themes, décors, wild animal shows, and special effects, each property has a complete display of slot machines of every kind and the same table games with basically the same rules and same odds. Hotel casinos have attempted to differentiate themselves through designs and themes, since they all offer the same basic commodity on the casino floor (Fenich, 1995). According to Legato (1995), gambling is almost secondary to the “show” of unique surroundings in which to play. The important customers, however, are geared toward playing the slots and tables. It is unlikely that the clamor of bells and whistles will sustain long-term customer loyalty. Loyalty, or repeat business, develops only when the perceived experience can be considered excellent, a level far above merely providing good service. As with other service industries, casinos will discover that in a rival market, outstanding service can provide a competitive edge. Volcanoes and roller coasters might lure people through the doors, but it is good service that will keep them coming back to gamble over and over (Thompson & Comeau, 1992; Weibel, 1994).

Weibel (1994) concurs that gaming is a “service” business. Although the product has tangibles such as slot machines and table games, the core product is intangible entertainment. Each casino type exists because a particular set of customers wants the goods and services produced by that property. On the other hand, the gaming firm is in the business to make money. The only way to generate revenue is to get the customers to purchase their services and in return provide an enjoyable experience. Thompson and Comeau (1992) state that an established customer is likely to spend 10 times as much in future business than is a new customer. If patrons have a pleasurable time, they will come back. If customers leave unsatisfied, they will look for other sources to provide the desired value, perhaps even at a higher cost (Weibel). Outstanding service, therefore, is necessary to sustain patronage and loyalty.
Gaming operators have begun to realize the connection between exceptional service and customer loyalty. Past-president, Steve Larson, of the Empress Riverboat Casino feels that the company should develop a foundation of loyal customers who choose to return because they are satisfied with the Empress experience. "We believe that customer service will be our point of differentiation. We also believe that commitment to service is really a recognition that this casino and its employees are the foundation for what this company is to become" (Comeau, 1995a, p. 35). Larry Wolf, former chairman, president and CEO of the MGM Grand Hotel/Casino in Las Vegas states the only way to guarantee a high level of customer service is to cultivate a strong corporate culture. "I'm going to put the culture in place, which will differentiate us from other properties in town and will reward us in return visits and more profits" (Comeau, 1995b, p. 21).

Exceptional customer service is also critical in maintaining a service firm's existing customer base (Reichheld, 1993; Storbacka, Strandvik, & Gronroos, 1994; Bitner, 1995; Thompson & Comeau, 1992; Weibel, 1994). According to Reichheld, the economic benefits of extensive customer loyalty can often explain why one firm is more profitable than its competitor. When an organization sustains customer loyalty by consistently providing superior value and service, market share and revenues increase, while the cost of obtaining and serving customers goes down. Berry (1995) argues that marketing in order to preserve the current customer base is particularly important in services with an increased supply of essentially the same services. Due to its continual growth, gaming falls into this category.

According to Bitner (1995), the relationship that exists between the service firm and the customer is built one encounter at a time. Storbacka, Strandvik, and Gronroos (1994) stress that the service encounter should be viewed as a continual sequence of episodes between the customer and the service organization. Not all encounters, however, are critical, or important, to customer satisfaction. The first focus of this research is to identify, for the gaming industry, those incidents that are critical for customer satisfaction. By listening to customers, service firms can identify critical areas of service that require managerial attention and those that can be promoted on differentiating features (Headly & Choi, 1992).

The identification of critical factors that promote guest satisfaction/dissatisfaction is also crucial to building long-term relationships between the firm and the customer. As stated by Bowen (1994), "the
benefit of increased satisfaction is increased loyalty” (p.6). Armed with this knowledge, marketers and managers can develop strategic plans that focus directly on customer satisfaction. This task is difficult to accomplish without assessing a firm’s current strategic situation with respect to customer satisfaction.

According to Barksy and Labagh (1992), a primary objective of customer satisfaction research is to determine, in advance, what will influence the satisfaction of customers. A principal goal of satisfying customers is to improve profitability by expanding the business. This goal can be accomplished by increasing market share, gaining customer loyalty, improving reputation, selling more to current markets, increasing margins, and other strategies. Regardless of the approach selected to increase profitability, if management is aware of how the components of a service affect current customer satisfaction, the task of planning may be narrowed to altering present services to match today’s “customer satisfaction forecast.” In other words, by adapting products and services in such a way that if delivered today, they would receive the maximum customer-satisfaction evaluation.

Motivated by the pivotal role of customer satisfaction in long-term loyalty and profitability in the gaming industry, this exploratory study seeks to identify those critical incidents that can make or break customer commitment. As in other hospitality settings, the gaming industry provides a unique product that relies strongly on the promotion and sale of intangibles. As a result, many of the “moments of truth” are actually social encounters (Sparks, 1994) and can be the experience associated with the service interaction between the customer and front-line employee that is a crucial determinant of customer satisfaction/dissatisfaction. The customer-contact employee’s perception of guest satisfaction must also be considered, as disparities between organizational thoughts and customer expectations could lead management to make changes that do not necessarily impact guest satisfaction and loyalty. A second objective of this study is to determine the employee’s perception of guest critical incidents. The third objective of this study is to measure the level of congruence of critical incident categories between the two parties involved in the service encounter.

The service encounter is characterized by a number of various factors that distinguish it as one particular form of human interaction (Czepeil, Solomon, Surprenant, & Gutman, 1985). Among other things, the service encounter is purposeful in nature, limited in scope and task-oriented, and roles and

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scripts are generally well-defined. The quality of the service encounter and its communicative aspects are strongly influenced by situational and organizational variables, individual differences, and interactional strategies. The selected factors of role congruence, role conflict, service scripts, training, employee satisfaction, and the profitability of customer loyalty are discussed in the Review of Literature section. All of these variables can play a dynamic role in the service encounter and the resulting critical incident that ultimately creates a satisfied or dissatisfied customer.

Previous research concerning service encounters, critical incidents, and customer satisfaction has encompassed numerous services in entities such as restaurants, hotels, airlines, banking, and healthcare. Ostrowksi, O'Brien, and Gordon (1993) point out that some studies have placed a major emphasis on generalizing findings across service industries, using samples of generic services customers which supposedly apply to all services. Although some services have some underlying commonalities, significant variations do exist between entities. These researchers state that such generalized assumptions decrease the explanatory power and potential management recommendations in any particular industry. The unique characteristics of the gaming industry may make it difficult to apply prior generalizations to this study. This exploratory study will provide critical incident insight into dynamic industry of gaming.

Definition of Key Terms

Critical Incident – One that contributes to or detracts from the general aim of the activity in a significant way (Flannagan, 1954, p. 377).

Critical Incident Technique (CIT) – An outline of systematic, carefully structured procedures for collecting observed incidents that have special significance and that meet systematically defined criteria.

Customer-contact employees – Employees that have direct one-on-one contact with the customer during the service encounter.

Gaming – The act or practice of gambling; betting that on the short-term basis, one can beat the statistical advantage of the casino.

Incident – An observable human activity that is complete enough in itself to permit inferences and predictions to be made about the person performing the act (Flannagan, 1954, p. 377).
Moment of truth – The moment of truth occurs when the customer interacts with the organization and the product is produced and consumed.

Quality – Means of pleasing customers, not simply protecting them from annoyances (Garvin, 1987).

Role – A group of social cues that guide and direct an individual’s behavior in a certain situation (Solomon, Suprenant, Czepeil, & Gutman, 1985).


Service Encounter – The dyadic interaction between a customer and service provider (Suprenant & Solomon, 1987).

Introduction of Hypotheses

Although an increasing number of service organizations are recognizing the importance of service quality and customer satisfaction, it is not always apparent how to achieve these objectives (Garvin, 1987; Headley & Choi, 1992). Only minimal changes may be needed or a dramatic long-term plan may be required (Headley & Choi). According to Garvin, quality is not simply a problem to be solved, but is a competitive opportunity. Service firms committed to quality actively work to please customers, not merely to protect them from the every-day annoyances that can occur during service transactions. Companies can, and should, strategically and competitively pursue the quality niche in their selected markets. Mistakes in implementing a competitive strategy based on quality occur due to lack of research or research that has been poorly designed.

A common error is to introduce dimensions of quality that are not important to customers. Garvin (1987) lists eight dimensions of quality: performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality. Garvin suggests that firms focus on one or more, but not all eight, of these strategies. Before an effective strategy can be designed, the firm must determine what quality dimensions are important to its customers. A restaurant manager, for example, may think that a large portion size (feature) is the most relevant for customer satisfaction, when it is actually fast service
(performance). Guest-room interior design (aesthetics) may not be as significant to the customer as is the security of the room (reliability and conformance).

Arbitrarily choosing and committing resources to a quality dimension may not lead to the desired result of increased customer satisfaction and loyalty. Firms must continually scan the external environment for changes in what is important to customers and update quality measures that reflect new standards. Service companies that fail to continually identify, evaluate and respond to the customer's needs will no longer be playing in the competitive arena. The hypotheses considered in this study concern how to identify key quality indicators of customer satisfaction as they relate to the service encounter.

Varied frameworks for conceptualizing service interactions have been proposed. These scenarios usually encompass the service personnel, the physical setting of the service, and the process interaction between the service firm and the customer. The hypotheses considered for this research focus on the level of agreement and disagreement of reported critical incidents between the employees of the gaming firm and their customers. Their foundation is derived from a combination of the prior research of Bitner, Booms, and Mohr (1994); Bitner, Booms and Tetreault (1990); Brown and Swartz (1989) and Hoffman, Kelly, and Rotalsky (1995); and Headley and Choi (1992). The difference between this study and prior research is the application of the CIT in the gaming industry. An introductory review of the CIT follows.

The Critical Incident

Flanagan (1954) developed the critical incident methodology. The CIT outlines procedures for collecting observed incidents having special significance and meeting systematically defined criteria. An incident is an observable human activity that is sufficiently comprehensive enough within itself to be made about the person executing the act (Flannagan; Bitner, Booms and Tetreault, 1990). To be critical, the incident must happen in a situation where the intent of the act or behavior is apparent to the observer and its consequences adequately defined to remove doubt regarding its effects. A critical incident is one that makes a vital contribution, either positively or negatively, to an activity or event. The method is especially useful when the goal of the research is to explore a topic that has minimal documentation and/or to characterize a real-world phenomenon based on a more thorough understanding (Bitner, Booms, &
Tetreault). Minimal research has been undertaken regarding service encounters in the gaming industry. This study seeks to bridge that gap in the unique service environment of gaming.

Since Flannagan (1954) first published procedures for use of the CIT, the methodology has been used extensively in diverse fields including management (White & Lock, 1981), customer costs of service quality (Youngdahl & Kellog, 1994), customer complaint behavior (Wason, 1994), healthcare (Jones. 1996), human resources (Latham & Saari, 1984), banking (Grant, 1993), and education (Copas, 1984). Past research has shown that the CIT is also an effective data-gathering technique for exploring satisfactory and unsatisfactory service experiences (Bimer, Booms, & Tetreault, 1990; Bitner, Nyquist & Booms, 1985; Grove & Fisk, 1992; Hoffman, Kelley, & Rotalsky, 1995; Grant, 1993, Chung & Hoffman, 1998).

Grant (1993), for example, combined the CIT with Carl Jung’s psychological typology in a study designed to discern whether there is a relationship between psychological types and employee’s recall of internal service critical encounters. Grove and Fisk (1997) used the CIT to explore the possible positive/negative effects that other customers may have on an individual’s service experiences. They found, in their study of tourists in Central Florida, that over half the subjects experienced an occasion when a visit to a tourist attraction was significantly affected by the presence of others. Hoffman, Kelley, and Rotalsky (1995) employed the CIT to analyze service failures and service recoveries in restaurants.

Bitner, Booms, and Tetreault (1990) and Bitner, Booms, and Mohr (1994) utilized the CIT in their studies of customers and employees in the airline, hotel, and restaurant industries. In the first study, Bitner, Booms, and Tetreault employed the CIT to identify the particular events and corresponding behaviors of front-line employees that cause customers to discern very satisfactory experiences from very dissatisfactory ones. One of the results of this research was the development of a critical incident classification system known as the BBT (1990). The BBT system will be employed as the starting point for classifying incidents in this study. The follow-up study by Bitner, Booms, and Mohr examined customer critical incidents in the same industries, but from the perception of the customer-contact employees. Further review of these and other critical incident’s applications is found in the Review of Literature section.

In the marketing context of this study, the CIT method is used to identify sources of both satisfactory and unsatisfactory service interactions from the point of view of the customer and front-line employee in
the gaming industry. Given the lack of the service encounter research in this industry, the CIT is an appropriate method to collect and categorize critical incidents. Using this methodology, the results may help to identify a beginning point for the gaming industry to start focusing with greater specificity on the events and behaviors unique to this environment. The study will also explore whether the classification schemes used by Bitner, Booms, and Tetreault (1990) and Bitner, Booms, and Mohr (1994) are applicable to the unique hospitality environment of the gaming industry.

**Congruence**

Congruence is the quality of according or coinciding. This research compares the types of critical incidents reported by the customer and those reported by the customer contact employees. The primary objective of this study is to determine the level of congruence between the critical incidents recalled by these two groups. The analysis of the level of congruence/incongruence between the two parties involved in the service encounter is beneficial to service organizations as it allows management to identify common unsatisfactory situations of the service receiver as well as the service provider. This information can be used to minimize the occurrence of service failures, improve service encounters, and help the service efforts of the organization through employee training programs focussing on critical incidents.

**Hypotheses**

H1: The distribution of the critical incidents reported by the customers in this study and the distribution of the critical incidents reported by the employees will be the same.

H2: The distribution of the critical incidents reported by the customers in this study will be the same as the distribution of the critical incidents reported by the customers in the study of Bitner, Booms, and Tetreault (1990).

H3. The distribution of the critical incidents reported by the customer-contact employees in this study will be the same as the distribution of critical incidents reported by the customer-contact employees in the study of Bitner, Booms, and Mohr (1994).
The intent of the first hypothesis (H1) is to test the level of congruence between the critical incident perceptions of customers and employees. If both customers and employees are thinking in the same train of thought (in other words, the employees know what customers consider important service issues), then the employee will be better attuned to the customers' needs and as a result, provide better service. The existence, however, of a disparity between these two parties involved in the service encounter, may indicate that employees are not attuned to the needs of the customer. This lack of understanding may indicate a need for management to seriously evaluate current recruitment, training, and performance evaluation procedures.

The second and third hypotheses (H2 and H3) test the generalizability of the classification scheme(s) of Bitner, Booms and Tetreault (1990) and Bitner, Booms, and Mohr (1994). Since gaming is a unique environment, this model should be tested for use in this growing segment of the hospitality industry. It is currently unknown which type of service interactions gaming customers perceive as critical issues. The identification of new service categories may also emerge from this study.

In order to test the hypotheses, it was necessary that the following sub-objectives be met:

1. Identify the critical incidents reported by gaming customers.
2. Identify the critical incidents reported by contact employees working in the gaming industry.
3. Categorize the critical incidents reported by the gaming customers.
4. Categorize the critical incidents reported by the contact employees.

In addition, it will be of interest to determine if the same categories used by Bitner, Booms, and Tetreault (1990) and Bitner, Booms, and Mohr (1994) will be the same as the major categories identified in this study. Further discussion and examples of the use of the BBT classification in other fields is presented in the Review of Literature section.

Prior to developing the research methodology that will fit the unique gaming industry, it is essential to review several pertinent topics that form the foundation of this study. These areas include the concept of the service encounter, role and script theory, gap analysis, the CIT, and the use of the critical incident method in the hospitality industry. These topics are presented in the Review of Literature.
CHAPTER 2

REVIEW OF LITERATURE

The Service Encounter

Hollander (1985) reminds us that people have provided and consumed services for thousands of years. Their interactions, behaviors, and feelings have been recorded in various historical accounts. Although some aspects of the service encounter, such as the influence of social and economic conditions, have changed over the course of time, other features of the service encounter, such as the need to meet customer expectations and preferences, appear to be enduring. At its most simplistic level, the service encounter is one person interacting with another (Czepiel, Solomon, Surprenant, & Gutman, 1985). The encounter is an elementary human activity that fills a substantial aspect of any individual’s time in today’s society and is a concern of society as a whole (Czepiel, Gutman, Solomon, & Suprenant).

Czepiel, Gutman, Solomon, & Suprenant (1985) point out that descriptions of service encounters in less modernized countries can show how poor service encounters can affect the quality of daily living. In this country, service encounters involving cumbersome bureaucracies can frequently be dehumanizing experiences. From the “macroperspective” it is necessary to provide that the system does not dismiss form in the pursuit of function. Quality and satisfaction should be the outcome goal of each service encounter.

While it is apparent that customers desire good service encounters, the other side of the dyad, the service provider, is frequently neglected. If customers, who have an investment in time and money in the encounters prefer satisfying exchanges, such experiences should be even more important to service providers. Encounters with customers can consist of up to one-third of a provider’s total working time (Czepiel, Solomon, Surprenant, & Gutman, 1985). In addition, interactions with customers often mandate that employees cover up their own personal feelings and act in a way that suits the goals of the their
employers and the immediate needs of the customer. As a result, employees may suffer from various forms of role conflict that can interfere with their ability to maximize customer satisfaction. From all of these perspectives, the service encounter is an important human activity.

Service encounters are not random acts, but rather follow a generally accepted format and have characteristics that separate them from other human interactions (Czepiel, Solomon, Suprenant, and Gutman, 1985). The first characteristic is that service encounters are purposeful. Regular interactions between two people can occur for a variety of reasons, such as social, familial, educational, and so forth. In contrast, the service encounter is goal-oriented, such as contacting a travel agent to purchase an airline ticket. The encounter is also limited in scope as determined by the nature and context of the service to be performed. As a result, task-related information, such as price and service availability, dominates the exchange.

Although service providers want to serve the customer in the best way possible, they are not altruistic. The principal objective of the service provider is to offer a designated service for payment. The service encounter is work; the service encounter dyad is aware of this fact. In addition, prior acquaintance is not necessary for the service encounter to take place. While an individual does not usually have extended interactions with strangers, service providers and customers are strangers, and may both parties be approached with societal approval within the limits of the service environment.

The service environment helps define the roles of the provider and customer. Goal-oriented interchanges between strangers require rules, if the task is to be successfully completed. The basic set of rules which give structure to the encounter is reflected in the roles and scripts that each actor plays during the course of the interaction. During service role enactment, a temporary status differential may occur. The concept of role definition and expectations is the final and unique characteristic of the service encounter. The normal social status of each party may be temporarily reversed. Such an inversion of the usual social order, in which those of lower status work for those with higher status, contributes a degree of role ambiguity to the interaction.

According to Czepiel, Gutman, Solomon, & Suprenant (1982) evaluating the service encounter as a subset of human behaviors permits researchers to utilize theories, such as role theory, that focus on
interactions. By assuming that the service encounter is a crucial factor that the customer evaluates when selecting among competing services, role theory can yield valuable insights into understanding services and for redesigning service encounters for particular situations. While it is true that all service encounters share the characteristics that distinguish them from other forms of human interactions, it also holds true that expectations customers have of the behaviors appropriate to each specific service environment are not necessarily alike. One factor that differentiates among services is the content of the service. Even in the same service environment, however, the perceptions of individual customers about what constitutes a satisfying experience can vary greatly.

Hollander (1985) states that despite years of research regarding service encounters, one basic question remains to be answered: “What makes for good (however defined) service encounters?” (p.60). Using the CIT, this exploratory research seeks to identify some baseline information concerning customer and employee perceptions of crucial aspects of the service encounter in the gaming industry. To introduce this concept, literature is reviewed in the areas of role and script theory, gap analysis, critical incident methodology, and critical incidents within the service encounter. The Review of Literature begins with the contribution of role and script theory to the service encounter.

**Role and Script Theory**

A unique feature of the service encounter is the purposive, task-oriented nature of the human interaction (Solomon, Surprenant, Czepiel, & Gutman, 1985; Sparks, 1994). Specific short-term goals are defined by society by consensus. As a result, ritualized behavior chains develop which guide the course of the encounter. Each party involved in the encounter has learned a set of behaviors, or role, that is appropriate for the situation and that facilitates attainment of the goal. Each participant, or actor, has a role to play, and the script from which the individual reads is often narrowly defined.

**Congruence and Satisfaction**

Congruence in the service encounter occurs when both guests and employees adhere to socially accepted roles and scripts. When customers and employees read from the same script, the service
encounter is more satisfying. The transaction runs more smoothly when both parties know what is involved and how to act in that specific situation. For example, the script in a fast food restaurant consists of the customer verbally giving the food order to the counter person. The menu is generally visible and requires little, if no, explanation by the service person. The roles are order-giver and order-taker. However, roles and scripts become confused if the customer asks the counter person for menu suggestions, a behavior more typically associated with an upscale restaurant. In other words, when role players read from different scripts, confusion results and the encounter no longer follows a predictable sequence (Solomon, Suprenant, Czepiel, & Gutman, 1985; Sparks, 1994).

In context of the present study, the casino customer, for example, goes to redeem coins at the main casino cashier. To the customer, the main casino cashier (which is usually designated by noticeable signage) appears to be the logical place to exchange dollar bills for coins to use in the slot machines. The customer is employing a script that involves asking for change and the cashier, in turn, providing that change. However, this is not the case in some casinos, as the primary function of the main cashier is to exchange bills for table game chips. The cashier, therefore, is operating from a different script and directs the customer to a change booth on the casino floor. This script is unfamiliar and perhaps even illogical to the customer. The unanticipated change in script interferes with the attainment of the customer’s immediate need of obtaining the desired change. Such script discrepancies generally result in increased customer dissatisfaction (Solomon, Suprenant, Czepiel, & Gutman, 1985; Sparks, 1994).

**Congruent Role Expectations**

Satisfaction with a service interaction can also be viewed as a function of the congruence between perceived behavior and behavior expected by role players (Solomon, Suprenant, Czepiel, & Gutman, 1985). Congruent role expectations facilitate social interactions. When service employees and the organization share common role expectations, role clarity and job satisfaction increase (Solomon, Suprenant, Czepiel, and Gutman). On the other hand, discrepant role expectations decrease efficiency, increase employee stress, and can result in dissatisfied customers. A casino floor person, for example, may have dual responsibilities of paying a jackpot and stocking the change booth at the same time. If the floor
person does not refill the change booth, the supervisor will be unhappy; if the customer waits for the jackpot to be paid, the customer will be unhappy. A cocktail waitress may have a limit on the number of free drinks that can be served to slot players, but a slot player who is not technically entitled to a complimentary drink feels that the waitress is not providing good service by requesting payment for the drink. Since the cocktail waitress depends on tips for a source of income, she is caught between her role of providing customer service and following company policy.

Similarities in how guests and employees perceive service encounters most likely occur when these two parties share mutual role expectations and the service script is well-known. Solomon, Suprenant, Czepiel, and Gutman (1985) define a role as the behavior usually associated with a socially defined position. Role expectations are the standard for role behavior (Biddle, 1986). Schank and Abelson (1977) state that “a script is a structure that describes appropriate sequences of events in a particular context” (p.41). In many routine service encounters, particularly for experienced employees and guests, the roles and scripts are well-defined, and both parties know what to expect from each other.

Many types of service encounters, such as ordering a meal in a restaurant, are repeated numerous times, resulting in strong, standardized and well-rehearsed scripts. When such interactions have strong scripts, the guest and employee are likely to share expectations regarding the events that will take place and their order of occurrence. Problems, however, can and do arise when both parties do not share similar role and script perspectives. Differences in perspective may occur when roles are less-defined, a participant is unfamiliar with anticipated behaviors, or interferences mandate the enactment of more complicated or less-routine scripts (Bitner, Booms, & Mohr, 1994). A novice gaming customer, for example, may expect the role of the dealer to be helpful and friendly when due to policy, the dealer is permitted only brief and impersonal interaction with the customer. The customer may interpret this behavior as a dissatisfactory experience, whereas the employee feels that the behaviors accurately fulfilled the job role. In an example cited by Bitner, Booms, and Mohr, a guest reported that a waitress refused to move him from a window table on a hot day, because there were no seats left in her section. The customer was concerned with his comfort, while the waitress was focused on losing a tip. Customer inconveniences, such as lost room reservations or delayed flight times, call for adaptation to the script that may not result in a satisfying
encounter for the customer. Airlines, for example, may state that the wait will be one hour, and it turns into a six-hour delay.

Analyzing service transactions from a role theory perspective has a number of advantages. Role theory requires the adoption of an interactive approach, since roles are defined in a social context. Role enactment appropriate to a specific situation is also determined by the reactions of others. The semi-ritualized characteristics of role behavior make it feasible to examine the structure and content of interacting roles apart from the specific actors playing the roles (Solomon, Suprenant, Czepiel, & Gutman, 1985). Given that a primary objective in the intangible service encounter is to provide consistent service at an acceptable level across individual service providers (employees), the constructs of role theory concept are quite applicable to the understanding the service encounter (Grove & Fisk, 1983; Dev & Olsen, 1989).

Role Theory and Drama

Role theory has its foundations in the dramaturgical metaphor (Solomon, Suprenant, Czepiel, & Gutman, 1985; Dev & Olsen, 1989). The term “role,” taken directly from the theatre, refers to the conduct adhering to certain parts rather than the actors who fill them. A role emphasizes the nature of people as social actors appropriate to the varying positions they occupy in society. To effectively survive in any culture, people must adapt to various ecological systems (Dev & Olsen). These systems include: self-maintenance system, space-time, social, normative, and transcendental (Sarbin & Allen, 1964). People also assume a variety of personal and professional roles within these ecosystems. Although all actors play different roles in their time, actors in the service environment must conform to a standardized set of behaviors in the workplace (Booms, Bitner, & Mohr, 1994). The focus for the service encounter is that of the placement of the employee and the customer in the social system that encompasses the structure of the service organization or the workplace specific to the service business.

Role enactment

People are frequently defined by the roles they play. When an individual is labeled a nurse, waitress, or police officer, others are able to produce a profile of this person, based on the characteristics designated by
society for that particular role (Booms, Bitner, & Mohr, 1994). Role theory focuses on role enactment, or the degree to which a particular part is appropriately acted as determined by the responses of the observer or audience. Role theory attempts to bridge the gap between the individual and the group, and personal history and the social organization. In the case of the service transaction, the enactment of the professional role by the service employee is judged for appropriateness, propriety, and truthfulness by the customer (Dev & Olsen, 1989). In other words, the success of the service encounter is heavily dependent upon the customer's subjective evaluation of the performance.

According to Zeithaml, Berry and Parasuraman (1988), service quality is a complete experience that can only be evaluated by the customer. Service quality, unlike tangible products, cannot be adequately measured by objective standards, due to two factors: (1) services are performed by people, and (2) good service relies solely on the perceptions of the individual customer. The format of the CIT makes it appropriate to investigate service quality from both the customer's and employee's viewpoint. This appropriateness is supported by the prior work of Nyquist, Bitner, and Booms (1985), Bitner, Booms and Tetreault (1990), and Bitner, Booms and Mohr (1994).

Even in a limited service encounter, the service person may be expected to enact a number of roles. Observations of restaurant waitstaff have reported roles including host, friend, expert, and clown. The more roles a service employee can play, the more valuable the employee is to meet the routine and particular emergency demands of the job. For example, in a restaurant setting the server who has accomplished a variety of pre-tested, realistic, and professional roles is better able to handle new and critical job situations than the person whose role possibilities are limited and relatively unrehearsed (Dev & Olsen, 1989).

Role enactment characteristics can be viewed along an intensity continuum (Sarbin & Allen, 1964; Solomon, Surprenant, Czepiel, & Gutman, 1985). At one end of the continuum is a low level of effort and emotional participation, such as a counter person at a fast food establishment. A maitre d' in a hotel would be placed at the high involvement level of the continuum. Several other service levels can be identified along the continuum.
The first part of the continuum represents the service person's role by low involvement in the service transaction. The next level of service and role type is called casual role enactment. This term refers to a service interaction initiated on an "as-needed" basis by the customer, such as the server in a commercial cafeteria. The server's involvement with the customer only occurs when the customer seems to need some assistance.

At the next step of service, the service provider's role is more ritual. A common example of this type of role is the frequently repeated greeting by the waitress at a moderate scale restaurant, such as, "Hi, I'm Susan, your waitress for the evening." The established ritual continues during the entire guest service encounter. The service role is fairly well-defined and in certain cases inflexible. The degree of specificity and inflexibility increases at the next level, or the engrossed service transaction. In the formal dining experience, for example, the service provider's role skills must be extensive and well-rehearsed.

The degree of role involvement and complexity in the service encounter will depend on the conditions placed upon where that job lies on the continuum. Efficiency of performance throughout the entire transaction would be jeopardized, if service personnel did not match their role conduct with the specifics of the situation. The role enactment construct, therefore, implies that there is an optimum level of effort and involvement in each type of job (Dev & Olsen, 1989). The optimum level of effort and involvement is connected to the employee's ability to serve the customer in the manner which the customer expects. Efficiency of performance and customer satisfaction can be enhanced, if the employee understands what the customer expects and delivers it.

Each service encounter is a role performance, and each role that one plays is learned. Role validation occurs when the service provider believes that the service provider is correct and that service will lead to a satisfactory performance. A person's role-specific self-concept is molded by the reactions of others to the characteristics of the role enactment. Certain roles are more important to the individual than others (e.g., parent versus tennis player). Jackson (1981) defines the self as a system of identities to which a person is more or less committed. Sarbin and Allen (1964) state that commitment to a role implies a need that the role enactment is convincing. Self-concept closely associated with a role constitutes a role identity (McCall & Simmons, 1966).
The concern that the provider can demonstrate competence in performing a role is pertinent to the service setting. If the employee's role is relatively important in the person's self-concept, commitment to a competent performance of that role should be strong. In other words, providing good service is important to the employee. In addition to one's own personal motivation to perform well, the desire to execute a service role well should also be a function of group (e.g., department, organization) cohesiveness.

Service staff are members of an organization, and group membership implies a responsibility to act in accordance with the guidelines that define one's position in the group. According to Solomon, Suprenant, Czepiel, and Gutman (1985), the issue of morale, as it effects service, can be viewed as a question of commitment to a role identity. If the service person's occupational role is relatively important in the self-concept, commitment to an effective and competent role performance should be strong, resulting in a concern for good service. In addition, role commitment is usually stronger when the service providers value their role within the group; this again results in a desire to provide good service to the customer.

Role Expectations

Role expectations are composed of the privileges, duties, and commitments of a social population (Sarbin & Allen, 1964). Dev and Olsen (1989) describe role expectations as the conceptual bridge that intervenes between the service setting and the service provider's professional enactment. The cognitive construct of role enactment works to form the anticipation of the customer during the first part of the service encounter. In the case of the service employee, role expectations include both the technical (job description) as well as the conceptual and human relations (behavioral and interpersonal) parts of the role.

In the service encounter, customer satisfaction is a function of role congruence, whether or not enacted behaviors agree with role expectations (Bateson, 1991). Role congruence impacts both the customer and the service provider. Both parties are likely to be satisfied, when the customer and employee enact behaviors congruent with each other's role expectation; otherwise, both actors may be upset by the encounter. The result of role discrepancy may be a dissatisfied customer as well as a dissatisfied employee (Bateson).
Service providers must design roles that are acceptable to both the provider and the customer and communicate the role expectations to these parties (Bateson, 1991). To maintain appropriateness and consistency, it is necessary to identify the specific performance expectations of each of the variety of roles that the service employee must enact. If congruence exists between expectations and performance, then the service transaction is usually successful. Customers are generally satisfied, if the service being performed meets or exceeds their expectations, and are dissatisfied if the service falls short of their expectations. The bigger the negative discrepancy between expectations and performance, the greater the corresponding dissatisfaction perceived by the customer (Churchill & Suprenant, 1982).

Adherence to role expectations is fundamental to a positive service encounter. The first step in obtaining role conformance is to measure the expectation. Dev and Olsen (1989) suggest that this measure can be accomplished by using the same techniques that are used to measure cognitive structures in general. This technique involves asking questions (e.g., how should the server in the coffee shop behave? How should the change person on the casino floor behave?). The answers to these questions should yield a consistent and integrated composite of duties and responsibilities of the service person’s role.

One’s role conduct also considers the role behavior of others. Expected role behaviors must be defined in relation to those occupying the other positions in that particular environmental setting. A role player’s behavior is interdependent with the behavior of those in complementary positions (Solomon, Suprenant, Czepiel, & Gutman, 1985). The totality of complementary roles is defined as a role set (Merton, 1957). The role set of the casino slot host, for example, could include the slot machine player, change person, cocktail server, technician, and department director.

Appropriate role socialization requires the ability to anticipate the behavior of other actors. Solomon, Suprenant, Czepiel, and Gutman (1985) cite Mead (1935) as defining this skill as “taking the role of the other.” In this empathetic process, the actors predict the others’ expected role behavior and subsequently gauge their own behavior to the predicted behavior of others. The predictions are based on expectations for conduct implied in common meanings. For example, a customer walking into a restaurant is communicating the desire to purchase a meal or beverage. This behavior allows the server to initiate the actions that correspond to a waitstaff role. The server’s response would not have the same connotation
outside of the restaurant frame, even though in both cases a relative stranger is initiating a conversation. In some incidents, the questions involved in the conversation may be of a somewhat personal nature. Upon entering the restaurant, the customer assumes the role of customer and a role-defined dyadic interaction familiar to both parties may start.

While service providers and customers share common expectations about proper role behaviors, such expectations differ among encounters and are tempered by provider/customer characteristics and perceptions, and by production realities (Czepiel, Gutman, Solomon, & Suprenant, 1982). Characteristics and perceptions of both parties regarding the service encounter guide which behaviors encompass a satisfactory interaction. They can also help employees and customers differentiate various levels of the same type of service. For example, within a class of service encounters (e.g., checking into a lodging establishment) the behaviors of the actors will vary as a function of the learned expectations within that specific location. In other words, different behaviors are expected at Motel 6 as compared to the Ritz Carlton. Production realities refer to the group of dimensions associated with service production or delivery including time factors, technology, location, content, and complexities that constrain the encounter and help ascertain which role behaviors are appropriate (Solomon, Surprenant, Czepiel, & Gutman, 1985; Dev and Olsen, 1989).

Since role behavior is ritualized, learned behavior (Solomon, Surprenant, Czepiel, & Gutman, 1985), training emerges as a key managerial implication of the role theory perspective. Training is needed to develop a high degree of consensus among individuals regarding the content of roles. Clarity and efficiency are promoted, when the content of roles is relatively consistent across actors. Ease of role performance is also a function of experience and communication. Less-experienced providers may need to expend more cognitive effort than experienced role players. Training pertinent to role expectations facilitates the learning of role behaviors and the ability to mediate experiences. Once service roles have been defined, it is also management's responsibility to manage customers' expectations by educating them about the service process (Bateson, 1991).

The expectations held by each role player regarding proper behaviors are multidimensional. Providers and customers continually adapt to bridge the gap with respect to values, perceptions, possession, time, and
place dimensions of the transaction. A number of role selection opportunities can emerge as the encounter progresses. Changes in roles may occur, depending on how the encounter evolves (Dev & Olsen, 1989). When the salient characteristics of the encounter are clear to the role players, appropriate role behaviors can be identified and evaluated (Czepiel, Gutman, Solomon, & Suprenant, 1982). For a successful service transaction to take place, agreement is generally required about the nature of the roles to be played. Lack of clarity usually reduces the efficiency of the performance, since each member must expend more effort to make sense of the other actor’s unanticipated behavior (Suprenant & Solomon, 1987).

**Role Conflict and Boundary-spanning**

In their Customer Contact Model, Chase and Tansik (1983) define organizational contact with guests in service industries as the attendance of the guest in the production system of the organization. In addition to being present, customers often participate in the production of the service. The interface between the customer and the organization is facilitated by a combination of human resources and technology. This interface ranges on a continuum from low-contact service encounters, such as automatic hotel check-out, to high-contact encounters, such as concierge services. As customer contact employees interact with both the service firm and the firm’s environment, they occupy what is defined as “boundary-spanning” roles (Bowen & Schneider, 1985). In the service encounter, boundary-spanning employees provide the most intimate interface with the guest and they also are as close psychologically and physically to the firm’s customers as they are to other employees. In the service encounter, boundary-spanning employees provide the most immediate interface with the customer (Parkington & Schneider, 1979).

Boundary-spanning has also been found to be highly correlated with both role ambiguity and role conflict. Role conflict is “defined as the concurrent appearance of two or more incompatible expectations for the behavior of a person” (Biddle, 1986, p. 82). According to Weatherly and Tansik (1993), it is plausible to assume that customer-contact employees can experience high levels of role conflict and stress. These emotions can be attributed to the many demands placed upon the service employee, many of which are caused by the multitude of roles to be played in the typical service transaction (Dev & Olsen, 1989). A service employee, or actor, who is experiencing conflict must necessarily ignore some of the expectations.
of one or more of the roles, and to the degree that the employee does so, may be ineffective in the service transaction (Getzels & Guba, 1955).

Shamir (1980) points out that boundary roles perceived as subordinate, such as the waiter or waitress, are expected to have high levels of role conflict. Shamir introduces the concept of Subordinate Service Roles (SSR), or organizational boundary roles, in which a firm’s member gives direct service to a nonmember whose status is higher than that of the service provider. Roles carried out in service firms have several unique characteristics: (1) roles have no particular mission (as in a human processing organization, such as a hospital) or intention to alter the behavior of the customer, (2) employees are not viewed as professionals, and (3) customer participation in the service is voluntary. As a result, the status of the service role inhabitant in such firms is subordinate to that of the customer.

Shamir (1980) emphasizes that employees occupying subordinate service roles are likely to experience a higher level of conflict than those in organizational leadership roles. This conflict is due to their: (1) relatively high boundary relevance or number of contacts with individuals outside the service person’s organization, (2) high degree of exposure to role senders outside the organization, (3) lower status relative to role senders outside of the organization, and (4) lower status relative to role senders inside of the organization.

**Person-Role Conflicts**

In a study of hotel workers and bus drivers in Israel, Shamir (1980) identified person-role conflicts. These conflicts exist when role expectations are incongruent with orientations, internal standards, or values of the role occupant. It is frequently assumed, for example, that the customer desires to feel important, and the service employee is expected to reinforce this notion. The common motto “the customer is always right” is a norm in many service organizations. Another expression of the emphasis put on the subordinate person’s position is found in the manner of address forms used in the service encounter. While the customer is typically addressed as “Sir” or “Madam,” the customer addresses the service provider by first name, nickname, or by the name of the job being performed. These different forms of address create a
conflict between service-role requirements and values of equality that are present in society outside of the service firm.

Role conflict also exists between role requirements and the self-esteem of the role player. Shamir (1980) cites the example of bus drivers in Israel. The drivers experienced conflict, when they performed the dual tasks of driving the bus and collecting money. The bus drivers reported feeling humiliated, when they had to stretch out their hands like "beggars" to collect the fare, while simultaneously driving the bus. In the same study, Israeli waiters described feeling subservient to customers, when customers commented on the amount of the tip they felt that the waiters deserved.

Another conflict identified by Shamir (1980) is that which exists between feelings and behaviors. The first point is the expectation of the service worker to create the impression of enjoyment in performing the subservient role. Conflicts can also exist between personal attitudes and feelings of the role occupant towards personal appearance and the appearance required by the service organization. The nature of the service relationship and intimacy is usually also in the hands of the customer, and may ignore the wishes of the service provider. Customers with high status usually have the power to increase and decrease the degree of intimacy of the service encounter, particularly true when the customer is male and the service worker is female.

Role Conflict and Incongruent Expectations

Shamir (1980) points out that conflicts arising from incongruent expectations of different clients can have other dimensions, which extend beyond particular situations, due to variations among clients and their perception of "good service"; pace of service is one such factor. Some customers in restaurants and banks demand the quickest possible service, while others desire to be served at a more leisurely pace. It can be challenging for the employee to change pace from customer to customer. Specificity is another dimension of conflict. This type of conflict not only exists between the customers' and firm's expectations, but also occurs on the level of inter-client conflict. Some customers like an accurate, specific service, limited to the designated business; others prefer a certain degree of personal recognition and intimacy. The Subordinate
Service Role (SSR) occupant experiences conflict, when having to service a customer in the presence of other customers who have different perceptions of service.

Hollander (1985) concurs that service workers resent some or all of their customers. This resentment may be because the workers frequently feel that customers lack appreciation and give little acknowledgement for the preparatory work done prior to the customer’s consumption of the service. Hostile feelings may also occur when customers, whom the employees feel are low in absolute status, employ some relative advantage in the service relationship. Ill feelings may be attributed to inappropriate, difficult behavior on the part of a few customers or may illustrate a general dislike of all customers.

Solomon, Suprenant, Czepiel, and Gutman (1985) found that inconsistencies in service provider/customer role expectations may be shown in two ways: (1) the worker’s perception of job duties or qualifications varies from the customer’s expectations of those duties, or (2) the customer’s idea of the customer role differs from the employee’s perception of that role (Solomon, Surprenant, Czepiel, & Gutman, 1985; Weatherly & Tansik, 1993; Dev & Olsen, 1989). In the first case, the employee is caught in the conflict between the tasks assigned by management and fulfilling customer requests. For example, in the gaming environment, a slot customer may ask the slot host to “comp” a dinner in the casino’s gourmet room. The slot host, however, recognizes that the customer’s playing level does not merit that degree of complimentary service. The host is caught between upholding company policy and fulfilling the customer’s request for special attention. Conflict of this nature is particularly upsetting to customer-contact employees, who feel torn between the demands of legitimate authority (e.g., their supervisor or company policy) and the demands of the customers with whom they usually identify psychologically (Rafaeli, 1989).

Role requirements of service staff can range from virtual automation, such as a casino change person, to an equal partner with the customer in the service interaction. The second type of role discrepancy illustrates a situation in which the employee’s role concept is not congruent with that projected by the customer (Solomon, Surprenant, Czepiel, & Gutman, 1985). For example, a fast food counter clerk may not be prepared to respond to a customer’s request for menu suggestions, or a guest, requesting service from a waiter that walks by, may be met with a response of: “This is not my station.”
Intra-role and Inter-role Congruence

Solomon, Suprenant, Czepeil, and Gutman (1985) stress that "satisfaction with a service encounter is seen as a function of the congruence between perceived behavior and the behavior expected by role players" (p.104). The researchers further state that role congruence in a service situation consists of a two-dimensional issue of intra-role and inter-role congruence. Intra-role congruence comprises the extent to which the service providers' conception of their own role is in agreement with the organization's conception of that role. Inter-role congruence reflects the degree to which provider and customer share a common definition of service roles.

Intra-role congruence can be viewed as role ambiguity. Solomon, Suprenant, Czepeil, and Gutman (1985) report that a lack of role clarity is a significant source of job tension, dissatisfaction, and reduced creativity, since employees are uncertain of the exact nature of role expectations. Biddle (1986) found that role conflicts are associated with several indicators of personal malintegration in the work environment, such as poor performance, less commitment to the organization, and higher rates of accidents and turnover. These factors have the potential to create customer dissatisfaction, even to the point of losing repeat business. Some employees with low commitment to the organization probably do not view their role to provide excellent customer service. Poor performance can lead to a discrepancy between expected and received service. Turnover can disrupt the creation of a loyalty relationship between the customer and the firm.

According to Sarbin and Allen (1964), role congruence is partially explained by dispositional characteristics and by prior experience and the amount of interaction in that role. The amount and specificity of communication about role expectations are also vital mediators in role congruence. Communication flows are often facilitated in smaller groups. Thomas (1959), for example, found that greater role consensus is present in small organizations. Schneider (1980) reports that incongruence between the service orientation of staff, who are probably self-designated "service enthusiasts," and the perceived alignment of management as "service bureaucrats," who work to maintain the system, produces role ambiguity and conflict. This process results in dissatisfaction, frustrations, and intentions to terminate the work relationship (Solomon, Surprenant, Czepiel, & Gutman, 1985).
The second type of role congruence is inter-role congruence (Solomon, Suprenant, Czepiel, and Gutman, 1985). This consistency reflects the degree of agreement between both parties involved in the service encounter, regarding the appropriate roles to be played. At the very least, the requirement of expending energy to anticipate a person's behavior limits the time available for task activities. A lack of clarity may negatively influence the efficiency of the group or dyadic performance. Group effectiveness depends upon actors, or members, understanding the role expectations of the other members, so that all are clear about their own role expectations.

Bateson (1985) proposes that a service encounter is actually a "three cornered fight" between the customer, the employee, and the service organization, all competing for control. Customer-contact employees want to control the service encounter, as a means of protecting their own mental and physical health. Customers also desire to control the service encounter as they not only consume the service, but also help to produce the service (Chase & Tansik, 1983). In addition, the organization works to control the encounter via policies, procedures, and supervision (Schneider, Parkington, & Buxton, 1980). When all three actors work in concert, everyone benefits: The customer exchanges money for satisfaction; the employee exchanges job performance for job satisfaction and salary; and the firm provides the necessary resources for the transaction to occur with the objective of earning a profitable return on capital. However, conflict over the control of the service interaction can hinder the actors from working together (Bateson, 1985).

Coping with Role Conflict

To reduce role conflict, employees are likely to engage in behaviors they believe will lessen the amount of stress they encounter in the work environment. Weatherly (1991) identified a typology of tactics used by customer contact workers to gain control of their interactions with customers: Effort or tactics to satisfy role demand; negotiations or tactics to alter role demand; pre-empting or tactics to avoid the sent role; and avoiding or tactics to avoid the received role. Van de Vliert (1981) proposes that employees try to fulfill the duties of their received role, negotiate the demands of the received role with the role-senders, or avoid the role-senders in an attempt to stop them from disseminating any new expectations.
Hall (1972) reviews several different types of responses to reducing role conflict: (1) Negotiating with others to change their expectations, (2) reshaping one’s views to lessen the intensity of the problem, and (3) adjusting one’s behavior. Burke and Belcourt (1974) found that 65% of coping responses of managers and manager trainees were grouped into five categories: (1) talking to others, (2) working harder and longer, (3) changing to an absorbing non-work or play activity, (4) analyzing the situation and altering the plan of attack, and (5) physically withdrawing from the situation.

Shamir (1980) found that conflict can be reduced by teaching the client the rules of the organization. Employees in subordinate service roles can also seek to mediate conflict by controlling the interaction. These controls can include physical controls, such as airline crews keeping the “Fasten Seatbelts” sign on longer than needed; control through leadership, such as through tone of voice or a show of expertise; control through anticipation of customer needs; and control by giving or holding rewards.

Weatherly (1991) devised a typology of tactics used by customer-contact workers in service industries. The typology includes tactics to satisfy role demands (effort), alter role demands (delegating, explaining, rewarding, and punishing), avoid the sent role (ingratiating, distracting, and avoiding), and avoid the received role (reinterpreting and ignoring). Employees can use these strategies when dealing with co-workers, supervisors, and customers. A casino change person, for example, may ignore (tactic to avoid the received role) a customer by pretending to not see the patron signaling for service. Service personnel may alter role demands by delegating tasks to a co-worker, supervisor, or even the customer. A waiter, for example, may ask another waiter to refill beverages at a table. Employees can try to satisfy role demands via additional effort, such as restocking merchandise and answering a customer’s question at the same time. Employees can avoid the sent-role by distracting the customer or supervisor by engaging them in conversation to prevent them from having the opportunity to vocalize job expectations. In their study of convenience store managers, Weatherly and Tansik (1993) found that negotiating was positively related to role conflict and ambiguity. Job satisfaction was positively related to effort and negatively related to preempting and avoiding.
Job and Customer Satisfaction

The majority of research in the area of job and customer satisfaction supports the idea of a link between role conflict and job satisfaction (Dubinsky & Mattson, 1979; Weatherly & Tansik, 1993). In a study of retail salespeople, Dubinsky and Mattson (1979) found a correlation between increased role conflict and decreased job satisfaction. Oliver and Brief (1977-78) also found that job satisfaction was significantly related to role conflict and role ambiguity. In their studies of customer contact workers in the banking industry, Fisher and Gitelson (1983), Jackson and Schuler (1985), and Parkington and Schneider (1979) found that role stress was negatively correlated with job satisfaction, performance, organizational commitment, and job involvement, and positively correlated with employees' intent to leave the organization. Oliver and Brief also found that employee commitment to the organization was significantly related to job satisfaction. Low commitment, in turn, is a surrogate measure for turnover (Dubinsky & Mattson). Since job turnover can be costly to the organization, management should actively work with employees to reduce role conflict.

Schneider and his colleagues (Bowen & Schneider, 1985; Parkington & Schneider, 1979; Schneider, 1980; Schneider & Bowen, 1985) have expanded upon this research by examining the link between job satisfaction and performance in workers in service industries. In their studies of bank employees, Schneider and his co-researchers discovered that organizational human resource policies and employee job satisfaction are related to customer perceptions of service quality and customer satisfaction. When employees perceived their branch’s policies as employee-oriented, the bank’s customers reported higher levels of satisfaction with the bank’s services.

When service organizations establish policies and procedures around customer needs, they are what Schneider (1980) designates as “service enthusiasts.” Service enthusiasts work to satisfy customer needs, as compared to “service bureaucrats, who are more interested in system maintenance, routine, and adherence to policies and procedures. Role conflict and role ambiguity arise when employees' views on service are not congruent with what they perceive the organization is actually professing. Schneider emphasizes that employees in service firms truly want to provide good service, and that when management actively supports this attitude, both employees and customers will have increased levels of satisfaction.
Schneider (1980) confirmed, in a study of banking employees and customers, that when employees report that management is a service enthusiast, customers reported superior banking experiences. Customers that report a more positive service climate are less likely to switch their business elsewhere.

Other researchers have found similar relationships between employee and customer satisfaction. In a study of retail outlets, Westbrook (1981) discovered that the most important factor in determining customer satisfaction with a department store was the customer’s satisfaction with the salespeople. Storbacka, Strandvik, and Gronroos (1994) report that a bond between the customer and the provider can serve as a switching barrier. Parasuraman, Berry, and Zeithaml (1985) identified “courtesy” as a critical dimension of service quality as viewed by both service industry executives and service consumers. In follow-up work, Parasuraman, Zeithaml, and Berry (1988) developed SERVQUAL, a multi-item scale, used to measure customers’ perceptions of service quality. Three of the five dimensions of service quality are “responsiveness,” which refers to “willingness to help customers and provide prompt service”; assurance, which is defined as “knowledge and courtesy of employees and their ability to inspire trust and confidence”; and “empathy,” which means, “caring, individualized attention the firm provides its customers” (p. 23).

Service quality is important to employees as well as customers. Schneider and Bowen (1985) further argue that customer satisfaction is enhanced, when organizations treat employees as valued customers. The theory is that employees who are treated well by their employer will extend this attitude to their customers. Heskett, Jones, Loveman, Sasser, and Scheslinger (1994) in the service-profit chain support this notion. The service-profit chain creates relationships between profitability, customer satisfaction, loyalty, and productivity. The links in the chain (which should be regarded as propositions) are as follows:

Profits and growth are stimulated by customer loyalty. Loyalty is a direct result of customer satisfaction. Satisfaction is largely influenced by the value of services provided to customers. Satisfied, loyal, and productive employees create value. Employee satisfaction, in turn, results primarily from high-quality support services and policies that enable employees to deliver results to customers, Heskett et al. pp. 164-165.
Reichheld (1993) expands on the value of loyal employees as it relates to profitability. The longer employees stay with the organization, the more familiar they are with the business, they more they learn, and the more valuable they become. Customer-contact employees have an enormous impact on customer loyalty. Long-term employees know the customer better than newcomers. It is the front-line employee, not management, that builds a relationship of trust and expectations, and when those people leave the organization, the bond is broken.

Reichheld (1993) points out that some companies lessen their economic potential via human resource policies that induce high employee turnover, in part, because they are unable to quantify the economics of retaining good employees. Even though management might say they want to keep good employees, if doing so increases salary cost, the commitment soon fades. Management continually fails to realize that the cost of increasing pay to decrease employee turnover is more than offset by customer loyalty.

Service Scripts

Discrepancies in role perceptions are indicative that all of the role players involved in the encounter are not reading from the same script. According to Solomon, Suprenant, Czepiel, and Gutman (1985), role expectations and predictability form the basis of the service script. Variations from scripted behavior can result in both positive and negative aftermaths. Deviations may happen, because one of the actors involved in the encounter steps out of role, the participants fail to share common role definitions, or because actors are not reading from the same script. According to Schneider (1980), if the structure of service scripts is better understood, the transaction can be designed for congruency and enhancement of the service climate.

Leigh and Rethans (1984) and Solomon, Surprenant, Czepiel, and Gutman (1985) credit Abelson (1976) with a new theoretical perspective on social cognition that deviated from the predominant views on language, memory, and decision making as well as attitudes and behavior. The theory advanced the concept of a cognitive script, defining a script as "a coherent sequence of events expected by an individual, involving him either as a participant or as an observer" (Ableson, 1976, p. 33). Schank and Abelson (1977) defined a script as "a structure that describes appropriate sequences of events in a particular
Abelson (1981) later revised script terminology: "a script is a hypothesized cognitive structure that, when activated, organizes comprehension of event-based situations" (p. 175).

According to Solomon, Surprenant, Czepiel, and Gutman (1985), investigations of schematic information processing employs the assumption that a significant amount of social interaction is ruled by learned assumptions regarding the way the interaction should proceed. Given that a script can be viewed as a learned sequence of events (Schank, 1980), it appears to be applicable to the service encounter. The service script holds information about the role set of one's own expected behavior, the complementary role behavior of others, and would reflect the person's learned (or imagined) conception of the typical service experience. Necessary information about the service encounter is stored in different levels of memory, depending on its degree of abstraction (Schank).

**Script Activation**

Upon activation, scripts stored in memory are used to direct behavior in specific situations. For example, in the casino environment, when a table game customer sits at a “black jack” table, the “black jack” script would be activated and begin to guide behavior. The script would contain a set sequence of events at a black jack table from the customer's point of view. Scripted activities might include purchase of chips, placing of a wager, evaluation of hand, and the decision to request more cards or stand on the cards dealt. Scripted information enables the customer to understand what is observed and to plan and perform the usual activities indicated for the situation.

Scripts actually have a dual role. First, scripts discharge encoding and representation functions. When met with a stimulus environment such as a table game scene or a recognized need for purchase, informational parts present in the situation come to be processed in a way that reflects the structure of the script. Scripts, therefore, drive the informational processing of the individual. Scripts also engage in inferential functions. Scripts symbolize normative structures, utilized to produce script-relevant expectations. In turn, these expectations generate a powerful influence upon affect and behavior. The customer, therefore, may compare observed activities with pre-existing expectations to make goal-oriented judgments (Leigh & Rethans, 1984).
The script, therefore, forms the basis for the perception of outcome contingencies and the comparison level, or quality of outcomes, that customers feel they deserve in a given interaction (McCallum & Harrison, 1985). The comparison level that influences the customer's satisfaction with the interaction is connected to the script since the script determines which previous experiences are relevant to judging the new encounter. For example, a customer may possess a script for gaming in an upscale casino. This script might include expectations that food and beverages will be complimentary, the décor impressive, that an extensive credit line, higher betting limits, and personal casino host services will be available. The comparison level for the overall gaming experience is not influenced by past experiences in a lower-end casino or "slot house."

Customers have cognitive scripts for an extensive variety of service encounters. Although a high level of consensus can be expected among people in a given situation regarding script components, a process-oriented approach must recognize the fluid mode of such a construct. A variety of variables, such as cultural expectations, will mediate the idiographic content of scripts. Some scripts require variation rather than conformity. Expectations may evolve over time, as a script becomes redefined. It may be easier for customers to adapt to the new script, if it is integrated with the old one. In the casino environment, for example, the old script for playing slot machines involved placing coins in the machine and pulling the handle. The revised script directs customers to place either coins or currency in the machine and push a button rather than pull a handle. The newer version no longer has a handle, but still has the option of using coins and displays colorful images on the machine.

Customers with broader ranges of experiences may be expected to have a more extensive and differentiated list of scripts inscribed in memory. McCallum and Harrison (1985) state that the implications concerning customer satisfaction center around the experiences judged to be relevant by the consumer, which is a function of script differentiation. The customer, for example, evaluating a gourmet restaurant encounter against a gourmet restaurant script, will probably have more demanding service expectations than the customer evaluating the encounter against a family restaurant script.

Another issue related to customer satisfaction is script selection. Customers' expectations regarding service interactions may initially involve more than one script. Customers' selection of a specific script
depends upon the cues provided early in the service encounter. According to MacCallum and Harrison (1985), it may be to the service provider's advantage to cue a specific script and as a result influence customers' expectations and satisfaction. Just guiding customers into a script may positively impact their satisfaction with the service encounter. Ambiguity regarding the appropriate role may be, in itself, a deterrent to satisfaction.

**Training**

Service scripts, containing information about the role set, are learned by both the customer contact employee and the customer. In a similar manner, role behavior is patterned, learned behavior. For the employee, this learning process is often definitive. The customer contact employee functions as an actor. To be a successful actor, the service employee must learn to be competent in a variety of skills, including technical, functional, and personal. Training plays an important role in employee, as well as, guest satisfaction. Well-trained employees feel knowledgeable, confident, and are ready to handle a variety of situations. For example, baccarat workers at the MGM Hotel/Casino in Las Vegas have been trained to recognize the subtle differences in service expectations for various nationalities (Comeau, 1995b). The organization can provide initial and continual employee education through formal training programs and/or an apprenticeship to an accomplished role player.

Grove, Fisk and Bitner (1992) and Dev and Olsen (1989) compare the service experience to a drama as both require strategies and tactics utilized by participants to create and maintain a favorable impression before an audience. The drama and service transaction both recognize that one manner to accomplish this goal is through the watchful management of "expressions given and given off" by the actors and the physical environment. Grove, Fisk and Bitner advocate that:

due to the numerous similarities between the characteristics of services and the elements comprising dramatic analysis, depicting services via the drama metaphor is a logical and stimulating exercise that provides both a vocabulary and a conceptual framework for communicating and understanding services marketing and management(p.95).
Just as the success of a dramatic production heavily depends on the skillful performance of the actors on stage, a satisfying service interaction for many services is determined largely by the service's contact personnel. To the audience (customer) customer-contact employees may represent the service itself; their technical skills (what they do), and their functional skills (how they do it) are observed and analyzed and become crucial indicators of the service's quality (Gronroos, 1985). Service “actors,” just as theatrical professionals, must react to several critical aspects of their role in the service’s performance to raise the preferred impression or definitions of the service. The actors, therefore, are vitally important in creating customer perceptions of the service. Grove, Fisk and Bitner (1992) have identified several strategies for improving the actors’, as well as the audiences’ ability to successfully manage their roles.

Hiring

The first of these strategies is to audition the service “actors.” Bateson (1989) strongly emphasizes the importance of having the right people conduct job interviews. The right people are enthusiastic, professional, and make a good first impression for the organization. Selecting applicants who can deliver quality service is a challenge that cannot be met by simply reviewing an application or resume. Organizations that want to hire for the “people” factor must develop methods of employee selection that reach beyond the basic interview. Rather than the traditional practice of hiring for experience, Schneider, Wheeler, and Cox (1992) stress that an organization can facilitate the quality of customer service by hiring service personnel with the required aptitudes and attitudes desired by the organization. This customer-interaction orientation is found in people who demonstrate behavioral flexibility, empathy, and strong interpersonal skills. Personality inventories and other scales can be helpful in measuring these attributes in potential employees. Simulation techniques, role-play with customers, and the use of video tapes depicting actual on-the-job situations are techniques that can be utilized in the audition process.

An important, but often overlooked, aspect of auditioning is the recognition that not all potential new employees are appropriate for roles that put them in front of an audience (Hogan, Hogan, & Busch, 1984). Technical skills can usually be taught, but attitude and the ability to act in front of an audience are difficult to change. While it is possible that training can develop strong interpersonal skills, behavioral flexibility
and empathy are innate qualities that cannot be easily acquired through training. Heskett, Jones, Loveman, Sasser, and Schlesinger (1994) cite that Herbert Kelleher, CEO of Southwest Airlines, believes that hiring employees with the right attitude is crucially important to the success of his business. People, not quantifiable factors, are at the heart of the hospitality business.

The goal of hiring is not merely to fill vacant positions to do the work, but also to find and keep employees who will continue to learn, become more productive, and create long-term relationships with customers. Hiring the wrong people can result in employee dissatisfaction with the job, malintegration with the rest of the workforce, and creation of intentions to leave the organization. Turnover is costly due to repeat hiring and training, as well as lower customer retention. If employees are expected to have longevity, firms can more easily justify investing more. It becomes beneficial to teach employees to do the right thing for the customer; that in turn creates happier customers, and ultimately leads to higher profits. Increased revenue can be put toward the higher salaries of long-term employees. There are also other spillovers. Employees take pride in providing value to a customer over a lifetime of encounters. Their satisfaction in contributing to a positive, collective goal is another factor that strengthens their loyalty to the firm.

Once the successful actors have been hired, they must be provided with scripts. In this context, a script would consist of a specific plan, describing the appropriate behavior(s) in a particular situation, but not necessarily the verbatim words to be spoken (Grove, Fisk, & Bitner, 1992). At times, flexibility is needed, so that the script can be personalized to the situation of the individual customer. In addition, since situation and audience expectations differ, one standard script may not cover each service actor, routine encounters, and emergency situations. Grove, Fisk, and Bitner suggest that the service firm find might it helpful to create a group of scripts for each service actor, as well as for anticipated and emergency situations.

The training of new hires around well-developed scripts is a commonly used orientation procedure (Tansik, 1990). The service script gives the company significant control over and uniformity of, the customer-customer-contact employee interaction and is easily enough learned so that new employees can be quickly trained and start to work. Scripting is frequently used in high-contact, repetitive jobs. In over-scripted jobs, however, the service encounter can become “mindless” (Solomon, Surprenant, Czepiel, &
Gutman, 1985; Tansik). The employee tends to interact in a passive fashion with a minimum of cognitive activity. Employees may also make errors caused by mindlessness and fail to recognize the special needs of individual guests. Scripts, however, are useful for training new employees. As the staff becomes more experienced, scripts can be altered to accommodate greater flexibility for unique situations (Lord & Kernan, 1987).

**Mindless Behavior**

Once an actor has mastered a particular script, that person often interacts with minimal conscious attention at the time and even less recall later. This tendency has been labeled “mindlessness” (Langer & Imber, 1979). In other words, the actor performs, using a minimum of cognitive activity. One benefit of mindlessness is that it enables actors to perform rapid and complex sequences of behavior, without having to stop and consciously plan each step before it is performed (Tansik, 1990). Langer and Imber have argued that over-learning one step permits actors to ignore it, while they focus on learning new tasks.

The state of mindlessness, however, has several drawbacks. Asforth and Ravid (1986) report that research has shown that mindlessness increases mistakes, especially in situations of frequent repetition of behavior. Actors, for example, may forget an important step in the event sequence without realizing it, because the mindless nature of the performance decreases monitoring. The mindless state of behavior can also cause customer dissatisfaction. Unmet needs promote customer dissatisfaction, because customers tend to personalize poor service. Customers generally want to feel that customer-contact employees care about them personally. Mindless employee behavior, created by the repetitive characteristics of the job, may be perceived by customers as a “bad” employee attitude. In turn, especially for customers desiring personal service, this perception can create resentment about and dissatisfaction with the service encounter. In addition, managers may blame individual employees with perceived poor attitudes in order to deflect attention away from service delivery problems, for which the manager is accountable.

Solomon, Suprenant, Czepeil, and Gutman (1985) argue that as long as the structure of the script is followed, the service interaction is characterized by mindlessness. Only when the interaction in some way departs from the service script do the participants need to engage in cognitive effort to orient behavior,
since the predictability of the role enactment is diminished. The result of this departure can be positive or negative. Solmon, Suprenant, Czepeil, and Gutman (1985) propose that deviation from the script is a prerequisite for the evaluative process. If there is no deviation from expectations, customers have little reason to put forth the cognitive effort needed to form an evaluation. When something out of the ordinary does occur, the customer generally tries to identify the reason for the deviation. Customers may be pleasantly surprised, as when an employee is exceptionally courteous, or severely disappointed if an employee refuses provide the expected service. Overall, extremes in either positive or negative evaluation are only experienced when some divergence from expected role behavior occurs and the abrupt termination of mindless behavior requires active thought.

Ashforth and Ravid (1986) propose that service requests behave as triggers that start performance scripts in motion. Before a trigger is encountered, employees observe the environment for key cues that they often encounter, but once a trigger is encountered, employees tune out the environment and begin enacting the scripted response sequence. In a study of various service environments, these researchers discovered that customer service requests, initiated after the start of the scripted sequence of events were not honored nearly one-third of the time. In other words, once a scripted sequence of events was in motion, many employees tend to mindlessly execute it. In addition, frequently asked-for exceptions (such as no onion on a hamburger) were honored more than infrequent requests (such as using bread instead of a hamburger bun), indicating that, through repetition, subscripts had been developed.

Although mindless behavior can create some service issues, methodical self-acting processing does have some advantages. Ashforth and Fried (1988) emphasize that the objective is to identify ways to promote mindless behavior advantages while reducing its disadvantages. The researchers cite the main disadvantage of mindless behavior is regarding tuning out the environment. The authors offer several actions that can be taken to reduce this behavior: (1) train customer-contact employees to use a wider number of standard responses, (2) teach employees how to modify their delivery and vocal variety, (3) for more sensitive contact positions, hire employees who are adept at acquisitive monitoring, (4) teach employees how to recognize different types of customers, (5) reduce the overall level of script repetition.
through job rotation, and (6) prevent employee fatigue, as over-worked employees are more likely to ignore individual customer differences.

**Training and Rehearsing**

Although the appropriate scripts may be in place, employees may still experience difficulty in communicating with guests. Nyquist, Bitner, and Booms (1985) found that employee training focuses on how to perform the technical requirements of the job, but falters in the area of skills for communicating with guests. The researchers state that the first step in creating an effective oral-communication training program for service workers is to investigate the nature of their communications with customers and to pinpoint areas where there may be problems that could be addressed through training. This pinpointing can be accomplished by identifying "critical" interpersonal exchanges in the service encounter from the viewpoint of the employee and to develop scripts and strategies to deal with these situations.

With the scripts in place, the next component of the drama module is to train and rehearse. Grove, Fisk, and Bitner (1992) advocate the use of extensive training and rehearsal procedures for service actors. This training could involve lengthening the training process beyond the initial orientation of new service staff. Training and rehearsal should also focus on those service employees who work in the back of the house, as well as those who are visible to the audience while on stage in front. As with theatrical actors, service actors who consistently deliver outstanding performances are likely to have devoted time to rehearsing their roles.

**Performance Teams**

The use of performance teams can enhance the service production. Performance teams combine the skills of highly experienced service actors (mentors) with those new to the organization (apprentices). For more complex services, Grove, Fisk, and Bitner (1992) suggest the use of an "understudy" arrangement. In this situation, the new customer contact-employee has an opportunity to develop skills while working with someone more experienced. This training is done before placing the new service actor in a front of the house spot and should increase the new service actor's chances of success. Nurturing this kind of
teamwork does require the organization to invest time, money, and confidence in its workers. However, a vital aspect of the performance team is the coordination of clearly defined roles that each member of the team plays. The up-front investment is worth the result of a flawless performance.

The use of performance teams can develop positive staff relationships. Rather than pitting employees against each other, integrative approaches such as weekly team meetings, task forces, staff retreats, training, and brainstorming sessions increase staff cohesiveness. Employees develop trust and confidence in each other and recognize the importance of everyone’s role. The “understudy” concept provides a career path for employees and an emotionally safe way to increase job skills. Employees are more likely to stay, when ongoing learning and promotion are encouraged from within. The service process is also more efficient when all actors are knowledgeable and work together, which should impact positive guest satisfaction.

The Customer’s Role

The service production takes place in front of an audience. In the dramaturgical metaphor, the audience is composed of the customers receiving the service. Customers are present during, and often participate in, the production of the service. The customers have a profound influence on the service delivery outcome. Customers must be informed and educated about the expectations and requirements of the service. When a high degree of guest participation is required, guests must learn the designated script for the particular service (Grove, Fisk, & Bitner, 1992). According to Zeithaml (1981), “the quality of most services and their ability to satisfy the consumer depend not only on how well the service provider performs, but also on how well the consumer performs” (p. 187).

Attribution Theory

Role and script theory, coupled with the methodical nature of many service interactions, imply that customers and employees are apt to share a similar perspective on the service event. Differences in perspective may appear when roles are less-defined, a participant is unfamiliar with expected behaviors, or interferences mandate the use of complex or less-routine subscripts. Dissimilarities in viewpoint also may
occur, when the service interaction participants have contradictory views of the underlying causes behind the events, or in other words, when their attributions differ.

According to Fisk and Shelley (1984), research illustrates that many biases can exist in the attribution process. Most pertinent for the perceptions of service providers and customers is the self-serving attribution bias. This bias is the propensity for people to demand recognition for success via a self-enhancing bias and deny responsibility for failure. Employing a self-protecting bias, people tend to blame failure on external causes rather than on themselves. Given these biases, one might expect employees to criticize the system or the customer for service failures, whereas the customer would be more likely to blame the system or the employee. The outcome would be varying views of the causes of dissatisfaction.

It is less-evident that this bias would be pertinent in the case of a service encounter success. Although the desire for self-enhancement might influence the both the employee and customer to give themselves credit for the success, the fact that the customer is paying for the service would generally preclude the bias on the customer’s side. Overall, therefore, the self-serving attribution bias creates the expectation that the perceptions of the employee and customer will differ more in service failures than successes (Bitner, Booms, & Mohr, 1994).

Both similarities, as well as differences, in perspective are likely to occur between customers and customer-contact employees. Role and script theory suggests that in relatively standard service interactions, strong similarities in perspective will be present. Attribution theory, however, points out important differences in viewpoint. One objective of this study is to explore, in the gaming industry, to what degree the perspective of contact personnel and those of guests are different and to the extent that they are different, look into the probable causes of these disparities.

Gap Analysis and the Service Encounter

One way to examine an organization’s ability to satisfy customer demands is gap analysis. The five-gap model of Parasuraman, Berry, and Zeithaml (1985) is widely used to explain service quality (see Figure 1 in Appendix III). This comprehensive model views service quality as meeting customer expectations. In order to provide quality customer service, the organization must first know what the customer expects. A
gap occurs when there is a difference between what a service customer expects to receive and what the customer actually receives. A positive gap occurs when the service experience exceeds the expected experience, and a negative gap exists if the experience fails to meet expectations. No gaps are present when the purchase experience equals the expected experience. In this model, several gaps (gaps 2, 3, and 4) other than those that exist between expectations and outcomes are designated as vital to the design and delivery of consistent quality service. These gaps involve the service provider's ability to understand customer expectations and to rework them into the elements and process of the service offering.

**Perceptual Gaps**

A thorough understanding of all of the gaps facilitates the service firm's ability to meet customer expectations. Particularly relevant to this study is the first gap. Headley and Choi (1992) describe gap 1 as the voice of the customer (expectations) and the voice of the process (management perceptions of customer expectations). Gap 1 represents the essence of the service encounter. Although all of the gaps in the model are important, unless the perceptions of the two major players in the service encounter are understood, quality service delivery may be based on erroneous information. In this study, the critical incident technique is the approach used to identify and analyze this critical first gap in the service setting.

Service organizations invest in quality as a means to improve profitability via increased first-time customer volume, repeat business, customer loyalty, positive word of mouth, and the ability to charge higher prices that yield better profit margins. Headley and Choi (1992) point out that it is often difficult to know which types of quality efforts achieve the best results. Both the customer and the service provider are the integral parts of this continuous quality-improvement process. Service quality is also greatly influenced by both guest and employee interactions during the moment of truth. These researchers advocate the use of gap analysis as a statistically oriented approach to measure and monitor the perceptions of guests and service providers.

Headley and Choi (1992) state that it is difficult to accurately measure perceptions from two different, but comparable, perspectives. These researchers suggest that surveying both the customer and employee with the same questions can yield reasonable success. When this method is utilized, it is crucial to
remember that different orientations must be accentuated with each group; guests should be asked about expectations concerning the service, and employees should be asked what they think the customer expects. The use of identical statements, as well as, the same perceptual orientation, permits statistical comparison. In addition, the same questions can be used at periodic intervals to survey other guest samples.

Headley and Choi (1992) employed this method in an exploratory study of health club members and club employees. Both groups were asked to respond, on a scale of 4–1 (strongly agree to strongly disagree), to identical statements particular to the services offered by the fitness center. Three types of findings emerged from the t-test analysis. For the first statement, “I expect to use equipment without waiting too long,” the difference between the means for fitness center members (3.17) and staff (2.50) was statistically significant. The higher mean score of members infers that members are more willing to wait for equipment than the staff believes. This gap actually favors the fitness center. Although the gap is significant, managerial action is not necessary, since members do not perceive wait time to be a problem.

There was no significant difference between the mean agreement scores for the second question, “I expect instructors to have the training necessary to teach the classes.” Although there was a slight (3.59 for members and 3.41 for staff) difference, its non-significance precludes any management intervention. Non-significant data are useful to management in preventing the allocation of service improvement resources to areas that will probably not make a difference in customer satisfaction.

The third statement, “I like working out with people at various fitness levels,” did produce a significant difference between members (3.09) and staff (3.32). This discovery has a potential for serious consequences. Action is required to schedule exercise classes to provide members with more choice as to when and with whom they exercise. This preventative measure can be taken with greater reliance as a result of the gap analysis.

Headley and Choi (1992) summarize that gap analysis yields an objective glance at the direction and size of gaps in expectations between customers and service providers. Management can use this information to provide feedback to staff regarding their customer satisfaction efforts. The analysis can also help management identify meaningful differences, customer perceptions regarding critical areas of service quality, and specific areas that need attention. When utilized as an ongoing process, the analysis allows the
customer and firm to be heard on a regular basis in a meaningful way. The process helps to link management, employees, and customers in a mutually advantageous effort that has definite potential for improving customer satisfaction and the firm's competitive advantage through upgrades in service quality. The flexibility of gap analysis also makes it easy to adapt to a variety of service environments.

Brown and Swartz (1989) used gap analysis to examine the perceptions of patients and physicians in the dyadic exchange that occurs during a physician office visit. According to these researchers, the interactive nature of professional services and their simultaneous production and consumption suggest a need to examine the perceptions of both parties involved in the service encounter. According to Sparks and Bradley (1997), as both the professional and hospitality services are intangible, customer satisfaction is heavily dependent upon the creation of a positive, interactive experience.

In general, the professionals' perceptions primarily affect the design and delivery of services. Consumer perceptions more directly address the evaluation of the services utilized. From a marketing perspective, therefore, both groups are vital and must be considered in order to obtain a more complete understanding of service quality.

Brown and Swartz (1989) also used gap analysis to identify inconsistencies between provider and client perceptions of the service performance in the medical field. This study was one of first experimental examinations of the service encounter to consider the perceptions of both parties in the dyadic interaction. Brown and Schwartz felt that this approach made possible the identification and evaluation of perceptual gaps between the two parties. The researchers hypothesized that any potential gaps between expected and actual service represent both parties in the service exchange and should have a significant impact on the service evaluation.

Three gaps were identified in Brown and Swartz's (1989) study. The gaps concerned the differences between: (1) client expectations and client experiences, (2) client expectations and professional perceptions of client expectations, and (3) client experiences and professional perceptions of client experiences. The first gap measured the difference between client expectations and experiences, which is a basic approach to determining satisfaction and evaluating an encounter. Brown and Schwartz hypothesized gaps 2 and 3 to be related to positive client evaluation, because the gaps show differences
between the client's expectations/experiences and the provider's perception of them. From a marketing perspective, service providers would create and issue the service offering based on their perceptions of client expectations. Alterations in the service offering would be affected by providers' perception of client experiences. Whether these experiences surpass, meet, or fall below expectations can have a deep impact on future customer-provider relationships. For example, if the provider exceeds the customer's expectations, a sincere provider-to-client bonding relationship is started or strengthened; this in turn, builds client loyalty and may also stimulate referrals. Brown and Schwartz (1989) advocate that gaps in either of these areas can directly and significantly influence positive customer assessment of the service encounter.

The results of Brown and Schwartz's (1989) study discovered a strong relationship between perceptual gaps (between professional and client) and the evaluation of professional services. All three gaps were found to influence the evaluation outcome. Service marketers, therefore, can obtain valuable information by looking farther than the basic satisfaction/dissatisfaction paradigm, when assessing their service products. Although customer evaluations are important, the combination of providers' and customers' views, can yield additional insight into particular areas where change would result in improvement.

Brown and Schwartz's (1989) study also looked at the content measured by the gap variables. As expected, the gaps found in the experience statements that pertained to the physician interaction factor (gap 3) had the most single impact on the clients' service evaluation. This finding indicates that interactions with the principal service provider are the most important in judging service quality. In this particular setting, this finding represents a challenge. Because of their extensive specialized and technical training and past lack of aggressive competition, physicians appear to be much more task-and-self oriented than client-oriented. They also found, however, that other aspects, such as physician office staff and available educational materials, were relevant in the client's assessment of the service. According to Brown and Schwartz, this result indicates that customers tend to evaluate the entire service interaction, not simply the communication with the direct service provider. Due to the multidimensionality of the service evaluation, therefore, providers need to utilize a wide perspective when defining and assessing their service product and examining their customers' evaluations.
Brown and Schwartz (1989) summarize that inconsistencies in expectations and experiences directly affect the service evaluation. The extent and direction of the inconsistencies will decide whether the customer is surprised (resulting in greater satisfaction), very disappointed (leading to dissatisfaction) or moderately pleased or displeased. Consistently meeting client expectations augments the chances for customer satisfaction and a positive quality evaluation. The researchers recommend two ways that can be used, either individually or together, to obtain more consistent expectations and experience perceptions: (1) change the service provider’s behaviors and expectations to be consistent with the client’s expectations, and (2) educate the customer, so that new expectations are consistent with what the service provider is offering.

According to Brown and Schwartz (1989), gap analysis is a direct and appropriate way to identify differences between provider and customer perceptions of service quality. Although this study only concerned physicians, it does provide a test of the utilization of gap analysis and its application to the evaluation of service encounters. Addressing these gaps appears to be a logical starting point for developing strategies and tactics to promote consistent expectations and experiences, thereby increasing the opportunity for a positive quality evaluation in a variety of service environments.

The literature presented illustrates the many interactive facets of the service encounter. The multiple facets of gap analysis and role/script theory support the notion that the one-on-one personal interaction, or moment of truth, that occurs between the customer and the customer-contact employee is the major factor in determining the customer’s satisfaction or dissatisfaction with the service provided. The literature also illustrates that front-line employees, particularly those that are secure in their performance roles, are in tune with the customers’ perception of service. Identifying and analyzing those specific events that “make or break” customer satisfaction can guide the service firm’s allocation of resources in a way that will maximize customer satisfaction and retention.

Critical Incident Technique (CIT)

The critical incident method is also applicable to obtaining information regarding the perceptions of both parties involved in the service exchange. The CIT methodology used in this study of the evaluation of
service encounters in casinos asks guests to record a particularly satisfying (dissatisfying) interaction with an employee and asks employees to record, from the guest’s point of view, a particularly satisfying (dissatisfying) interaction with the employee or a fellow-employee. As recommended by Headley and Choi (1992), Bitner, Booms, and Tetreault (1990) and Bitner, Booms, and Mohr (1994), the same set of questions will be asked of both customers and employees in the setting of one particular casino. By comparing the congruence/incongruence between the groups of incidents reported by employees and guests, inconsistencies in the service interaction can be identified. Once perceptual discrepancies are identified, plans for achieving more congruent expectations and experiences can be enacted.

Congruous expectations and experiences can be accomplished by modifying either the service provider’s behavior and expectations and/or by modifying the customer’s expectations and experiences. This modification might be accomplished by employee training, customer education, changing employee roles, altering customer perception of roles, and/or changing policies and procedures. Increased congruence then leads to a more positive service interaction and increases the opportunity to develop a strong, long-term commitment between the provider and customer.

An Overview of the Critical Incident Technique (CIT)

The critical incident technique is an extension of studies conducted by the United States Army Air Forces in World War II to develop procedures for the selection and classification of air crews. Flanagan (1954) adapted and refined the technique for use in other settings. In 1954, Flanagan published a comprehensive review of more than 60 studies concerning the use of the critical incident technique (CIT). Flanagan describes the CIT as a set of procedures for collecting direct observations of human behavior in such a way as to facilitate their potential usefulness in solving practical problems and developing broad psychological principles. The critical incident technique outlines procedures for collecting observed incidents having special significance and meeting systematically defined criteria (p. 327).

An incident is an observable human activity that is sufficiently comprehensive enough within itself to allow inferences and predictions to be made about the person executing the act (Flanagan, 1954; Bitner, Booms, & Tetreault, 1990). To be considered critical, an incident must occur in a situation, where the intent of the act or behavior is apparent to the observer and its consequences are adequately defined to
remove doubt regarding its effects. A critical incident is also one that makes a significant contribution, either positively or negatively, to an activity or an event. The method is especially useful when the goal of the research, as in this study, is to explore a topic that has minimal documentation and/or to characterize a real-world phenomenon based on a more thorough understanding (Bitner, Booms, & Tetreault).

The CIT does not advocate a single set of strict rules to guide data collection. Flanagan (1954) emphasizes that the researcher should mold CIT principles to meet the specific study. Utilizing the CIT, data are accumulated through structured, open-ended questions. Data can be collected in various ways, such as personal interviews, focus groups, and group interviews. The focus, however, remains on the participants' detailed accounts of specific occurrences and behaviors that affect their evaluation of an event. Since participants are asked to recall individual events rather than generalities, inferences or conclusions, this procedure meets the criteria of Ericson and Simon (1980) for supplying important, reliable information about cognitive processes (Bitner, Booms, & Mohr, 1994). Flanagan states that the collection and categorization of participant observations make it possible to formulate the critical requirements of an event or activity.

Flanagan (1954) describes the CIT as consisting of five steps: (1) determining general aims of the activity, (2) developing plans and specifications for the collection of the critical incidents, (3) collecting data, (4) analyzing data, and (5) interpreting data and reporting results. Prior to commencing the actual study, the investigator must state the general aims of the project. Executing the remaining steps is not feasible without referencing the objectives of the research.

The general aim of the research must be meaningful to its potential users and should reflect, in simple terminology, those objectives to which most people would agree. The general aim also facilitates the process of conveying a uniform idea to the participants. The viewpoint of the study participants toward the project should coincide with the intended general aim (Flanagan, 1954). The overall goals of this study are to identify the critical incidents that lead to the satisfaction and dissatisfaction of the casino slot customer and to determine the degree, if any, to which the perception of these incidents vary between the customers and the customer-contact employees that service them.
The second and third steps in the CIT method involve planning and implementing the data collection procedures. Flanagan (1954) reports that the most important aspect of the data collection phase is the statement of the question(s). He reports that a number of studies have illustrated that even a slight change in wording causes a substantial alteration in the way in which incidents are reported. Individual research questions must be pre-tested with a small group prior to their inclusion in the final data collection instrument. The pre-test group should be representative of those to be interviewed. The analysis of their interpretations is used to revise the questions to insure that all participants will share the same understanding of the nature of the incidents that they are asked to recall.

The study questions need to support the general aim of the activity under consideration. It is helpful to participants to include an introductory paragraph that describes the general aim of the study. “The introduction also needs to state that an incident, actual behavior, or what the person did is desired” (Flanagan, 1954, p. 341). The CIT is often used to obtain data that are reported from memory. According to Flanagan, the accuracy of the data is not impaired, as long as the reported incidents are fairly recent. The accuracy of the data is supported by the data themselves. If the participants can describe the incidents in detail, rather than give vague reports, Flanagan strongly suggests that the researcher using the CIT can assume that the data are correct.

Criteria for the significance of the incidents must be established prior to the study. Flanagan’s (1954) criteria includes: (a) the actual behavior reported, (b) was it observed first-hand by the participants, (c) were all of the pertinent factors in the incident reported, (d) did the participants make a definitive assessment regarding the significance of the behavior, and (e) have the participants thoroughly explained why they believe the behavior was critical.

Flanagan (1954) also addresses the issue of sample size. According to this researcher, if the activity being defined is fairly simple, 50 to 100 incidents may be satisfactory. A general guideline for assessing whether additional incidents are needed is to keep a running tally of the number of new critical behaviors added to the classification system with each additional 100 incidents. Flanagan states that sufficient coverage is achieved when the addition of 100 incidents to the sample yields only two or three new critical behaviors.
Inclusion of all, or nearly all, of the various critical behaviors is not the sole criterion as to whether or not an adequate amount of critical incidents has been collected. If a relatively narrow definition of each critical behavior category is required, it may be necessary to obtain a minimum of three or four examples of each critical behavior. In addition, if the critical incidents are intended for use in employee training, more incidents may be necessary to furnish an adequate amount of training resources.

The primary objective of the data analysis is to summarize and describe the incidents in a useful manner, so that the analysis can be used for a variety of practical purposes, while at the same time sacrificing as little detail and comprehensiveness as possible. This process of analytic induction involves repeated, detailed readings and sorting of the incidents into groups according to similarities in the reported experiences. After the researcher(s) has reviewed many incidents, similarities among incidents should begin to become visible. The next step is to identify the exact nature of the similarity, which formulates the basis for the definition of each category of incidents. The incidents are repeatedly sorted, combined, and resorted until all of the incidents in a category are more similar to each other than they are to those in any other category (Bitner, Booms, & Tetreault, 1990). As the process continues, the need to redefine and formulate new categories may arise. It may also be necessary to subdivide larger categories into smaller subgroups and then place together all incidents that are of the same type together. The definitions of each category and major headings are re-reviewed, as they relate to the actual incidents under each heading.

The process of category formulation can be somewhat subjective. No definitive rules exist as to the development of the appropriate number and type of categories. With regards to on-the-job activities, the appropriate reference frame is determined by whether the principal use of the data will be in connection with hiring, training, assessment of proficiency, or evaluation of job performance. The best classification system for training purposes uses a set of categories that can be readily related to training courses or general training goals. For the development of procedures that assess on-the-job effectiveness in order to benchmark a criterion of success, the classification system is aimed at presenting on-the-job behaviors under headings that illustrate either well-defined aspects of the job or provide a simple framework for categorizing on-the-job activities that are familiar or quickly learned by supervisors (Flanagan, 1954).
The relevance of the completed data analysis can rely heavily on the skill and experience of the researcher. Flanagan (1954) suggests that the researcher invite others in the field to review the categories. Although there is no guarantee that the classifications agreed upon by this panel will be more useful than those obtained by the researcher, the corroboration of judgements by others generally supplies additional support. In order to assess the reliability of the classification scheme, an independent rater also categorizes each of the incidents in the sample.

The last step in the CIT method is to interpret the data and report the results. Prior to the actual interpretation of the data, each of the four preceding steps must be analyzed for the introduction of potential biases in any of these steps. In order to avoid any misconstrued inferences and generalizations, it is the researcher’s responsibility to discuss any limitations. On the other hand, Flanagan (1954) stresses that the researcher should not forget to highlight the values of the study’s findings. In other words, the results hopefully provide information to answer the questions posed in the general aim of the study.

Evaluation of the CIT

Folkes (1984) compares the CIT to the process of “remembering,” since respondents think back on a situation that they have experienced. Wason (1994) points out that remembering is not without its weaknesses. In any sample, the possibility exists that some subjects may not have experienced the particular event under investigation, fail to recall it, or purposely will not recall it. There may also be a large variance among the events that subjects think are appropriate to report. Even if an experience is recalled, there is no assurance that the subjects will answer accurately about their experience. Instead, the subject may tell the researcher their feeling about what should have been done, rather than what was actually done. The respondent may feel that altering of the account of the service experience will help the researcher, avoid appearing odd, or fulfill a need to establish individuality.

As the CIT is an indirect observational technique, it can be somewhat restricted in what it can assess because the investigator must depend on subject recall. The methodology, however, can potentially produce more insightful results, as subjects are permitted to reveal what they think in ways that mirror their normal thought patterns. Using this technique, the investigators can infer how particular aspects of service
are being judged and what constitutes a good or bad experience for the customer. The story-telling frame of the CIT also enhances the visibility of the customer-decision making process. The CIT does not force respondents into any particular mold or use strict directions. As a result, respondents can more freely express their true opinions. This purer form of data enables marketers to see how customers actually think (Nyquist & Booms, 1987).

One issue to consider is that if the CIT is constructed in such a way that respondents recall behavior linked to either an outstanding positive or negative nature, it then ignores the average performance. Grant (1993), however, argues that since the methodology does neglects the mundane performance, it could strengthen its usefulness by its attention to excellent performance. The idea behind examining extreme and out-of-the-ordinary situations is that these are the ones about which to become knowledgeable in order to improve understanding of the phenomenon. Being informed about critical incident outliers adds to the understanding of the whole.

Bitner, Booms, and Tetreault (1990) found that investigating noteworthy incidents was likely to provide insight into the fundamentally required factors that determine satisfaction or dissatisfaction in service evaluations. Although some incidents are memorable because of their uniqueness, experienced critical incident researchers have discovered that incidents are more frequently about every-day experiences, not about bizarre events (Nyquist & Booms, 1987).

Grant (1993) describes that the CIT works because of the way people select and internalize incidents, as they go about their daily business. In any familiar category of service, people have had numerous opportunities to notice events. In their minds, there is an organizational pattern that is ordered for any specific service by the factors each individual customer values about the service. This plan permits the customers to internalize and access incidents for decision making and story-telling. The framework is what enables customers to act on and make sense of a great number of stories. The stories are key to how customers think about service interactions and the way they analyze the quality of services.

In summary, Flannagan (1954) emphasizes that the CIT, rather than collecting opinions and estimates, obtains a record of individual behaviors from those in the best position to make the required observations and evaluations. Although the raw data provided by the critical incident technique do not provide simple,
instant answers to problems, the procedure enables the collection of representative samples of data that are
directly relevant to issues, such as formulating standards, determining job requirements, or analyzing
results that have wide applicability. The aggregation and tabulation of the collected behaviors enable the
formulation of the critical incidents of an activity. The resulting list of critical behaviors provides a
grounded basis for making inferences and action plans to improve services.

The Critical Incident Technique (CIT) and the Service Encounter

Since Flanagan (1954) first published the procedure for the use of the CIT, the methodology of critical
incidents has been used extensively in diverse fields including management (White and Lock, 1981),
healthcare (Jones, 1996), human resources (Latham and Sari, 1984), and education (Copas, 1984). This
methodology has also been applied in marketing research, with particular emphasis in the services
marketing literature.

The customer's viewpoint

Bitner, Booms and Tetreault (1990) conducted a study of critical incidents in three service industries to
increase comprehension of the particular events and associated behaviors of customer-contact employees
that cause guests to distinguish very satisfactory experiences from very dissatisfactory ones. The authors
analyzed 700 incidents, approximately half satisfactory and half dissatisfactory, from customers of airlines,
hotels, and restaurants. Unlike previous research, this study points out specific behaviors and events and
explores the causes of both satisfactory and unsatisfactory service encounters. Respondents were asked the
following questions (referred to as the BBT questions):

*Think of a time when, as a customer, you had a particularly satisfying (dissatisfying) interaction with
an employee of an airline, hotel, or restaurant.

*When did the incident happen?

*What specific circumstances led up to this situation?

*What exactly did the employee say or do?

* What resulted that made you feel the interaction was satisfying (dissatisfying)?
The first sorting of the incidents resulted in three primary groups of employee behaviors that accounted for all of the satisfactory and dissatisfactory incidents as show in Table 1 below:

Table 1

**Group and Category Classification by Type of Incident (customers)**

<table>
<thead>
<tr>
<th>Group 1: Employee Response to Service Delivery System Failures</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Response to unavailable service</td>
</tr>
<tr>
<td>B. Response to unreasonably slow service</td>
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<tr>
<td>C. Response to other core service failures</td>
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</table>

<table>
<thead>
<tr>
<th>Group 2: Employee Response to Customer Needs and Requests</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Response to “special needs customers”</td>
</tr>
<tr>
<td>B. Response to customer preferences</td>
</tr>
<tr>
<td>C. Response to admitted customer error</td>
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<tr>
<td>D. Response to potentially disruptive others</td>
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</table>

<table>
<thead>
<tr>
<th>Group 3: Unprompted and Unsolicited Employee Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Attention paid to customer</td>
</tr>
<tr>
<td>B. Truly out-of-the ordinary employee behavior</td>
</tr>
<tr>
<td>C. Employee behaviors in the context of cultural norms</td>
</tr>
<tr>
<td>D. Gestalt evaluation</td>
</tr>
<tr>
<td>E. Performance under adverse circumstances</td>
</tr>
</tbody>
</table>


Group 1 contained employee response to service delivery failures. When the service delivery system breaks down, the contact employee is expected to respond to guest complaints or disappointments. The content or manner in which the employee responds determines the customer’s perceived satisfaction or dissatisfaction. Group 1 categories included response to unavailable service, unreasonably slow service, and to other core services.

Group 2 concerned employee response to customer needs and requests. When a customer needs the contact employee to adjust the service delivery system to meet unique needs, the employee’s response determines the guest’s satisfaction/dissatisfaction. What is critical is whether or not the customer perceives that these special needs have been accommodated. Categories in this group included response to special needs customers, customer preferences, admitted customer error, and potentially disruptive others.
Group 3 included unprompted and unsolicited employee actions that were not triggered by a service failure or fulfilling a customer's special request. Categories in group 3 were special attention paid to the customer, truly out-of-the-ordinary employee behavior, employee behaviors in the context of cultural norms, Gestalt evaluation, and performance under adverse circumstances.

The researchers found that 23.3% of the critical satisfactory encounters were in group 1. Incidents in this group concerned the way employees responded to difficulties caused by failures in the service delivery system. When the employee compensates the customer for the service failure, the customer frequently remembers the incident as very satisfactory; this is a key finding and training tool for management.

Group 2, which represented employee accommodation to guest's needs, contained 33.9% of the satisfactory encounters. Group 3, however, had the majority (43.8%) of the satisfactory encounters. These encounters involved unprompted and/or unsolicited employee actions that were truly unexpected by the customer. The greatest impact, therefore, on customer satisfaction occurs when the customer receives special treatment by the contact employee.

The largest source (42.9%) of customer dissatisfaction was the employee's inability or unwillingness to respond to the customer's satisfaction in service failure situations (Group 1). In every case in this study, the employee's response to the failure, rather than the failure itself, resulted in guest complaints. Group 2, responding to special requests, had the lowest amount of dissatisfying service encounters (15.6%). Group 3, the effect of unprompted and/or unsolicited employee behaviors, contained the remainder (41.5%) of the incidents. In each of these cases, it was not the lapse of a core service or the failure to accommodate a special request, but the perceived character or attitude of the service employee, as interpreted from both verbal and non-verbal behaviors.

Bitner, Booms, and Tetreault (1990) also examined the underlying similarities between satisfaction and dissatisfaction. The largest proportion of satisfactory (43.8%) and nearly largest proportion of dissatisfactory (41.5%) encounters was attributed to unprompted and/or unsolicited employee actions. The authors suggest two conclusions. The first conclusion is that the spontaneous, interactive quality of the service encounter cannot be overemphasized. Since 40% of all incidents recalled resulting directly from unexpected treatment by an employee, the "how" of service delivery is crucial to the customer's perception

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of service quality. This result has important implications in hiring and training service-oriented employees. The second conclusion is that the large proportion of both spectrums of incidents in Group 3 reaffirms the notion that there is a high degree of variability in interactive quality.

The employee’s viewpoint

In a follow-up study by Bitner, Booms and Mohr (1994), critical incidents were obtained from employees working in the same service industries. The goal of this research was to explore the front-line employee’s perspective of critical service encounters and to understand the types of events and behaviors that employees conclude underlie customer satisfaction. The incidents reported by employees were compared with customers’ incidents reported in Bitner, Booms, and Tetreault (1990). The second objective was to evaluate the generalizability of the Bitner, Booms, and Tetreault classification scheme. To be considered a critical incident in this study, each incident reported had to meet the following criteria: (1) concern employee-customer interaction, (2) be very satisfying or dissatisfying from the customer’s point of view, (3) be a discrete event, and (4) have enough detail to be visualized by the interviewer. Of the 774 recorded employee incidents, 668 were categorized into one of the aforementioned BBT groups and the 12 subgroups within them as listed in Table 2. The incidents were extremely close in detail to those described by customers. Of the encounters, however, 11% did not meet the criteria of any of the BBT classifications. These events were grouped into a new major group called “problematic customer behavior.” The four categories in this new group, group 4, were: (1) drunkenness, (2) verbal and physical abuse, (3) breaking company policies or laws, and (4) uncooperative customers.
Table 2

Group and Category Classification by Type of Incident

Group 1: Employee Response to Service Delivery System Failures

A. Response to unavailable service
B. Response to unreasonably slow service
C. Response to other core service failures

Group 2: Employee Response to Customer Needs and Requests

A. Response to "special needs customers"
B. Response to customer preferences
C. Response to admitted customer error
D. Response to potentially disruptive others

Group 3: Unprompted and Unsolicited Employee Actions

A. Attention paid to customer
B. Truly out-of-the ordinary employee behavior
C. Employee behaviors in the context of cultural norms
D. Gestalt evaluation
E. Performance under adverse circumstances

Group 4: Problematic Customer Behavior

A. Drunkenness
B. Verbal and physical abuse
C. Breaking company policy
D. Uncooperative customer


The researchers concluded that, since a large majority of the employee incidents from this study could be classified in the original three (BBT) groups and 12 categories, strong similarities exist in the way that employees and guests recall the causes of satisfaction and dissatisfaction in service encounters. The addition, however, of the fourth group (problematic customer behavior) and the significant variations in frequencies and proportions of incidents in the groups indicate that there are dissimilarities, as well. The analysis showed a significant three-way interaction between group (1, 2, 3, and 4) type of outcome (satisfactory or dissatisfactory), and incident source. The analysis also indicated a significant two-way interaction between group and incident source.

This study supports the theory that the original framework (BBT) can be instrumental in identifying generalizable service behaviors. The addition of group 4 (problem customer behavior) creates a more complete classification system that can be utilized in other contexts. The scheme can provide a beginning
point for a firm or industry to begin focusing with greater specificity the events and behaviors particular to its own environment.

Bitner, Booms, and Mohr (1994) report several other managerial implications resulting from the study. Problem customers accounted for 22% of the dissatisfactory incidents. Management, therefore, must define its position regarding difficult customers and provide employees with the appropriate skills for dealing with such customers. In addition, customers need to be trained so that they will know what to expect and how to react appropriately in specific situations.

This study provided further support for the belief that customer-contact employees are good sources of information on customer attitudes (Schneider & Bowen, 1985; Schneider, Parkington, & Buxton, 1980). In the BBT study, employees of hotels, restaurants, and airlines recorded the same categories of customer satisfaction and dissatisfaction recorded by customers in the same industry. The researchers, however, warn against relying excessively on customer-contact employee interpretations of customer satisfaction. Although employees reported the same basic categories, the proportions of incidents classified in the categories are significantly different from those reported by customers. Booms, Bitner and Mohr (1994) also caution that front-line employees in industries in which service encounters are less routine may not be as reliable in their perceptions of customer satisfaction.

The incidents revealed that customer-contact employees truly want to provide good service and take pride in their abilities to perform well. This result is reflected in the large proportion of satisfactory incidents in group 2, in which the employees' ability to accommodate customer requests were the sources of customer satisfaction. Employees can become frustrated, when they feel powerless to correct a service failure or to adapt the system to fulfill a customer need. Management, therefore, needs to ensure that employees are familiar with systems and their constraints and empower employees to correct service failures.

In this study, the majority of dissatisfactory incidents recounted by employees resulted from inadequate responses to service delivery failure systems. Other researchers (Parasuraman, Zeithaml, & Berry, 1988) concur that service reliability is the single most important factor that consumers use to evaluate service quality. Management must continually review and analyze service processes to identify and correct the
root causes of system failures (Shostack, 1984). The best way, however, to guarantee customer satisfaction is to avoid service failures in the first place.

The research of Bitner, Booms, and Mohr (1994) supports the theory that the original framework (BBT) can be instrumental in classifying generalizable service behaviors. The addition of group 4 (problem customer behavior) creates a more complete classification system that can be utilized in other contexts. The scheme can provide a beginning point for a firm or industry to initiate focusing with greater specificity on the events and behaviors particular to its own environment.

The Use of the CIT in Other Service Industries

Gremler and Bitner (1992) conducted a study to distinguish satisfying service encounters from dissatisfying service encounters across 16 different service industries. The authors state that the purpose of this study was to determine whether the classification scheme of BBT was generalizable across a wider range of industries than the restaurant, hotel, and airline industries included in the original study, and whether the scheme remained established over time. Gremler and Bitner cite that McKelvey (1982) recommends that a complete classification scheme be stable over time.

In this research, data were collected from a group of university business students. Each student kept a journal of 20 separate service encounters. These events were to be from services in which the student would normally participate as part of their regular routine. The investigators found that the service encounter schema applied across a broader range of services (auto care, retail store, hair care, financial services) and was stable over time. Although some industries had a relatively small number of incidents, 9 of the 16 service industries had satisfactory events in all of the three BBT groups and 12 of the 16 industries had dissatisfactory events in all three groups.

This study found that the majority (73.3%) of satisfactory incidents were categorized in group 3, the employee's unprompted interaction with the customer. In this study, therefore, the positive, spontaneous interaction with the customer was the primary factor in contributing to a satisfactory service encounter. For dissatisfactory incidents, the largest proportion (62.7%) were assigned to group 1, employee response to service delivery system failures. The authors suggest that when a broader range of service businesses

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are included, poor employee response to service delivery failures is a major source of customer dissatisfaction.

When service failures do occur, the service provider's direct response can potentially either reinforce a solid customer bond or change an apparently minor incident into a major event. The analysis of service failures and service recoveries is helpful to service firms, as management can use this information to identify common service failures. Hoffman, Kelley and Rotalsky (1995), advocate that managers have an established plan to overcome service failures, when they occur.

These researchers used the CIT to examine service failures and recoveries occurring in the restaurant industry. Researchers categorized each of the failure incidents in the three main classifications of Bitner, Booms, and Tetreault (1990) with an agreement rate of 92%, 90%, and 90% respectively, for each of the three groups. Some similarities were found between the failure subgroups identified in this study and the service encounter subgroups identified by Bitner, Booms and Tetreault. Both classification schemes contain categories concerning slow or unavailable service and employee behaviors. The difference between the subgroups identified by Bitner, Booms, and Tetreault and those reported in this study are primarily due to the industry-specific focus of Hoffman, Kelley, and Rotalsky (1995). Recovery incidents were sorted into the eight recovery strategy categories designed by the researchers with an agreement rate of 93%. Incidents associated with positive recovery strategies accounted for 49.6% of the sample and 50.4% were associated with poor recoveries.

Of failures, 44% were placed in Group 1, which involved employee responses to service delivery system failures. The largest subgroup, 17.9% of the total incidents collected, were classified as slow/unavailable service. Other failures in group 1 concerned facility problems, unclear policies, and out-of-stock situations.

Group 2 failures, employee responses to implicit/explicit customer requests, accounted for 18.4% of total failures. Only 2 subgroups, food not cooked to order and seating problems, were identified within this group. Seating problems, such as smoking/nonsmoking seating, lost reservations, denied requests for special seating, and disruptive customers had the highest average failure ratings of failures reported in this study.
Unprompted/unsolicited employee actions were reported in group 3. Within group 3, 15.2% of failures were attributed to inappropriate employee behaviors including rudeness, inappropriate verbal exchanges, and poor attitudes. The other subgroups included wrong orders, lost orders, and incorrect charges.

Utilizing the identification of the service failure categories, service recovery strategies were identified, based on a similar sorting and classification process. The top two service recovery strategies were replacement of the defective food order (33.4%) and giving customers free food (23.5%). Other recovery strategies included: giving customers a discount, offering coupons, correcting the failure, and apologizing to the customer. In 21.3% of the incidents, however, the restaurant employees did nothing to correct the service failure corrected by the customer.

Product defects failures were generally remedied by the replacement and complimentary food recovery strategies in most of the incidents reported. When a failure occurred due to slow or unavailable service, guests were usually given free food or received an apology. In a large number of cases, however, nothing was done to fix the problem. Issues associated with food orders were usually handled by either the free food or replacement recovery strategies. A significant number of failures resulting from problem employee behavior resulted in nothing being done in an effort to recover from the failure.

In addition to classifying the critical incidents, study respondents were also asked to rate the magnitude of the failure on a 10-point scale with anchors of minor mistake = 1 and major mistake = 10. Average failure ratings exceeded the midpoint of the 10-point failure rating scale for all 11 of the failure subgroups. According to Hoffman, Kelley, and Rotalsky (1995), this result indicates that each of the failure types found in this study composed what might be considered “major failures.” This is not unexpected since by definition the CIT employs the recollection of “critical, or very meaningful, incidents” from the participants.

Hoffman, Kelley, and Rotalsky (1995) found that it was particularly difficult to recover from the failures of facility problems and employee behavior. These two categories had the lowest mean recovery ratings (3.92% and 3.71%, respectively, on a 10-point scale) of the failures identified in the study. The mean recovery ratings of all other service failure types exceeded the mid-point of the 10-point scale,
indicating that restaurants have found ways to effectively recover from the other 9 types of service failures, but not facility and employee attitude problems.

Facility problems included cleanliness concerns such as odors, dirty silverware, or bugs found in food or service area. Understandably, restaurant patrons expect a clean environment and may be reluctant to return to an establishment that they perceive as unsanitary. Even not charging the customer for the meal would not erode the negative perception of finding a bug in the salad. This type of situation underscores the continual need for process evaluation and employee training. Dirty silverware, for example, can generally be prevented by teaching employees correct warewashing and quality control procedures.

Although the restaurant food may be excellent, the dining experience can be easily ruined by employee attitudes. The rude behavior of any member of the restaurant staff may be remembered long after the food has been consumed. The patron may not return, for fear of again receiving poor treatment. An added concern is that such dissatisfied customers will spread negative word of mouth. This finding emphasizes the need to hire people with the right attitudes for hospitality and service. It is easier to train a new hire to correctly take food orders than it is to instill the sincere desire to provide quality service.

A startling finding was that in one-fifth of the recorded incidents, customers stated that the employee made no attempt to initiate a service recovery in response to failure. This finding may indicate that simply making employees aware of the importance of service recovery and teaching them to acknowledge failures when they occur will enhance the service recovery efforts of the firm.

Hoffman, Kelley, and Rotalsky (1995) concluded that service managers can effectively use the CIT method to track and analyze the service failures and recovery efforts. This process will provide managers with a list of service failures experienced by their customers and the customers’ perceptions of these problems. In addition, managers can identify ways to successfully (and unsuccessfully) recover from these service failures. This information should be valuable in developing policies and procedures regarding service delivery and recovery. According to the results of those researchers, it appears that when a failure does occur, in order to recover effectively, service firms should be ready to offer some form of compensation (such as free food or a discount). Customers perceive more of a value when the
compensation, such as free food, is immediate rather than in the future, as with a coupon. This information should be helpful for managers that are planning and implementing service-recovery strategies.

Despite the importance of trending and analyzing service failures and recovery tactics, Hoffman, Kelley, and Rotalsky (1995) point out that only limited research has been done in this area. Their study focused only on the restaurant industry. The authors suggest that future research should consider the relative significance of various types of failures, as well as the customer's choice for meaningful recovery strategies. This critical incident study of service encounters in the gaming industry seeks to add to this knowledge base by identifying incidents that resulted in guest dissatisfaction or service failures in a unique service environment. Two of the questions asked in this study pertain to service failure/recovery: (1) What specific circumstances led up to this situation?, and (2) what exactly did the employee say or do? These questions were asked of both customers and employees.

When the sources of dissatisfaction are unknown, particularly to management, it is difficult to turn service failures into service recoveries. Once the service failures are recognized, management can evaluate how organizational structure, policies and procedures, and empowerment impact service failure and recovery. In addition, employee-related antecedents such as job satisfaction, commitment, and motivation may play roles in the failure/recovery modality. The effect of customer expectations, loyalty, and complaining behavior might also be evaluated, as they relate to customer perceptions of service failures and recoveries (Hoffinan, Kelley, & Rotalsky, 1995). Some of this information may be obtained in this study via the use of critical incidents. The results should provide managers, particularly in the gaming industry, information useful for the purposes of improving customer satisfaction through service delivery, policy formulation, and employee training.

Chung and Hoffman (1998) also employed the CIT to identify service failures in restaurants. The researchers stress that service failures are a major determinant of repeat business — or its absence. Another aftermath of service failures is negative word-of-mouth, which has long been proven as detrimental to potential customers. Few dissatisfied customers, however, actually voice complaints or inform the service provider that they are leaving due to poor service, or give the reasons for changing to a competitor. Chung
and Hoffman advocate that the use of the CIT can help to identify what types of failures are most critical and frequent and which events most affect customer retention.

Chung and Hoffman (1998) collected 373 critical incidents from respondents who reported a service failure they experienced at a restaurant. In addition, the researchers asked respondents to rank the perceived severity of the failure on a scale of 1 to 10, with 10 being a major mistake and 1 being a minor mistake. The respondents gave an average rating above 5 to all service failures. Incidents were classified according to the scheme of Bitner, Booms, and Tetreault (1990).

The errors that received the most severe ratings were seating problems, out-of-stock items, and sanitation. The researchers point out that these problems are ones that could be solved by management intervention. The most frequently cited failures also involved service delivery, while the least-frequent failures involved customer requests. Of particular note was that poor sanitation was the most frequently remembered service failure. Guests were willing to return, even if they were charged incorrectly, but not if they perceived the environment to be unclean. Chung and Hoffman (1998) advocate that through the use of critical incident methodology, restaurant managers can learn what service failures impact guest satisfaction the most. And managers may be surprised that the most critical failures are not those that involve poorly prepared food or even poor service.

Service failures generally incur costs for the service firm, either in terms of repeating the service, offering a replacement, or future loss of income from guests that do not use the service again. Youngdahl and Kellogg (1994) used the CIT to investigate the customer costs of service quality. According to these researchers, the typical quality cost categories of prevention, appraisal, internal failure, and external failure may not account for the actions and costs incurred by customers in their search for service satisfaction. In this study, customers reported their own satisfaction-seeking actions taken during the service encounter. The researchers categorized the incidents according to both the traditional costs of quality paradigm and then devised a new classification that was rendered by the actual data. By comparing these classification schemes, the researchers gained additional insight into the nature of customer efforts, or customer costs of service quality, to obtain satisfaction.
Quality cost research and practice has mainly focused on manufacturing applications. Only recently have researchers begun to investigate the particular aspects of service quality costs. Customers are usually more involved in a service purchase than a product purchase. In fact, many times the customer is part of the service production, by either choosing self-service, as in using an ATM machine, or co-production, as providing specific directions to a hair stylist. When purchasing services, customers are often more willing to invest time, money, emotional energy, and other personal resources to achieve satisfaction (Youngdahl & Kellogg, 1994).

Customer costs of service quality depict customer’s satisfaction-seeking behaviors that are not included as routine elements of co-production service designs. These costs can come from positive, prevention-oriented activities or can result from dissatisfaction that occurred during the service. Positive customer costs of service quality include comparing vacation packages from several travel agencies or seeking recommendations from friends for a movie to see. Complaining to management about the lack of particular items at a salad bar restaurant is an example of a negative customer cost of quality service.

Youngdahl and Kellogg (1994) sought to develop a set of customer cost of quality (CCOQ) categories that could be applied across various service settings. In their survey, no specific type of service or customer was singled out for inclusion. Study participants were students that ranged in ages from 20 to 53 who worked in jobs ranging from fast food to medical doctors. According to Youngdahl and Kellogg, there was no reason to assume that their service purchases and responses would differ significantly from those of any other sampling frame, since nearly all students were employed and attending school on a part-time basis.

The researchers administered the following questionnaire for both extremely satisfactory and extremely unsatisfactory service purchases (Youngdahl and Kellogg, 1994, p. 156):

1. What specific service was this?
2. What were the things you either did or tried to do to affect the quality?
3. Why did you feel it was necessary to take these actions (or not take any action) to affect the quality of the service?
4. How would you describe your investment in time, energy, etc.?
The first question was asked for robustness purposes. Since there was no attempt to select specific services, this question was necessary to be certain that selection did not occur by chance. The critical incident was the response to the second question: What the customer actually did to influence the quality of service. The third question was used to clarify the interpretation of the incident, and the fourth question was designed to indicate the degree of the effort or cost incurred on the part of the customer.

Critical incidents were classified according to the traditional CCOQ categories of prevention, appraisal, internal failure, and external failure. Each participant also rated their perception of the severity of the incident. Prevention activities, or what the customer does before or during a service to prevent failures, accounted for 46.5% of all the critical incidents. External failures, or the actions taken by the customer after failing to receive satisfactory service such as continued complaining, was the next highest with 21.9% of the incidents.

In all of the categories of quality cost, the majority of customers reported expending high levels of effort. These results indicate that customers are willing to expend substantial effort to obtain satisfaction. Customers appear to value their participation in quality control (prevention and appraisal) activities. However, when a service failure occurs, customers do not positively value their participation in recovery related efforts in internal and external failures. Customers reported expending greater efforts within the failure of both internal and external cost categories. Dissatisfied customers, therefore, perceived that they expended higher levels of quality-related effort than did satisfied customers.

Another important consideration for service managers is to understand which cost categories are related to satisfaction. These categories might represent activities that can be supported and facilitated by the service provider. Service managers might want to trend cost categories, in order to trigger recovery and quality improvement strategies. Although 75.5% of the prevention activities occurred with satisfactory service experiences, managers should not assume that the use of prevention ensures a positive service experience.

Youngdahl and Kellogg (1994) discovered that, in this study, the traditional four-category classification system did not meet Flanagan’s (1954) criteria of maintaining significant comprehensiveness, specificity.
and validity. Some customer behaviors were difficult to categorize, and the general categories failed to identify specific behaviors that could be explicitly considered in services management.

After an iterative process of defining the classification scheme, Youngdahl and Kellogg (1994) obtained six categories of customer cost of service quality: positive expression, negative expression, preparation, information providing, information seeking, involvement, and relationships building. The majority of incidents, 31.3%, fell into the involvement or involving oneself in the service by assisting in diagnosis, problem solving, and inspection activities categories. Information providing, or providing information such as description of the desired result and explanation of problems in case of repairs, was second, with 29.2% of the incidents.

This study also examined the level of effort exerted by customers in their search for satisfaction. High proportions of high-effort levels were reported for negative expression, information seeking, and involvement classifications. Only relationship building displayed proportionately fewer low-effort answers. Overall, all of the CCSQ categories were related to the level of customer effort.

Variations in categories were also present when analyzing customer satisfaction. Positive expression, preparation, information providing, and relationship building were all highly related to satisfaction. In other words, customers that took the time to provide information, work on building relationships with employees, and asserted themselves in a positive manner tended to be more satisfied than those who exhibited those behaviors to a lesser extent. Displeased customers were inclined to negatively express themselves and become quite involved in the service.

Relationship building was related to prevention in each of the seven categories. These customers sought to develop long-term relationships with the service providers. Relationship building was used as a tactic more by repeat customers than by first-time customers. Restaurant patrons, for example, mentioned asking for their waitress by name at their favorite restaurants. According to the authors, these customers seemed to indicate that a satisfying service interaction is an expected and integral part of an established relationship.

Reichheld and Sasser (1990) point out that many organizations fail to understand what it costs to lose a customer. Loyal, long-term customers generate increasingly more profits for a firm over time. Given the
negative financial impact of losing customers, managers should seriously investigate how much customers are sacrificing to secure satisfaction in the service encounter. This investigation requires an understanding of quality costs, both positive and negative, from the customer’s perspective.

Youngdahl and Kellogg (1994) summarize that by identifying and understanding the categories of customer quality costs or customers’ satisfaction-seeking activities, managers can facilitate the design and management of services to provide higher levels of customer satisfaction. By using the CIT in a specific service setting, providers can identify service-specific costs of service quality. A preliminary study by Mayer, Johnson, Hu and Chen (1998) found that customer costs of service quality may be unique in the gaming environment. During the focus group sessions conducted in this study, several customers reported that the act of waiting, e.g. for change or a restaurant seat, was a “cost” of not being able to play slot machines. Such specific insight into the customer’s perception of quality cost can give management the information needed to modify services to enhance customer satisfaction.

In summary, the CIT is a systematic procedure for collecting observations of human behavior and categorizing them in such a way that will make them beneficial in solving practical problems. Using the CIT, data are collected through structured, open-ended questions, and the subsequent reports are content-analyzed. Participants are asked to recall specific events that occurred within the past six to twelve months. The specific descriptions of these events and behaviors are designated as critical incidents. Bitner, Booms, and Tetreault (1990) advocate that studying these noteworthy critical incidents is likely to show insight into the fundamentally necessary factors leading to customers’ satisfactory/dissatisfactory service evaluations. Prior research in a variety of industries has shown that this technique can furnish the “rich” fine points of first-hand experiences, in which customers have been satisfied or dissatisfied (Bitner, Booms. & Mohr, 1994).
CHAPTER 3

METHODOLOGY

Critical Incident Technique

After reviewing several research methods (Bitner, Nyquist, & Booms, 1985; Nyquist & Booms, 1987; Bitner, Booms, & Tetreault, 1990; Bitner, Booms, & Mohr, 1994) the critical incident technique (CIT) was chosen as most appropriate for this study. As discussed in the Review of Literature, the CIT is a systematic procedure for collecting observations of human behavior and categorizing them in such a way to make them beneficial in solving practical problems. The specific descriptions of these events and behaviors are designated as critical incidents.

Bitner, Booms, and Tetreault (1990) define critical incidents as "specific interactions between customers and service firm employees that are especially satisfying or especially dissatisfying" (p.73). Therefore, not all service events reported by participants are categorized, but only those that are particularly satisfying or dissatisfying. These researchers state that an incident, to be critical, must meet the following four criteria of: (a) involving an employee-customer interaction, (b) being very satisfying or dissatisfying from the customer's viewpoint, (c) being a discrete episode, and (d) having enough detail to be visualized by the interviewer.

These criteria of incidents have been adopted for use in this study. Before beginning the actual coding process, each of the incidents was reviewed by the principal researcher and measured against these criteria. Incidents that failed to have any single one of the criteria were set aside and not included in the data analysis. If the principal researcher (in cases where the principal researcher did not record the incident) was unclear as to the satisfaction level or visualization of detail of the incident, the interviewer was
contacted for clarification. After receiving this additional information, the principal researcher determined if the incident meets the criterion.

One of the reasons for using the CIT is to make the data useful for answering research questions, while losing as little detail and comprehensiveness as possible. This process of analytic induction consists of repeated, detailed readings and placing of the incidents into groups and categories according to the similarities in the recalled events. After the investigator has read many incidents, similarities among reported incidents start to become evident. The next step is to identify the specific element of the similarity, which then forms the basis for the labeling of each major group of incidents. The incidents are sorted over and over, combined, and re-sorted, until all incidents in a category are more similar to each other than they are to those in any other category. After the major categories have been defined, then the process of delineating categories within the groups begins. The incidents are again read, sorted, reread, and recombined until category labels are identified and each incident can be assigned to a category (Bimer, Booms, and Tetreault, 1990).

**Replication and Extended Validity**

No simple methods exist to ensure the reliability, validity, or objectivity of judgement-based nominal data, as judgement is the core element of the process (Perreault & Leigh, 1989). The CIT is most frequently used to obtain data which are reported from memory. According to Flannagan (1954), the accuracy of the data is not impaired as long as the incidents reported are fairly recent (within the past year). The accuracy of the data is supported by the data themselves. If the participants can describe the incidents in detail, rather than giving vague reports, it can be assumed that the data are correct. If established research protocols are employed, Flannagan states that the researcher can assume that the recalled incidents provide satisfactory data.

Brown and Gaulden (1980) propose that theories or models can “become well grounded in the literature if they are found to be widely generalizable (p.240).” Rosenthal (1991) suggests that replication and extension of an earlier study can make a theory more externally valid, if the previous results have been supported. Brown and Coney (1976) review two basic contexts for replication: replication and replication
with extension. Simple replication is concerned with internal validity, while replication with extension is concerned with external validity. In the second scenario, replication is an essential duplication of a previous study, with the objective of considering additional variables in the design (Bush, Hair, Busch, & Pratt, 1975). Gremler and Bitner (1992) used this definition of replication in their study of classifying service encounters across sixteen different industries.

This study of critical incidents in the gaming industry meets both of the above criteria of replication for external validity. It follows the protocols utilized by Bitner, Booms, and Tetreault (1990) and Bitner, Booms, and Mohr (1994). The work of these researchers has been used as a model for other critical incident investigations, including Gremler and Bitner (1992), Hoffman, Kelley, and Rotalsky (1995), and Chung and Hoffman (1998). The researchers were provided with training, so that incidents collected from participants occurred within the past 12 calendar months, and that incidents were described in sufficient detail to be able to be visualized by the interviewer. The principal researcher also reviewed the incidents prior to classification to verify that the incidents meet these requirements. The study also introduces the new variable of the gaming industry as the context of incident collection and classification.

Data Collection and Number of Incidents

Another issue in regards to the CIT is whether or not the collection of data has been sufficiently complete to encompass all types of behavioral incidents pertinent to the general aim of the study. (Flannagan, 1954; Andersson & Nilsson, 1964). Flannagan (1954) states that there is no simple way to determine the number of incidents required to provide useful information, as it relates to the general aim of the study. The purpose of the study affects the number of incidents required. If the activity being defined is relatively simple, only 50 to 100 incidents may be necessary. Some types of complex activity, however, may necessitate a few thousand incidents, in order to develop an adequate description of the requirements (Flannagan, 1954).

The most useful process for determining whether or not additional incidents are needed is to maintain a running tally of the number of new critical behaviors added to the classification system with each additional 100 incidents. In most cases, it can be considered that adequate coverage has been obtained.
when the addition of 100 critical incidents to the sample yields only two or three new critical behaviors. Although no certain formula exists for determining the number of incidents that will be required, this is a crucial aspect of the plan of study. Flannagan (1954) recommends that checks be made on the first 100 incidents and again after approximately half of the incidents believed to be required have been obtained, in order to make it feasible to revise the preliminary estimates, if needed, with a minimum investment in effort and time.

Ronan and Latham (1974) examined content validity in their CIT study of job performance of Southern pulpwood producers. The researchers defined content validity as the degree to which the number of recorded incidents represented the total number of events that could have been collected. They employed two procedures to test this validity. In the first test, prior to the categorization process, the last 10% of the effective and ineffective (in terms of job performance) incidents collected from the pulpwood dealers were withheld from classification. When the classification process was completed, these incidents were evaluated and classified, to determine if any new behaviors appeared. If this process required the addition of not more than two subcategories, it was assumed that a sufficient number of incidents had been collected. It was found that only one incident could be assigned to a category for which no appropriate subcategory existed.

The procedure of Ronan and Latham (1974) for assessing content validity was used in this study. Due to the small (less than 200) sample size of customers and employees, it was not feasible to maintain a running tally of the number of new critical behaviors added with each additional 100 incidents. The last 10% of the satisfactory and dissatisfactory incidents collected were withheld from classification. When the classification process was completed, these incidents were evaluated and classified, to determine if any new behaviors emerge. This process did not necessitate the addition of more than one new subcategory; thus, it was assumed that a sufficient number of incidents has been collected. Due to the smaller sample size (Ronan and Latham used a sample size of 444 critical incidents), the addition of one subcategory instead of two was selected by the principal researcher to assess content validity.
Number of Categories

Ronan and Latham (1974) applied the second test of validity by recording the appearance of new subcategories as the classification of incidents was progressing. If 90% of the subcategories had appeared when 75% of the incidents had been categorized, content validity was determined to be satisfactory. Results of the study showed that when 75% of the incidents had been collected, 100% of the effective and ineffective subcategories had emerged.

Andersson and Nilsson (1964) used these procedures to determine validity. The last 215 incidents were classified separately. It was found that all of the incidents could be placed in categories that had already been established. In a more detailed analysis, it was found that when two-thirds of the incidents had been classified 95% of all subcategories had appeared. Both Andersson and Nilson (1964) and Ronan and Latham (1974) concluded that the CIT produces data with content validity. Due to the small size of the current study, it was decided (in consultation with the committee member with expertise in critical incidents and qualitative analysis) that it was not necessary to test content validity by two separate measures.

The method of data collection can also be a question of concern, when using the CIT, as several different methods can be utilized. Flannagan (1954) lists four possible techniques: individual interviews, group interviews, questionnaires, and record forms. Flannagan suggests that the use of personal interviews is the most satisfactory data-collection procedures, as long as the interviewers adhere strictly to the study protocol. The personal interview procedure has been successfully employed by many researchers, including Bitner, Booms, and Tetreault (1990), Bitner, Booms, and Mohr (1994), Chung and Hoffman (1998), Hoffman, Kelley, and Rotalsky. (1995), Youngdahl and Kellogg (1994), Grove and Fisk (1997), White and Locke (1981), and Ronan and Latham (1974).

Andersson and Nilsson (1964) compared the number and structure of incidents obtained by questionnaires and individual interviewers. The interviews provided five incidents per person and the questionnaire yielded 2.5 incidents. The researchers also found that the method of collecting the material did not affect the structure to any great extent. Based on the success of aforementioned researchers and the
results of Andersson and Nilson, the personal interview was selected as the data-collection method for this critical incident study of casino slot customers.

Two other reasons for selecting the personal interview are the nature of the casino environment and the characteristics of the slot customers. Since slot players are generally in an excited state of anticipation of playing and winning, it was felt that they would not take time to accurately complete a written questionnaire. The hotel/casino at which the study was conducted was not able to arrange for customer group interviewers, and it was also unlikely that customers would miss slot tournament time to participate in a group interview activity.

Incident classification and interjudge reliability

Andersson and Nilsson (1964) point out that the categorization phase of the CIT may be viewed as tedious and subjective. It is clear that different people may group incidents in different ways. However, Andersson and Nilsson argue that one can always refer back to the original material. With judgment-based data, a basic approach is to form multiple measures of the same construct and then examine how well the measures converge (Light, 1971). The most essential element, however, is that the selected category system be an obvious one, leaving minimal room for arbitrary incident classification (Andersson and Nilsson).

In order to group the critical incidents, those evaluating the incidents must interpret people’s communicated accounts of events. Viney (1983) states that when agreement between interdependent interpretations is achieved, the essential requirement of the scientific process is satisfied. In reference to the CIT, this intersubjective agreement is designated as the interjudge or inter-rater agreement. In other words, the researcher forms a set of exhaustive and mutually exclusive classifications for a designated variable, and then asks one or more judges to evaluate a set of responses and code each response into the most appropriate classification (Perreault & Leigh, 1989). These researchers state that “the integrity of conclusions derived from such approaches depends on the quality of the judgement-based coding of the data on which any subsequent analysis builds” (p.135).
The quality of such judgement-based data, as well as interjudge reliability, depends on the skill and motivation of the judge(s). The quality also depends on the completeness of the underlying classification scheme, the operational definitions for coding categories, and the directions for the coding process. Although judges are unlikely to agree regularly (by chance) in coding a large number of incidents, if any problem is present, consensus among judges on the classification of any individual incident does not guarantee that the incident is coded correctly. Two judges on a single incident might code, using equivalent guesses or an ambiguous classification formats. In addition, disagreements between judges on how to code some incidents directs attention to a potential underlying problem: Because the data are only at the nominal scale level, the researcher cannot "average" different codes (with errors of measurement) to reach a composite measure for use in future analysis. According to Perreault and Leigh (1989), even if inter-judge reliability is in general high, any lack of reliability caused by disagreement among judges is a potential problem.

The usefulness of an estimate of inter-judge reliability is not necessarily restricted to ex post facto evaluation of coded data. Investigators often need a diagnostic application (in pretests or on a subset of data early in the classifying procedure) to determine whether the classification format, definitions, directions, and coder training can be improved. Once an adequate level of reliability is achieved, attention can be focused on the overall implementation of the coding process. This process may or may not involve the use of two or more judges to code each observation (Perreault & Leigh, 1989).

Regardless of whether a preliminary calculation of interjudge reliability is to be utilized for diagnostic purposes to refine research design, or alternatively, as a comprehensive index to represent the quality of the final coded data, the first step is to estimate interjudge reliability of data emerging from the coding process. Perreault and Leigh (1989) advocate that the best approach for improving the quality of data is to have two or more independent judges.

In the study of Bitner, Booms and Tetreault (1990), the first piece of the incident analysis was the inductive delineation of major groups that together could summarize all of the incidents and start to shed light in a general way on their basic research question. Three primary groups arose from two successive clustering possesses. After reaching agreement on the three major groups, the researchers delineated the
categories within the groups. Using an iterative procedure, two researchers read, sorted, reread, and recombined the incidents, until agreement was reached on category designations and the placement of each incident to one of the 12 categories. It is recommended (Perreault & Leigh, 1989) that a third researcher, who did not participate in the categorization decisions, code the incidents, to provide an inter-judge reliability check on the classification scheme. Following this guideline, a third researcher was used as a reliability check. A similar procedure for the classification process was used in the follow-up study of Bitner, Booms, and Mohr (1994).

In the study by Ronan and Latham (1974), the incidents were classified independently by three judges. A miscellaneous category was provided for those incidents which the judges did not believe should be placed in any of the behavioral categories. If the percentage agreement for each category was equal to or greater than 80%, the reliability of the classification system was considered satisfactory. White and Locke (1981) had two coders (one of which was the senior author) working independently assign each incident to a subcategory within the appropriate major categories. The senior author then compared the two sets of category assignments and found a 91% agreement rate between the coders.

Perreault and Leigh (1989) report that in the marketing research literature, there is no universally accepted standard for evaluating or reporting the reliability of coded data, even when multiple judges are used. When investigators use several judges and evaluate the consensus of their coding, the most commonly used measure of inter-judge reliability is the simple percentage of agreement between two or more judges (Bettman & Park, 1980). Perreault and Leigh suggest that an interjudge reliability of >.90 as high, >.80, and >.70 as probably acceptable for categories in exploratory studies. Interjudge reliability reported in other studies include: Chung and Hoffman (1998) >.90; Hoffman, Kelley, and Rotalsky (1995) >.90; Gremler and Bitner (1992) .87 for major groups and .682 for categories; Bitner, Booms, and Tetreault (1990) .88 for satisfactory incidents and .92 for dissatisfactory incidents, and Bitner, Booms, and Mohr (1994) .84 for satisfactory incidents and .85 for dissatisfactory incidents.

It is noted that simple percentage agreement statistics may be influenced by the number of coding categories (Cohen, 1960). The fewer the number of categories and the more highly skewed the distribution of judgments between them (Mitchell, 1979), the more opportunities exist for higher agreement based
solely on chance. This characteristic proposes a challenge to determine quality standards based on percentage agreement statistics.

The above research was used as a basis to determine an inter-judge reliability technique suitable to this study of critical incidents in the gaming industry. Due to the exploratory nature of this study and that the established protocol of Bitner, Booms, and Tetreault (1990) is being followed, simple percentage agreement with an inter-judge reliability of >.80 will be deemed as acceptable for purposes of this research.

Data Analysis

An appropriate technique for describing sets of relationships is the cross-tabulation. The cross tabulation, or contingency, table represents a joint frequency distribution of observations on two or more sets of variables. The tabulation of subgroups, in this case incident categories, is conducted for purposes of comparison. The chi-square distribution is used to test the statistical significance of the contingency table (Zikmund, 1994).

The rationale behind the chi-square test is that of comparing the observed frequencies ($O_i$) with the expected frequencies ($E_i$). The test measures the "goodness of fit" of the observed distribution with the expected distribution. The chi-square test is appropriate for analyzing nominal data as represented by the critical incidents in this study. It is also applicable to the unequal sample size (there are fewer employees in the slot department of the sample hotel than the potential number of customer participants). Zikmund (1994) states that "a calculation of the expected values does not utilize the actual number of observed numbers of respondents in each cell-only the total column and total rows are used in this calculation" (p.519).

The chi-square goodness-of-fit test will be used to test all three hypotheses in this study. The number of classes will be determined by the number of major groups derived from the classification of incidents (see Figure 2). If the model of Bitner, Booms, and Tetreault (1990) is applicable to the critical incidents in the gaming industry, then $K = 3$ ($K$ may equal 4 if the fourth category of Bitner, Booms, and Mohr appears in the incident classification). The test statistic is:

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

where $O_i$ and $E_i$ represent the corresponding frequencies of each of the $K$ classes.
In the first hypothesis, \( O_i \) is the customer data and \( E_i \) is the employee data:

<table>
<thead>
<tr>
<th>Contingency Table Format</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Employee incidents</strong></td>
</tr>
<tr>
<td><strong>Customer incidents</strong></td>
</tr>
<tr>
<td>Employee response to service delivery system failures</td>
</tr>
<tr>
<td>Employee response to customer needs and requests</td>
</tr>
<tr>
<td>Unprompted and unsolicited employee actions</td>
</tr>
</tbody>
</table>

**Figure 2** Format of Contingency Table to be used in this study

In the second and third hypotheses, \( O_i \) represents the data collected in this study and \( E_i \) represents the data collected respectively by Bitner, Booms, and Tetreault (1990) and Bitner, Booms, and Mohr (1994).

The test statistic is compared with a critical value obtained from the \( X^2 \) tables, with degrees of freedom calculated as the number of rows minus one (\( R-1 \)) times the number of columns minus 1 (\( C-1 \)). If \( X^2 \) is greater than the critical value, the stated hypothesis is rejected that the observed and theoretical distributions agree. The significance level of .05 has been selected.

**Pretest**

The pre-test represents the initial test of one or more aspects of the research design. Pretests can be extremely useful in helping to determine if the research design is possible and to provide an estimate of the time and cost involved. Pretests can reveal potential errors in the test instrument (such as unclear wording, instrument length, and respondent misinterpretation), sampling, bias, and interviewer training (Dillman, 1978; Babbie, 1973). Pretests also help the researcher to recognize future decisions that will need to be made in the course of the research and to insure decisions can be made more carefully and consistently.

According to Rossi, Wright, and Anderson (1983) pretests can range from six interviews to pilot studies of over 100. These researchers state that it generally takes no more than 12 – 25 cases to identify the major difficulties and weaknesses in a pretest instrument. Pretest samples need not be drawn with probability;
people chosen for the pretest should be chosen to represent a cross-section of potential respondents (Dillman, 1978).

These basic guidelines were used in the pretesting of the instrument for this study. Permission to conduct the research was obtained by from the Riviera Hotel and Casino and the University of Nevada Las Vegas Institutional Review Board. The instrument below was pre-tested during registration for a slot tournament. The 17 contacts made resulted in 12 completed surveys (see Table 3). Five potential participants responded that they could not recall an isolated incident of exceptionally good or exceptionally poor service. The remaining test group consisted of eight women and three men, with mean ages of 59 and 50, respectively. Respondents also appeared to have difficulty identifying with the words *satisfying/dissatisfying* and *interaction*. In some cases, the respondents recalled situations in general rather than in specific terms. Some respondents were unable to recall a negative incident at the test casino, but were able to remember an incident from another casino (These incidents were included in the analysis.) This difference in recollection may be due to the fact that these players were invited to the tournament. At this point, the researcher provided an example (see Appendix I) and asked the respondent to try again to recall a specific incident. Respondents were asked to recall incidents that occurred within the past year.

The instrument tested was:
Pretest Questionnaire

Think of a time when, as a slot player, you had a particularly satisfying (dissatisfying) interaction with an employee of this casino.

1. When did the incident happen?
2. What specific circumstances led up to this situation?
3. What did the employee say or do?
4. What resulted that made you feel the interaction was satisfying (dissatisfying).

Gender: 
Age: 
State: 

Figure 3: Pretest Questionnaire for Customers

The 12 incidents (7 positive and 5 negative) satisfied the critical incident criterion of Bitner, Booms, and Tetreault (1990). The incidents were classified, using the BBT scheme as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1: Employee Response to Service Delivery Failures</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Group 2: Employee Response to Customer Needs and Requests</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Group 3: Unprompted and Unsolicited Employee Actions</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

The instrument was tested with 5 change people, 3 floor people, 1 monitor, 1 slot redemption person, and 2 tournament coordinators (see Figure 4). Fourteen employee contacts were actually made; with one employee refusing to participate and one who could not recall a specific incident (see Table 4). The following instrument was used:
Pretest Questionnaire

Put yourself in the shoes of your slot players of your casino. In other words, try to see your casino through your players’ eyes. Think of a recent time when a slot player in your casino had a particularly 

satisfying (dissatisfying) interaction with yourself or a fellow employee. Describe the situation and exactly what happened.

1. When did the incident happen?
2. What specific circumstances led up to this situation?
3. Exactly what did you or your fellow-employee say or do?
4. What resulted that made you feel the interaction was satisfying (dissatisfying) from the slot player’s point of view?
5. What should you or your fellow employees have said or done? (for dissatisfying incident only).

Figure 4: Pretest Questionnaire for Employees

The 12 incidents (6 positive and 6 negative) met the BBT criteria and were classified. In the employee classification, there are four possible groupings of incidents. The study of Booms, Bitner and Mohr (1994) identified a new category, problematic employee behavior. The pre-test incidents were classified as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Response to Service Delivery System Failures</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Group 2:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Response to Customer Needs and Requests</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Group 3:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unprompted and Unsolicited Employee Actions</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Group 4:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Problematic Customer Behavior</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Data Collection

A major (over 2,000 rooms) Las Vegas Strip hotel was selected as representative of both slot players and slot department employees. It is acknowledged that this convenience sample was selected for two reasons: (1) So as not to interrupt the operation of the casino or the slot play of the customers, and (2) sample is supported by prior research. Bitner, Booms, and Tetreault (1990) used student interviewers to collect a convenience sample of customers, airlines, and hotels. Bitner, Booms, and Mohr (1994) had student interviewers recruit a minimum of ten employee respondents. Since these interviewers were employed in the hospitality sector, they recruited fellow-employees and employees of establishments with which they were familiar.

According to the Vice-President of Gaming Operations (personal communication, September 23, 1998) at this hotel/casino, the profile of the typical slot players at this property is men and women ages 45-65, with women in the majority. Incidents were collected by the principal researcher and two trained graduate students during customer registration for three different slot tournaments. According to the Vice-President of Gaming, the tournaments provided a cross-section of slot players, as the tournaments were offered to middle-end, low-end, and high-end players, respectively.

Prior to the first tournament, the principal researcher gave the interviewers detailed training and written instructions (see Appendix I). The training consisted of reviewing the purpose of the study, the CIT, questionnaire protocol, and how to use the critical incident example, in case respondents experienced difficulty recalling a specific incident or appeared not to understand the questions.

The initial question of the instrument was rephrased for ease of clarity by substituting experience for interaction. According to Flannagan (1954), the most important aspect of the data-collection phase is the statement of the question. Flannagan reports that several studies have illustrated that even minor changes in wording create substantial alteration in the types of incidents that were reported. As suggested by Flannagan, the study questions were pretested, and necessary changes made with a small group, prior to their inclusion in the data-collection instrument. The principal researchers and assistants did not notice any change in the type of incidents recalled when using the word, “experience,” instead of “interaction,” but the
change did appear to help participants better understand the question as the responses were more forthcoming. The words *satisfying/dissatisfying* were still used as they were used by Bitner, Booms, and Tetreault (1990) and Bitner, Booms, and Mohr (1994), and one of the hypotheses in this study is to test the robustness of their schema. Therefore, uniformity in the instrument is required.

It is acknowledged that this is a convenience sample, and that tournament customers are invited; and therefore, they may have a positive bias towards the property. Customers, therefore, were asked to recall an event at this, or another, casino. This process was the most efficient way to collect the data without interfering in the daily operations of the casino. Each interviewer asked the slot tournament participants the following questions and recorded the answers on standardized questionnaires (see Figure 5).

**Survey Instrument for Customers**

Think of a time when while playing slots at this or at another casino that you had a *satisfying /dissatisfactory* experience as a result of something an employee said or did.

Ask the following questions:

1. When did the incident happen?
2. What specific circumstances led up to this situation?
3. What did the employee say or do?
4. What resulted that made you feel the experience was *satisfying/dissatisfying*?

**Figure 5: Survey Instrument used with the Slot Tournament Customers**

Over the course of three slot tournaments, 213 total incidents were collected. Thirty-two (15%) incidents failed to meet the criteria and were removed from further analysis. In these cases, the customers made statements to the effect that "everything was OK," "I come here because everything’s nice," and "no, nothing in particular". There was only one customer refusal. The final customer sample consisted of 149 customers composed of 82 females and 67 males. The mean age for both females and males was 60 years, with ranges of 30 to 80 and 33 to 78, respectively. According to the Vice President of Casino Operations for this particular property (personal communication, April 13, 1999), the average age of all slot customers is 55. Customers represented 30 different states and Canada (see Appendix II).
After the collection of the customer incidents was completed, the principal researcher and one of the trained graduate assistants interviewed the slot department employees. They were asked the following questions and the responses were recorded by the interviewer on the standardized questionnaire (see Figure 6).

**Survey Instrument for Employees**

Put yourself in the shoes of the slot players of your casino. In other words, try to see your casino through your players' eyes. Think of a recent time when you or a fellow employee did or said something that resulted in *satisfying/dissatisfying* experience for the player. Describe the situation and exactly what happened.

Ask the following questions:

1. When did the incident happen?
2. What specific circumstances led up to this situation?
3. Exactly what did you or your fellow employee say or do?
4. From the customer's point of view, what resulted that made you feel that the experience was *satisfying/dissatisfying*?
5. What should you or your fellow-employee have said or done? (for dissatisfying incident only)

**Figure 6: Survey Instrument used with Slot Department Employees**

The employees were interviewed over the course of six sessions to ensure that the various shifts and work days were covered. One hundred and forty employees work in the slot department in the positions of slot hosts, tournament coordinators, shift managers, assistant shift managers, floorpersons, mechanics, apprentice mechanics, carousel attendants, change persons, booth cashiers, and redemption booth attendants. According to the Director of Casino Administration (personal communication, December 28, 1998), approximately 10% of these employees were not scheduled to work during the time that the survey was conducted due to vacation, leave of absence, or other reasons. The 14 employees interviewed during the pre-test were also excluded. Seven change persons declined to be interviewed, due to their perception of a language barrier. These exclusions left a total sample of 105, that generated a total of 171 incidents.
Four incidents (2%), however, involved employees that were unable to recall any specific incidents and were removed from the sample, resulting in a total of 167 useable incidents from 101 employees.
CHAPTER 4

RESULTS

Coding of Incidents

Criteria and Inter-rater Reliability

A total of 181 customer incidents (97 satisfactory and 84 dissatisfactory) met the critical incident criteria for a total of 1.21 incidents per person (see Appendix II for sample incidents). Of the incidents 15% failed to meet the critical incident criteria as compared to 2.8% in the study of Bitner, Booms, and Tetreault (1990). The incidents that did not meet the criteria were either too general (even for the Gestalt category) or the respondent was unable to recall any particular incident; this may be because the customers chose to participate in the slot tournament due to overall satisfactory past experiences. It appeared that this general overall positive feeling overshadowed a particular positive or negative incident. The customers may also have exhibited an overall positive bias as they viewed the slot tournament as a form of fun and recreation. The study of Bitner, Booms, and Tetreault (1990) included incidents from airlines, hotels, and restaurants. The use of these services is not always a choice of personal preference or recreation, for example, using a certain airline and hotel on a business trip as designated by an employer. As a result, particularly positive or negative incidents may have been easier to recall in these situations.

The first round of incident coding was completed by the principal researcher and a Professor of Educational Psychology experienced in the use of the Critical Incident Technique. The incident sorting process and decision tree (see Figure 6, Appendix III) of Bitner, Booms, and Tetreault (1990) were used. The inter-rater reliability was 97% for the major groups and 95% for the individual categories for the
satisfactory incidents and 96% for both the major groups and individual categories for the dissatisfactory incidents. Using the coding directions (see Appendix I), the customer incidents were classified by the third judge. The inter-rater reliability was 91% and 89%, respectively for groups and categories of satisfactory incidents and 93% and 94% for groups and categories for dissatisfactory incidents. Discrepancies between the second and third judge were resolved by the principal researcher, as the principal researcher experienced the contact with the subjects. The principal researcher also referred back to the BBT decision tree and coding directions. Inter-judge agreement for both the major groups and categories met the study criteria that was set at .80, as well as meeting the standards suggested by Perreault and Leigh (1989).

A total of 167 employee incidents (112 satisfactory and 55 unsatisfactory) met the criteria for critical incidents for a total of 1.65 incidents per person (see Appendix II for sample incidents). In the employee incidents only 2% failed to meet the criteria, in which cases the employees were unable to recall anything specific. As the principal researcher conducted the majority of the employee interviews, it was noted that the employee responses were much quicker, and they had an apparently easier time of describing service events; this can also be evidenced by the higher number of incidents/person (1.65) reported by the employee group as compared with the customer group (1.21).

The inter-rater reliability between the principal researcher and second judge was 96% for the major groups and 97% for the categories for the satisfactory incidents; 93% for the major groups and 97% for the categories for the dissatisfactory incidents. The same coding procedure used for the customer incidents was used by the third judge to code the employee incidents. Inter-rater reliability for satisfactory incidents was 88% for groups and 92% for categories; 91% for groups and 95% for categories for dissatisfactory incidents. Discrepancies between the second and third researcher were again resolved by the principal researcher.

Several issues were uncovered during the coding process. One concern was that some of the incidents were not recorded in sufficient detail for the judges to be able to succinctly place the incidents in the individual categories. This situation may be due to the fact that this experience in this methodology was the first for the principal researcher and the interview assistants. As most of the data were collected by the
principal investigator, some incidents were recorded in a manner that the principal investigator understood but were lacking in detail for others who read the incidents.

A second issue that arose in the coding process was to identify on what basis the incident should be categorized, by the incident trigger or the main theme, as illustrated by the example below:

The slot machine I was playing on broke down. The floor person was busy, and it took a very long time for the machine to get fixed. He did not apologize for the wait.

One judge interpreted the incident as “1b-response to slow service,” since the customer was upset over the service delay and lack of apology. Another judge categorized the incident as “1c-response to other core service failures” because the broken slot machine was the first action in this sequence of events.

In the following example, the judges disagreed on the group categorization of the incident:

At hotel X my husband slipped on a wet floor in the men’s room. There was an employee in the rest room talking on the phone and did nothing to help him. Finally, a security guard came and got my husband out of the bathroom. When we got back from the hospital, it took 2 hours to get our car out of the parking lot without paying, as we didn’t validate the ticket before we went to the hospital.

One judge rated the incident as “1c-response to other core service failure,” since an employee failed to properly clean the floor, which in turn, resulted in an injury to a customer. Another judge coded the incident as “3e-performances under adverse circumstances,” as the customer ended up in the hospital.

Some disagreement also arose on the appropriate use of the Gestalt category versus attention paid to customer. The discreetness required to be a critical incident in the Gestalt cases came from the mention of the actions of a specific employee over a period of time. Another point of interpretation was what constituted “truly out-of-the ordinary employee behavior” versus “attention paid to customer.” Judges also varied in their interpretation of what constituted an implied versus an actual request. For example, if a customer was standing at the change booth and was not acknowledged by the employee, was this a response to an implied request (by the fact of the customer giving a non-verbal clue of needing change) or a response of attention paid to customer; this was particularly evident in the use of the new category, “2e-
response to customer requests.” Clearer coding directions, as well as having independent judges participate in coding the pretest data, may have reduced the ambiguity in the use of this category.

Variations in interpretations, however, are expected in qualitative research. The establishment of standards for inter-rater reliability does help to ensure that judges concur on the majority of interpretations, so that the data can be viewed as valid, reliable, and useful. All of the inter-judge reliability ratings did meet the exploratory study criteria of .80 or greater.

**Major Groups and Categories**

*Robustness of Groups and Categories*

The results obtained in this study suggest that the Bitner, Booms, and Tetreault (1990) and Bitner, Booms, and Mohr (1994) service encounter classification can apply in the unique gaming environment of the hospitality industry. All of the customer and employee reported incidents could be classified within the original scheme of the major groups, as shown in Tables 5 and 6 on the following pages. The fourth employee group, problematic customer behavior, however, was removed from further analysis, as only one incident was classified in this group. This finding was surprising, as the public may associate gaming, more commonly referred to by the public as gambling, with alcohol consumption and rowdy behavior. The customers represented in this particular study did not exhibit disruptive behavior, perhaps because the target market (geared towards older customers) of the study casino do not engage in these types of behaviors. Another possibility is that the monitoring and enforcing of casino policies on a timely basis prevents small issues from becoming major customer problems.
<table>
<thead>
<tr>
<th>Group and Category</th>
<th>Satisfactory</th>
<th>Dissatisfactory</th>
<th>Row Total</th>
</tr>
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<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
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<tr>
<td><strong>Group 1: Employee Response to Service Delivery</strong></td>
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<td>System Failures</td>
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<tr>
<td>A. Response to unavailable service</td>
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<td>22.2</td>
<td>4</td>
</tr>
<tr>
<td>B. Response to unreasonably slow service</td>
<td>0</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>C. Response to other core service failures</td>
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<td><strong>Group 2: Employee Response to Customer Needs and Requests</strong></td>
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<td></td>
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<tr>
<td>A. Response to special needs customers</td>
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<td>6</td>
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<td>B. Response to customer preferences</td>
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<td>8</td>
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<td>B1. Response to customer preferences for non-smoking room</td>
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<td>0</td>
<td>9</td>
</tr>
<tr>
<td>C. Response to admitted customer error</td>
<td>2</td>
<td>11.8</td>
<td>0</td>
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<tr>
<td>D. Response to potentially disruptive others</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>E. Response to customer requests</td>
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<td>Subtotal, group 2</td>
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<td>17.5</td>
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<td><strong>Group 3: Unprompted and Unsolicited Employee Actions</strong></td>
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<td></td>
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<tr>
<td>Employee Actions</td>
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<tr>
<td>A. Attention paid to customer</td>
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<td>9</td>
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<td>B. Truly out of the ordinary employee behavior</td>
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<td>C. Employee behaviors in the context of cultural</td>
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<td>D. Gestalt evaluation</td>
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<td>E. Performance under adverse circumstances</td>
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<td>F. “Comp” service</td>
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<td>4.2</td>
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### Table 6

**Group and Category Classification by Type of Incident Outcomes as Reported by Employees**

<table>
<thead>
<tr>
<th>Group and Category</th>
<th>Type of Incident Outcome</th>
<th>Satisfactory</th>
<th>Dissatisfactory</th>
<th>Row Total</th>
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<tr>
<td></td>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td><strong>Group 1: Employee Response to Service Delivery System Failures</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>A. Response to unavailable service</td>
<td>1</td>
<td>14.3</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>B. Response to unreasonably slow service</td>
<td>2</td>
<td>28.6</td>
<td>8</td>
<td>61.5</td>
</tr>
<tr>
<td>C. Response to other core service failures</td>
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<td>57.1</td>
<td>4</td>
<td>30.8</td>
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<tr>
<td><strong>Subtotal, group 1</strong></td>
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<td>6.3</td>
<td>13</td>
<td>23.7</td>
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<tr>
<td><strong>Group 2: Employee Response to Customer Needs and Requests</strong></td>
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<td></td>
<td></td>
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<tr>
<td>A. Response to special needs customers</td>
<td>12</td>
<td>33.3</td>
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<td>A1. Response to special needs customers regarding non-smoking room</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>B. Response to customer preferences</td>
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<td>5.6</td>
<td>2</td>
<td>6.7</td>
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<tr>
<td>B1. Response to customer preferences for non-smoking room</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>C. Response to admitted customer error</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>D. Response to potentially disruptive others</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2.7</td>
</tr>
<tr>
<td>E. Response to customer requests</td>
<td>21</td>
<td>58.3</td>
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<td>F. Response to customer requests for comp</td>
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<td><strong>Subtotal, group 2</strong></td>
<td>36</td>
<td>32.1</td>
<td>30</td>
<td>54.5</td>
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<td><strong>Group 3: Unprompted and Unsolicited Employee Actions</strong></td>
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<tr>
<td>A. Attention paid to customer</td>
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<td>B. Truly out of the ordinary employee behavior</td>
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<td>13.1</td>
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<td>C. Employee behaviors in the context of cultural</td>
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<td>18.2</td>
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<td>D. Gestalt evaluation</td>
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<td>E. Performance under adverse circumstances</td>
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<td>0</td>
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<tr>
<td>F. “Comp” service</td>
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<td>9.1</td>
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<td>20.0</td>
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<td><strong>Group 4: Problematic Customer Behavior</strong></td>
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<td>A. Drunkenness</td>
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<tr>
<td>B. Verbal and physical abuse</td>
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<td>1</td>
<td>100.0</td>
</tr>
<tr>
<td>C. Breaking company policies or laws</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>D. Uncooperative customer</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Subtotal, group 4</strong></td>
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<td>0</td>
<td>1</td>
<td>1.8</td>
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<tr>
<td><strong>Column Total</strong></td>
<td>112</td>
<td>67.1</td>
<td>55</td>
<td>32.9</td>
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</table>

**Group 1 - Employee Response to Service Delivery System Failures**

When some aspect of the usual service delivery system fails, the customer frequently looks to the contact employee to rectify the situation. The manner in which the employee responds to the customer...
determines the customer's perception of satisfaction or disappointment. When a service failure occurs, can or does the employee turn the negative into a positive, or do the actions of the employee exasperate the service failure? The service failures incidents in group 1 concerned slot machine malfunctions, room reservations, room problems, restaurant service, and change and fill policies and procedures.

**Customer-reported incidents**

From the customer's perspective, group 1 satisfactory incidents comprised 9.3% of the total number of incidents. The majority (78%) of events in group 1 concerned response to other core service failures. These issues mainly revolved around physical problems with the accommodations. By responding promptly and rectifying the situation, customers reported that problems (e.g., dirty rooms, keys not working, etc.) that could be construed as major did not become issues that affected their overall satisfaction level.

Dissatisfactory incidents accounted for 33.3% of the total number of incidents in group 1. As reported in the satisfactory incidents, the majority of problems (57%) were categorized as a failed response to other core services. Customer complaints in this category varied: Slot machine malfunctions, room problems, language barriers when communicating with employees, food and beverage service, in-house phone service, change service, and casino promotions. Customers reiterated that it was the employee's unwillingness to attempt to correct the situation, rather than the situation itself, that caused their dissatisfaction with the service.

**Employee-reported incidents**

Employee-reported incidents constituted only 6.3% of the total number of satisfactory incidents reported in group 1. As with the customer-reported incidents in this group, the category of response to other core service failures contained the majority (57%) of events. Dissatisfactory incidents in this group, however, accounted for 24% of the total number of incidents noted by employees. Of these incidents 62% were attributed to the response to unreasonably slow service. Employees noted that customers became upset when they felt that they had to wait too long for machine fills, change service, and jackpot pay-offs.
**Group 2 - Employee Response to Customer Needs and Requests**

**Customer-reported incidents.**

Group 2 involves situations in which customers needed the employee to modify the service delivery system to meet customers’ specific needs. The employee’s willingness and/or ability to adapt organizational policies and procedures to suit the customer ultimately determines the customer’s positive or negative evaluation of the experience. To be classed in this group, events were required to have either an explicit or implied customer request for individualized service. In this study, implied request included both verbal requests and non-verbal cues for modified service. Customized service was evaluated from the customer’s point of view, as some of what customers perceive as an adaptation to a special need or request may actually be routine (or even legally required) from the organization’s or employee’s point of view. What is essential is whether or not the customers believe that their special requests have been accommodated.

Three classifications were represented in the satisfactory incidents reported in group 2: response to special needs customers, response to customer preferences, and response to customer requests. Response to customer requests emerged as a new category and is discussed under the section *New Categories.*

Group 2 comprised 18% of the total number of satisfactory incidents.

With dissatisfactory incidents, however, group 2 accounted for 44% of the total number of incidents. Of these incidents, 57% concerned the denial of requests for non-smoking rooms and requests regarding directions and information, beverage service, and change service. These issues are discussed further under *New Categories.*

There were 6 incidents concerning the employee’s inability or unwillingness to accommodate customers with special needs. In these cases, customers had requested certain room locations (e.g., near an elevator) to facilitate their ability to get around the casino. The requests were made during the reservation process, and since the person taking the reservations did not state that the hotel would be unable to accommodate the request, customers assumed that their requests would be honored. Upon checking in, however, they found that their special needs were not acknowledged. The service encounter became
dissatisfactory when the front-desk personnel did nothing to help the customer. In several incidences the front desk personnel did not appear to demonstrate empathy for the customers with special needs or disabilities. Even after customers explained their need or disability, some front desk employees responded with statements such as “we can’t guarantee you any specific room” or “that’s all that is available.”

Employee-reported incidents

Consistent with attribution theory, the employee’s view of group 2 incidents varied significantly from those reported by the customers. The satisfactory incidents in group 2 accounted for 32% of the total number of incidents. One-third of the group 2 incidents revolved around the employee’s ability to help special needs customers. Employees cited events such as assisting wheelchair bound customers obtain access to slot machines and other casino services, providing escort guidance to the visually impaired, and helping customers cope with medical conditions. Employee responses also indicated that they felt were willing and able to accommodate unique customer requests. This category (see New Categories) comprised 58% of the incidents in group 2.

The majority (73%) of the negative incidents in group 2 were also found in the category of response to customer requests. Most of these events involved change and booth cashier service. In some cases employees acknowledged that they had observed co-workers that had blatantly failed to respond to implicit and explicit requests for service. In other circumstances, however, change service was delayed due to the fact that employees were following required policies and procedures of the casino. In these cases the employees were quite cognizant of the fact that although they had explained casino change policies to the customers, the customers were still irritated when they had to wait.

Group 3 – Unprompted and Unsolicited Employee Actions

Customer-reported incidents

The majority (73%) of total satisfactory incidents appeared in group 3; of these, 59% were classified as attention paid to customer. Customers were impressed when employees remembered their names, talked to
them about personal rather than gaming interests, anticipated customer needs before customers had to make a service request, wished players good luck, congratulated winners, and helped customers pick "hot" slot machines. Some of the events, such as giving the customer a t-shirt after hitting a jackpot, were casino policies. These actions, however, were still perceived by the customers as special recognition. It is, however, against casino policy for employees to forecast which slot machine is going to hit. Despite this policy the incidents reported indicated that employees are not following this procedure. The question is whether or not this is in response to making the customer happy or the anticipation of receiving a tip. If the customer's machine does hit.

Of the incidents in group 3, 21% were classified as truly-out-of-the ordinary employee behavior. These events mainly involved customer recognition in the form of gifts, such as flowers sent to the room for a customer's anniversary or a fruit basket for a birthday. This information is obtained from players' database and depending on the level of play, such gifts are routinely sent to customers. Customers, however, perceive these gestures as special and personal recognition on the part of the employee.

Of the total number 23% of dissatisfactory incidents emerged in group 3; of these, 47% were classified under attention paid to customer. Customers reported feeling embarrassed and insulted by the manner in which table game employees addressed them during the course of play; for example, a customer reported that a dealer told him: "you don't play fast enough." The majority of the other dissatisfactory incidents in this category were attributed to lack of service, until a tipping situation arose. In other words, employees were not either visibly present or helpful, until a customer won a jackpot.

Several negative events concerned employee behaviors in the context of cultural norms. This category accounted for 37% of the dissatisfactory incidents in group 3. In these instances, customers felt that the employee inferred that they were cheating (e.g., a customer reported a $20 bill jammed in the machine and the floor person asked if the customer was "sure" that he had inserted a $20 bill). In other situations customers reported that they had been cheated, such as perceiving that the change person deliberately shorted them when cashing in or obtaining change.
Employee-reported incidents

Employees also placed a high percentage of satisfactory incidents, 62%, in group 3. The majority, 68%, related to attention paid to the customer. Employees were quite aware that customers liked being recognized and appreciated small gifts such as t-shirts. Many employees mentioned that customers liked the fact that they took time to talk to them about their families and interests rather than just their slot play. Employees again cited examples of anticipating customer needs before the customer had to ask, such as carrying coins to the booth for elderly customers, helping customers learn how to play the different machines, and pointing out safety and security precautions, such as not leaving a purse visibly unattended. Many of these examples involved older customers that employees felt needed extra assistance.

Of the dissatisfactory incidents 20%, were placed in group 3; of these, 73% concerned the attention paid to the customer. These events concerned failure to greet or acknowledge a customer and failure to provide service until a tipping situation arose. Lack of acknowledgement, when a customer was either verbally or non-verbally indicating the need for change service, was reported by employees as being particularly annoying to customers. In the category concerning cultural norms, one employee admitted that her cultural background limited her ability to be outgoing, and that customers had commented to her supervisors that she was rude.

New Categories

The classification of the incidents into categories utilized all of the categories of the schemata of Bitner, Booms, and Tetreault (1990). As noted previously, group 4 – Problematic Customer Behavior, was dropped as only one incident met this group definition. Several new categories also emerged during the course of coding the both the customer and employee reported incidents (see Tables 5 and 6 and Figure 7, Appendix III). This development is consistent with unique subgroups created in other industries (e.g., restaurants, tourism) specific critical incident studies (Chung & Hoffman, 1998; Hoffman, Kelley, & Rotalsky, 1995; Grove & Fisk, 1997).
The non-smoking environment

Two new subcategories emerged in group 2: Employee Response to Customer Needs and Requests that pertained to customer requests for non-smoking rooms. Thirteen percent of the total number of dissatisfactory incidents and 30% of the dissatisfactory incidents in group 2 were related to requests for non-smoking rooms. These incidents were divided into two subcategories. The first subcategory, response to "special needs" customers regarding a non-smoking room, involved customers that requested a non-smoking room due to medical conditions that were aggravated by a smoking environment. The second subcategory, which had nine incidents, involved a personal preference for a non-smoking room. In each case the customer requested a non-smoking room when making the reservation. Since the person handling the reservation did not tell the customer that a non-smoking room would not be available, the customer assumed that a non-smoking room had been reserved. Upon check-in, however, the customer was assigned a smoking room and in each case the front desk personnel were unable to change the room to a non-smoking one; this was a very vocal source of dissatisfaction among the customers.

Response to customer requests

Although the original schema of Bitner, Booms, and Tetreault (1990) has a category for requests for customer preferences, this study found customer reported critical incidents that involved requests for functional services not related to personal preferences. In the study of Bitner, Booms, and Tetreault, a customer request was interpreted as a personal preference, such as asking for a room with a view or a particular seat in a restaurant, or an extension of service beyond the norms of the organization. A new type of request, rather than personal preference, was found in this study. These customer requests revolved around casino-specific services, such as obtaining tickets for casino-promoted events, assisting customers with tournament and casino operations, or requesting directions and information. These requests composed 32% of the dissatisfactory and 35% percent of the satisfactory customer-reported incidents. This category was designated as "response to customer requests."
Unprompted and unsolicited employee actions – the “comp”

A new category also emerged in group 3, Unprompted and Unsolicited Employee Actions. This category refers to “comp” service, or a free service offered to the customer without the customer requesting the comp. Examples include offering the customer a free drink, meal, show, or even room. Although the customer may perceive the “comp” as a special treat, in actuality comps are allocated on the amount of the customer’s slot play. More experienced players are usually aware that comps are earned based on the monetary amount of play. Inexperienced players or those not keeping close track of their play, however, may perceive the comp as an unexpected treat. As reported in this study, the small gesture of offering a complimentary meal or show made a positive impression on the customer.

Employees, however, reported dissatisfactory incidents, when customers asked for comps and employees were unable to honor this request. These events accounted for 13% of the dissatisfactory incidents in group 2 of the employee recalled incidents. In other words, the employee perceived that the customer was dissatisfied when the customer requested a free meal or room and the employee had to say no. The employee was following the casino’s policy of matching comp availability against slot play. In these instances, the customers had not played enough to “earn” the free services. The employees felt that this decision was particularly dissatisfying when in the past, the customer had played more and received complimentary services. This scenario can be related back to role conflict, as the employee had to choose between following company policy and pleasing the customer. In each of these cases, employees followed company policy, but indicated that they felt badly that the customer was upset, particularly when employees knew they would have future interactions with that player.
Tests of Hypotheses

The test of hypotheses was conducted using the chi-square goodness-of-fit-test with two degrees of freedom and a critical value of 5.991 with a .05 level of significance. The results are presented below:

Table 7

Summary of the Chi-square Goodness-of-fit Test

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Satisfactory Incidents</th>
<th>Dissatisfactory Incidents</th>
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<tbody>
<tr>
<td>H1: Distribution of critical incidents reported by customers and employees will be the same</td>
<td>6.04</td>
<td>1.92</td>
</tr>
<tr>
<td>H2: Distribution of critical incidents reported by customers in this study will be the same as those reported in Bitner, Booms, and Tetreault (1990).</td>
<td>26.48</td>
<td>33.86</td>
</tr>
<tr>
<td>H3: Distribution of critical incidents reported by employees in this study will be the same as those reported in Bitner, Booms, and Mohr (1994).</td>
<td>65.87</td>
<td>36.12</td>
</tr>
</tbody>
</table>
**Hypothesis 1**

The first hypothesis was stated as "the distribution of the critical incidents reported by the customers and the distribution of critical incidents reported by the employees will be the same." For the satisfactory incidents, this hypothesis was rejected at the .05 level of significance with a critical value of 6.04. The rank orders, however, for the distributions of satisfactory and dissatisfactory incidents were the same for both customers and employees, as shown below:

<table>
<thead>
<tr>
<th>Table 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank Order Distribution of Satisfactory Incidents</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Satisfactory Incidents:</th>
<th>Rank Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group #</td>
<td>Customers</td>
</tr>
<tr>
<td>1 Response to failures</td>
<td>3</td>
</tr>
<tr>
<td>2 Response to requests</td>
<td>2</td>
</tr>
<tr>
<td>3 Unprompted actions</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dissatisfactory Incidents:</th>
<th>Rank Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group #</td>
<td>Customers</td>
</tr>
<tr>
<td>1 Response to failures</td>
<td>2</td>
</tr>
<tr>
<td>2 Response to requests</td>
<td>1</td>
</tr>
<tr>
<td>3 Unprompted actions</td>
<td>3</td>
</tr>
</tbody>
</table>

Differences in the proportion of group 2 – Employee Response to Customer Needs and Requests accounted for the rejection of the first part of Hypothesis 1. Employees reported more satisfactory events in this category (32.1% of total incidents) than did customers (17.5%). This finding is consistent with attribution theory in that people tend to credit their own actions for success and discount accountability for failure (Bitner, Booms, & Mohr, 1994). In these cases, the employees may feel that they are making an extra effort to accommodate the customer's request, and the customer may perceive the request as expected service.

One aspect, however, that did not concur with attribution theory was the failure to reject the second part of Hypothesis 1 that tested the distribution of the dissatisfactory incidents of customers and employees. Attribution theory suggests that the self-protecting bias directs employees to blame the customer or
company policies and procedures for service failures, rather than admitting their own errors. It would be unusual for staff members to ascribe customer satisfaction as being the result of their own attitudes or behaviors. Customers, in turn, are more likely to criticize the employee or the system for the service deficiency rather than their attitudes or behavior. The expected outcome would be divergent views of the point of origin of the dissatisfactory service encounter (Fisk & Taylor, 1984). In this particular case, however, the failure to reject this hypothesis indicates that the employees are truly in tune with their customer’s perception of dissatisfactory service events. Employees were willing to acknowledge their role in what they believed to cause customer dissatisfaction. At this point, it is unknown what specific factors played a role in this digression from attribution theory; this would be a topic for further research.

**Hypothesis 2**

Hypothesis 2 tested the distribution of the critical incidents reported by the customers in this study against the distribution of the critical incidents reported by the landmark study of Bitner, Booms, and Tetreault (1990). Although the rank order was the same for satisfactory incidents in both studies, the hypothesis was significantly rejected for the distribution of both the satisfactory incidents. The rejection is due to the variations in the expected values in groups 2 and 3 as well as the percentage difference in group 3. The hypothesis was rejected for dissatisfactory incidents. The rank order for dissatisfactory incidents was not the same.

These findings may indicate that the gaming environment is indeed unique, and that service standards applicable to more traditional hospitality venues need to be customized for the gaming industry. The comparison of group proportions in these two studies is shown below:
Table 9

Comparison of Customer Group Percentages to Bitner, Booms, & Tetreault (1990)

Note. Bitner, Booms, and Tetreault data in parenthesis

<table>
<thead>
<tr>
<th>Group #</th>
<th>Satisfactory Incidents</th>
<th>Dissatisfactory Incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Employee Response to Delivery System Failures</td>
<td>9.3% (23.3%)</td>
<td>33.3% (44.9%)</td>
</tr>
<tr>
<td>2 Employee Response to Customer Needs and Requests</td>
<td>17.5% (32.9%)</td>
<td>44.1% (15.6%)</td>
</tr>
<tr>
<td>3 Unprompted and Unsolicited Employee Actions</td>
<td>73.2% (43.8%)</td>
<td>22.6% (41.5%)</td>
</tr>
</tbody>
</table>

Table 10

Rank Order Distribution of Customer Incidents

<table>
<thead>
<tr>
<th>Satisfactory Incidents: Group #</th>
<th>Rank Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Response to failures</td>
<td>This study 3</td>
</tr>
<tr>
<td>2 Response to requests</td>
<td>2</td>
</tr>
<tr>
<td>3 Unprompted actions</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dissatisfactory Incidents: Group #</th>
<th>Rank Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Response to failures</td>
<td>This study 2</td>
</tr>
<tr>
<td>2 Response to requests</td>
<td>1</td>
</tr>
<tr>
<td>3 Unprompted actions</td>
<td>3</td>
</tr>
</tbody>
</table>

The most significant difference in the expected proportions of the satisfactory incidents exists in the group of Unprompted and Unsolicited Employee Actions. The nature of the slot tournament as well as that of regular slot play may provide a wider range of opportunities for guests to receive special attention. Certain slot department employees, such as floor and change persons, have multiple opportunities to interact and develop a rapport with the customers versus the limited and generally one -time employee-customer contact that occurs in particularly in hotels and with airlines. Slot players are on the floor for a considerable number of hours at a time, thereby increasing the number of potential service interactions.
The repeated contacts that can occur over a period of several days during a slot tournament as well as repeat customer visits may enable the employees to better understand and act on what makes the customer feel special. Another explanation, at least in this particular case, is that employees had been well-trained to anticipate customer needs. Although many of the employees interviewed stated that giving detailed and personal attention to their players was part of their customer service role, customers obviously perceived this attention beyond the norm experienced in other service industries.

The overall environment of the slot tournament and casino may also have an impact on this difference observed between slot players and customers of hotels, restaurants, and airlines. The customers interviewed in this research thought of the slot tournament as a type of mini-vacation — they came to the tournament to have fun. Individual recognition, such as a change person cheering them on, celebrating for even small jackpots, providing assistance without being asked, and remembering aspects of a player’s personal life served to enhance the customer’s perception of quality service. Although certain customer information such as birthdays and anniversaries is obtained from the player database, this fact apparently is not known by customers as they stated they were surprised to receive special occasion fruit baskets, flowers, and other gifts. Many customers also stated that they returned to this particular casino because they enjoyed the atmosphere and the friendly employees. Superior one-on-one customer service clearly made an impact on return visits and customer loyalty.

The most significant difference in the negative incidents, however, between this study and the Bitner, Booms, and Tetreault (1990) study was in group 2 — Employee Response to Customer Needs and Requests. In this study, 46% of these negative incidents involved employee responses to customers with disabilities and preferences for non-smoking rooms. It is feasible to suggest that non-gaming hotels, restaurants, and airlines have made more progress in adapting their service to meet the needs of these customers. In addition, federal and state legislation have mandated that airlines and other public service areas are smoke-free, thereby removing this category of complaints from the data collection in Bitner, Booms, and Tetreault. The non-smoking issue is an issue for managerial implications in the gaming industry and further research.
Hypothesis 3

Hypothesis 3 concerned the distribution of the critical incidents reported by the employees in this study, as compared to the distribution of critical incidents reported in the study of Bitner, Booms, and Mohr (1994). The hypothesis was significantly rejected for the distribution of both satisfactory and dissatisfactory incidents. Rank orders for both satisfactory and dissatisfactory incidents were different. Hypothesis 3 had the highest level of rejection of all of the study's hypotheses. The comparisons are presented below:

Table 11

Comparison of Employee Group Percentages to Bitner, Booms, and Mohr (1994).

Note. Bitner, Booms, and Mohr data in parenthesis

<table>
<thead>
<tr>
<th>Group #</th>
<th>Satisfactory Incidents</th>
<th>Dissatisfactory Incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employee Response to Delivery System 6.3%</td>
<td>23.7%</td>
</tr>
<tr>
<td></td>
<td>Failures (27.5%)</td>
<td>(51.7%)</td>
</tr>
<tr>
<td>2</td>
<td>Employee Response to Customer Needs and Requests 32.1%</td>
<td>54.5%</td>
</tr>
<tr>
<td></td>
<td>(49.4%)</td>
<td>(16.4%)</td>
</tr>
<tr>
<td>3</td>
<td>Unprompted and Unsolicited Employee Actions 61.6%</td>
<td>20.0%</td>
</tr>
<tr>
<td></td>
<td>(22.4%)</td>
<td>(9.8%)</td>
</tr>
<tr>
<td>4</td>
<td>Problematic Customer Behavior 0.0%</td>
<td>1.8%</td>
</tr>
<tr>
<td></td>
<td>(0.8%)</td>
<td>(22.0%)</td>
</tr>
</tbody>
</table>

Table 12

Rank Order Distribution of Employee Incidents

<table>
<thead>
<tr>
<th>Satisfactory Incidents:</th>
<th>Rank Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group #</td>
<td>This study</td>
</tr>
<tr>
<td>1 Response to failures</td>
<td>3</td>
</tr>
<tr>
<td>2 Response to requests</td>
<td>2</td>
</tr>
<tr>
<td>3 Unprompted actions</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dissatisfactory Incidents:</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Group #</td>
<td>This study</td>
</tr>
<tr>
<td>1 Response to failures</td>
<td>2</td>
</tr>
<tr>
<td>2 Response to requests</td>
<td>1</td>
</tr>
<tr>
<td>3 Unprompted actions</td>
<td>3</td>
</tr>
</tbody>
</table>
The employees in the study of Bitner, Booms, and Mohr (1994) reported the largest number of satisfactory incidents in response to fulfilling customers' needs and requests. These researchers reported that employees perceived that they best pleased the customer by using their ability to modify the system to adapt to customer needs and requests. In this study, however, employees perceived that unsolicited attention paid to the customer was perceived by the customer to have the greatest impact on satisfaction with the service encounter. This result concurs with what the customers perceived as the most important satisfier in the service interaction. Again, this finding may be attributed to the differences in the industries studied, which again points to the uniqueness of the gaming business.

Group 2 accounted for the largest percentage variation in the dissatisfactory incidents. Employees in the study of Bitner, Booms, and Mohr (1994) perceived themselves as being able to modify policies and procedures to benefit the customer, thereby preventing dissatisfactory service encounters regarding customer requests. The differences in the distribution of incidents again may refer back to industry specific operations. It may be easier to slightly bend rules or accommodate customers in restaurants, hotels, or airlines than in the casino, in which the service is centered around financial incentives.

As stated previously, a new category, 2e – response to customer requests – emerged from this study as a result of gaming-specific functional requests. Change persons and booth cashiers, for example, were unable to respond to customer requests due to certain casino policies, security precautions, or state regulations of which the customer was either unaware or didn’t wish to follow. Employees were aware that this lack of response was a source of customer dissatisfaction, but were not always able to alter the system due to mandated security policies and procedures.

In summary, the results supported all but the second part of Hypothesis 1 that concerned the distribution of dissatisfactory critical incidents reported by the customers and employees that participated in this study. The employees, therefore, had congruent perceptions of those events that created customer dissatisfaction, but not of those events that created customer satisfaction. This difference can be attributed to the variation in the proportion of group 2 – Employee Response to Customer Needs and Requests. As suggested by attribution theory, employees reported more satisfactory encounters regarding customer requests than did
customers, as people generally acknowledge their own actions for success and transfer accountability for
failure to someone else or to a system problem.

The rank order, however, for satisfactory and dissatisfactory customer and reported incidents in this
study is the same. These results are similar to those reported by Schneider, Parkington and Buxton (1980)
and Schneider and Bowen (1985). These researchers examined employee and customer perceptions of
service in banks. These researchers concluded that employee and customer perceptions of service quality
are soundly related. These investigators recommend that obtaining service perception data from both
customers and employees is beneficial in the process of evaluating the quality of service organizations.

The rejection of Hypothesis 2 and Hypothesis 3 indicates that the service quality perceptions of
customers and employees in the gaming business vary significantly from those found in the more
traditional service industries of restaurants, hotels, and airlines. Three of the four rank order sets of data
distribution were different between this study and the studies of Bitner, Booms, and Tetreault (1990) and
Bitner, Booms, and Mohr (1994). This finding suggests the need to consider the aspects of service
successes and failures in the gaming industry as unique compared with traditional service industries and to
develop industry-specific approaches to enhance service qualities. These service concepts are explored in
further detail in Chapter 5.
DISCUSSION AND MANAGERIAL IMPLICATIONS

Like other service businesses, hospitality organizations must constantly motivate customers to participate in their activities via competitive selling of their services. Because a “service” is intangible, the service is experienced by customers in the manner in which it is delivered by the organization. As competition for the Las Vegas gaming customer is likely to continue to increase in the coming years, hotel/casinos should therefore be particularly concerned about managing customer perceptions of the service climate.

According to Schneider and Bowen (1985), cues provided by service-related practices are an especially important foundation of customers' perceptions of service (how it happens) and attitudes about service (how good it was). Since a service itself yields virtually no useful information as a means of evaluation, it is how the services are delivered and the context in which they are delivered that is crucial. In most services, the determination of quality occurs during an encounter between the customer and customer-contact personnel of the organization (Zeithmal, Berry, and Parasuraman 1988).

As previously stated, one way to initiate the evaluation of service quality is to identify critical incidents that result in either satisfactory and dissatisfactory customer experiences. Headley and Choi (1992) and Schneider, Parkington, and Buxton (1980) suggest that this task can best be accomplished by obtaining data regarding service perceptions from both customers and employees. The critical incidents collected in this study provide valuable information on how both customers and employees perceive the quality of the organization's service-related practices. This baseline information should be used by the service firm to evaluate its current practices as well as to determine how resources can be directed in the future to derive a profitable and maximum return in terms of customer satisfaction and loyalty. The remainder of Chapter 5
will discuss specific critical incident findings of this study and the possible implications for management action.

The Customer-Employee Service Link

Since customers equate service with the employees who provide them and customers participate in the service, employee and customer perceptions share a common basis and are related to each other (Schneider & Bowen, 1985). And when employees know what satisfies and dissatisfies a customer, they are better able to serve the customer; this in turn makes the employee feel more confident and fulfilled in occupying the service-provider role. This principle was demonstrated by the failure to reject the part of Hypothesis 1 concerning dissatisfactory incidents. In other words, customers and employees shared similar perceptions of dissatisfying critical service encounters. Although the first part of Hypothesis 1 concerning satisfactory incidents was rejected, the rank order of the major groups for satisfactory incidents reported by customers and employees was the same. This finding is further supported by the fact that the rank orders for the major incident groups for dissatisfactory incidents were the same for both customers and employees.

During the course of obtaining the employee incidents, the employees frequently verbalized that an important aspect of their jobs was to get to know the customers on a personal level. Similarly, customers also reported being pleased when employees remembered their names and were able to speak with them on a friendly, personal level. By reaching out to players in a scope that extends beyond the traditional customer-employee service relationship, these particular employees developed the ability to truly identify with the needs of their customers. This notion is supported by role theory. Schneider (1980) summarizes the literature in occupational and organizational choices – people who select service role jobs in for-profit organizations probably have sincere desires to provide quality service, to work with customers in face-to-face relationships, and are concerned with the accomplishments of the organization as a whole.

The results of this study support the notion that employees do want to identify with their customers and to provide good service. Sixty-one percent of the satisfactory incidents reported by employees and 73% of the satisfactory incidents reported by customers were in group 3 – unprompted and unsolicited actions.
This result indicates that employees went beyond the basic functional levels of their job to personalize customer service. Employees enjoyed providing extra, individualized attention to customers, and customers appreciated their concern. These types of service encounters form the foundations of a long-term relationship between the service organization, as represented by the employee, and the customer.

Managerial Implications

The service orientation

Management plays a crucial role in developing and maintaining the type of service climate in which the employees' desires to provide excellent service are encouraged and rewarded. As exemplified by top management through word and deed, the culture of the entire organization should focus on superior customer service. In the hotel/casino in which this study was conducted, it appears that the service culture of the organization encourages employees to develop strong customer-employee bonds.

The employees' role in giving good customer service is also facilitated by management, when policies and procedures are focused on meeting the needs of the customers. On the other hand, the employees' ability to help customers can be hindered when management demonstrates more concern for system maintenance and strict adherence to company policies and procedures, than it does for customer satisfaction. When appropriate, management needs to empower employees to foster interpersonal relationships with customers and allow flexible application of policies and procedures as they apply to serving the customer. In the gaming industry, however, the flexible application of rules has limits according to the legal aspects of the industry.

The ability of the employees in this study to understand what constitutes satisfactory and dissatisfactory service encounters may also be related to the hiring and training practices of the organization. Even satisfactory performance requires more than technical knowledge. In other words, customer-contact employees must also be adept in applying social as well as technical skills in the work environment. Hogan, Hogan, and Busch (1984) call this non-technical aspect of the service encounter the “service orientation.” The service orientation is a group of attitudes and behaviors that influences the outcome of
the service interaction between customers and employees. Actions such as treating customers with courtesy, consideration, and tact, as well as being perceptive about customers’ needs strongly impact the customer’s overall perception of satisfaction and promote customer loyalty. On the other hand, employees who are thoughtless, rude, and imperceptive have the strong potential to induce customer dissatisfaction and reduce, or even eliminate, the opportunity to create a long-term customer service relationship. As stated by Berry (1995), “regular, open, two-way communications conveys the firm’s interest in the customer’s welfare” (p. 243).

Organizations, therefore, that truly want to create a strong service orientation and culture need to evaluate their hiring and training practices. As illustrated in role and script theory, the customer-contact employee functions as an actor in the organization’s public arena. Rather than focusing on prior, similar work experience and technical skills, the organization should look for potential employees who enjoy working with the public and who demonstrate superior customer-interaction skills. Skills, such as filling a slot machine with coins, are more easily taught than interpersonal skills, behavioral flexibility, and empathy. Hiring people with the right attitude is paramount to success in any hospitality endeavor.

Hiring service-oriented employees, however, is only one part of the process of developing and maintaining the commitment to customer service via open communication between customers and employees. The employees’ opportunity to engage in successful customer interactions can be improved with training. Well-trained employees feel confident in their ability to navigate encounters employing a variety of roles and service scripts.

As noted earlier, the majority of both satisfactory incidents for customers and employees stemmed from unprompted and unsolicited employee actions. With group 3 for both groups, the majority of these incidents were initiated by attention paid to the customer. This finding supports the need to train employees how to truly identify with their customers. “Attention paid to customer” means more than the employee saying “have a nice day”; it means that employees remember and greet the customer by name, have some personal knowledge of the customer, can anticipate the customers’ needs, are able to read body language, and take pleasure in going out of their way to help the customer. Unprompted and unsolicited employee actions clearly make a lasting impression on customers.
Upward communication

As suggested by Schneider and Bowen (1983) and Schneider, Parkington, and Buxton (1980), customer-contact employees are good sources of information concerning customer attitudes, and they can correctly forecast customer expectations and perceptions of the service. This study also supports this finding. If management has limited direct contact with customers, the information provided by employees may be more accurate than management’s perception of customer satisfaction levels. The question, however, for the hotel/casino involved in this study and other hotel/casinos is whether or not employees share this information with middle and upper management.

The movement of customer-reported information from the employee to higher levels depends on several factors. First, does the corporate culture encourage open communication between employees and management, or does the corporate culture hinder open communication? The organization needs to assess if employees feel comfortable discussing customer issues with management or if the employees are afraid of management. If employees do feel comfortable sharing information, then the organization needs to establish both formal and informal mechanisms for this information to reach upper management.

Zeithmal, Berry, and Parasuraman (1988) advocate that face-to-face communication is the most efficacious as it allows both verbal and non-verbal messages to be expressed. This type of expression is particularly important when the employees and top management differ in considerably in background (Berry, Zeitham, & Parasuraman, 1985). In practical terms, management should commit to meeting with employees on a regular basis, either through department meetings, one-on-one or focus groups, or by simply walking around and talking with the staff.

A second issue concerns how management views and uses the information that employees provide. Does management act on the information provided by employees or simply go through the motions of non-active listening? If employees are willing to share information, and find that the information is not taken seriously and acted upon, chances are they will perceive their communication efforts as futile and upward communication will falter or cease. Employees want and need to feel that they are making valuable contributions to the organization and that quality of service will improve as a result of their efforts.
**Database information**

In addition to talking with customers, employees (particularly slot hosts and tournament coordinators) obtained customer information from slot club registration forms. The slot club membership form captures information such as birthdays and anniversaries. Employees at this hotel/casino successfully utilized this information to remember customers by sending birthday and anniversary gifts. Although it is casino policy to remember customers (players at a certain level) with gifts and flowers, customers perceive it as extra-special attention. Since the attention paid to customer group ranked first in terms of customer and employee satisfactory incidents, this hotel/casino and others should evaluate potential methods of capturing and utilizing customer information. In this particular situation, the property could consider ways to obtain information from other customers, for example table players, and use it to increase customer satisfaction and its resulting positive financial impact.

Database information, for example, would be useful for hotel/casinos to promote business during slow and weak periods. By tracking people who have previously stayed on property during slow periods, the hotel/casino could engage in direct target marketing by offering special incentives to make it attractive for other customers to visit during other times of low occupancy. Another way to access customer information is to make use of outside databases such as American Express or Visa. These databases can provide information that is specific to the customer base of the organization. The property, for example, can request a database of people in a certain geographic area that have traveled to Las Vegas within the past two years. This database can also be sorted by factors such as age and income of the property’s primary market. By using these criteria-specific data to direct-market or develop special packages with wholesalers, the property can increase its chances of a positive response from potential customers as the marketing efforts are directed at fulfilling the particular needs of these customers.

**Making Promises and Service System Failures**

Bitner (1995) presents a three-stage model of fulfilling service promises to customers. In the service process, these steps are making promises, enabling promises, and keeping promises. The first step, making promises, concerns the external marketing efforts of the company. Through its external marketing
communications, the organization makes promises with respect to what services customers can expect and in what manner they will be delivered. External marketing is not confined solely to the functions of advertising and sales, but includes the physical environment of the facility, the customer-contact employees, and the service process itself. All of these factors communicate a set of service expectations to the customer (Grove, Fisk, & Bitner, 1992).

Berry (1995) points out that the two-way communication between customers and customer-contact employees provides yet another opportunity to create customer expectations. Firms must ensure that they can actually deliver the promised service to the customer. The first service promise is broken when the firm creates unrealistic expectations in the eyes of the customer and then cannot fulfill the need that they have created. The propensity to over-promise can create a weak service relationship from the beginning. And since communication is a major precursor of trust, the organization runs the risk of not being able to recover from a service failure caused by the employee and/or organization creating expectations in the customer's mind that it cannot fully deliver (Morgan & Hunt, 1994). In this particular study, this type of service failure occurred with regard to the customer's expectation of reserving a non-smoking room and then being assigned to a smoking room upon arrival.

The failure to provide non-smoking rooms as requested was a major source of customer dissatisfaction in this study. In fact, 13% of the total number of dissatisfactory incidents and 30% of the dissatisfactory incidents in group 2 were related to the inability of the hotel/casino to provide the non-smoking rooms that customers had requested when making their room reservations. In each instance, the customer asked for a non-smoking room when making their reservations via the room reservations service process. Since the person accepting the reservation did not specifically state, or the customer chose selectively not to hear, that a non-smoking could not be guaranteed upon arrival, the organization created the expectation that a non-smoking room had been reserved. Although the hotel/casino thought it was covering itself by stating that a non-smoking room could not be guaranteed, customers still perceived that they had reserved a non-smoking room. This perceived-service promise was broken, when upon arrival customers were told that there were no non-smoking rooms available and nothing could be done to honor their request.
The availability of non-smoking rooms is a particular problem in this study's hotel/casino, as only 10% of the rooms are designated as non-smoking. According to the hotel's policy, employees are to specifically tell customers that request any type of room accommodation (non-smoking, a certain location, handicapped-equipped room, or room with a view) that they will note the request, but cannot guarantee a particular room upon arrival. Two opportunities for failure exist with this scenario. In the first case, the employee fails to enact the script of this policy and does not respond, when the customer states the preference for the non-smoking room. As a result of this inaction, the employee has confirmed the customer's expectation that a non-smoking room will be available upon arrival. In the second service failure scenario, the employee utilizes the correct script, but the customer either intentionally or unintentionally does not hear the message. What remains in the customer's mind is that a certain type of room has been guaranteed.

**Managerial implications**

In this study's casino and other hotel/casinos, the ability to honor room reservation requests such as non-smoking is an operational problem for several reasons. When occupancy is running high, the hotel/casino is unable to guarantee specific rooms, as it must match room availability with people that are leaving with people that are arriving. For example, if the property has 2,000 rooms and turns these rooms over every three days, there is a substantial chance that a specific room that a customer requested is still occupied. It is extremely difficult to match the 600 rooms that are being vacated with the 600 people arriving.

**Non-smoking rooms.** The availability of non-smoking rooms is an issue that this study's property and other gaming properties need to seriously evaluate. According to the American Lung Association (1998-99), there are 44.3 million ex-smokers in the United States and one-third of smokers try to quit annually. Given the older age of the target customer at this property (the mean age of the sample was 60 years) and the growing trend towards a smoke-free environment the hotel-casino should evaluate the number of non-smoking rooms on property. At least from the small sample in this study, the number of non-smoking rooms does not appear to be sufficient to meet customer demand. From 1996 to 1998, the demand for
rooms and casino services has almost equaled the supply, with Las Vegas hotel/casinos typically running at a 90-93% occupancy rate (Las Vegas Convention and Visitors Authority, 1997). However, with the addition of 21,000 rooms to Las Vegas through the year 2000, the availability of non-smoking rooms may be a deciding factor in which hotel-casino to stay. This choice has important financial considerations, as lower occupancy rates could result in a decrease in gaming revenue and/or increased marketing costs to attract new players.

One suggestion, and an idea for future research, would be for gaming properties to survey their customers in regard to preferences for non-smoking rooms. The property would then have a more concrete idea of what percentage of rooms need to be designated as non-smoking in order to evaluate the cost/benefit analysis of converting smoking rooms to non-smoking rooms. Another issue for future research, particularly for gaming properties that will be undergoing renovation or expansion, is the possibility of creating dedicated non-smoking hotels adjacent to the casino. In other words, the gaming industry might best satisfy the customer by providing a casino with two different hotels – one for customers that smoke and one for customers that do not.

Customers with special needs

A similar service failure scenario occurred when customers requested specific rooms or room locations due to functional disabilities. Customers asked for specific room locations (near an elevator or on in a specific tower) to expedite their mobility around the property. Again, these requests were made during the reservation process. Since the employee accepting the reservation did not make it clear, in the customers’ mind, that specific rooms could not be blocked off, the customers expected that their requests would be honored. Upon checking in, however, they were dismayed and even disgusted that their special medical needs were not considered in the room assignment process.

In this study, including both the customer and employee reported data, there was a total of 24, or 7% of the total incidents, that involved a customer with a disability. This figure may be reflective of the age of the population interviewed (mean age of 60). It is also conceivable that for people with impairments that limit mobility, playing slot machines is an accessible and enjoyable form of entertainment. The casino...
environment may also be viewed as a place of social interaction that may be more difficult for customers with special needs to obtain in other entertainment venues.

As suggested for future research regarding the non-smoking rooms, hotels/casinos that target an older age group may find it worthwhile to survey its customer base to determine the extent of the need for special accommodations. The property can then better evaluate if it should adjust its room base to accommodate these types of customers. For this study's particular property and other hotels/casinos, the adjustment of the room base is not only a customer satisfaction issue, but is also financial issue. Although a property may want to accommodate special-needs customers, the majority of its business may be directed towards convention or other business. Each property must determine how to allocate rooms based not only on the satisfaction of select customer groups, but on the customer groups that it needs to financially succeed.

Enabling Promises and Service Failures

The second part of Bitner’s (1995) model of building service relationships concerns enabling promises. When a potential customer buys into step one (making promises) and assumes the customer “role,” two-way communication begins (Berry, 1995). This leads into the second stage of enabling of promises. As discussed in the previous section of this Chapter 5, in order for employees and service systems to keep the promises that have been made, they must have the necessary skills, abilities, tools, and motivation to deliver. Unless employees are appropriately hired, trained, given the supplies and internal systems, and recognized for good service, the promises made by the organization to the customer may not be kept. In this study, failures in this link of the service-promise change were found in room reservations and change procedures.

Room reservations

At this particular property, the front desk personnel were not empowered to change room assignments. For example, if a customer had requested a non-smoking room and a smoking room had been assigned, the desk clerk was unable override that room assignment without supervisory approval. According to management, front desk employees are not empowered to change rooms in order to prevent them from
taking bribes for room upgrades. In other words, the customer may have reserved a certain priced non-smoking room that consequently was not available on check-in. There was, however, a non-smoking room available at an upgraded price. It is currently against hotel policy to move the customer to an upgraded room (without the additional charge) for the sole purpose of providing the requested non-smoking environment. Management is concerned that employees may accept monetary or other gifts in exchange for altering room assignments without charging the customer the increased fee. Due to the number of dissatisfactory incidents arising from the lack of availability of non-smoking rooms, this property and other hotels/casinos may want to re-evaluate their policies on how to handle non-availability of non-smoking accommodations, especially in situations involving medical disabilities.

**Customers with special needs and managerial implications**

Lack of training in specific areas of customer concern can also result in the inability of employees to enable promises; in other words, they may just not know how to handle particular situations. There was evidence in this study for a need of more training in how to appropriately handle situations involving customers with special needs and disabilities. Of customer-employee interactions that involved a disabled customer, 38% were viewed negatively either by the customer or employee. This result suggests a need for management to be more aware of these various customer profiles and to train staff in how to provide appropriate service in situations that involve customers with disabilities.

Another concern is that customers with disabilities should not be viewed as a single group with a single need. The events reported in collecting these data involved a wide range of disability concerns, including how to use wheelchairs, guiding blind customers, dealing with Alzheimer's disease, and treating people with dignity and respect. A more in-depth analysis of the types of disabilities that employees may encounter should serve as the foundation for training staff to handle these customers appropriately. By initiating such a program, a hotel-casino may create a new market by fulfilling the needs of the customer with special needs.

Customers and employees also reported a total of 11 events classified as "adverse circumstances"; all of these involved a guest or family member of a guest requiring immediate medical attention. Although only
two customers (no employees) responded negatively to how the emergency was handled. Customer-contact staff should be thoroughly trained in how to respond to unforeseen adverse situations such as customer illnesses, heart attacks, and falls. Employees should know how and who to immediately contact to render the necessary intervention in emergency situations.

**Change and slot machine fill service.** Another way in which the second service-promise step is broken occurs when internal systems are not geared to make it easy for the employee to satisfy the customer. Employees reported that they perceived customers to be unhappy with the change, and booth cashier and slot machine fill service both in terms of speed and quality of service.

The time it takes to fill a slot machine with coins has become a more visible problem due to the introduction of bill validators on the slot machines. As casinos purchase or renovate machines with bill validators, the result is that most of the play changes from coins to currency. The absence of coin going into the machine, causes a net outflow of coin, which results in the need for more frequent fills. In the past, the frequency of machine fills was lower because more coins were going in than going out. The problem compounds itself when the customer hits a jackpot. The machine pays off the jackpot in coins, and the customer usually redeems a certain percentage of those coins at the change booth. As a result, the hoppers must to be manually filled at more frequent intervals.

Employees also voiced concerns that they perceived customers to be dissatisfied with change and booth cashier service. In certain instances, change service was delayed (in the customers’ mind) due to the fact that employees were following the hotel/casino’s change policies. For example, employees would request change when two employees were counting the bank at shift change. Per policy, they are unable to stop this procedure and give the customer change. The customer, however, does not always understand this process, as it takes place out on the casino floor. In other cases, however, employees reported observing co-workers purposely failing to respond to implicit and explicit customer requests for change service.

The change banks used by the change personnel are out on the casino floor. Accessibility to the change bank enables the employee to obtain change more quickly for the customer. The change banks are dispersed throughout the casino according to the levels of slot play in each geographical area. Each bank is an imprest fund that must be reconciled at the beginning and end of a shift with either a floor person or
another change person. During this process in which the change is being counted, that change person technically is no longer available for customer service. Per casino policy, a floor person should be present during this process and direct customers who request change to the closest open bank that is available. According to the dissatisfactory incidents reported in this study, however, the floor person was not consistently available to inform the customer about the change process and to politely assist them in finding an available source of change.

Managerial implications

It was interesting to note that customers did not report as many dissatisfactory incidents concerning change and fill service as did employees. Perhaps the delay in service was more important when the customer was playing, and when asked about critical incidents at a later date, other issues were actually more easily remembered by the customer because they were more critical to the overall service experience. Another explanation is that customers perceived the level of change service at this particular casino as the same or better in comparison to other casinos. Although customers do not like to wait for fills or change, if this scenario occurs in the majority of casinos they have patronized, they may not like it, but accept it. Employees may also be more sensitive to the issue because they have observed the change from coins to bills and the impact of this change has probably not occurred to customers.

Casinos have actually been slow to increase the number of floor people and the frequency of fills because of increasing labor costs. In other words, it costs the property more to staff additional floor and change personnel than it does in lost business due to customer complaints about slow or unavailable service. Two possible quick solutions would be to: (1) remove the change banks from visible sight of the customer and (2) post a sign indicating that while the change bank is being counted, personnel are not available for service and directing customers to the nearest bank.

Another possible solution involves future technology. One internal system solution is that manufacturers are now developing slot machines so that when jackpots are paid, the machine will issue a receipt instead of coin. Customers would then redeem the receipt at the change booth. As a result, the
number of manual fills will decrease. The other more immediate choice is to increase labor cost in response to customer demand.

Keeping Promises and Service Failures

Keeping promises is the third, and from the customer’s point of view, the most critical of the promise-related activities. In the eyes of the customer, service promises are most frequently kept or broken by customer-contact employees or in some instances by technology. Service organizations need to understand how they are vulnerable and where in the service delivery system the breaking of promises is most likely to occur. When a service system within the organization does break a promise to the customer, how the customer-contact employee handles the situation frequently determines if the customer is ultimately satisfied or dissatisfied with the quality of that particular service encounter as well as the overall quality of the organization. In this study, the majority of the dissatisfactory critical incidents reported by both customers and employees resulted from inadequate responses to requests for service.

An example of the third kind of promising-breaking was illustrated by the response of the front desk personnel when telling customers who had the expectation of checking into a non-smoking room that their request would not be honored. In describing these critical incidents, customers reported that it was the attitude and response of the front desk person that caused them considerable upset. Customers reported employee responses such as “that’s all that’s available,” “if you arrive late you don’t get the rooms you want”, or “you take them as they come; sometimes you luck out and sometimes you don’t.” Customers also noted, with irritation, that the desk clerk did not offer any explanation when the customer reiterated that the reservation had been made months ago and that the customer did not understand why with such advance notice their room preference was not available. Front desk personnel failed to apologize for the inconvenience, explain the room assignment procedures to the customer, or offer to help them find a more suitable room. (As noted earlier, front desk personnel in this hotel/casino are not permitted to change room assignments.)

In these instances, customers reported that they felt that they were left hanging with no choice but to take the assigned room, even though it did not meet their needs. The lack of employee empathy was
particularly noted by customers who had requested non-smoking rooms or rooms at certain locations due to medical disabilities. Although the front desk employee did not take the original reservation request, the front desk employee broke the organization's promise to the customer during the service encounter that occurred during the registration process. The customers, however, did not identify the reservation and registration activities as separate. They perceived them as a continuum of service, and the last person in the service chain, the front desk clerk, ultimately broke the promise.

Promise-breaking by the customer-contact employee occurred in situations other than room reservations. Customers noted dissatisfactory incidents in food and beverage service, housekeeping service, and in situations when customers simply requested directions or information. Again, it was the employee's response to the request or service failure that appeared to create the lasting impression of a dissatisfactory service encounter.

**Service Recovery Skills**

At the point of a potential service system failure, the customer-contact employee has two options. The first option is to allow the failure to occur and not attempt to rectify the situation and thereby preserve customer satisfaction. This course of inaction will serve to weaken the relationship between the service firm and the customer. If this scenario is repeated too frequently, the customer will ultimately change to another service provider. Each potential failure must be viewed by management and the customer-contact employee as an opportunity to correct the problem, and in doing so, to create a satisfied customer.

Customers did report several incidences in which the prompt attention of the employee turned a negative into a positive. In one extreme example, a customer found blood-stained sheets on her bed. The customer, however, reported it as a positive incident, because the manager on duty acted promptly and provided the customer and her guests with free room upgrades. When employees apologized and corrected the service failure, customers in this study were more apt to view the incident as satisfactory.

Even if the employee was not able to find a solution to the problem, an apology and truthful explanation lessened the degree of customer upset.
Double service failures. Customers voiced the most dissatisfaction when employees who were aware of a failure neither apologized nor attempted to correct the situation. Customers may perceive these incidents as not one, but two or more, service failures, thereby compounding their dissatisfaction with and distrust of the organization. For example, a customer stated that she received a drink with dirt in it. Rather than apologizing and implementing a service-recovery strategy such as serving a new, free drink, the employee simply brought the customer another drink. Lack of quality control allowed this failure, which should not have occurred at all, to happen. When the failure did occur, the customer-contact employee did not initiate an appropriate service recovery strategy which, in this instance, would have included an apology and a complimentary new drink.

In a more extreme incident described in Chapter 4, a customer fell on a wet floor in the men’s room. The first service deficiency was that the floor was not properly mopped. The second failure was that although an employee noticed that a customer was hurt, the employee did not provide any assistance. The incident resulted in a trip to the hospital for the customer. Upon his return a few hours later, the organization failed him again. Despite the problems the hotel/casino had already caused him, the organization was unwilling to dismiss the fee for using its parking garage.

Managerial implications

It would be well worth the time for management to investigate and chart the flow of dissatisfactory customer incidents. As found by the principal researcher in this study, a negative incident can be the result of a trigger and/or the employee’s response to the problem. By creating service failure flowcharts of negative critical incidents, management can get a better grasp on what triggers and compounds failures. If a failure does occur, then management needs to teach employees how to stop the incident from creating a cavalcade of problems for the customer. Once opportunities for potential service failures are identified, employees and management can develop and implement service recovery strategies.
Boundary-spanning and Role Conflict

The employees interviewed in this particular study worked and interfaced with the customers and the hotel/casino throughout their entire workday. According to Bowen and Schneider (1985), they occupied what are termed as "boundary-spanning" roles. As in other types of service industries, the gaming employee working on the casino floor has the closest contact with the customer while simultaneously interfacing with the hotel/casino. The boundary-spanning role has the potential to create role stress and conflict for the customer-contact employee.

This problem was evident in two areas in this study. The first area involved change and fill service. Change people reported conflict between counting their bank and being accessible to customers at the same time. Since the bank is on the casino floor, employees understood why customers would approach them for change. They expressed understanding for the customer and were even accepting of their anger, because per policy they could not interrupt the counting procedure to help the customer. Several change employees remarked that after they had counted their change bank, they located the disgruntled customer, apologized, and made an extra effort to provide extra service for that customer's stay on the casino floor. The change personnel, however, still reported these as dissatisfactory incidents, as they perceived the customers to be irate when they could not readily obtain change.

This situation with the slot machine fill service was similar. Employees verbalized empathy for people having to wait for jackpot pay-offs or machine fills. These delays were caused either by staffing decisions and/or multiple customers requiring the same service at the same time. Employees stated that at times staffing was inadequate for the demand, but given the unpredictable nature of the service, it was difficult to forecast staffing needs. They verbalized that additional staffing would improve the speed of service to the customer. In this case, the employee must deal with the stress of the organization's staffing decisions against their desire to provide quicker service to the customer.

The second area of conflict was the response to customer requests for free services. The hotel/casino has a well-established policy on the number of points a customer must earn in order to obtain complimentary services such as a free room. A chart is available for all of the customers that lists how many points are needed to earn desired services. Certain customers, however, felt that the employees
should make individual exceptions in their cases. The employees reported that this expectation created a conflict between pleasing the customer and following company rules. The conflict was compounded by the fact that the customers knew they were not entitled to the free service, but placed this demand upon the employee. In each case, the employee acknowledged the customer's concern but upheld the policy of the hotel/casino.

**Customer Education**

Variations between actual service delivery and promises also transpire when organizations do not adequately educate their customers. As in other service industries, the gaming player participates in the production of the service. If the service organization fails to teach customers the scripts that are to activated in certain situations, the customers may not feel comfortable in their roles. If customers are uncertain with regards to how a service will be provided, what their role in the service process involves, and how to evaluate the service, they will be dissatisfied and will blame the organization, not themselves, for their disappointment (Zeithmal & Bitner, 1996). Opportunities for a satisfactory service encounter are enhanced when customers are knowledgeable about the expectations and requirements of a service.

**Managerial implications**

Several service areas in this study suggest the need for increased efforts directed towards customer education and resetting customer expectations. The first area is the issue of customers believing that they have reserved a certain room (non-smoking or a specific location). It may be possible that the reservation agent does tell the customer that specific room preferences cannot be guaranteed, and the customer chooses to disregard this message. If the present method of room allocation is not going to change, then the hotel/casino should consider employing additional efforts to ensure that customers hear this message. One way would be to mail or fax written room confirmations to all customers with a statement in bold print stating that although a certain type of room was requested, specific rooms cannot be guaranteed. If customers know in advance that there is a chance they will not get what they ordered, they may be more pleased if, upon arrival, their request can be accommodated and less disappointed if it cannot be

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accommodated. In other words, the customer's expectation has been reset (Zeithmal & Bitner, 1996) to include the possibility of not receiving the requested room.

Zeithmal and Bitner (1996) point out that customer education is especially important in situations in which supply and demand are not synchronized. If the customer is not informed about highs and lows in demand, service overloads, and failures are likely to result. This situation applies to the change and slot machine fill service. When multiple customers need change or fill service at the same time, the internal service system at the present time dictates that someone will have to wait. The floor person, for example, while making routine customer rounds, could inform customers where change banks are located, the fact that change personnel who are counting banks are not allowed to interact with customers during this process, and approximately how long it will take to fill a machine or pay a jackpot. Another possibility is to post a sign that the bank is being counted and noting the nearest place that customers can obtain change. The floor persons could also explain, in advance, to the customer that speed of service depends on how many customers need the same service simultaneously. Zeithmal and Bitner (1996) advise that by preparing customers in advance about variations in demand and supply, they will not be as disappointed when they need to wait a service.

The Uniqueness of the Gaming Environment

As previously indicated, the incident classification developed by Bitner, Booms, and Tetreault (1990) was stable for grouping and classifying the incidents in this study. Their model, however, was extended in this study through the addition of three new categories (response to customer requests, response to customer requests to comps, and comp service) and two new sub-categories (response to special-needs customers and response to customer preferences for non-smoking room). The researcher suggests that the three new categories may be the result of the uniqueness of the gaming industry. The gaming environment of the study's hotel/casino may have also initiated the two sub-categories that pertained to non-smoking rooms; however, it must also be recognized that in the years since the studies of Bitner, Booms, and Tetreault (1900) and Bitner, Booms, and Mohr (1994), consumers have been increasing more vocal
regarding the need to provide services and environments that are smoke-free and adaptable to those with special needs.

Study Limitations and Implications for Future Research

Limitations of the Study

Convenience sample

As with any empirical study, certain limitations must be noted. One limitation is in the fact that the sample was a convenience sample of slot tournament players. Slot tournament players do not represent a cross section of overall slot, video game, and table game players. Tournament players tend to be more experienced slot players, are repeat customers, and enjoy the tournament atmosphere. They play slot machines on a more regular basis (several times per year) than the Las Vegas tourist who visits infrequently or perhaps is visiting Las Vegas for the first time. It is not known how much variation would be obtained if the study were replicated using a random, instead of convenience, sample of customers playing slots on the floor. The characteristics and service perceptions of customers may also differ with the introduction of such variables as: (a) customers’ frequency of visits to Las Vegas, (b) age of customers, (c) table game players, and (d) local instead of out-of-town customers.

The sample of employees was also a convenience sample. The employees interviewed consisted of those working in the slot department. As many of the incidents reported by customers involved other hotel/casino services such as room reservations and front desk, the level of congruence of reported satisfactory and dissatisfactory incidents could vary, if employees from other departments were included in the sample. A wider departmental representation of employees in the sample is would be applicable for future research in a replication study.
**Study location**

This study was conducted at one medium player-end Las Vegas Strip hotel/casino. The customers in this sample chose to participate in the tournaments at this particular hotel/casino and therefore may have a positive bias towards the service. For this reason, the questionnaire was phrased to include service incidents that may have occurred at the sample or another hotel/casino. The researcher also acknowledges that additional research involving a sample of more as well as varied hotels/casinos is needed to further discuss the generalizability of these results. In this particular study, unprompted and unsolicited employee actions constituted the majority customer-reported satisfactory critical incidents. The researcher must entertain the question of whether employees working at the study property differ in any way from employees at other properties. Perhaps the selection and training policies of this casino emphasize superior customer service skills over gaming industry experience and technical skills; this would be a subject for further research.

**Critical Incident Technique**

Another acknowledged limitation is that this study was the principal researcher’s first time use of the critical incident technique (CIT). Through the incident classification process, the researcher discovered that some of the incident descriptions were not sufficiently complete in detail so that the independent judges could not classify them without first obtaining further clarification about the details of the incident from the principal researcher. For other researchers contemplating employing the CIT methodology, an important issue to consider is the completeness of incident recording, so that the incidents can be easily visualized by the independent judges. Judges may not always have access to the interviewers if further clarification is needed. The researcher must also ensure that the coding directions are clear and provide alternatives for incidents that do not appear to fall into major groups or categories. Attention to these vital details helps to ensure the quality of data interpretation, which are then used to provide plausible answers and suggestions regarding the primary aim of the study.
Implications for Future Research

This study was designed to be exploratory research. One of the study’s principal objectives was to initiate the process of identifying critical service encounters in the unique hospitality environment of the gaming industry. As stated previously, not every customer-employee interaction is critical to customer satisfaction and it is not always readily apparent which incidents are perceived, from the customers’ perspective, as critical. Through interviewing both customers and customer-contact employees using the same question, the resulting data obtained in this study have highlighted some specific areas that both customers and employees identified as being service satisfiers and dissatisfiers. Although the replication and extension work of Schneider and Bowen (1985) proposed that customer and employee perceptions of customer service interactions were consistent throughout the retail banking industry, it would be premature to extrapolate this degree of generalizability to the gaming industry based solely on this study.

Because this study involved one casino and one type of customer (the slot tournament customer), the results and conclusions of this study should be considered exploratory. In order to establish and further generalize these results, future research utilizing critical incidents in the gaming industry should introduce a number of other variables including: (1) non-tournament slot customers, (2) table game players, (3) customers with low, medium and high levels of slot and/or table play, (4) local customers, (5) Strip and downtown hotels/casinos with various target markets, (6) specific ethnic customer groups, (7) customer-contact employees from all casino departments, (8) first-time versus repeat customers, (9) gaming venues other than Las Vegas, and (10) perceptions of casino management regarding critical incidents in customer service. As previously stated, hotel/casinos may also find it desirable and profitable to survey their customer base regarding preferences for smoking versus non-smoking rooms and the need to allocate more rooms designed to meet the requirements of special needs customers.

Another area for future research involves the incident classification process as it relates to those incidents representative of double service failures. In evaluating these incidents, the judges had to determine whether to classify the incident based on the trigger, or the action that resulted following the trigger. The classification of incident groups and categories may vary depending upon which aspect of the
incident is used to classify the event. A revision of the classification method may be more reflective of the branching of services that occurs in person to person interactions.

Conclusion

Through the collection of critical incidents in the gaming industry environment, this study identified service encounters that customers and employees perceived as being satisfactory and dissatisfactory from the customer's point of view. The rank order of incident groups found in this research suggests that many customer-contact employees demonstrate a genuine service orientation and do identify with and understand customer needs in the services encounter that occur in the gaming environment. These skills were found to be particularly true in the customers' and employees' perception of dissatisfactory incidents. The majority of satisfactory customer-reported and employee-reported incidents concerned unprompted and unsolicited employee actions, in particular, the attention paid to the customer. This key finding highlights the importance of hiring service-oriented staff as well as directing training and other organizational resources towards cultivating a close customer-frontline employee relationship.

As already indicated, the major groups and categories identified by Bitner, Booms, and Tetreault (1990) and Bitner, Booms, and Mohr (1994) were applicable to the incidents identified in this study of the gaming environment. However, the rejections of Hypothesis 2 and Hypothesis 3, which pertain to the similarity of the distributions of customer and employee critical incidents in this study as compared to the respective distributions found by Bitner, Booms, and Tetreault (1990) and Bitner, Booms, and Mohr (1994), suggest the need to continue to test the BBT model in terms of incident distribution in other service industries.
APPENDIX I: DIRECTIONS

Directions to Interviewers

Directions for Coder
DIRECTIONS TO INTERVIEWERS

Follow this script. Hello, my name is ________________ and I am a student at the University of Nevada Las Vegas. I am conducting a study on what makes casino slot players unhappy when dealing with casino employees. Could you please take about ten minutes to help me with a brief survey? All answers are confidential. I am not looking for names of specific people, just types of incidents that can occur while playing slots. Follow the directions that are on the questionnaire. On the interview form, circle whether the incident is satisfying or dissatisfying.

First ask for one positive incident, and then one negative incident. At the end, ask for the participant's age, write down male or female, and state of residence. When completed, thank the participant for their time.

If a participant gives an incident that is general, say something like “That is the right idea, but what I am looking for is a specific, one-time incident. Let me give you an example of a positive incident:

While ringing up my items at the grocery store, the clerk asked me if I had any coupons for the turkey that was on sale. I said no. She said that she had some extra coupons in the drawer, and would use one so that I could get the discounted price. I thought it was nice that she went out of her way to save me a few dollars.

Here is an example of a negative incident:

I arrived at LAX airport after flying almost 24 hours. I saw that I could make an earlier flight to Las Vegas. I went to the check-in counter and asked if there was room on the earlier flight. The ticket agent said yes, but that I would have to pay a penalty fee of $50. I explained to her that I was very tired after flying for 24 hours, and really wanted to get home, and didn't understand why I would have to pay more when the plane wasn't full. The ticket agent was very rude. She said it was company policy not to change fares, and there wasn't anything she could do about it. I asked to see her supervisor, and she rudely replied that a supervisor wasn't available. I certainly didn't feel like that woman or the airline cared about me.

If the participant cannot think of an incident, even after the examples, thank him/her for his/her time and go on to the next person.
INSTRUCTIONS FOR CODERS FOR CRITICAL INCIDENT

Overview:

1. You will be provided with a set of written critical service encounter events. Each "story" is written on
the attached list. These "stories" were retyped exactly from the interviewer's recording the
participants' response on a standardized questionnaire. Two types of questionnaires were used, one
for satisfying experiences and one for dissatisfying experiences.

2. Each story reflects the events and behavior associated with a service encounter that is memorable
because it is either particularly satisfying or dissatisfying. The respondents were slot tournament
customers and slot department employees.

3. You will be asked to categorize each incident into one of 21 categories, based on the key factor that
triggered the dis/satisfactory incident. Sorting rules and definitions of categories are detailed below.

4. It is suggested that you read through each entire service encounter before you attempt to categorize it.
If an incident does not appear to fit within any of the 21 categories, put it aside. In addition, do not
attempt to categorize incidents that do not meet the basic criteria. An incident must: (A) include
customer—employee interaction, (B) be very satisfying or dissatisfying from the customer's point of
view, (C) be a discrete episode, and (D) have sufficient detail to be visualized by the interviewer.

Coding Rules:

Each incident should be categorized within one category only. Once you have read the incident, you
should begin asking the following questions in order to determine the appropriate category. Definitions of
the categories are attached.

1. Is there a service delivery system failure? That is, is there an initial failure of the core service that
causes an employee to respond in some way? Is it the employee's response that causes the event to be
remembered as highly satisfactory or dissatisfactory?

   If yes, place the incident in Group 1. Then ask, what type of failure? (A) unavailable service; (B)
customer preferences; (C) other core service failures.

   If the answer is no, go on to question 2.

2. Is there an explicit or implicit request or need accommodation or extra service (s)? That is, is the
customer asking (either explicity or implicitly) that the system be somehow adjusted to accommodate
him/her? Is it the employee’s response that causes the event to be remembered as very satisfactory or
dissatisfactory?

   If yes, place the incident in Group 2. Then ask what type of need/request is triggering the incident:
(A) "special needs" customer (special needs customer has a subgroup of A1) (B) customer
preferences (customer preferences has a subgroup of B1); (C) admitted customer error; (D) potentially
disruptive other customers, (E) request for functional service as opposed to a preference.

   If the answer is no, go on to question number 3.

3. If there is an unprompted and unsolicited action on the part of the employee that causes the
dis/satisfaction? That is, does a spontaneous action or attitude of the employee cause the
dis/satisfaction? (Since this follows rules 1 and 2, it is obviously implies that there is no service failure and no explicit/implicit request.)

If the answer is yes, place the incident in Group 3. Then, ask what type of unprompted and unsolicited action took place: (A) attention paid to customer; (B) truly out-of-the ordinary action; (C) employee evaluations in the context of cultural norms; (D) gestalt evaluation; (E) exemplary performance under adverse circumstances; (F) free ("comp") service given to customer.

If the answer is no, go on to question 4.

4. Does the dis/satisfaction stem from the actions/attitudes/behaviors of a “problem customer”? That is, rather than the dis/satisfaction being attributable to an action or attitude of an employee, is the root cause actually the customer?

If the answer is yes, place the incident in Group 4. Then, ask what type of behavior is causing the problem: (A) drunkenness; (B) verbal/physical abuse; (C) breaking/resisting company policies or laws; (D) uncooperative customer.

If the answer is no, put the incident aside.

**CIT Classification System – Definitions**

*Group 1. Employee response to service delivery system failure* (failure in the core service, e.g., the room in the hotel/casino, the food/beverage service, casino game technical malfunction, other system failures).

A. Response to unavailable service (services that should be available are lacking or absent, e.g., lost room reservation, unavailable casino amenities such as tournament gifts, unavailable food/beverage service, other system failures).

B. Response to unreasonably slow service (services or employee performances are perceived as inordinately slow). (Note: When service is both slow and unavailable, use the *triggering* event.)

C. Response to other core service failures (e.g., physical problem with hotel room, defective food/beverage, gaming equipment not working properly, other equipment failure).

*Group 2. Employee response to customer needs and requests* (when the customer requires the employee to adapt the service delivery system to suit his/her needs; contains either an explicit or inferred request for customized – from the customer’s point of view – service.

A. Response to “special needs” customers (customers with disabilities; customers with medical, dietary, psychological, language, or sociological difficulties; children; elderly customers).

A1. Customer states that a special medical need requires a non-smoking hotel room.

B. Response to customer preferences (when the customer makes “special” requests due to personal preferences; this includes times when the customer requests a level of service customization beyond the scope of or in violation of policies or norms).

B1. Response to customer request for a non-smoking room.

C. Response to admitted customer error (Triggering event is a customer error that strains the service encounter, e.g., missed reservations, not signing up for casino services, incorrectly playing casino game).
D. Response to potentially disruptive others (when other customers exhibit behaviors that potentially strain the encounter, e.g., intoxication, rudeness, deviance).

E. Response to customer requests (stated customer requests for extensions of service that are not related to personal preferences, e.g., watching the slot machine when the customer has to take a break; customer questions about how to play casino games; requests for other casino services except free “comp” services. Requests may also be implied non-verbally, for example, activating the light on a slot machine to indicate that help is needed).

F. Response to customer requests for free “comp” service (stated customer requests for free meals or rooms).

Group 3. Unprompted and unsolicited employee actions (events and behaviors that are truly unexpected from the customer’s point of view - even if considered regular service by the employee, not triggered by a service failure, and show no evidence of the customer having a special need or making a request).

A. Attention paid to customer (e.g., making the customer feel special or pampered, ignoring or being impatient with the customer).

B. Truly out-of-the-ordinary employee behavior (giving gifts to customers, recognizing special occasions of customers, particularly extraordinary actions or expressions of courtesy or profanity, inappropriate touching, violations of basic etiquette, extreme rudeness).

C. Employee behaviors in the context of cultural norms (norms such as equality, honesty, fairness, discrimination, theft, lying, or refraining from the above when such behavior was expected).

D. Gestalt evaluation (no single feature stands out, instead “everything went right” or “everything went wrong”).

E. Exemplary performance under adverse circumstances (when the customer is particularly impressed or displeased with the way an employee handles a very stressful situation, e.g., customer medical or personal emergency).

F. “Comp” service (the customer receives — without asking — free or “comp” service for meals, entertainment, or rooms).

Group 4. Problematic customer behavior (customer is unwilling to cooperate with the laws, regulations, or the service provider; this includes rudeness, abusiveness, or a general unwillingness to indicate satisfaction with the service regardless of the employees’ efforts).

A. Drunkenness (in the employee’s perception, the customer is clearly intoxicated and creating problems, and the employee has to handle the situation).

B. Verbal or physical abuse (the customer verbally and/or physically abuses either the employee or other customers, and the employee has to handle the situation).

C. Breaking/resisting company policies or laws (the customer refuses to comply with policies or laws).

D. Uncooperative customer (customer is generally rude and uncooperative or extremely demanding; any efforts to compensate for a perceived service failure are rejected; customer may
appear unwilling to be satisfied; and the employee has to handle the situation).

APPENDIX II: CUSTOMER INFORMATION

Customer States of Residence

Sample Critical Incidents
CUSTOMER STATES OF RESIDENCE

<table>
<thead>
<tr>
<th>State</th>
<th>Number of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>23</td>
</tr>
<tr>
<td>Florida</td>
<td>17</td>
</tr>
<tr>
<td>Michigan</td>
<td>14</td>
</tr>
<tr>
<td>Texas</td>
<td>14</td>
</tr>
<tr>
<td>Ohio</td>
<td>10</td>
</tr>
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<td>Wisconsin</td>
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</tr>
<tr>
<td>Illinois</td>
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</tr>
<tr>
<td>Arizona</td>
<td>5</td>
</tr>
<tr>
<td>Nevada</td>
<td>5</td>
</tr>
<tr>
<td>Washington</td>
<td>4</td>
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<tr>
<td>Indiana</td>
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<td>Pennsylvania</td>
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<td>Maryland</td>
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<td>Missouri</td>
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<td>Canada</td>
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<td>New York</td>
<td>3</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>3</td>
</tr>
<tr>
<td>Georgia</td>
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</tr>
<tr>
<td>Alaska</td>
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</tr>
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<td>Kentucky</td>
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</tr>
<tr>
<td>North Carolina</td>
<td>2</td>
</tr>
<tr>
<td>Colorado</td>
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</tr>
<tr>
<td>Minnesota</td>
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<td>Nebraska</td>
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<tr>
<td>New Hampshire</td>
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</tr>
<tr>
<td>Utah</td>
<td>1</td>
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<tr>
<td>Hawaii</td>
<td>1</td>
</tr>
<tr>
<td>Kansas</td>
<td>1</td>
</tr>
<tr>
<td>West Virginia</td>
<td>1</td>
</tr>
</tbody>
</table>
SAMPLE CRITICAL INCIDENTS

Customer Reported Dissatisfactory Incidents

Group 1: Employee Response to Service Delivery System Failures

A. Response to unavailable service

I was at restaurant X. It was five minutes before closing for lunch, but the hostess refused to seat us. She said that they were closed. I told her that I work for the post office, and if its 5 minutes to closing, we still serve the person. She said “we’re closed” and walked away.

B. Response to slow service

I hit a little jackpot and pressed the button to get paid. I waited for 20 minutes for someone to come.

C. Response to other core service failures

When we went to bed, we saw a large cockroach on the floor. We called housekeeping, and the reply was “I have never heard of that before”. No one came. The next morning, I had three large welts on my arm. I went to the front desk and asked for a new room. I also reported it to the housekeeping supervisor.

Group 2: Employee Response to Customer Needs and Requests

A. Response to “special needs” customers

I made my reservation for the tournament six months in advance. I recently had a bilateral hip replacement, and I requested room 818 because it is near the elevator. I made the arrangements with someone in the tournament office, and she said it would be taken care of. But when I checked in, I was given a different room. The desk clerk said “we can’t guarantee any particular room”. She didn’t make any effort to change it.

A1. Response to special needs customer regarding non-smoking room

I asked for a non-smoking room because I have asthma. When I checked in, the girl said there weren’t any non-smoking rooms available. I explained to her that I have asthma, and that a room with smoke residue would make it hard for me to breathe, but she just said there were no non-smoking rooms available. She didn’t help me at all, and I had to take the smoking room. I didn’t feel good for the entire stay.

2B. Response to customer preferences

Six months ago we made a room reservation and specified that we wanted a room in the Monte Carlo Tower overlooking the pool. When we checked in we were told that we weren’t able to have a room in the Monte Carlo Tower. Since we made our reservation so far in advance, we didn’t understand why there was a problem. The desk clerk didn’t offer to change it.

2B1. Response to customer preferences regarding non-smoking room

I made reservations 3 months ago and requested a non-smoking room for the tournament. When I checked in, I was given a smoking room. I told the girl that I made a reservation three months ago, and she said that there were no non-smoking rooms available. She didn’t even make an attempt to find one for me.
D. Response to customer requests

I was playing in the slot tournament here. I felt that I didn’t get enough drink tickets. I asked the
tournament coordinator for more tickets, but she said no. I think since I was playing in the tournament I
should be able to get more drink tickets.
I asked the change girl for change for a $50 bill. She gave me two of the new $20 bills. I told her that the
slot machine wouldn’t take the new bills, and she replied, well some of them do. She was very indignant.

Group 3: Unprompted and Unsolicited Employee Actions

A. Attention paid to customer

Those dealers must think that everyone is a professional. I sat down at a black jack table, and really didn’t
know how to play very well. I apparently didn’t signal for more cards quick enough, and the dealer told
me that I wasn’t fast enough. He gave me a look like I was stupid, and didn’t belong there. I quit playing
and haven’t played since. You think they would try to help you learn the game, rather than making you
feel stupid.

The change girl told me a machine was hot. I put several hundred dollars in it, and it didn’t hit. She
shouldn’t have told me it was a good machine if it wasn’t going to hit, I am depending on her.

Everytime I asked for change, this one change person looked like it was a pain. But when I won a jackpot.
she was right there waiting for a tip. Her attitude sure changed.

C. Employee behaviors in the context of cultural norms

I had 4 racks of silver dollars. The change girl in the change booth in the middle of the machines offered
to take them and cash them in. Then she said I was short $3. I think she stole them.

I was playing at casino X and got $500 worth of change. Later that night, the change girl called me in my
room and said that her bank was short $500. She asked me if I was sure I got the right amount of change. I
don’t always count my change, but I would know if I had $500 extra. The change girl asked me if when
her supervisor called, I would verify her story. This made me feel extremely uncomfortable, since I didn’t
know what exactly happened to the money, but I told her I would. I was afraid she would lose her job, and
she actually did.

E. Performance under adverse circumstances

My husband slipped on the stairs in the hotel and broke his arm. The hotel did nothing. They called a cab,
but did not pay for it. They did not comp anything or help us in any way. We filed a lawsuit, but nothing
came of it. I think the hotel should have paid some of the medical bills.

At hotel X my husband slipped on a wet floor in the men’s room. There was an employee in the restroom
on the phone, and did nothing to help him. Finally a security guard came and got me. When we got back
from the hospital, it took 2 hours to get our car out of the parking lot without paying as we didn’t validate
the ticket before we went to the hospital.
F. Comp service

The last time I stayed at hotel X I was supposed to get a room comp. But the slot hostess told me that I would no longer receive a free room. She was very forward and very rude, and I was offended by her attitude.

Customer Reported Satisfactory Incidents

Group 1: Employee Response to Service Delivery System Failures

A. They ran out of gifts at the slot tournament. Rather than having to wait until a later date, they gave my husband a jacket that was much nicer than the jacket they were giving as a tournament gift.

B. The slot machine I was playing on broke down. The floor person was busy, and it took a very long time for the machine to get fixed. He did not apologize for the wait.

C. Response to other core service failures

We were staying at the (hotel X) and had constant problems with the room keys not working. We had to go to the front desk about 3 times because of this problem. On our last night, the clerk gave us a suite on the top floor at no extra charge because of the problems we had with the key. We still remember that room.

We had 3 free rooms. We put our luggage in the room, and then went out to play until 3:00 am. When I got ready for bed, I noticed that there was blood on the sheet. I called the manager on duty. Although this was a bad incident, he was so nice about it, he couldn’t apologize enough, and he gave us a very nice room upgrade for all 3 rooms.

Group 2: Employee Response to Customer Needs and Requests

A. Response to “special needs” customers

My wife has Alzheimer’s and frequently needs directions. The slot host helped her to find me when she got lost. We keep coming here because we feel safe and well taken care of.

I rented a wheelchair but the foot holder broke. I notified the bell captain and he replaced it immediately. He really gave it a top priority.

B. Response to customer preferences

When registering for the slot tournament, I asked for a room in the tower but was told that the hotel does not block certain rooms for the tournament. When I checked it, they were going to give me a different room that was not in the tower. I asked for a new room. The front desk employee was very helpful in getting me a new room in the tower right away.

I was given a room with a very poor view. The supervisor on the floor gave me a room change right away with a good view. I didn’t have to go back to the front desk.

B1. Response to preference for a non-smoking room
I had made reservations in advance for the tournament. I asked for a king room, non-smoking. The employee said we have your room-double bed, non-smoking. When I complained, she said “well, you take them as they come, sometimes you luck out. I had to get the assistant hotel manager, and then he changed it. We always stay extra days, our reservation request should be honored.

C. Response to admitted customer error

We went to the (hotel X) by mistake, our reservation was actually at (hotel Y). Without being asked, the front desk clerk called the (hotel Y) to confirm our reservation and gave use directions.

We were late registering for the slot tournament. It was our fault, we just didn’t get to the registration desk in time. Rather than telling us there wasn’t a space, the tournament hostess told us to check back later in the afternoon. She was able to find us a place, and I won the top prize.

E. Response to customer requests

My friends were playing in a different part of the casino. I asked the cigarette girl if she had seen them, and she said yes and volunteered to give them a message. She ran messages back and forth with messages for us all night. She didn’t have to take time out of her job to do that. She said it was no trouble because she was walking around the whole casino anyway.

I was playing slots. My machine was full, but I had to leave to go to the restroom. I asked the change girl to guard my machine, and she said she would be happy to.

While playing slots, I asked a porter if he could watch my machine while I went to get some racks. He said he would. It was nice of him to take time out of his day; he might have gotten in trouble if his supervisor thought he was just standing around.

Group 3: Unprompted and Unsolicited Employee Actions

A. Attention paid to customer

We were playing in the slot tournament at (casino X) and my brother showed up. Although he wasn’t registered for the tournament, the slot coordinator gave him a ticket to the tournament dinner so he could be with us.

When I made my reservation, the tournament hostess asked if I needed a refrigerator in my room to keep my medication. I didn’t even have to ask for it, somehow they knew I had a medical condition that required my to take medication.

We had to catch a flight, but wanted to have dinner before we left. The line was very long, so we left. Then we saw the slot hostess, and she asked if had eaten, we told her no, because the line was too long. She took us up to the head of the line as she knew we had to catch a plane.

When I was playing slots, I asked the change person which machines were loose. She took me around and pointed out that machines that were doing well and that just hit. She didn’t make any promises, but gave me encouragement.

I won $400 while playing Keno. The Keno supervisor brought me a T-shirt that said “winner” and told me that she hoped I would win again. I had never won anything before in my life.

B. Truly out of the ordinary employee behavior

I was staying at the (hotel X) during a slot tournament. It was my birthday, but I didn’t say anything when I
registered. One of the tournament coordinators sent a fruit basket to my room as a birthday gift.

I was standing in line at the buffet, and the security guard noticed that I was having trouble standing. He escorted me to the front of the line, got me a seat, and then helped me through the buffet line.

The security guard and I always exchange stories and show pictures of our kids. He makes these special picture frames. He gave me one for the pictures of my kids.

D. Gestalt evaluation

Every time I come here Frank and Susan are very nice; I come back here because they treat me so well. It’s like family.

I come here because of Cindy. She is like a daughter to me. It is a family environment here.

E. Performance under adverse circumstances

I had a heart attack during the slot tournament. Frank and Suzanne helped me stay calm and helped with the ambulance and hospital arrangements.

F. Comp service

At the end of my stay, the slot host comped my room. I wasn’t expecting it.

I came in for a 3 day tournament, but because of my flights, I had to stay 4 days. The slot host comped my 4th day, and I didn’t expect it.

Employee Reported Dissatisfactory Incidents

Group 1: Employee Response to Service Delivery Failure

A. Response to unavailable service

A customer made a reservation and the clerk said everything was set. However, she didn’t run the confirmation number until after she hung up with the customer. When she ran the confirmation, she found out that we were sold out that night and were walking people. But she didn’t call the customer back for 24 hours. When she did, the customer had already made a plane reservation and he was extremely upset. Even though as slot manager I offered him other days to stay, I could not correct this mistake.

B. Response to unreasonably slow service

My customer was upset when it took too long for me to fill a machine. This happens when we are busy. I apologized, but the customer was still upset.

C. Response to other core service failures

The customer was frustrated because the change girl didn’t speak much English, and she wasn’t able to get the change she needed.

Group 2: Employee Response to Customer Needs and Requests

A. Response to special needs customers

Two very visibly physically challenged young men were here to see a show. They went up to security to
get directions. They realized that the showroom was far away, and they asked the security guard for help in getting there. The guard said he didn’t have anyone to help them, and walked away. You could see on their faces how embarrassed they were. Finally a floorman went over and helped them.

B. Response to customer preferences

After checking in, the customer didn’t like the room he had been given. He called the front desk to see if it could be changed, and the girl told him to call back tomorrow.

D. Response to potentially disruptive others

I was working on the carousel and several people were drunk and yelling. Another customer came and asked me to quiet them down, so I called security. Security came, and those customers swore at me for calling security.

E. Response to customer requests

I was trying to do an exchange, and the customer was knocking on the window to get change. I was busy, so I was curt and pointed them to someone else.

A player asked an employee for a drink. The employee replied that the cocktail waitress was in the section, and would get around to him. The customer wanted a drink right then.

F. Response to customer requests for comps

A customer asked me for a comp. He had been playing for several hours, and wanted a free breakfast. As a floor person, I couldn’t approve the request. I had to call the supervisor, which made the customer unhappy because he thought he should be immediately entitled to a free breakfast. He didn’t want to talk to the supervisor.

Group 3: Unprompted and Unsolicited Employee Actions

A. Attention paid to customer

A change person and floor person were hanging around a customer who had won a jackpot in order to get a tip.

A customer won a jackpot and the change person was there right away and told him she would help rack the money. The customer asked me not to send her back there anymore because it was obvious she just wanted a tip.

C. Employee behavior in the context of cultural norms

The new money can be confusing. The customer gave the change girl a $100 bill, and got change for a $20. The girl didn’t recognize the bill because they all look the same. The customer, however, thought he was being cheated.

F. Comp service

The customer was very upset when I told him I couldn’t comp his room. I explained that he didn’t play enough to earn a free room, but he was still mad.

Group 4: Problematic Customer Behavior
B. Verbal and physical abuse

The booth cashier was busy counting. A customer was yelling at her for change. She tried to explain that she couldn’t stop while she was counting the bank. The customer became irate, and the employee ended up cussing her out.

Employee Reported Satisfactory Incidents

Group 1: Employee Response to Service Delivery System Failures

A. Response to unavailable service

An elderly couple asked security for help, but the security guard could not leave his post. The floorman volunteered to help them. He walked them all the way to their room because they were lost and couldn’t find their room.

B. Response to unreasonably slow service

A customer complained to me that he felt he had to wait too long for change. I talked to the guest and told him that the employees are here to serve the customers, and if he needed anything, I would be right there to help him. He came back later and thanked me for the special attention.

C. Response to other core service failures

A customer told me she didn’t get help with her room reservations. The clerk was cocky. I apologized and paid special attention to her for the rest of the night. She was going to check out, but ended up staying.

Group 2: Employee response to customer needs and requests

A. Response to special needs customers

My customer is on oxygen and cannot walk too far. I had the front desk change her room to one that is close to the elevator.

I make sure that my customer has a refrigerator in her room for her insulin.

B. Response to customer preferences

This is probably the strangest request I have ever had. The customer came up to me and said “I am not staying in this room another day. I always stay in the Monte Carlo tower.” I went with her up to her room to see what the problem was. I didn’t see anything wrong with the room, so I asked her what was wrong. She said that she couldn’t see the TV from the toilet. I was able to change her room.

E. Response to customer requests

When I was working in high limit video poker, a man asked me how the machine dealt the cards. Since I used to work for a manufacturer, I was able to give him a detailed explanation. He said he felt like he got a straight answer.

I put an out of order sign on a slot machine so the customer could go to the restroom.
G. Response to customer requests for comps

My customer wanted a food and beverage comp, but he didn’t have enough points. So I offered to comp a show and that softened the blow.

Group 3: Unprompted and Unsolicited Employee Actions

A. Attention paid to customer

When I see a new customer, I start talking to them so they know I care about them, not just how much money they put in the machine.

I have been here 14 years. The customers like it that I remember their names.

I had a senior that hit a large jackpot. I suggested that he take payment in a check so he wouldn’t risk having a lot of cash around. I watch over my seniors so they don’t get robbed.

B. Truly out of the ordinary employee behavior

I noticed a lady in her walker. I found out that she was here all alone and it was Christmas. Since I had to work that day, I took her to dinner and brought her a small gift. I felt bad that she was alone on Christmas.

I remembered a customer’s birthday. I bought her a card and got her a cake and sang happy birthday.

Employees in the context of cultural norms

I found a purse in the bathroom and ran after the lady and gave it back to her. She was very grateful as all of her credit cards and cash were in her purse.

D. Gestalt evaluation

I double-check the arrangements for some customers – limo, room, bill, etc. to make sure that everything is correct.

E. Performance under adverse circumstances

A man actually died in the hotel room. I took his wife to the morgue in my own car. She was so distraught that I didn’t want to leave her alone. She was very thankful because she didn’t know where to go.
APPENDIX III: FIGURES

Conceptual Model of Service Quality

Incident Sorting Process

Incident Sorting Process for the Gaming Industry
Conceptual Model of Service Quality

**CONSUMER**

- Word of Mouth Communication
- Personal Needs
- Past Experience
- Expected Service
  - GAP5
- Perceived Service
  - GAP4

**MARKETER**

- Service Delivery (Including pre- and post-contacts)
- External Communications To Consumers
  - GAP1
  - Translation of Perceptions into Service Quality Specs.
  - GAP3
  - Management Perceptions of Consumer Expectations
  - GAP2

**Figure 1** Conceptual Model of Service Quality (From Zeithaml, V.A., Parasuraman, A., and Berry, L.L. 1988 *Journal of Marketing*, 52 (April), p.35-48)

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Figure 7 Incident Sorting Process (From Bitner, M.S., Booms, B.H., and Tetreavit, M.S. (1990) - The service encounter: diagnosing favorable and unfavorable incidents Journal of Marketing, 54 (January), p.76)
Figure 8 Incident Sorting Process in the Gaming Industry (Adapted From Bitner, M.S., Booms, B.H., and Tetreavit, M.S. (1990) - The service encounter: diagnosing favorable and unfavorable incidents Journal of Marketing, 54 (January), p.76)
APPENDIX IV: PERMISSION FORMS, HUMAN SUBJECTS PROTOCOL

Copyright/quotation permission forms

Human Subjects Protocol

Permission from Gaming to Conduct Study
February 12, 1999

Lesley Johnson
3204 Burton Avenue
Las Vegas, NV 89102

Dear Ms. Johnson,

The American Marketing Association is pleased to grant you permission to reprint "Figure: Conceptual Model of Service Quality", from the "April 1988 issue of Journal of Marketing", Vol. 52 and "Figure: Incident Sorting Process", from the "April 1990 issue of Journal of Marketing", Vol. 54, to be used in your dissertation, referred to in your request dated 02/07/99.

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Sincerely,

Rochelle Amos
Administrative Assistant
To Whom It May Concern:

Lesley Johnson has the permission of the Hotel and Casino to interview its guests and employees. It is understood that Ms. Johnson is a doctoral student at the University of Nevada Las Vegas and that the purpose of interviewing the guests and customers is to obtain data for her doctoral dissertation. Permission to access guests and employees on the property is good until June 1, 1999.

Mickey Fálba
Vice President Casino Operations
DATE: February 10, 1999

TO: Lesley Johnson
Department of Tourism & Convention Administration
M/S 6023

FROM: Dr. William E. Schulze, Director
Office of Sponsored Programs (X1157)

RE: Status of Human Subject Protocol Entitled:
"Critical Incidents in the Gaming Industry:
Perceptions of Guests and Customer-Contact Employees"

OSP #605s0299-199e

The protocol for the project referenced above has been reviewed by the Office of Sponsored Programs and it has been determined that it meets the criteria for exemption from full review by the UNLV human subjects Institutional Review Board. This protocol is approved for a period of one year from the date of this notification and work on the project may proceed.

Should the use of human subjects described in this protocol continue beyond a year from the date of this notification, it will be necessary to request an extension.

If you have any questions regarding this information, please contact Marsha Green in the Office of Sponsored Programs at 895-1357.

cc: J. Bowen (TCA-6023)
OSP File
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Academic Press.


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Dissertation Examination Committee:
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Committee Member, Dr. Robert Bosselman, Tenured Professor, Ph.D.
Committee Member, Dr. Audrey McCool, Tenured Professor, Ph.D.
Graduate Faculty Representative, Dr. LeAnn Putney, Assistant Professor, Ph.D.
IMAGE EVALUATION
TEST TARGET (QA-3)

1.0  1.1  1.25  1.4  1.6

1.0  1.1  1.25  1.4  1.6

150mm

6"

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