

Explaining performance appraisal by customers in the platform economy: the role of quality and cost

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ABSTRACT,

Performance appraisal has proven to be an important human resource management tool for the motivation of employees and the increase of performance levels within an organization. In a traditional economy, employees receive this from multiple channels such as the supervisor, colleagues and customers. However, with the emergence of the online platform economy, platforms such as Airbnb and Uber, where the employees are independent workers, there is solely one source for this performance appraisal: the customers. This comes from the customers in the form of customer feedback provision. Customer feedback provision descends from the positive or negative feeling the customer experiences when their expectations of the product or service meets with the aspects of the marketing tool service value: the quality or cost of the product or service. Every customer fluctuates in how they perceive the quality and cost of the product or service. In this paper I will explain the fluctuations through the regulatory focus theory. My research is based upon the online platform Airbnb and I have made use of a survey for my data collection to test whether quality and cost have a relationship with customer feedback provision and how the regulatory focus theory effects this relationship. My research has shown interesting findings such as quality having a linear relationship with customer feedback provision, whilst cost and the regulatory focus do not have any relationship with customer feedback provision. Additionally, customers are more likely to provide feedback when they perceive that providing feedback on the online platform economy is a duty they must fulfill.

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Keywords

Platform economy, customer feedback, regulatory focus theory, service value, customer feedback provision, pains and gains, performance appraisal, online platform economy, quality and costs

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11th IBA Bachelor Thesis Conference, July 10th, 2018, Enschede, The Netherlands.

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1. INTRODUCTION

What makes you motivated to keep your performance levels high at work besides the monetary benefits of your salary or a company car? Or to keep studying harder for getting better grades besides the new laptop promised to you once you graduate with a high grade? Or to go and workout 4 times a week besides being able to eat that one donut you have been craving all week? The reason behind why people stay motivated is one of the issues many scholars and researchers have been answering for years now. From insights of human resource management literature, Lepak & Gowan (2010) state that performance appraisal is one of the reasons why people stay motivated and why performance levels increase. So, performance appraisal helps to keep their performance level high at work, to get a good grade or to have that swimsuit body.

There is also an importance of performance appraisal within the online platform economy. The online platform economy is seen as 'economic activities involving an online intermediary that provides a platform by which independent workers or sellers can sell a discrete service or good to customers.' (Farrell & Greig 2016, p. 5). There are many different types of ways to express the word online platform economy such as online labor platforms, digital platforms, the Sharing economy and the Gig economy. (Kenney & Zysman, 2016) An example of such platform is the home sharing website Airbnb, this platform lets home owners share or rent their home for a certain amount of time. After this transaction the customer may leave an evaluation on the platform about the rented space. If this space receives positive reviews, this may attract other potential customers, in return, to rent this space. This leads to a higher revenue for the owner of the space.

As the online platform economy solely involves independent workers or sellers and the customers, there is no need or ability for managers, recruiters or colleagues such as in a traditional economy. However, in a traditional economy the managers, colleagues and customers all are the ones providing the performance appraisal to the employee which he/she needs for his/her motivation and increase in performance level. As customers are the only entity involved in the platform economy which is able to provide this performance appraisal, this is the only source the independent worker is able to receive it. Especially in the platform economy performance appraisal is important as it is the independent workers direct source of how the customers experience the product or service and where they can realize improvements. (Dellarocas, 2003) Customers are able to provide the performance appraisal in the form of feedback. This feedback can be given in multiple forms namely as for example a review, like at the above-mentioned platform Airbnb, or a rating out of five stars, like at the well-known taxi-service platform Uber. Resulting is the terms customer feedback provision and performance appraisal being used interchangeably within the online platform economy.

Given that customers are the only source of feedback and thus an important actor in executing performance management in the platform economy, this research sets out to answer the question: Under which conditions do customers engage in performance appraisal by giving feedback? To answer this question, I will use insights from marketing literature as marketing scholars and researchers have been explaining customer behavior for many years. Since performance appraisal is an important customer behavior in the platform economy, there is reason to believe that insights from marketing research can be helpful to explain customer engagement in performance management. One of the concepts descending from the marketing literature that could explain this, is service value which is experienced when

purchasing and/or using a product or service. Service value refers to a ratio of perceived quality and cost of the product or service to a customer. (Zeithaml, 1988) Research shows that this ratio of quality and cost influences customer behavior, such as whether the customer repurchases the product or service (Mittal & Kamakura, 2001; Olsen, 2002; Gallarza & Saura, 2006) or whether the customer will share their experience through word-of-mouth. (Westbrook, 1987; Hartline & Jones, 1996; Molinari, Abratt & Dion, 2008) On this basis, one can expect quality and cost to be related to the type of customer behavior that is central to this study: providing feedback.

Online platforms may gain much knowledge from the outcome of the customer feedback about the customer's desires of a certain product. From this feedback, the organization is able to take the knowledge and transform it into the data they can use to improve their resources to meet the customer's desires better and improve their own practices to lower cost and therefore increase profit. So, the willingness of a customer to provide feedback can lead to great advantages for the platform the customer has made a transaction with.

Providing feedback may also lead to benefits for the customer as the platform and the independent worker is more able to adapt, match and offer their products and prices to the customer's wishes, generating a higher customer satisfaction. However, for the customer, providing feedback has opportunity costs bound to it. It costs for example the time of a customer to provide feedback.

So far however, there has been restricted research done on the topic if quality and cost influences whether customers are more likely to provide feedback. Additionally, the online platform economy is a, in relation to the traditional economy, a young and emerging branch. Nonetheless, it can be of importance to multiple parties such as the independent workers of the diverse platforms, the customers and the platforms themselves. It is therefore important that the research will be performed in this paper considering there is a high demand for it by the platform economy as it lets them gain knowledge over the customers and has potential to increase revenues and profits.

On the grounds of these reasons, I will answer the following research question in this paper: To what extent do quality and cost influence customer feedback provision on the online platform economy?

2. THEORY

2.1 Performance appraisal

First, performance appraisal is one of the most important human resource management practices. (Boswell & Boudreau, 2002) According to Boswell and Boudreau (2002), performance appraisal is separated by two components: developmental and evaluative. 'Development is any effort concerned with enriching attitudes, experiences, and skills that improve the effectiveness of employees' which can be seen as goal setting whilst 'Evaluation is characterized as comparing an individual's performance to a set standard, other organizational members, or the individual's previous performance' (p.392) which can be seen as feedback. These components are presented interdependently. Goal setting and feedback are therefore key activities within performance appraisal. (Kuvaas, 2006) An important role of goal setting and feedback is to enhance employee performance, one can say that an employee's satisfaction with performance appraisal is positively related to work performance (Pettijohn et al., 2001a; Roberts and Reed, 1996).

2.2 Customer feedback

Second, we need to identify exactly what a customer and customer feedback is. In this paper a customer is an agent who purchases goods and services and chooses between different products and suppliers to do so and customer feedback is “information coming directly from customers about the satisfaction or dissatisfaction they feel with a product or a service.” (Customer feedback from Business Dictionary, 2018) These definitions will help me identify customer feedback behavior.

According to Oelke et al. (2009), feedback carries information of the product or service, which is a valuable source for a company as this helps to improve the quality of the product or service. It also gives corrections to service failures and helps to guide customers. This feedback provides information for customers themselves to find products that fit best to their needs.

It is important to study whether quality and cost influence customer willingness to provide feedback since Pang and Lee (2008) have found that 73% to 87% of readers of online feedback of restaurants, hotels, and various services are significantly influenced by this feedback on their purchase and that customers are willing to pay consequently more for a higher rated product or service.

2.3 The platform economy

This paper, as stated before, explains customer feedback provision and then in specific on the online platform economy. According to Kenney and Zysman (2015), ‘platforms are frameworks that permit collaborators – users, peers, providers -- to undertake a range of activities, often creating de facto standards, forming entire ecosystems for value creation and capture.’ (p. 2)

Platforms are diverse in function and structure. Farrell and Garella (2017) state that there are labor platforms and capital platforms. ‘Labor platforms, such as Uber or TaskRabbit, and which are sometimes referred to as the “gig economy,” connect customers with freelance or contingent workers who perform discrete tasks or projects. Capital platforms, such as Airbnb or eBay, connect customers with individuals who lease assets or sell goods peer-to-peer.’ (p. 3) In this paper I will be looking into capital platforms as this is a more reachable type of platform for all age ranges and regions. Labor platforms such as Uber are not available in all areas of the world.

2.3.1 Collaborative consumption

The platforms enable the market mechanism where firms engage in collaborative consumption. (Benoit et al. 2017). According to Barnes and Mattsson (2017) ‘Collaborative consumption enables the sharing of real-world assets and resources (Botsman and Rogers, 2011), typically through websites with peer-to-peer marketplaces where unused space, goods, skills, money, or services can be exchanged.’ (p. 281) Kenney and Zysman (2016) conclude that these platforms are an essential part of what is the ‘third globalization’ and that ‘Today’s changes are organized around these digital platforms, loosely defined.’ (p. 62) This indicates that the emergence of a platform economy will undoubtedly dictate our future and it is already beginning to influence the choices we are making. These platforms create competition on diverse segments of the economy therefore suppressing traditional companies. However, they do create new sources of income and entrepreneurial opportunities. (Kenney and Zysman, 2015)

2.3.2 Benefits and drawbacks of customer feedback

The platform economy benefits from customer feedback provision in multiple ways. They benefit in the form of brand building, customer acquisition and retention, product

development and quality assurance. (Dellarocas, 2003) Customers providing feedback on the online platform economy is a low-cost manner for the platform to acquire and retain customers as they can better align their products to the customers desires (Mayzlin, 2003) and assure that product quality is up to the customers standards. This can be helpful to understand if first-time suppliers are performing well. (Dellarocas, 2003)

Nonetheless, there are a few drawbacks to customer feedback. The average reaction of the customers may be biased as only the customers who e.g. dislike the product or service provide feedback while this is only a small percentage of all of the customers of the product or service. If a product or service has a bad review, many customers will not purchase the product or service. This will decrease the sales of the platform. Another drawback is that competitors of the platform are also able to read the feedback that is provided by the customers, meaning that they will know the desires of their rival’s customers and can anticipate their product of that. So, the platform may lose some of their customers due to their competition potentially being quicker or more able to adapt to the customers wishes. (Mayzlin, 2003; Dellarocas, 2003) Additionally, before feedback is helpful to the platform, there must be a sufficient number of reviews given by customers. (Dellarocas, 2003)

Dellarocas (2003) combines the online platform economy with customer feedback stating that ‘Online feedback mechanisms, also known as reputation systems (Resnick et al. 2000), are using the Internet’s bidirectional communication capabilities to artificially engineer large-scale, word-of-mouth networks in which individuals share opinions and experiences on a wide range of topics, including companies, products, services, and even world events’ (p.1407)

2.4 Customer feedback provision

Nowadays, people rely more on feedback or opinions to make their decisions. (Guernsey, 2000) They will research on the online platforms to find the best fit of product or service and their own wishes. For this, they need the feedback or experience of previous customers of the product or service. Customers feel the need of the invisible ‘give back to get back’ policy which implies that you must give back to the online platform in the form of feedback of what you first received from the online platform in the form of feedback to do your research on best fit.

2.4.1 Reasons for customer feedback provision

First, customers provide feedback, according to bolt (1987), as an inner tension is created by positive and negative feelings from the customer which are associated with the experience of a product or service. This tension needs a discharge which comes in the form of word-of-mouth, also known as feedback. Secondly, consumers are motivated to share their experiences of a product or service due to the consumer’s affective elements of satisfaction, pleasure, and sadness. (Dichter 1966; Neelamegham and Jain 1999; Nyer 1997). Lastly, ‘many people simply enjoy sharing their travel experiences and expertise and such post-trip sharing can be one of the joys of travel’ (Litvin, Goldsmith & Pan, 2008, p. 4)

2.4.2 Importance of the online platform economy

It is especially important to research customer feedback provision on the online platform economy as the customers inherent the ‘give back to get back’ community which occurs on platforms at stated above. Furthermore, as customers feedback is the only source for the independent workers of the online platform economy to attain performance appraisal which is needed for motivation and increasing performance levels, it is important for customers to provide this feedback. In traditional companies, customers are not the only source of performance

appraisal, therefore customer feedback provision is of less importance.

2.5 Perceived value on customer feedback provision

The pre-purchase expectations from the Expectation Confirmation Theory are influenced by personal needs, word-of-mouth communication, and past experiences (Parasuraman et al. 1985; 1988). The post-purchase perceptions are based on perceived value. Perceived value is a trade-off between the quality perceived from the product or service and the costs. (Zeithaml, 1988)

2.5.1 Perceived quality

The perceived quality is the customer's assessment of the overall superiority of the product (Zeithaml, 1988). This assessment is based upon the gap between expectations and the actual perception of performance levels of the product or service. (Parasuraman et al., 1985; 1988) Understanding product quality is insufficient to understanding service quality as service quality has the characteristics of: intangibility, heterogeneity and inseparability. (Parasuraman et al. (1985) Services are intangible (Berry 1980, Lovelock 1981, Shostak 1977) due to them 'being a performance rather than an object.' (Parasuraman, 1985, p.42) Heterogeneity is due to quality fluctuations between multiple factors. In services, production and consumption are inseparable. The quality occurs during service delivery in interaction between customer and contact person of the service (Lehtinen & Lehtinen, 1982). I will use this measure service quality for my data collection together with product quality.

2.5.2 Costs

The costs associated with purchasing the product or service can vary between monetary and non-monetary costs. Monetary cost is 'the amount of liquid funds that a product or service costs a consumer to buy.' (Monetary price from Business Dictionary, 2018) Non-monetary cost is 'what it costs a customer (other than money) to buy a product, including the time spend on shopping and the risk taken in the assumption that the product will deliver expected or promised benefit.' (Non-monetary price from Business Dictionary, 2018) For the capital platform, the non-monetary cost is for example the time spend on looking at the assortment of products or services. For Airbnb, this will be for searching for the accommodation to your liking and for Ebay, it is searching for a product what you need or want. Another non-monetary cost for the capital platform is the uncertainty of how the accommodation will look like and if the host lends you good service.

Eventually, 'there should be differences in customers' assessments of service value due to differences in monetary costs, non-monetary costs, customer tastes, and customer characteristics.' (Bolton & Drew, 1991, p. 377) Indicating that every customer perceives the product or service differently.

2.5.3 Relationship perceived quality on customer feedback provision

Value can be assessed by cost or quality. If quality is perceived high, beyond the customer's expectations, and cost is neutral or low, then the customer experiences high value. High perceived value is seen as positive and low perceived value is seen as negative. As Westbrook (1987) states, customers provide feedback once they experience positive or negative feelings after perceiving a product or service. High quality or low costs provide positive feelings and low quality, or high costs provide negative feelings. This creates an inner tension needs to be discharged in the form of feedback.

So, I hypothesize that when a customer experiences a high-quality service provision which are beyond expectations, the customer is more likely to provide feedback on the platform of where the customer purchased the relevant product or service. This concerns also for when quality is perceived low, the customer experiences low value and has therefore negative feelings, and in turn will more likely share their experience through feedback.

Hypothesis 1: Perceived quality by customers has a U-shaped relationship with customer feedback provision via an online platform. (See figure 1)

2.5.4 Relationship cost on customer feedback provision

If the costs, whether monetary or non-monetary, of the product or service are perceived low, beyond the customer's expectations, and the quality is neutral or high, the customer experiences high value. This is seen as positive. This together with Westbrook (1987), that customers provide feedback when experiencing positive or negative feelings after the use of a product or service, I hypothesize, when a customer is content through low costs, beyond the customer's expectations, the customer is more likely to provide feedback on the online platform economy. This is the same for when the customer is experiencing low value and therefore negative feelings when costs are perceived as too high.

Hypothesis 2: Perceived costs by a customer has a U-shaped relationship with customer feedback provision via an online platform. (See figure 1)

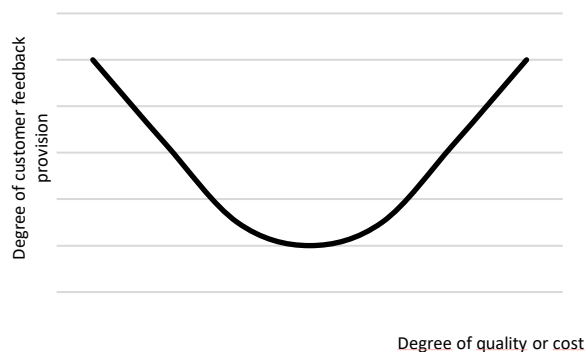


Figure 1: The relationship of quality or cost on customer feedback provision as a U-shape.

2.6 Regulatory focus influencing relationships of quality and cost on customer feedback provision

So far, the first two hypothesis assumed that customers equally react to differences or changes in quality and cost. However, marketing research shows that customers react differently to fluctuations in quality and cost. Blocker (2011), for example, showed that quality and cost relate differently to value in different contexts. On this basis, one can expect the relationship of quality and cost on one hand and customer feedback provision on the other hand to be different across customers. This difference can be explained by regulatory focus.

This theory takes off from the view that realizing gains, an increase in wealth and resources, and avoiding pain, great care or trouble, are part of the well-established law of human behavior. (Brockner et al., 2004)

Coming back to value from the regulatory focus perspective, according to Obermiller & Bitner (1984), pleasure, also

connected with realizing gains, can be linked with the perception of product quality. This is indicating that customers who have a greater focus on realizing gains also have a greater focus on product quality.

People approach pleasure and pain in different ways and tend to put more emphasis on and assign more importance to one of the two. Whether a customer is more focused on realizing gains or avoiding pain descends from the three dimensions of which promotion- and prevention focused self-regulation differs. I can determine from this that a promotion focused customer is more focused on realizing gains and a prevention focus customer is more focused on avoiding pains. Customers can be either promotion focused, or prevention focused which is derived from the hedonic principle of people approaching pleasure and avoiding pain. These two ways of the hedonic principle are the regulatory focus. (Higgins, 1998) ‘A promotion focus is concerned with advancement, growth, and accomplishment, whereas a prevention focus is concerned with security, safety, and responsibility.’ (Crowe & Higgins, 1997, p. 117) Whether a customer is either promotion or prevention focused, is impacting the way customers act, feel and think. (Higgins, 1998)

As stated before, pleasure, realizing gains, can be linked with the perception of product quality, according to Obermiller & Bitner (1984). Meaning that a promotion focused customer gives greater attention to product quality and does not take care of costs. This promotion focused customer will have positive feelings when their perceived quality of the product or service is high regardless of the cost of the product or service or this customer will experience negative feelings when the quality is low irrespective of the cost of the product or service. And as Westbrook (1987) expresses, when customers feel positive or negative of a product or service, a tension is created which needs to be discharged in the form of feedback. So, I hypothesize that customers with high promotion focus and who therefore give greater attention to quality will provide the online platform economy with feedback more likely if the quality of the product or service is perceived strongly: either very high or very low irrespective of the cost.

Hypothesis 3: A promotion focus influences the relationship between perceived quality by a customer and customer feedback provision, in such a way that this relationship turns stronger for customers who have a high promotion focus, in comparison to customers with a low promotion focus. (See figure 2)

This can also be turned around in the case of costs. Cost is a sacrifice, which in turn is a pain therefore linking costs to pain. A prevention focused customer gives greater attention to avoiding this pain and will respond more strongly to variations in costs. This customer with high prevention focus will feel positive feelings when the costs are low regardless of the perceived quality of the product or service. Conversely, this customer with a high prevention focus will experience negative feelings when the costs of the product or service are high. Again, the tension created when positive or negative feelings are experienced from a product of service could be discharged in the form of feedback. (Westbrook, 1987) Thus, I hypothesize that prevention focused customers who give greater attention to decreasing costs, either monetary or non-monetary, will provide the online platform economy with feedback more likely if the costs of the product or service are perceived strongly: either very low or very high irrespective of the quality.

Hypothesis 4: A prevention focus influences the relationship between perceived cost in such a way that this relationship turns stronger for customers who have a high prevention focus, in comparison to customers with a low prevention focus. (See figure 2)

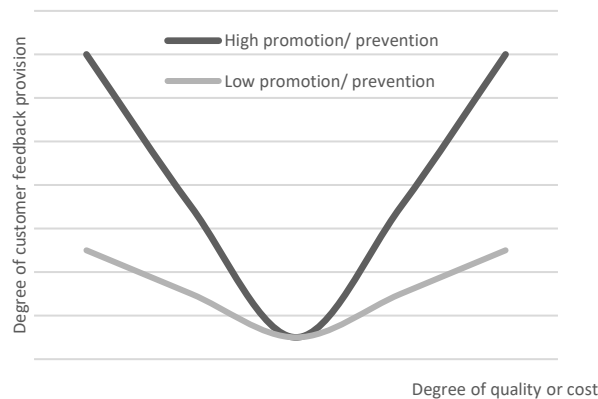


Figure 2: The effect of whether a customer is high or low promotion and prevention focused on the relationship of quality or cost and customer feedback provision.

3. METHODOLOGY

3.1 Research

First, I picked a platform to use as basis of my research to find out why customers engage in performance evaluation. I only picked one platform for this considering that when using multiple platforms there will be an element that I cannot control namely that these platforms all have a different mechanisms, instruments and applications for obtaining customer feedback. To compare my results of the research I conducted, I needed to standardize the other variables that may affect my outcome of interest as much as possible. This leads to the option of using only one platform to base my research on. Therefore, I studied solely one platform.

The platform that I studied is Airbnb, which is a capital platform at stated in Section Theory. Airbnb is a well-known platform which many people from all ages have heard of and are able to make use of. Meaning that the chance of a high response rate for my research will be significant.

Airbnb is an online platform which is a form of an international marketplace where people can lease or rent an accommodation on the short-term. The customers can choose from nearly 5 million listings in over 191 countries. (Fast Facts of press at Airbnb) Tourism has become one of the largest industries, indicating that the demand for accommodation is high. The company does not own any real-estate itself. The accommodations they provide are solely based upon people who lease (the host) e.g. their apartment, house or room to a customer who in their turn rent the accommodation. Airbnb earns thirteen percent of the amount the host receives for leasing their accommodation. This is their form of profit. They are an example of collaborative consumption and of capital labor platform. The customer is advised to leave feedback on the platform on how their stay was in the specific Airbnb they stayed in. This feedback is provided to the host. Once the feedback is given by the customer, the host is able to provide feedback on the customer as well on how they behaved during their stay in the host's accommodation.

3.2 Sampling procedure

I conducted a survey to find out customer's behavior on why they provide feedback in relation with Airbnb. A survey is instrumental in testing my hypotheses as it reaches a large range of people and does not take much time and effort to fill in for the respondents. It is also very easy to receive many respondents from different nationalities and age ranges. This is not possible through for example interviews as with an interview you will only have a few locations where you may conduct the interviews

leading to maybe a biased outcome of the data analysis as the characteristics of the respondents could be similar and therefore not divers. So, a survey is exactly what I needed as I needed a large range of respondents to be able to conclude if my hypotheses test positive or negative. From these conclusions, I was able to answer my research question.

The people that I was interested in to conduct this survey with are customers of the platform Airbnb from as many ages and nationalities as possible. I contacted the respondents of my survey through personal connections, online fora and first year students of International Business Administration of the University of Twente of the year 2017-2018. I needed to have around 200 respondents to my survey in total. To ensure a high response rate on my survey, I posted it on diverse fora and ask near family and friends to fill it out and spread it to their friends and family too. So, with that the survey is spread over a large pool of people.

After the data collection, I had approximately 200 respondents of the survey however only 145 were complete. These were the responses that were useful for the data analysis. The mean age of my respondents is 29 years with a standard deviation of 15 years and a median of 23 years. This says that most users of Airbnb are from 18 to 44 years of age. From the pie chart of the frequency of nationalities of the respondents, see Chart 1, I can see that most of the people are German (25,5%), Dutch (22,8%) and from the United States of America (20,7%). The measurement of age shall be representative of the total Airbnb population however the representation of the population distribution may not be the actual representation of the Airbnb population as many of my respondents are friends and family who are born or live in the proximity of The Netherlands.

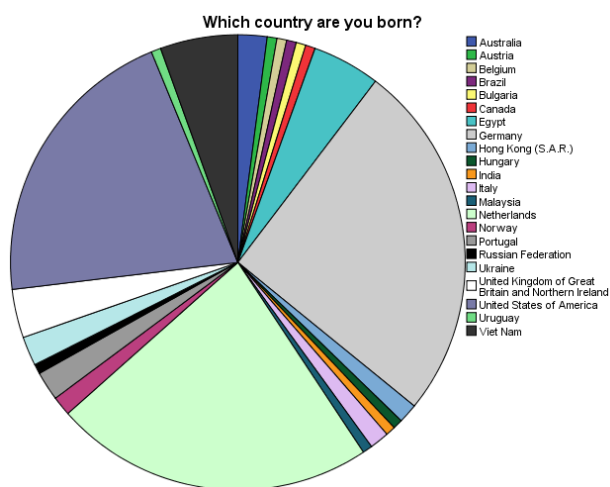


Chart 1: Pie chart of the population distribution of the respondents.

3.3 Measurement

The survey I gave to my respondents is made up of multiple statements that the respondent was able to answer through a five-point Likert scale. From 1 being 'Strongly disagree', 2 is 'Somewhat disagree', 3 is 'Neither agree nor disagree', 4 is 'Somewhat agree' and 5 being 'Strongly agree'. For the control variables I used some statements which I left open e.g. when asking the age of the respondent. Also, for a number of statements I used a multiple question with ranges e.g. when asking how often the respondent has stayed with Airbnb in the past two years. The variables I researched are perceived quality, perceived cost, regulatory focus and customer feedback provision. I also used some control variables.

3.3.1 Perceived Quality

The variable perceived quality is the customer's assessment of the overall superiority of the product (Zeithaml, 1988) which is based upon the gap between expectations and the actual perception of performance levels (Parasuraman et al. (1985). The scale used to measure quality are existing quality scales for measuring the perceived quality of the accommodation through Airbnb from Choi & Chu (2001) and from Petrick (2004). These scales are both short, which is optimal to generate a higher response as respondents will fill out the survey more likely if it costs less time. The scales also measure what I need for my data analysis as I need items which cover multiple aspects of service and room quality such as these scales. The items I have used to measure this variable are service quality and room quality. Service quality measures how the host services the customer and room quality measures how the quality of the room was. These are divided into multiple statements. An example of service quality is whether the host spoke multiple languages and an example of room quality is whether the room was clean and quiet. See Appendix 10.1.1.

I performed a factor analysis on the items of perceived quality. The factors that resulted are exactly the two dimensions I used beforehand: service quality and room quality. This is shown in Table 1 below. However, I left out two items of service quality: 'The host has multi-lingual skills' and 'The host has a neat appearance'. This is due to a smaller coefficient in the pattern matrix than 0,3 and due to having coefficients close to each other and therefore not fitting in either factor. A theoretical reason for leaving these items out is that at some Airbnb accommodations you do not meet the host and therefore cannot judge on their appearance and language skills.

I performed a correlation test on the means of the two factors, to check if I could form them into one measure which is Overall quality. As the correlation coefficient is 0,516 and the coefficient of significance is significant, I can state that the two factors of service and room quality are correlated, and I can use the measure of overall quality for the analysis. The Cronbach's alpha of the perceived quality is 0,86 saying that it is a reliable measure.

Items/factors	1 (Service)	2 (Room)
Service quality: The host was polite	0,935	
Service quality: The host was helpful	,910	
Service quality: The host understood my requests	,880	
Service quality: The host provided efficient service	,722	
Service quality: Check-in/check-out was efficient	,580	
Service quality: The host had multi-lingual skills	,244	
Service quality: The host had a neat appearance	,354	,377
Room quality: The bed/mattress/pillow was comfortable		,736
Room quality: The in-room temperature control was of high quality		,431
Room quality: The room was clean		,833
Room quality: The room was quiet		,555

Table 1: Factor analysis of service and room quality.

3.3.2 Perceived Cost

The variable perceived cost can be defined in two ways: monetary costs and non-monetary costs. Monetary cost is the price you pay in terms of liquid goods such as cash or assets. Non-monetary cost is the price you pay in intangibles such as time and effort. I used the existing quality scales for measuring the perceived cost of the accommodation through Airbnb from Choi & Chu (2001) and from Petrick (2004). Again, these scales are chosen as they are short and clear for what I needed to measure for the data analysis which is the overall perception of how the respondents perceived the costs. See Appendix 10.1.2. The items that measure this variable are monetary price and behavioral price which in turn are divided into three statements each. An example of monetary price is if the Airbnb accommodation was priced fairly and an example of non-monetary price is whether the booking the accommodation on Airbnb was easy.

From the factor analysis I performed, the factors that resulted were exactly monetary and non-monetary price as seen in Table 2. I performed a correlation test on the means of these two factors. With a coefficient of significance of <0,01 and a correlation coefficient of 0,355, I can state that there is a slightly weak to moderate correlation between monetary and non-monetary costs. Therefore, I can use the measure of overall costs for the analysis. The Cronbach's alpha of perceived cost is 0,86 stating that it is a reliable measure.

Items/factors	1 (Behavioral)	2 (Monetary)
Monetary price: Was worth the money		,835
Monetary price: Was priced fairly		,940
Monetary price: Was reasonably priced		,910
Behavioral price: Required little energy to book	,861	
Behavioral price: Required little effort to book	1,015	
Behavioral price: Was easily booked	,827	

Table 2: Factor analysis of monetary and non-monetary costs.

3.3.3 Regulatory focus

Regulatory focus is a variable that influences the relationship of quality and cost on customer feedback provision. It states that people – customers – are promotional focused, wanting to achieve goals and accomplishments, or prevention focused, wanting to assure safety. The existing scale I used is drawn from Lockwood, Jordan & Kunda (2002) as this is the shortest scale I could find on regulatory focus and it measures what I needed to use for the data analysis which is whether the respondent is high or low promotion focused or high or low prevention focused. The scale is made up of eighteen items. An example of a promotion focused item is 'I typically focus on the success I hope to achieve in the future.' And an example of a prevention focused item is 'My major goal right now is to avoid becoming a failure.' See Appendix 10.2.1. I performed a factor analysis on the eighteen items of which resulted in five factors. (See Appendix 10.5.1. Table 5) On these factors, I performed a second factor analysis to come to the three factors of prevention, promotion and the single item 'In general, I am focused on preventing negative events in my life.' (See Appendix 10.5.2. Table 6) As the third

factor a single item is, I ran two correlation analyses for promotion with factor 3 and prevention with factor 3. These are presented in Appendix 10.5.3 and 10.5.4 in Tables 7 and 8 respectively. This shows that there is non-existent to very weak correlation between promotion and factor 3 with a significance of 0.068 and a correlation coefficient of 0,152. It also shows that there is a weak correlation between prevention and factor 3 with a correlation coefficient of 0,204. Factor 3: 'In general, I am focused on preventing negative events in my life' has a stronger and significant correlation with prevention than with promotion. However, as the correlation is not very strong and factor 3 does not fit well in either factors in the factor analyses, I have not used this item in my data analysis. So, from now on I have two factors: promotion and prevention. The Cronbach's alpha of the factor prevention is 0.786 and for the factor promotion it is 0,806. So, both factors are reliable.

3.3.4 Customer feedback provision

The variable customer feedback provision is my outcome variable. It is the fact that customers provide feedback or not. The item that I used to measure this outcome variable is whether the respondent provided the platform with feedback after their most recent stay at an accommodation of Airbnb. See Appendix 10.3.1. Computing the Cronbach's alpha is not possible as it solely contains one item.

3.3.5 Control variables

For the regression analyses, I used five control variables (See Appendix 10.4.1.) I did not use an existing scale for the control variables as these are mostly commonly used control variables.

3.3.5.1 Year of birth

The year of birth of the respondent calculates the age of the respondent. The age of the respondent can influence the manner of whether the respondent provides feedback more likely or not. For example, younger respondents may understand technology more proper and therefore find it easier to provide feedback than older respondents. However, younger people usually have less time on their hands and therefore will leave feedback less likely as it costs too much time in their eyes rather than with older respondents who may have more time and patience to provide feedback.

3.3.5.2 Year of Airbnb usage

The year the respondent started using Airbnb calculates how long the respondent has been using Airbnb. This may influence whether customers provide feedback as customers who have feedback may notice the 'Give back, get back' community on Airbnb and therefore provide feedback as they recognize how important this is for choosing the right accommodation for you. However, the longer the customer has Airbnb, the more the customer can become lazy and not provide feedback as they have already done so at their first few times.

3.3.5.3 Curiosity

On Airbnb, there is the phenomenon that the host provides feedback on the customer who stays at their accommodation. However, this feedback is only given to the customer if they themselves provide feedback about the accommodation/host. The item 'I am always curious to learn how the host evaluated me after I stayed in their accommodation' measures whether the customer wants to know, and is therefore curious, what the host had to say about the behavior of the customer or not. If this is true and the customer is curious, it can be a motivator for the customer to provide feedback themselves to receive the feedback of the host.

	Mean	SD	Year of birth	Year of Airbnb	Curiosity	Duty	Pressure Airbnb	Quality	Cost	Promotion	Prevention	Feedback provision
Year of birth	1989,33	15,07	1									
Year of Airbnb	2015,56	1,58	-0,007	1								
Curiosity	13,79	1,20	0,099	-0,141	1							
Duty	13,52	1,18	-0,007	-0,135	0,384**	1						
Pressure Airbnb	12,91	1,20	0,045	-0,083	0,282**	0,323**	1					
Overall quality	4,21	0,71	-0,119	0,002	0,109	0,194*	0,002	1				
Overall cost	4,16	0,64	-0,112	0,029	0,186*	0,211*	0,002	0,615**	1			
Promotion	3,86	0,64	0,202*	0,016	0,137	0,213*	-0,011	0,016	-0,034	1		
Prevention	2,99	0,77	0,223**	-0,099	0,350**	0,213*	0,321**	-0,101	-0,083	0,074	1	
Feedback provision	1,71	0,46	-0,164*	-0,200*	0,194*	0,464**	0,105	0,203*	0,252**	0,025	0,030	1

*. Correlation is significant at the 0.05 level (2-tailed) **. Correlation is significant at the 0.01 level (2-tailed).

Table 3: The means, standard deviations and the correlations of the variables

3.3.5.4 Duty

The item 'I feel providing feedback/review is a duty I must fulfill' measures whether the customer feels they must provide feedback due to a pressure. This pressure does not have to come from Airbnb itself or from the host but also from elsewhere for example peer pressure. Nowadays, there is much pressure coming from all types of channels. So, I wonder if this influences the decision for customers to provide feedback. Pressure can influence whether customers provide feedback as if they feel this pressure strongly they will provide feedback much more likely as they do not want to disappoint the person/object pressuring them than when they do not feel this pressure.

3.3.5.5 Pressure from Airbnb

The item 'I feel a pressure coming from Airbnb to provide feedback/review after a stay' measures whether the customer feels that he/she must provide feedback from the platform Airbnb. Again, nowadays there is much pressure from different channels, like platforms as Uber and Airbnb, to provide feedback. This can influence in such manner that the customers will provide feedback more likely due to this pressure. However, it can also have a contradicting effect on customer feedback provision, as customers may feel that they are forced to do so and therefore do not want to provide feedback as it should be voluntary.

3.4 Data analysis

For the data analysis, I used the program SPSS. First, I did a reliability test on the independent variables quality, cost and regulatory focus separately. I then proceeded to the factor analyses of these independent variables: quality and cost and regulatory focus separate. The method I used was the principal axis factoring which is based on an Eigenvalue of 1 with a maximum iteration of convergence for quality and cost is 25. I used the direct oblimin rotation as the factors correlate with each other and I suppressed small coefficients below 0,3.

For the factor analysis of quality there are two factors: service quality and room quality. These two factors are correlated as shown presented above. So, I use the factor overall quality for further analyses. For the factor analysis of cost there are also two factors: monetary and behavioral price. These factors are also correlated with each other so from now on I use the factor overall cost. The results of the factor analyses and correlation analyses are stated in section 3.3 Measurement.

With regulatory focus I ran the factor analysis and received 5 factors. Ideally this is boiled down to two factors: promotion and prevention. So, I ran the factor analysis again on the 5 initial factors. From this second factor analysis there are 3 factors: promotion with the factor 'ought self', prevention and one factor with a single item: 'In general, I focus more on preventing losses'. From the two correlation tests I performed, I can conclude that I then have two factors: promotion focused, and

prevention focused. The results of the factor analyses and correlation analyses is in section 3.3 Measurement.

I first started on the analysis for the relationship of quality and cost on customer feedback provision which is the dependent variable of 'Did you give feedback on your most recent stay in an Airbnb accommodation?'. As hypotheses 1 and 2 state that the relationship between quality or cost and customer feedback provision is U-shaped, which is a bend, it suggests that I must use a curvilinear regression.

For the regression analyses I performed, I first needed to know which type of regression analysis to use. As my dependent variable 'Did you leave feedback after your most recent Airbnb stay?' is dichotomous and as I at least have one independent variable for in the analyses, I used the binary logistic regression analysis. The Curve Estimation Regression is also possible to create the quadratic model and thus the U-shape as stated in the hypothesis. However, this model is statistically not significant and therefore not useful for my analysis.

I used the squared function of the independent variables, quality, cost, promotion and prevention in the Binary Logistic Regression including the control variables to test the quadratic function of the hypotheses. For every hypothesis I did a separate regression. For the two latter hypotheses, which state that whether a customer has a promotion of prevention focus influences customer feedback provision, I also included the interaction of promotion with quality and prevention with cost to the regression as promotion focused customers seek for high quality and prevention focused customers seek for low costs.

4. RESULTS

From performing all the Binary Logistic Regressions analyses shown in table 4, I could draw conclusions about the hypotheses that I have made. In total, I used seven regression models. Model 1 is solely including the control variables, Models 2 and 4 include the variables quality and quality squared respectively. These will be used to test hypotheses 1. Models 3 and 5 include the variables cost and cost squared respectively and serve to assess hypothesis 2. Model 6 includes the variables quality, promotion and their interaction to test hypotheses 3 and Model 7 includes cost, prevention and their interaction measuring hypothesis 4.

However, first I presented the mean, standard deviation and correlations of my variables as seen in Table 3. The variables with the strongest correlation are quality and cost with a coefficient of 0,615. This correlation is also significant at the level of <0.01. This correlation being strong and significant is logic as the variables quality and cost both descend from service value and therefore have a relationship with each other.

Other correlations are also remarkable such as the insignificant weak to non-existent positive correlation of the variables of quality and promotion, cost and prevention and the negative correlation between promotion and prevention.

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Constant	562,032	631,527 *	592,111	678,904	578,095	573,301	623,317
Year of birth	-0,039	-0,038	-0,039	-0,036	-0,040	-0,040	-0,035
Year of Airbnb	-0,246	-0,283	-0,263	-0,307	-0,256	-0,250	-0,284
Curiosity	0,140	0,080	0,127	0,042	0,131	0,095	0,152
Duty	0,981 ***	0,956 ***	0,950 ***	0,933 ***	0,946 ***	0,993 ***	0,986 ***
Pressure Airbnb	-0,095	-0,030	-0,056	-0,020	-0,045	-0,050	-0,012
Quality		0,776 *		-1,088		-0,791	
Cost			0,496		1,489		1,538
Quality squared				0,253			
Cost squared					-0,126		
Promotion						-1,573	
Prevention							1,258
Promotion * quality						0,379	
Prevention * cost							-0,347
likelihood	129,288	124,349	126,777	123,805	126,703	123,806	125,792
R2	0,262	0,287	0,275	0,290	0,275	0,29	0,280

p<.05 * <.01 ** <0.001***

Table 4: Binary Logistic Regression

I will come back to this in the section 4.3 Regulatory focus on relationship quality and cost on customer feedback provision and 4.3 Other findings.

From the means, I can conclude that the average customer does provide feedback. The average customer is rather promotion-focused than prevention-focused and experiences a slightly higher degree of quality than cost of their most recent stay at an Airbnb accommodation. Furthermore, the average customer has had their Airbnb account since 2015 and the average age is 29 years. The average customer provides feedback as he/she feels a moderate pressure from Airbnb, he/she moderately feels it is a duty and he/she is mildly curious to the feedback the host provides the customer.

4.1 Quality and cost and customer feedback provision

Hypotheses 1 and 2 state that the relationship of quality or cost on customer feedback provision on the online platform economy has a bend which has a U-shape.

4.1.1 Hypothesis 1: quality

From this analysis including the squared variable quality, shown in Model 4 from Table 4, I can conclude that my first hypothesis, that the relationship of quality and customer feedback provision is U-shaped, is not significant. This means that the relationship is not U-shaped. Therefore, I do not have enough evidence to associate quality with customer feedback provision on the online platform economy with a U-shaped relationship and so hypothesis 1 is rejected.

However, from the Binary logistic regression analysis only including the variable quality, shown in Model 2, I found that the relationship is significant with a Beta of 0,776. This suggests that the relationship of quality on customer feedback provision on the online platform economy is linear instead of U-shaped. So, I can conclude that my hypothesis of the relationship of quality and customer feedback provision being U-shaped is rejected however there is a linear relationship between the two variables.

4.1.2 Hypothesis 2: cost

The outcome of the Binary Logistic Regression analysis for my second hypothesis, stating that the perceived cost affects customer feedback provision in a U-shaped manner, is shown in Model 5 of Table 4, which includes the squared variable of cost. It shows that this relationship is insignificant and therefore, the relationship is not U-shaped. Therefore, I do not have enough evidence to associate cost with customer feedback provision on

the online platform economy as a U-shaped relationship and so hypothesis 2 is rejected.

However, here I could read from the regression analysis that contradicting with quality, the regression of Model 3 including only the variable cost, is insignificant. This model measures the linear relationship between cost and customer feedback provision. Due to the insignificance of both models, I can reject hypothesis 2 and conclude there is no U-shaped or linear relationship between cost and customer feedback provision.

4.2 Regulatory focus on relationship quality and cost and customer feedback provision

Hypotheses 3 and 4 state that the degree whether a customer is high or low promotion and high or low prevention depicts whether the customer will provide feedback on the online platform economy depending on their perception of quality or cost of the product or good.

4.2.1 Hypothesis 3: promotion

From the correlation matrix in Table 3, I stated there is a remarkable correlation between quality and promotion. The correlation is 0,016, suggesting it is very weak. This is remarkable as my hypothesis and theory states that customers who are promotion-focused have a stronger focus on the quality of the product or service within the online platform economy. In this case, this is not true. Merely, this finding indicates that my hypothesis may be rejected.

The Binary Logistic Regression analysis of the independent variables quality, promotion and their interaction, is shown in Model 6 in Table 4. This has given me insight that the effect promotion would intensify between the relationship of quality and customer feedback provision on the online platform economy is not significant. Therefore, I can state that I do not have enough evidence to accept my third hypothesis and it is therefore rejected.

4.2.2 Hypothesis 4: prevention

From Table 3, I mentioned above that there is a remarkable relationship between the variables cost and prevention. As the theory and my hypothesis suggest, customers who are prevention-focused strongly focus on avoiding costs and therefore will centralize the variable cost when searching for a product or service. In this case, there is a weak and negative relationship between the two variables. This indicates that my hypothesis may be rejected.

With the dependent variable being ‘Did you leave feedback after your most recent Airbnb stay?’ and my independent variables being cost, prevention and their interaction, I performed a Binary Logistic Regression analysis which is shown in Model 7 of Table 4. The outcome of the regression is an insignificance of these variables saying that the intensifying effect prevention has on the relationship of cost and customer feedback provision is non-existent. Therefore, I can state that I do not have enough evidence to accept my fourth hypothesis and it is therefore rejected.

4.3 Other findings

4.3.1 Correlation promotion and prevention

As mentioned above, there is an interesting correlation between the two variables promotion and prevention as shown in Table 3: Means, standard deviations and correlations. As theory would suggest, a customer is either promotion-focused or prevention-focused. However, the customer is not likely to be both. From the correlation matrix, one would then suggest that the correlation between promotion and prevention should be strongly negative. This is not the case as the correlation is very weak and positive with a correlation coefficient of 0,074. As the correlation of prevention and promotion is different than what is expected by the theory it implies that the regulatory focus theory is not supported by the online platform economy.

4.3.2 Significance of variable Duty

Another interesting finding is that, throughout the Binary Logistic Regressions, the control variable Duty is significant with a constant coefficient $<0,001$. This variable measures whether the customer feels that providing feedback is a duty one must fulfill. (See Appendix 10.4) As the variable has shown to be significant, I can say that customers are more likely to give feedback when they feel a pressure to provide feedback as it they see it as a duty they must fulfill.

5. DISCUSSION

As the results have shown, the hypotheses have been rejected. This indicates that there is no U-shaped relationship of the independent variables quality and cost on the dependent variable of customer feedback provision and that whether the customer promotion or prevention focused is does not intensify the relationship of quality or cost on customer feedback provision. However, there is proven to be a linear relationship of the overall quality and customer feedback provision presenting that customers have a more likely chance to provide feedback as the degree of quality increases and a less likely chance to provide feedback as the quality decreases.

5.1 Insignificance cost, promotion and prevention

As the relationship of quality on customer feedback provision is the only relationship that proved significant, it seems that customers solely pay attention to the quality of the product or service irrespective of the cost of the product or service or whether the customer is focused on promotion or prevention.

5.1.1 Costs

The reason why customers do not provide feedback based on the degree of cost may be as the costs are already made by the customer when arriving at the Airbnb accommodation. The monetary costs, in specific, are already known by the customer when booking the accommodation. So, the customer can decide beforehand if they want to make use of the monetary costs or not. This implies they are satisfied, meaning that costs will likely have a non-significant impact on feedback provision.

The non-monetary costs are made prior to or during the booking of the accommodation and cannot be reversed. After staying at

the accommodation of for example poor quality, the customer does not want to spend more time and effort (non-monetary costs) to provide the platform with a negative review.

Additionally, everybody has somewhat the similar perceptions of non-monetary costs that need to be made to book an Airbnb accommodation. This is partially due to the interface of Airbnb being designed to be an ease of use for a great percentage of their clientele. The customer’s perception of monetary costs differs as one customer has a different budget and purchasing power than another customer. However, the customer can control this aspect during booking the accommodation.

Therefore, there is not much variance in the independent variable leading to the fact that there is not much variance possible in the dependent variable of customer feedback provision.

5.1.2 Promotion and prevention

Evidently, a customer being either promotion- or prevention focused influencing the relationship of quality and cost on customer feedback provision is differently interpreted in the online platform economy than in a traditional economy. This can be a result of the customer only having a short interaction with the host of the Airbnb accommodation and that he/she therefore does not see it as an accomplishment (promotion) or something they must avoid (prevention). The customer will then think he/she should search better next time for a greater fit between accommodation and customer’s desires.

5.2 Performance appraisal

In a traditional economy, the manager’s job is to assess the performance of multiple employees at once. These employees will attain performance appraisal from the manager. However, this is not their only source to attain performance appraisal as they receive it also from their colleagues and customers. Within the platform economy, this is different as the host is only being assessed by multiple customers who stay in their accommodation. Thus, the host solely attains performance appraisal from the customers and there is not a ‘manager’ within Airbnb who assesses the performance of multiple hosts together. The customer therefore must provide the host with performance appraisal for the host to stay motivated and to keep their performance high. This is accomplished through feedback provision. As found in the results, there is a positive linear relationship between quality and customer feedback provision. This implies that customers provide feedback more likely when the quality is perceived as higher than when it is perceived as lower.

The grounds of the linear relationship of quality and customer feedback provision and the customer being the only source of performance appraisal follow.

5.2.1 Relationship quality and customer feedback provision

The form of the customer to provide performance appraisal is through customer feedback provision, as stated in the introduction. From the linear relationship between quality and customer feedback provision, one can notice that customers only provide feedback increasingly as the quality increases as well. This implies that customers limitedly provide feedback when the quality is poor. Reasons for this could be that the quality is not poor, is not perceived as poor or that the customers do not provide feedback when the quality is poor.

5.2.1.1 Poor quality

The former reason, that customers do not experience the quality as poor can be because customers choose Airbnb accommodations themselves. The customer chooses the accommodation which is a good fit between the quality of the

accommodation and the quality wishes of the customer personally. This leads to the fact that there is a lower chance of a misfit resulting in the customer being disappointed with the quality of the Airbnb accommodation, when he/she finds it poor.

Another reason why customers do not experience the quality as poor could be that the customer has read many positive reviews from prior customers of the accommodation and therefore is biased beforehand when arriving at the accommodation. The customers may not be able to look at the quality of the accommodation critically as they have only read positive reviews from prior customers and do not see the poor quality or imperfections of the accommodation.

5.2.1.2 *Scarcity of negative reviews*

When the customer perceives the quality as poor, it still occurs that the customer does not rapport on this in the form of feedback. On Airbnb, providing feedback is not anonymous and therefore the feedback that you provide is linked to your name. Some customers will feel discouraged to provide feedback due to others being able to see that you have provided this feedback stating that the quality of the specific accommodation is poor. This would not be an issue if prior customers provided negative feedback.

Customers may feel discouraged to provide feedback due to renters providing feedback on the customers themselves. It can occur the customer does not wish to receive this feedback as it may be a negative review as well and therefore the customer does not provide feedback.

The customer may also not want to be the one who is, as the saying goes: the needle in the haystack, the only customer which provides a bad review between the reviews of prior customers which are mostly positive. Customers want to be part of a group with a broad range of similar norms, attitudes and behaviors. (Oyserman, Coon & Kemmerlmeier, 2002) The customer will therefore not provide feedback or will provide a mild to positive feedback.

5.2.2 *Demotivation and low performance*

To come back to customers being the only source for the host to gain performance appraisal which is important for motivation and keeping performance high, when the customers solely provide good feedback and do not give reasons or suggestions for improvement, the host may become insensitive to the feedback and therefore the performance appraisal. This will then lead to demotivation of the host and/or a decrease in performance. Following may be that the host will not improve their accommodation which influences them negatively as customers will notice this. Namely, the quality depreciates, and the customers will not return to the accommodation and/or provide feedback.

5.3 'Providing feedback is a duty I must fulfill'

Noteworthy, is that during the Binary Linear Regression analysis including the control variables, the effect of the control variable of 'I feel providing feedback is a duty I must fulfill' is significant. This suggests that customers are more likely to provide feedback when they feel that it is a duty they must fulfill. However, this duty the customers feel is not pressured by the online platform Airbnb as the control variable 'I feel pressure coming from Airbnb to provide feedback' is not of significance. This finding is interesting as the customers must feel the duty of providing feedback from elsewhere than Airbnb. Possibilities of where customers feel pressured to provide feedback for Airbnb are the guests the customer stayed in the Airbnb with, the host of the Airbnb accommodation and near friends and/or family.

5.4 Practical implications

5.4.1 *Feedback mechanism anonymous*

The results imply that, the reviews on Airbnb are biased as customers do not provide an actual representation of the quality of the accommodation. A practical issue Airbnb can implement to prevent customers not providing feedback when the quality is poor in the future and therefore providing feedback with their actual critical observation is to make the customer feedback mechanism anonymous. So, the customer's feedback will not be linked with their name or profile. This can solve the complications named above as customers will provide feedback when they are hesitant to reveal themselves as the one providing the poor review because they will not be revealed anymore. Also, then more customers will provide bad reviews and therefore the customer may not be the only one leaving a bad review between what prior would be only positive reviews. This will result in less customers being biased by the outstanding quality what the reviews state currently. A better fit between customer and accommodation is also possible as the potential customers searching for an Airbnb accommodation have a better representation of the quality of the listings and can make a better fit between their desires and the accommodation.

5.4.2 *Number of reviews as quality measure*

A practical implication for the customer themselves could be to search for the listings with a high number of good reviews instead of a low number of reviews. As the relationship of quality and customer feedback provision is linear, the higher the quality, the more (good) reviews are given and likewise, the lower the quality, the fewer number of reviews are given. So, if the listing has many good reviews, it can suggest that there are not many bad experiences from prior customers which are not presented in a review than when there are not many good reviews.

5.4.3 *Mattress vouchers and language courses*

Online platforms will find the results of the data analyses interesting as it is proven that customers provide more often feedback when the quality increases. The online platform can implement this in their strategy to increase the number of reviews they have on a specific product or service as they must have a greater focus to increase their quality.

At the online platform Airbnb, the host of the accommodation may be able to increase the quality of the bed, pillow or mattress when looking into product quality. Airbnb can step in here and provide for example the host with a voucher for a good bed/pillow/mattress supplier, so the host is able to purchase a bed/pillow/mattress of higher quality.

Whether the host is multi-lingual or not was an item on my data analysis which had a low mean compared to other service quality items meaning that many customers perceived that the host did not possess multi-lingual skills. Airbnb can step in here and provide an (online) language course to their hosts to increase their multi-lingual skills and increase service quality.

6. LIMITATIONS

During this thesis and research, I came across somewhat limitations which withheld me from performing the most optimal research.

While doing the second factor analysis of the regulatory focus, the promotion and 'ought-self' factors were combined into one factor. According to the theory, ought-self is part of the promotion factor. This may influence my results of promotion focus. Also, during the factor analysis of quality and cost, I had to leave out two items of service quality while computing the mean of those factors. During the first factor analysis of the

regulatory focus, I had to leave out an item due to not having a large enough coefficient for one of the five factors.

Another limitation is that my dataset is not extensive enough. There are not many respondents who rate their most recent stay low in quality and/or cost. This can make my analysis not significant or provide results which are not realistic. However, I will not know if this is the case as my dataset may present a realistic overview of customer behavior, quality and cost and feedback provision.

Finally, I made use of the customer's experience of their most recent Airbnb stay. However, there may be a great time difference between a customer's most recent stay and when they filled out the survey. This can lead to customers not remembering how they perceived their most recent stay in such detail of quality and cost. Resulting in data that is not a representation of actuality and therefore may bias my results and findings.

7. CONCLUSION

Throughout the paper, I have made multiple conclusions and findings on the hypotheses that I have formulated. However, the main question of this paper is the research question: To what extent do quality and cost influence customer feedback provision on the online platform economy?

The online platform economy is represented in this paper by the well-known home-sharing platform Airbnb. Quality and cost can be seen as two separate variables descending from the concept of service value. Consequently, these variables both have a different influence on whether the customer will provide the online platform economy with feedback.

As stated in the introduction, feedback is the customer's manner to provide the independent worker, in this paper's case the host of the Airbnb accommodation, with performance appraisal. This customer feedback provision is the only source for the host to receive this performance appraisal and it is therefore an important driver of motivation and increasing level of performance as performance appraisal contributes largely to motivation and performance levels.

According to the theory, customers provide feedback because they experience a positive feeling when their expectations are met or go beyond with the actual quality and cost of the product or service or when they experience a negative feeling when their expectations have not been met with the actual quality and cost of the product or service. The customers provide feedback due to wanting to express positive or negative feelings after experiencing them.

Customers perceive quality and cost differently and the theory I made use of to explain these fluctuations with is the regulatory focus theory. This states that customers are promotion- or prevention-focused. They either care for quality or cost.

However, according to the conclusions I have made, customers only provide feedback when they experience high perceived quality. They do not experience this with the variable costs nor when the quality is lower than their expectations. Also, whether the customer is promotion- or prevention-focused is of no concern.

So, the extent to which quality and cost influences customer feedback provision on the online platform economy is that cost does not have an influence nevertheless quality does have an influence. The influence of quality becomes stronger as the degree of quality is perceived as higher. Therefore, customer feedback provision also becomes more likely.

8. ACKNOWLEDGEMENTS

Throughout this thesis and research, I have been supported by many people of whom I would not have been able to create such a result. First, the greatest supporter is my first examiner Jeroen Meijerink. I would like to thank him immensely for his help and critical view which enhances this paper and for the 'special' meetings we had together with my fellow HRM-circle girls, Chynna Wan and Maria Jäger. Without you this journey would have been less enjoyable.

I would also like to thank Anna Bos-Nehles, my second examiner for her time and effort and her critical view which has enhanced this paper.

Finally, my friends, family and colleagues have supported me throughout the past few weeks by not only filling out my survey and spreading it over the world but also the mental support.

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10. APPENDIX

10.1 Appendix 1

10.1.1 *Scale for measuring perceived quality*

10.1.1.1 *Service quality*

1. The host was polite
2. The host was helpful
3. The host understood my requests
4. The host provided efficient service
5. Check-in/check-out was efficient
6. The host had multi-lingual skills
7. The host had a neat appearance

10.1.1.2 *Room quality*

8. The bed/matress/pillow was comfortable
9. The in-room temperature control was of high quality
10. The room was clean
11. The room was quiet

From Choi & Chu (2001) and modified to fit in my survey in the context of Airbnb.

10.1.2 *Scale for measuring perceived cost*

10.1.2.1 *Monetary price*

12. Was worth the money
13. Was fairly priced
14. Was reasonably priced

10.1.2.2 *Behavioral price*

15. Required little energy to book
16. Required little effort to book
17. Was easily booked

From Petrick (2004) and modified to fit in my survey in the context of Airbnb.

10.2 Appendix 2

10.2.1 *Scale for measuring regulatory focus*

1. In general, I am focused on preventing negative events in my life.
2. I am anxious that I will fall short of my responsibilities and obligations.
3. I frequently imagine how I will achieve my hopes and aspirations.
4. I often think about the person I am afraid I might become in the future.
5. I often think about the person I would ideally like to be in the future.
6. I typically focus on the success I hope to achieve in the future.
7. I often worry that I will fail to accomplish my goals.
8. I often think about how I will achieve success.
9. I often imagine myself experiencing bad things that I fear might happen to me.
10. I frequently think about how I can prevent failures in my life.
11. I am more oriented toward preventing losses than I am toward achieving gains.
12. My major goal right now is to achieve my ambitions.
13. My major goal right now is to avoid becoming a failure.
14. I see myself as someone who is primarily striving to reach my "ideal self"—to fulfill my hopes, wishes, and aspirations.
15. I see myself as someone who is primarily striving to become the self I "ought" to be—to fulfill my duties, responsibilities, and obligations.

16. In general, I am focused on achieving positive outcomes in my life.

17. I often imagine myself experiencing good things that I hope will happen to me.

18. Overall, I am more oriented toward achieving success than preventing failure.

From Lockwood, Jordan & Kunda (2002) and modified to fit in my survey.

10.3 Appendix 3

10.3.1 *Scale for measuring customer feedback provision*

1. Did you leave feedback/review after your most recent stay in an Airbnb listing?

10.4 Appendix 4

10.4.1 *Control variables*

1. In which year are you born?
2. In which year did you start using Airbnb?
3. I am always curious to learn how the host evaluated me after I stayed in their accommodation.
4. I feel providing feedback/review is a duty I must fulfill.
5. I feel a pressure coming from Airbnb to provide feedback/review after a stay.

10.5 Appendix 5

10.5.1 First factor analysis regulatory focus

Items/factors	1	2	3	4	5
In general, I am focused on preventing negative events in my life.			,785		
I am anxious that I will fall short of my responsibilities and obligations.		,337		,731	
I frequently imagine how I will achieve my hopes and aspirations.	,614				
I often think about the person I am afraid I might become in the future.		,534			
I often think about the person I would ideally like to be in the future.					
I typically focus on the success I hope to achieve in the future.	,661				
I often worry that I will fail to accomplish my goals.		,779			
I often think about how I will achieve success.	,765	,380			
I often imagine myself experiencing bad things that I fear might happen to me.		,748			
I frequently think about how I can prevent failures in my life.	,314	,364			
I am more oriented toward preventing losses than I am toward achieving gains.		,476	,373		
My major goal right now is to achieve my ambitions.	,647				
My major goal right now is to avoid becoming a failure.		,517			,331
I see myself as someone who is primarily striving to reach my "ideal self"—to fulfill my hopes, wishes, and aspirations.	,480				,403
I see myself as someone who is primarily striving to become the self I "ought" to be—to fulfill my duties, responsibilities, and obligations.					,579
In general, I am focused on achieving positive outcomes in my life.	,421				
I often imagine myself experiencing good things that I hope will happen to me.	,485				
Overall, I am more oriented toward achieving success than preventing failure.	,398	,553			

Table 5: First factor analysis of the regulatory focus.

10.5.2 Second factor analysis regulatory focus

Items/factors	1	2	3
Promotion		,589	
Prevention	,706		
'In general, focus on preventing negative events.'			,581
Anxious; will fall short of responsibilities	,733		
'Ought self'		,556	

Table 6: Second factor analysis of the regulatory focus

10.5.3 Correlation matrix promotion

Correlations		'In general, I am focused on preventing negative events in my life.'	Promotion
'In general, I am focused on preventing negative events in my life.'	Pearson Correlation	1	,152
	Sig. (2-tailed)		,068
	N	145	145
Promotion	Pearson Correlation	,152	1
	Sig. (2-tailed)	,068	
	N	145	145

Table 7: Correlation matrix of Promotion and factor 3 'In general, I am focused on preventing negative events in my life.' *. Correlation is significant at the 0.05 level (2-tailed).

10.5.4 Correlation matrix prevention

Correlations		'In general, I am focused on preventing negative events in my life.'	Prevention
'In general, I am focused on preventing negative events in my life.'	Pearson Correlation	1	,204*
	Sig. (2-tailed)		,014
	N	145	145
Prevention	Pearson Correlation	,204*	1
	Sig. (2-tailed)	,014	
	N	145	145

Table 8: Correlation matrix of prevention and factor 3: 'In general, I am focused on preventing negative events in my life.' *. Correlation is significant at the 0.05 level (2-tailed).