Dick's last resort restaurants: a unconventional theme "bad service" becomes unique experience for guests

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DICK’S LAST RESORT RESTAURANTS: A UNCONVENTIONAL THEME
“BAD SERVICE” BECOMES UNIQUE EXPERIENCE FOR GUESTS

by

SUNGHYEON KIM

A thesis submitted in partial fulfillment of the requirements for the Honors in the Major Program in Hospitality Management at the Rosen College of Hospitality Management and in the Burnett Honors College at the University of Central Florida Orlando, Florida

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Thesis Chair: Dr. Heejung Ro
ABSTRACT

The hospitality industry has focused on increasing customer satisfaction by offering services that are generally described as flawless, courteous, and friendly. Dick’s Last Resort restaurants, however, are distinguished by intentionally staged erroneous, obnoxious, and rude services that nevertheless provide a unique experience for customers. This unconventional service theme might work for some customers but not for others. This study focuses on exploring the factors that lead to customer satisfaction and dissatisfaction at Dick’s Last Resort restaurants. In addition, customer satisfaction levels are examined according to gender and location. Using the modified critical incident technique, 518 online reviews were analyzed through a categorization process. The results of this study suggested that “overall theme experience” and “employee performance” are the most important factors in determining customer satisfaction and dissatisfaction. However, the findings suggest that there is no satisfaction rate difference by customers’ gender and restaurant’s location. The study’s limitations and managerial implications for future research are discussed.
ACKNOWLEDGEMENT

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CHAPTER I: INTRODUCTION

In today’s experience economy, more and more customers want not only good quality products and services but also positive outcomes beyond expected standards (Pine and Gilmore, 1999). Thus, approaching customers in a unique way is critical for businesses in order for them to survive in a competitive environment (European Commission, 2005). In line with the experience economy, some researchers suggested that an entertainment component plays a major role in differentiating a company’s products from its competition (Boswijk et al., 2007). Dick’s Last Resort seems to respond to both the experience economy and the entertainment component in ways that many people would not think ideal for satisfying guests.

Dick’s Last Resort (hereafter Dick’s) is a themed restaurant chain located in 14 different states in the United States. Its theme is to deliver obnoxious, outrageous, rude, yet humorous experiences to its customers (Dicks, 2012). Customers usually are given a two-feet tall paper hat complete with a humorous slogan (e.g., “I stuff my bra,” “will take hair donations”). All in the name of humor, employees at Dick’s make fun of guests, call them names, throw napkins at them, and sometimes even use sexual jokes. Simply put, Dick’s theme is “infamous service,” which aims at guests having fun in an unusual way. While most restaurants view their primary business as serving food, Dick’s serves up “fun” for guests (Dicks, 2012).

An implicit golden rule of any hospitality firm is to provide good service in order to achieve guest satisfaction and loyalty. Therefore, the employee’s role in providing polite and attentive service is emphasized (Pfeffer, 1992). Interestingly, Dick’s theme and its employees’ job and performance descriptions do not intuitively follow the traditional approach. However,
they create a unique experience for customers by requiring their employees to act in an intentionally obnoxious manner. In other words, although customers do not expect to be treated badly at restaurants, when it happens in a staged manner as a part of a theme, they find it surprising yet interesting.

Previous research has emphasized the quality of products, the role of employees, and the creation of service environment to increase customers’ perceptions of service experiences (Bitner, 1990; Parasuraman et al., 1994; Steenkamp, 1989; Zeithaml et al., 1996). Most themed restaurants tend to focus heavily on the physical service environment to communicate their themes and concepts. However, Dick’s theme experience focuses on interactions between employees and customers. Although Dick’s has been successful in the United States, its theme might not satisfy every guest. Thus, it is important to discover the factors that contribute to guest satisfaction and dissatisfaction.

It is well acknowledged that an increasing number of customers express their satisfaction and dissatisfaction online. Thus, many researchers have emphasized the importance of online reviews (Chen & Jinhong, 2004; Senecal & Nantel, 2004; Zufryden, 2000). Online reviews usually describe specific incidents and opinions about a certain product or service (Bhatnagar & Ghose, 2004; Duan, Gu, & Whinston, 2008), thus influencing the purchasing decisions of others (Vermeulen & Seegers, 2009). Online reviews are generated by customers and based on their own experience. Thus, an analysis of such reviews could provide useful information for understanding what drives customer satisfaction and dissatisfaction.
Since the production and consumption of services are inseparable or simultaneous, both employees and customers play important roles in service experience (Berry, 1980; Rathmell, 1974). This co-production process, which is based on the dynamics of employees and customers, is particularly important at Dick’s because the employees play jokes on, mock, and invite guests into the process of creating a service experience. Previous research also suggested that females and males have different levels of participation in a consumption setting (Kinnaird et al., 1994) as well as different perceptions of services (Mattila, 2000; Mattila et al., 2003). Since interaction and participation of both employees and customers are important at Dick’s, gender may be a factor in different levels of satisfaction and dissatisfaction. Therefore, this research will explore gender differences in levels of satisfaction with Dick’s restaurant experience from the perspective of customer participation.

In addition, many chain restaurants operate in multiple destinations or cities and the location of the restaurant is considered one of the main factors in the success of chain restaurants (Park and Khan, 2005). Since customers may have different levels of expectations according to location, the outcome of their experience varies accordingly. In the present study, two locations, Las Vegas and San Diego, were chosen because of their different characteristics as tourist destinations. Las Vegas is known as Sin City, which is a created image. The city is a popular destination that attracts tourists and sustains profitability through casinos and entertainment (Echtner & Ritchie, 1991; Phelps, 1986). San Diego is known as a destination offering facilities for both business and leisure, such as conference centers, beaches, zoo, and parks (San Diego, 2013). This study aims to determine whether there are differences in guest satisfaction and dissatisfaction in the two restaurants according to their locations.
**Research Questions**

In order to understand how its unconventional service theme became a successful business component in Dick’s chain restaurants, the following research questions are proposed.

1. What are the factors that lead to guest satisfaction or dissatisfaction?
2. Is there a difference in customers’ satisfaction ratings of experience according to gender?
3. Is there a difference in customers’ satisfaction ratings of experience according to location?

**Purpose of the Study**

The purpose of this study is to explore the factors that result in guest satisfaction and dissatisfaction at Dick’s Last Resort Restaurants. This study will also determine whether there is a difference in guest perceptions of experiences according to gender and restaurant location. Using the modified critical incident technique, online reviews of the restaurants in two destinations are collected and analyzed through a process of categorization. This study is an exploratory research and takes a case study approach by focusing on one chain of theme-restaurants.

**Significance of the Study**

Because customers expect more than food from restaurants, experience is another reason for dining out (Finkelstein, 1989). Dick’s success has shown that a unique theme does not have to follow traditional hospitality norms in order to satisfy guests. In the present study, based on an
analysis of the customers’ online reviews, factors of success are determined. The findings have useful implications for not only Dick’s but also other uniquely themed restaurants.

Moreover, guest participation during a service encounter has a positive impact on their level of satisfaction (Kelley et al., 1990; Van Raaij & Pruyn, 1998). By exploring gender differences in guest interactions and its relation to satisfaction, this study adds to the findings on customer participation in the guest experience literature. Finally, exploring differences in guest experiences at two of Dick’s locations could help chain restaurant operators with regard to the consistency of theme experiences in chain restaurants.

**Organization of the Thesis**

The remainder of this thesis is organized as follows. Chapter Two provides an extensive literature review on the experience economy, customer participation, humor, gender, and satisfaction. Chapter Three describes the methodology used in the study and its procedures. Chapter Four provides the study results and discussions. Finally, this paper concludes with Chapter five, which provides implications, limitations, and future research recommendations.
CHAPTER II: LITERATURE REVIEW

This chapter provides a review of the relevant literature. First, the background of the company is described. The concept of the experience economy is introduced, and the role of customer participation in creating an experience is discussed. Then, it is followed by discussions of humor and gender. Finally, customer satisfaction in the restaurant context is discussed.

Company Background

The headquarters of Dick’s Last Resort Restaurants LLC are in Nashville, which owns, operates, and licenses all 14 of Dick’s Last Resort restaurants. They first started in Dallas in 1985 and then expanded to thirteen additional restaurants in Nashville, Gatlinburg, Myrtle Beach, Dallas, Baltimore, San Antonio, San Diego, Chicago, Boston, Minneapolis, Las Vegas, Panama City Beach, and Indianapolis (Dicks, 2012). Their theme was initiated at the Dallas location in 1985 and it consists of delivering an experience that is obnoxious, outrageous, and rude, yet humorous to its guests. The employees at Dick’s Last Resort make fun of the guests, call them names, throw napkins at them, display sloppy attitudes, and even utilize sexual humor. Each employee is an entertainer as well as a server, and the décor has been described as “wacky” (PRweb, 2010). In this restaurant chain, the entertainment experience involves breaking rules and irreverence. Furthermore, Dick’s plans to keep this theme and finds ways to improve it (PRweb, 2010).
The Experience Economy and Customer Participation

Experience consumption goes beyond customized service and products that satisfy individual needs (Gupta & Vajic, 2000; O’Sullivan & Spangler, 1998; Pine & Gilmore, 1998, 1999). Recent research showed that customers seek experiences instead of tangible services and products because they believe that the consumption experience represents their social status (Jon, 2009). An individual customer wants a customized service to meet his or her expectations. Thus, the experience economy has become a necessary aspect of the consumption experience (O’Sullivan & Spangler, 1998; Pine & Gilmore, 1998; Schmitt, 1999). Pine and Gilmore (1999) noted, “While commodities are fungible, goods tangible, and services intangible, experiences are memorable.” To meet customers’ needs, an increasing number of marketers have sought to focus on creating memorable experiences (Pine & Gilmore, 1999), which can be derived from intentionally “staging” the experience by using themes and motifs (Gilmore & Pine 2002a, 2002b). Additionally, the uniqueness and creativeness of experiences have been emphasized as components of successful businesses (Amabile et al., 1996; Oldham and Cummings, 1996; Scott and Bruce, 1994; Woodman et al., 1993).

In order to satisfy future generations of customers, service providers need to create value that is beyond the market (Pine & Gilmore 1999, 2000). In the experience economy, not only do customers expect high quality products but they also want to consume unique products or experiences (Pine & Gilmore, 1999; Gilmore & Pine 2002a, 2002b). The consumption of experience implies that customers not only consume intangible services and products but also play a significant role in the process (Eiglier & Langeard, 1988). Although an unconventional theme is delivered to customers at Dick’s, it is considered a well-designed stage experience with
humor, unexpected reactions, and appropriate role-play. Thus, experience-oriented producers are distinguished from other product-oriented service providers (Schulze, 1992).

According to Kruger (2001), “people don’t just want to be entertained. They want to participate. Thus, creating experiences is a good way to connect with customers (pp. 14-16).” Risch-Rodie and Kleine (2000) defined customer participation as “a behavioral concept that refers to the actions and resources supplied by customers for service production and/or delivery (pp. 117-118).” Firat et al. (1995) asserted that not only do guests demand roleplaying as co-producers but also companies must provide more opportunities for customers to participate. Customer participation is contingent upon three suggested dimensions: information exchange, reliable behavior, and customer interaction (Ennew & Binks, 1999). Conversation between customers and employees ensures the delivery of customers’ needs. Next, customers recognize their partial role in the service experience and behave accordingly to complete this experience. Last, in this study, the components of individual interaction are considered encouragement, support, and expectation.

Many scholars have proposed the significance of customer participation in both service provider and consumer roles. They observed that customer satisfaction, service implementation, productivity, and quality could be achieved through customer participation (Bateson, 1985; Cermak et al., 1994; Claycomb et al., 2001; Ennew & Binks, 1996, 1999; Fitzsimmons, 1985; Kelley et al., 1992; Lovelock & Young, 1979; Mills et al., 1983). When customers become a part of service experience, they are prone to behaving as co-producers of the service experience and contributing time and effort to the experience (Bettencourt, 1997; Lengnick-Hall, 1996).
addition, fewer expectations are placed on employees that have customers who participate in the service experience (Larsson and Bowen, 1989). Thus, successful customer participation results in customer satisfaction: Customers obtain the desired service and experience because their needs are satisfied by their actions and activities (Bitner et al., 1997). Swan and Bowers (1998) suggested that the use of humor, negotiation, and adaptation during the service experience are related to consumer satisfaction. Since Dick’s theme is based on humor, the following section discusses humor in the service delivery context.

**Humor**

Humor has been used in different areas to refresh atmosphere, create intimacy, and advertise products (Duncan et al., 1984). Humor also occurs when an intentional or unintentional message is delivered (Lynch, 2002). Similarly, a playful teasing in the form of mocking, threatening, exaggerating, and challenging can induce intimacy (Eder, 1993). In particular, teasing is known as a good tactic to hide emotions while maintaining friendly communication (Schofield, 1982; Eder, 1993). Humor also helps to overcome embarrassing moments or/difficult situations, although the embarrassing moment or situation becomes even more difficult when it fails (Stebbins, 1996).

Although the acceptance of humor may depend on an individual’s mood, health, and attitudes (Solomon 1996; Mahony & Lippman 2001), the actions and performances of employees at Dick’s seem to generate a high level of acceptance. For instance, Dick’s provides every customer with a hat that has funny nicknames on it. This type of action can induce the social bonding of customers while they laugh together (Lloyd, 2005). Being part of humorous situation
is crucial because it leads people to “getting it” (Boxer and Cortes-Conde, 1997). As a good storyteller can make an audience laugh “with” instead of “at” (Kotthoff, 2000) someone, the person who generates the laugh controls the moment in a situation. Thus, teasing activities used in the process can be considered “bonding and biting” (Boxer & Cortes-Conde, 1997; Coser, 1960).

Obtaining reactions from customers is very important in the successful theme experience at Dick’s. Therefore, Dick’s employees often exchange jokes, including sexual humor, teasing, and provocation with customers. Scholars suggested that aggressive humor can be guilt-free enjoyment (Freud, 1960) and that people experience cathartic feelings through aggressive and humorous verbal or visual expressions (e.g., Landy & Mettee, 1969; Singer, 1966). Researchers also suggested that contrasting two opposites, such as the expected and unexpected, could maximize the effect of humor (Alden and Hoyer, 1993; Meyers-Levy and Tybout, 1989).

Hence, Dick’s Last Resort creates guilt-free bond during service encounters based upon humor between customers and employees, which is enhanced by this interrelationship. Since Dick’s theme is aimed at creating an experience desired by customers and employees by the exchange of jokes, there are more unexpected moments than in conventional theme restaurants. However, because humor is culturally specific, not all customers might be satisfied by the same kind of humor (Ham, 1992; Ward, Bochner & Furnham, 2001).

Gender

Using a variety of foci, scholars have discussed gender differences. Women tend to be more interpersonally oriented than men are, and they are more likely to be involved in personal
conversations about daily life (Palmer & Bejou, 1995). Males tend to think logically and analytically, whereas females are inclined to persuasibility (Becker, 1986; Eagly & Carli, 1981; Hass, 1979). Wood (1966) suggests that females have a larger number of interpersonal attachments and greater understanding than males do. Furthermore, males and females experience jokes and humor differently. Females are more likely to enjoy illogical jokes and humor whereas males tend to accept and enjoy aggressive ones (Crawford, 1995; Mitchell, 1977). Mulac and Lundell (1994) conducted a study to identify the gender of writers. Their results showed that female respondents were higher in emotional attachment than the male respondents were. In addition, sociolinguists have asserted that conversation is a social attachment tool for females whereas males tend to share information (Cameron, 1998; Coates, 1993; Eckert & McConnell-Ginet, 2003; Holmes, 1993; Romaine, 2003; Tannen, 1994). Past research generally suggest that there is gender difference in expression of feelings and perception of jokes. Therefore, gender difference of service perception is expected at Dick’s. Since Dick’s theme is heavily based on outrageous attitudes and jokes by employees, customers’ tolerance and/or acceptance level of the theme would be different by gender, consequently resulting in different levels of satisfaction.

**Customer Satisfaction**

Satisfaction is the outcome of the consumption experience, and it depends on the perception of the customers’ evaluation process (Back, 2005; Vavra, 1997). Other researchers also defined guest satisfaction as a response to fulfillment (Oliver, 1997), which relates closely to particular incidents and service encounters (Howard and Sheth, 1969; Hunt, 1979; Singh, 1990).
Klaus (1985, p. 21) described customer satisfaction as “the customer’s subjective evaluation of a consumption experience, based on some relationship between the customer’s perceptions and objective attributes of the products.” Bitner and Hubbert (1994)’ viewpoints of satisfaction reflect the particular service encounters and overall experience of customers.

Many researchers have identified the elements of environment, such as design, décor, and items, that influence customers’ perceptions and behaviors in the hospitality context (e.g., Nguyen & Leblanc, 2002; Raajpoot, 2002; Wakefield & Blodgett, 1999). The service environment is closely related to the hospitality industry with regard to the effect on the behavior of the customer and the image of the provider (Booms & Bitner, 1982). Pine and Gilmore (1999) reported that every consumer has a unique way of encountering an experience, so service consumption can be tightly connected to the customer’s fantasy, feeling, and fun (Holbrook and Hirschman, 1982). Generally, customers tend to be satisfied by environmental factors, such as quality of food, beverages, and other products (Mattila, 2001). Many service providers want to create customer loyalty by increasing customer satisfaction (Woodruff, 1997). However, identical services and products might not satisfy all customers (Pizam and Ellis, 1999). That is, since the customer may be affected by daily events, the same customer may not be satisfied with an identical service (Davis & Stone, 1985). In the themed restaurant context, overall theme experience, quality of food and beverage, price, employee performance, and menu are most likely to influence customer satisfaction. Discussion on each element is followed.

**Overall Theme Experience.** It refers to “the consumer’s overall dis/satisfaction with the organization based on all encounters and experiences with that particular organization” (Bitner &
Hubbert, 1994, pp. 76–77). Because overall dis/satisfaction is based on all prior experiences, overall experience becomes a proof of all prior dis/satisfaction with the organization (Parasuraman et al., 1994; Teas, 1993). In other words, a particular experience of dis/satisfaction in the past or/and the most current is generalized by the consumer to the overall experience (Boulding et al., 1993). Furthermore, the overall experience can lose consistency based on the number of times the consumer interacts with the service provider. Essentially, the overall experience is a combination of prior service valuations; each particular experience combines to create the quality of overall satisfaction (Boulding et al., 1993).

Quality of Food and Beverage. Elmont (1995) asserted the importance of food service in tourism development and its economic effect on the nation, which includes the quality of a specific product (Babakus & Boller, 1992). Objective quality implies that customers evaluate a service and product with inadequate information (Holm & Kildevang, 1996) and perceived quality is formed by a customer’s perception or objective evaluation (Steenkamp, 1989). Public or commercial effect on the consumption and acceptance of the product form appropriate and expected food quality (Cardello & Sawyer, 1992; Cardello, 1994, 1995b; Helleman et al., 1995). The perception of quality combines both perspective formation and meaningful purchase (Olshavsky, 1985; Steenkamp, 1990; Grunert et al., 1996).

Price. The expectation of a service, product, or performance often depends on the price (Dodds, Monroe, & Grewal, 1991; Mattila & O’Neill, 2003). Furthermore, customers tend to evaluate expectations and shape attitudes based on price (Bolton & Lemon, 1999; Varki &
Colgate, 2001). The service provider forms the actual price while the customer forms the perceived price (Jacoby & Olson, 1977). Price is defined as “what is given up or sacrificed to obtain a product” (Zeithaml, 1988, p. 10). Customers tend to determine a price without knowing the actual price and then determine whether the price is reasonable (Zeithaml, 1983). Thus, the actual price becomes the appropriate price through the customers’ subjective interpretation (Oh, 2000). For that reason, determining the actual price of services and products is complicated (Chen, Gupta, & Rom, 1994).

*Employee Performance.* In hospitality businesses, such as hotels, restaurants, and airlines, the performances of employees are often evaluated based on how they interact with customers (Bitner et al., 1990; Guiry, 1992; Winsted, 1999). The importance of interaction between an employee and a customer is critical for both (Bitner et al., 1990; Farrell et al., 2001; Guiry, 1992; Hartline & Ferrell, 1996; Liljander & Mattsson, 2002; Mohr & Bitner, 1995) because customers evaluate employee performance, and service providers develop their performance based on these interactions. Furthermore, human resources management practice is closely related to customer satisfaction (Meyer & Collier, 2001) because a healthy human resources system improves both the attitudes of employees and the quality of service for customers.

*Menu.* A high quality, attractive, easy-to-read menu helps to create confidence in the cuisine presented and create a positive impression that properly establishes the image of the restaurants (On the Menu, 1998). Therefore, menu developers attempt to create menus that encourage customer relations (Miller, 1987). Previous studies indicated that the menu is an important marketing tool in selling food and beverages (Frei, 1995; Mill, 2001; Sheridan, 2001).
In addition to, providing prices and determining revenue, the menu creates the first impression of a business (Frei, 1995).

Literature review of experience economy emphasizes the importance of customer participation. Without customer participation, experience economy cannot be completed. Customers demand more than a just product and service. Thus, service providers need to deliver memorable moments. Dick’s theme experience fits into this concept of the experience creation with customer participation. Employees invite customers as co-producers during service consumption process and create personalized experience together. In addition, humor plays an important role to convert Dick’s “bad service” theme experience into acceptable and enjoyable experience. Under humorous environment, Dick’s employees and customers tend to build attachment, intimacy, and friendly interaction so they can laugh together. Another important aspect in customer dis/satisfaction is gender. Male and female customers differently evaluate and describe the same service experience at time of consumption; therefore, based on previous studies, this study expects to see the differences in gender from two different locations. Finally, customer satisfaction is the ultimate goal in the hospitality industry. Customers often evaluate in the past or/and the most current service experience based on overall theme experience, quality of food and beverage, price, employee performance, and menu.
CHAPTER III: METHODOLOGY

This chapter describes the methods used in the study. First, the modified critical incident technique is explained, which is followed by a discussion of the categorization scheme and procedure.

Modified Critical Incident Technique and Sample

Incidents or events that generate positive or negative outcomes are considered critical incidents (Bitner, Booms, & Tetreault, 1990; Grove & Fisk, 1997). The critical incident technique (CIT) is a popular method for exploring major factors in guest dissatisfaction and satisfaction (e.g., Bitner, Booms, & Tetreault, 1990; Stitt-Ghodes et al., 2000). CIT uses qualitative data that is collected from respondents’ written accounts of their personal experiences (Edvardsson, 1992; Chell, 1998). Because the respondents are not required to write in a specific format, the collected data reflects their spontaneous thoughts (Stauss, 1993).

This study used a modified CIT method to collect data from customers’ online reviews on Yelp.com. Each online review was written by a guest and was based on an actual experience that was memorable to him or her, which in this study is considered a critical incident. Although most CIT-based studies involve primary data collection, this research uses online reviews, which are secondary data. Thus, this is the modification to the original CIT (Petrick et al., 2006).

The customer reviews used in this study appeared on the website Yelp.com appear from 2005 to 2012. Yelp.com was founded in 2004, and its popularity has been growing as more and
more customer having access via mobile devices and applications (Yelp, 2013). Approximately 86 million visitors have visited in 2012 and customers’ online reviews have written by over 36 million local reviewers (Yelp, 2013). Based on this fact, Yelp.com can be reliable data resource for this study. Specifically, for the San Diego sample, the period was December 16, 2005 to May 31, 2012; for the Las Vegas sample, the period was from September 25, 2007 to Mar 5, 2012. Each review narrates the details of an experience at a Dick’s restaurant in written form; it displays the reviewer’s gender and an overall satisfaction or dissatisfaction rating from 1 to 5. A total of 525 incidents were collected—325 from the San Diego reviews and 200 from the Las Vegas reviews.

**Categorization Scheme and Procedures**

The incidents are based on customers’ experiences at Dick’s Last Resort restaurants. Most incidents describe more than one reason for customer dissatisfaction or satisfaction. After reviewing the data through several iterations, an initial classification scheme was developed by the author. Five categories were identified for the majority of incidents. A few incidents that did not fit the five categories were classified as “others.” The six categories of the classification scheme and their descriptions are shown below:

1. **Overall theme experience** – The incident describes overall experiences in a positive and/or negative light. It covers multiple elements of customer satisfaction and/or dissatisfaction in a holistic manner.
(2) Quality of food and beverage – Customers comment on the served food and/or beverage, such as too dry, too hot, too cold, too strong, undercooked, overcooked, and so on are classified in this category.

(3) Price – This category refers to the prices of food and beverages.

(4) Menu options – This refers to the availability of menu options for food and beverages. Customer comments concerning either varied selections or limited selections of food and beverages will be classified in this category.

(5) Employee Performance – This category refers to employee performance and the activities created by employees. Usual service manner and theme performance delivered by employees also fall into this category.

(6) Others – This category includes miscellaneous comments, such as misunderstandings, misleading information, operational hours, bill issues, and so on, which did not fit the five categories described above.

All the online reviews were subject to the classification process. Two coders were recruited, and they were provided with written instructions (see Appendix), the classification scheme, and a spreadsheet listing the 525 online reviews. Based on the categorization scheme, the coders were asked to classify each online review into one of the six categories. Due to its low frequency (less than 5), the Menu options category in the initial categorization scheme was merged into Others. The results of the categorization by the two independent coders indicated that 486 out of 525 were categorized consistently, showing an agreement rate of 92%. Thirty-nine incidents (17 incidents in Las Vegas and 22 incidents in San Diego) showed discrepancies
between the two coders; these were discussed by the latter and the author to reach an agreement. Based on the discussion results, 32 more incidents were categorized in one of the six categories. However, seven incidents that could not be categorized because of unclear domain and/or lack of identity were discarded. Overall, 518 reviews were categorized and then analyzed.
CHAPTER IV: RESULTS

This chapter presents the results of the data analyses in the following order: 1) the descriptive statistics of the sample; 2) the categorization results of satisfaction and dissatisfaction sources; 3) the ANOVA results of customer satisfaction by gender and location. Finally, a discussion of the findings is provided.

Sample Description by Gender and Location

The sample distribution was examined by gender and location. Of the 518 reviews, slightly more than half of the respondents were female (58.7%), and the pattern was similar in both locations (Table 1). The number of female respondents was higher in Las Vegas than in San Diego, whereas the number of male respondents was higher in San Diego than in Las Vegas.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>%</th>
<th>Frequency</th>
<th>%</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>71</td>
<td>35.7%</td>
<td>143</td>
<td>44.8%</td>
<td>214</td>
<td>41.3%</td>
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<tr>
<td>Female</td>
<td>128</td>
<td>64.3%</td>
<td>176</td>
<td>55.2%</td>
<td>304</td>
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<tr>
<td>Total</td>
<td>199</td>
<td>100%</td>
<td>319</td>
<td>100%</td>
<td>518</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 1. Sample Distribution by Gender and Location
Sources of Satisfaction and Dissatisfaction

Table 2 shows guest satisfaction levels in the five categories. The 5-point star rating system on Yelp.com was used for the satisfaction levels in this study. Since the online website Yelp.com did not provide an explanation of its star rating system, this study designated star ratings of 1 and 2 as negative experiences that implied guest dissatisfaction, 3 stars as neutral, and 4 and 5 stars as positive, implying guest satisfaction. The results shown in Table 2 indicate that “overall theme experience” and “employee performance” emerged as major factors in all three of satisfaction levels (Dissatisfaction, Neutral, and Satisfaction). Specifically, about 92% of satisfaction and 69% of dissatisfaction are resulted from overall theme experience and employee performance together. On the other hand, food and beverage quality, price, and others appeared as minor sources of both customer dissatisfaction and satisfaction.

Table 2. Guest Satisfaction and Dissatisfaction by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Dissatisfaction</th>
<th>Neutral</th>
<th>Satisfaction</th>
<th>Row total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Overall theme experience</td>
<td>70</td>
<td>36.8%</td>
<td>75</td>
<td>49.0%</td>
</tr>
<tr>
<td>Quality of F&amp;B</td>
<td>26</td>
<td>13.7%</td>
<td>9</td>
<td>5.9%</td>
</tr>
<tr>
<td>Price</td>
<td>20</td>
<td>10.5%</td>
<td>9</td>
<td>5.9%</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>62</td>
<td>32.6%</td>
<td>55</td>
<td>35.9%</td>
</tr>
<tr>
<td>Others</td>
<td>12</td>
<td>6.3%</td>
<td>5</td>
<td>3.3%</td>
</tr>
<tr>
<td>Total</td>
<td>190</td>
<td>100%</td>
<td>153</td>
<td>100%</td>
</tr>
</tbody>
</table>
In order to explore differences by location, Table 3 expands the guest satisfaction levels by including an additional factor, location. Consistent with the previous results shown in Table 2, the results shown in Table 3 confirmed that the two major factors that contributed to dissatisfaction and satisfaction were overall theme experience and employee performance regardless of location. The total percentages of these two factors demonstrate that the two locations have the same pattern in: overall theme experience at 43.2% and 46.7% and employee performance at 38.7% and 34.8%, in Las Vegas and San Diego, respectively. In addition, Figure 1 shows the same pattern of distribution in all three levels of satisfaction. Hence, the findings indicated that guest satisfaction levels do not differ in the two locations. Interestingly, quality and price of food and beverage showed some discrepancies. In Las Vegas, the percentage of satisfaction was extremely low at 1.3%, whereas in San Diego, at 10.0%, the satisfaction level was approximately 10 times greater.

Table 3. Guest Satisfaction and Dissatisfaction by Location

<table>
<thead>
<tr>
<th>Satisfaction factor</th>
<th>Dissatisfaction</th>
<th>Neutral</th>
<th>Satisfaction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Las Vegas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall theme experience</td>
<td>30.6%</td>
<td>44.2%</td>
<td>54.7%</td>
<td>43.2%</td>
</tr>
<tr>
<td>Quality of F&amp;B</td>
<td>12.5%</td>
<td>5.8%</td>
<td>1.3%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Price</td>
<td>15.3%</td>
<td>9.6%</td>
<td>0.0%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Employee performance</td>
<td>36.1%</td>
<td>38.5%</td>
<td>41.3%</td>
<td>38.7%</td>
</tr>
<tr>
<td>Others</td>
<td>5.6%</td>
<td>1.9%</td>
<td>2.7%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

| San Diego                     |                 |         |              |        |
| Total                         | 100.0%          | 100.0%  | 100.0%       | 100.0% |
### Satisfaction by Location

<table>
<thead>
<tr>
<th>Satisfaction factor</th>
<th>Dissatisfaction</th>
<th>Neutral</th>
<th>Satisfaction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall theme experience</td>
<td>40.7%</td>
<td>51.5%</td>
<td>49.0%</td>
<td>46.7%</td>
</tr>
<tr>
<td>Quality of F&amp;B</td>
<td>14.4%</td>
<td>5.9%</td>
<td>7.0%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Price</td>
<td>7.6%</td>
<td>4.0%</td>
<td>3.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Employee performance</td>
<td>30.5%</td>
<td>34.7%</td>
<td>40.0%</td>
<td>34.8%</td>
</tr>
<tr>
<td>Others</td>
<td>6.8%</td>
<td>4.0%</td>
<td>1.0%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Figure 1. Satisfaction Levels by Location

### Satisfaction by Gender and Location

The main effects of gender and location and the interaction effect between the two variables on satisfaction levels were investigated by using an analysis of variance (ANOVA). As shown in Table 4, none of the main and interaction effects was statistically significant: gender
(sig. = 0.892), location (sig. = 0.135), and gender by location (sig. = 0.129). However, the interaction plot appears to have some potential interaction effect patterns (Figure 2). Female customers showed similar levels of satisfaction in both Las Vegas (mean = 2.9) and San Diego (mean = 2.9). On the contrary, male customers showed quite different satisfaction levels for Las Vegas (mean = 3.1) and San Diego (mean = 2.7). Although the pattern in Figure 2 suggests an interaction effect by gender and location, the effect was not statistically significant at alpha = .05 level.

Table 4. ANOVA Results: Satisfaction by Gender and Location

<table>
<thead>
<tr>
<th>Source</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>3</td>
<td>2.020</td>
<td>1.294</td>
<td>.276</td>
</tr>
<tr>
<td>Intercept</td>
<td>1</td>
<td>3934.028</td>
<td>2519.213</td>
<td>.000</td>
</tr>
<tr>
<td>Gender</td>
<td>1</td>
<td>.029</td>
<td>.018</td>
<td>.892</td>
</tr>
<tr>
<td>Location</td>
<td>1</td>
<td>3.493</td>
<td>2.237</td>
<td>.135</td>
</tr>
<tr>
<td>Gender * Location</td>
<td>1</td>
<td>3.608</td>
<td>2.310</td>
<td>.129</td>
</tr>
<tr>
<td>Error</td>
<td>514</td>
<td>1.562</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>518</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>517</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
These findings were used to answer the three research questions posed at the beginning of the study. First, a major factor was found for customer satisfaction and dissatisfaction. Next, there was no difference in gender. Last, two locations showed similar patterns in terms of satisfaction levels. In both locations, the major factors of satisfaction and dissatisfaction were “Overall Theme Experience” and “Employee Performance.” The similarly distributed percentages indicated that these two major factors had a strong influence on all three levels of satisfaction.
Discussion

The findings of the present study contribute to understanding the concept of the experience economy in restaurant context. This study attempted to explore the factors that deliver unique and enjoyable experiences in a restaurant that offers staged “bad service.” Since customers want to consume more than products and services, experience is a necessary element in delivering unique and memorable moments. The theme of Dick’s restaurants appears to contradict to traditional hospitality services, but when the theme is successfully stated, customers are engaged in sharing the moment with an employee, their comments showed that it was a unique experience.

The results showed that the bad-service theme experience satisfies customers, based on two major factors: “Overall Theme and Experience” and “Employee Performance.” Although its food and beverages lack quality, Dick’s has been successful in expanding its business to multiple locations. Thus, the outcome of this study provides evidence that Dick’s theme truly delivers experience, not products or well-decorated environments. Traditionally, customer loyalty is based on the quality and value of products and services (Heskett et al., 1997); however, the outcomes of this study indicated that the quality and price of food and beverages at Dick’s do not have a direct effect on levels of satisfaction or dissatisfaction while customers consume the bad-service experience at this restaurant. Moreover, the findings demonstrated that gender and location did not have noticeable effects on customer satisfaction. Although previous studies indicated that customers have different expectations and perceptions of experience consumption,
and males and females show different tendencies in participating in service experiences, the results showed no gender differences in customer satisfaction with the experience at Dick’s.

Unlike Dick’s, most theme restaurants are defined by their physical environment, not by theme experience. As the experience economy has been recognized, customers have tended to become more than consumers of products; they have the opportunity to be part of production and sometimes even complete the service consumption process. During service encounters, employee performance is a critical factor in guest satisfaction and perception of quality (Ackfeldt & Wong, 2006). Hence, without an understanding of co-production, theme restaurants may have difficulty in satisfying customers. The results of this study indicated that the theme experience is delivered by employee performance, and customers are satisfied or dissatisfied according to their interactions and communication with employees. Since customer reaction and participation are crucial to Dick’s, its managers should ensure that employees invite customers into the theme experience and carry it out with flexibility, according to the customer’s reaction. For some service providers, it is important to understand the meaning of customer participation since customer participation, that is, co-production places a high level of responsibility on the customer.

The findings of this study also provide insights into the adjustment and development of theme experience. First, providing general restaurant service is as important as employee performance. Because customers still want to consume food and beverages, combining the theme experience at Dick’s with improved food and beverages could satisfy more customers. Second, descriptive online reviews may play an important role in improving and adjusting employee
performance because they are based on customers’ reactions. For instance, the awareness that customers provide feedback online would be useful in recovering dissatisfied customers. The percentage of customers who described their dining experience at Dick’s as “Neutral” was 29.54%, which is only 4.24% smaller than “Satisfaction.” By understanding customers’ feedback, Dick’s might achieve a customer satisfaction level of 70%.

Last, because of the different destination characteristics and visitor profiles in the two locations, differences in gender and location were expected. However, the results showed that gender and location do not play important roles in the consumption experience. Customers might be conscious of paying higher prices at certain tourism destinations, such as Las Vegas, and therefore might have lower sensitiveness or higher forgiveness regarding prices. In addition, because customer profiles were not considered in this study, it is possible that different age groups may show different results in an extended study. Since younger generation tends to have different levels of expectations, purchasing behavior, reactions, or references, understanding this generation could increase levels of customer satisfaction.

In conclusion, the results may offer a different point of view on customer satisfaction and the delivery process at Dick’s because this restaurant certainly does not follow traditional hospitality rules. However, customers still pay for the experience, and the ultimate goal of customer satisfaction is met. Researchers and managers in the theme restaurant field should be aware of the need to employ staff that can perform for customers that have unique reactions to experience-oriented theme dining.
CHAPTER V: IMPLICATIONS, LIMITATIONS, AND FUTURE RESEARCH

Managerial Implications

The results of this study have implications for managers to enhance services and products by understanding customer’s perceptions in themed restaurants. A consistent theme experience is important in satisfying the customers of theme restaurants. Although this study did not use primary data, the rich description of incidents delivered strong impressions of their influence on current operations of Dick’s restaurants (Zeithaml and Bitner, 2003). Unlike product-oriented restaurant service, Dick’s delivers experience-oriented service. The analysis showed that only a few customers were both satisfied and dissatisfied with the food and beverages at Dick’s, but a vast majority of customers defined their experience as either satisfying or dissatisfying, based on overall theme experience or employee performances.

Theme restaurants fail to retain customers because of high prices, low quality, wrong location, high development expenses, and unchanging décor (Bagli, 1998; Frumkin, 2000; Pate, 2000; Ramseyer, 2001). However, Dick’s is less restricted by these components because most customers were either satisfied or dissatisfied by the non-physical elements of overall theme experience and employee performance. Moreover, there were no differences in gender and location while consuming the bad service experience; however, all three levels of satisfaction were similarly distributed in two major factors. Thus, the results of this study imply that improving theme experience and empowering employees would be better investments than renovating the physical environment. Experience-based service may not need to provide high-quality food and beverages as long as most customers are either satisfied or dissatisfied with the
theme experience. Nevertheless, appropriate pricing and better qualities of food and beverages will enhance the experience at Dick’s. Also, providing service failure recovery management can help to minimize dissatisfied customers and encourage next visit. For example, managers should reply or communicate with dissatisfied customers in order to discover service failure reasons. Since Yelp.com provides “owner comment” function, managers are recommended to make comments on negative online reviews to recover service failure. Owner comment can show to both dissatisfied and satisfied customers the managers’ effort to ensures service experience at Dick’s.

**Limitations and Future Research**

The limitations of the present study include the following. First, this study used a modified CIT method with secondary data. Since the customers’ reviews were written without specific guidelines or a fixed questionnaire, the author did not have control over its accuracy. Thus, the collected information might not have provided data that was sufficiently specific and desirable in order for further probing (Stewart, 1984; Frankfort-Nachmias & Nachmias, 1992). Consequently, the results might have been influenced by the limitation of secondary data. In addition, online reviews are subject to a potential recall bias (Michel, 2001). Future researchers should collect primary data immediately after the dining experience to minimize the possibility of the recall bias.

Second, customers’ expectations may depend on their awareness of the theme experience at Dick’s. Customers value experience in different ways, such as service, participation, and awareness (Chang, 2005; Fitzmaurice, 2005; Soderlund, 2002). This study did not consider
theme awareness, which might lead to product acceptance or tolerance when customers encounter the theme experience. Therefore, future studies are encouraged to develop customer profiles based on various factors, such as customers’ awareness of theme, age, purpose of visit, expectation of city/location, product acceptance/tolerance, and dining budget. Although this study did not include generation and group dynamic, Dick’s unique theme experience can be accepted and consumed differently by generation and group dynamic. For the future study, thus, including generation and group dynamic will develop better aspect on customers’ decision-making behaviors.

Third, this study is an exploratory research and uses a case study approach by focusing on one theme restaurant chain in two locations. Thus, the generalizability of the findings is limited. Future research could expand the analysis customer satisfaction by including more locations. Furthermore, future research could examine five satisfaction and dissatisfaction factors in different theme restaurants or restaurant chains.

Last, the statistically insignificant results might have been influenced by variables that were not controlled in this study. Therefore, future studies should consider conducting an empirical research with primary data collection by identifying appropriate predictors and including control variables that may influence levels of customer satisfaction. Moreover, employing concept mapping and counting words may strengthen detail-oriented outcome in future research.
APPENDIX A: INSTRUCTION OF CATEGORIZATION
Instruction of Categorization

Each online-review uses star evaluation. 1 & 2 stars are considered to be customer dissatisfaction while 4 & 5 stars indicates customer satisfaction. 1 & 2 stars are interpreted as customer dissatisfaction although there is positive compliment. 4 & 5 stars incidents weigh on positive compliment regardless negative comments.

(1) Overall Theme Experience – The incident describes overall experiences in a positive and/or negative aspect. It covers multiple elements of customer satisfaction and/or dissatisfaction, such as, employee’s performance, atmosphere, quality and price of food and beverage.

(2) Quality of Food and Beverage – The customer defines the major satisfaction or dissatisfaction based on the quality of food and beverage. Also, the condition of the food and beverage delivered fits in this category.

(3) Price – The customer finds the major satisfaction or dissatisfaction based on the price of food and beverage.

(4) Menu Selection – The customer defines the major satisfaction or dissatisfaction based on the menu selection of food and beverage. Either a variety of selection or a limited selection of the menu will be classified in this category.

(5) Employee Performance – The customer defines the major satisfaction or dissatisfaction based on the employees’ performance and activities created by employees. Ordinary service manner and theme performance fall into this category as well.

(6) Others – Few incidents such as misleading, operational hours, bill issue, and so on that could not fit into the five categories are classified in this category.
APPENDIX B: INVITATION LETTER FOR CODERS
Invitation Letter for Coders

Honors in the Major (HIM) Undergraduate Research Program at UCF

Title of Project: Dick’s Last Resort Restaurants: A Unconventional Theme “Bad Service” Becomes Unique Experience for Guests

Research Investigator: Sunghyeon Kim
Thesis Chair: Heejung Ro, Ph.D.

Thank you for being a part of this project. I do appreciate that you agreed to participate in this project. Your effort is significantly important and I do need your full attention and honesty while you are analyzing data.

The purpose of this study is to explore the factors affecting guest satisfaction and dissatisfaction and the role of guest participation in creating memorable experiences at Dick’s Last Resort Restaurants. This study will also explore if there is a difference in guest perceptions of experiences depending on their gender and by restaurant location. This research is an exploratory research and takes a case study approach by focusing on one theme restaurant chain.

Each coder is responsible for reading collected 522 incidents (customer online reviews) from Yelp.com. All incidents are documented in Excel format and Analysis Description will be given. Each person will be paid $100 and be provided a meal for the discussion day. Flexible time period will be given for each coder as well.

*You are being agreed to participate for analyzing data as a coder for this project.
*You must be 18 years of age or order to be part of this research project.
*Contact for questions about the data analysis or to report a problem: If you have questions, concerns, or complaints talk to Sunghyeon Kim, (407) 267-3531 or by email at sunghyeon_kim@knights.ucf.edu or Dr. Ro, Project Chair, Rosen College of Hospitality Management, (407) 903-8075 or by email at Heejung.Ro@ucf.edu
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