

How Reservation Strategies and Consumers' Positions Affect Consumers' Reactions to Reservation Systems

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Abstract

Many service providers use reservation systems to regulate supply and demand and as a promotional appeal to attract customers with the convenience of saving waiting time. However, the benefits offered to the customers using the reservation system in terms of saving waiting time are, in fact, the result of lengthening the waiting time of the on-site queuing customers. Thus, consumers may react differently depending on whether they are the beneficiaries or the victims. This research aims to explore customers' reactions in different positions to different reservation strategies and thus help service providers develop better reservation systems. A three-way (consumer position: beneficiary vs. victim, site management mode: beneficiaries and victims separated vs. unseparated, and reservation cost: low vs. high) between-subjects experiment with 262 participants was employed. The primary results are: (1) Beneficiaries have higher affective value and novelty value than victims in the separated condition, but victims have higher affective value and novelty value than beneficiaries in the unseparated condition. (2) Beneficiaries have higher perceived fairness than victims in the high-cost condition. (3) For victims, when reservation cost is high, they have higher relative deprivation in the unseparated condition than the separated condition; however, when the cost is low, the unseparated condition elicits worse brand preference than the separated condition. (4) In the separated and high-cost condition, beneficiaries have lower brand preferences than victims. Few managerial suggestions were provided based on the results.

Keywords: beneficiary, perceived fairness, perceived value, relative deprivation, victim