

Features of conflict resolution in premium segment establishments

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Abstract

This article is devoted to studying the specifics of managing conflict situations in premium-class establishments. It presents a systematic analysis of the types of conflict characteristics found in high-status venues and identifies unique resolution mechanisms that take into account high service standards, customer experience, and the distinctive business model of elite institutions. Recommendations have been developed for premium segment establishments aimed at improving their conflict management systems. This article will be of interest to many experts, including owners and managers of high-end enterprises, service quality management specialists, customer service managers, HR experts, conflict resolution professionals, and researchers working on issues in premium establishments. The results can be used to develop and refine conflict management strategies, enhance service quality, and strengthen the reputation of premium establishments.

Keywords: Conflict; Conflict Psychology; Conflict Management; Premium Segment; Customer Experience; Conflict Resolution; Efficiency; Customer Loyalty

1. Introduction

The high-end service sector is characterized by fierce competition and a focus on discerning customers for whom not only the product or service itself matters, but also an impeccable level of service. Any conflict arising under these circumstances has the potential to cause significant damage to the business's reputation and lead to a loss of customer loyalty, which, in turn, can adversely affect financial performance. In the digital age and with the proliferation of social media, information about conflict situations spreads rapidly, increasing reputational risk.

Aim of the research to analyze and evaluate the characteristics of conflict emergence and resolution in premium segment establishments and provide practical recommendations for improving conflict management efficiency.

Research objectives

- To systematize and classify the types of conflicts typical in premium segment establishments.
- To identify the factors that determine the effectiveness of conflict resolution in the context of high-quality services.
- To develop recommendations for optimizing the quality of conflict management processes in premium establishments.

This article presents an original typology of conflict characteristics in premium segment establishments, taking into account the specificity of customer experience and high service standards, and develops recommendations aimed at improving the conflict management system for premium establishments.

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2. Materials and Methods

The research is based on the works of European, American, and other authors: Auh S. et al. [1], Morales-Rodríguez F. M. (ed.) [2], Sata J. [3], Ujjal Mukherjee [4], Verwey J., Cumberlege R., Crafford G. J. [5], Yamini S. et al. [6]. The selected works examine the types and kinds of conflicts, upon which the author's classification of conflicts is based. Furthermore, this study consolidates the perception of conflicts and the preferred methods of resolving them among clients from various cultural contexts. In addition, based on the works of these authors, cultural competence of the staff in premium establishments in resolving intercultural conflicts, as well as the ethical principles of conflict resolution in the premium segment, have been identified.

The following methods were used in the research: theoretical analysis, synthesis, generalization, and graphical representation of data.

3. Results and Discussion

At present, relatively few studies have focused on the subject of this research, yet even these allow us to identify and systematize the main conflict characteristics of leading premium establishments. Conflicts in premium establishments are characterized by a high degree of complexity and a variety of classifications, significantly surpassing those in the mass market [2, 3, 5]. In terms of origin, conflicts can be categorized as external, internal, or technological. Depending on the parties involved, interactions may be classified as "client-staff," "client-client," "staff-staff," or "client-administration." The causes of conflict situations can be service-related, cultural, psychological, or organizational.

The intensity of conflicts ranges from a latent (hidden) stage to an open and escalating conflict. Based on emotional tension, conflicts are conventionally divided into "cold," "warm," and "hot" conflicts. Status-reputation conflicts—stemming from issues of recognition, exclusivity, and priority—as well as interpersonal elite conflicts related to competence, communication style, and personalized interactions, play an important role. A separate category is formed by value-ideological conflicts that have an ethical, cultural-traditional, and ideological nature.

The consequences of conflicts are classified according to the degree of damage to the establishment: constructive, destructive, reputational, financial, and organizational. The reputational risk associated with a conflict is assessed as low, medium, or high. Furthermore, conflicts are divided by the potential for relationship restoration after conflict episodes: easily, difficultly, or practically irreparable. Additionally, conflicts are differentiated by underlying motives such as complaint, manipulation, self-assertion, and entertainment.

Resolving conflicts in the premium segment requires a special approach that takes into account the unique circumstances of this market: the client comes first; a personalized approach; promptness; empathy and active listening; proactivity; empowerment of staff; compensation; handling of negative feedback; confidentiality; staff training; and post-conflict interaction [1, 4, 6].

Employees' emotional intelligence (EQ) facilitates conflict resolution in the premium segment. According to Goleman's model, EQ comprises components such as self-awareness, self-regulation, motivation, empathy, and social skills. In the premium context, empathy and social skills are particularly important, as they enable staff to understand the emotional state of the client and manage communication effectively.

At present, significant differences can be identified in the perception of conflicts and the preferred methods for resolving them among clients from various cultural contexts (see Figure 1).

Clients from the CIS countries (post-Soviet space) represent a separate cultural group. They usually formulate complaints directly and quite expressively, expecting staff to respond promptly, emphasizing their individual significance. The key element of de-escalation is public confirmation of status - personal apologies from management, symbolic privileges (upgrades, complimentary services) or material compensation. If a timely and respectful response is received, the conflict usually quickly turns constructive, and customer loyalty increases markedly.

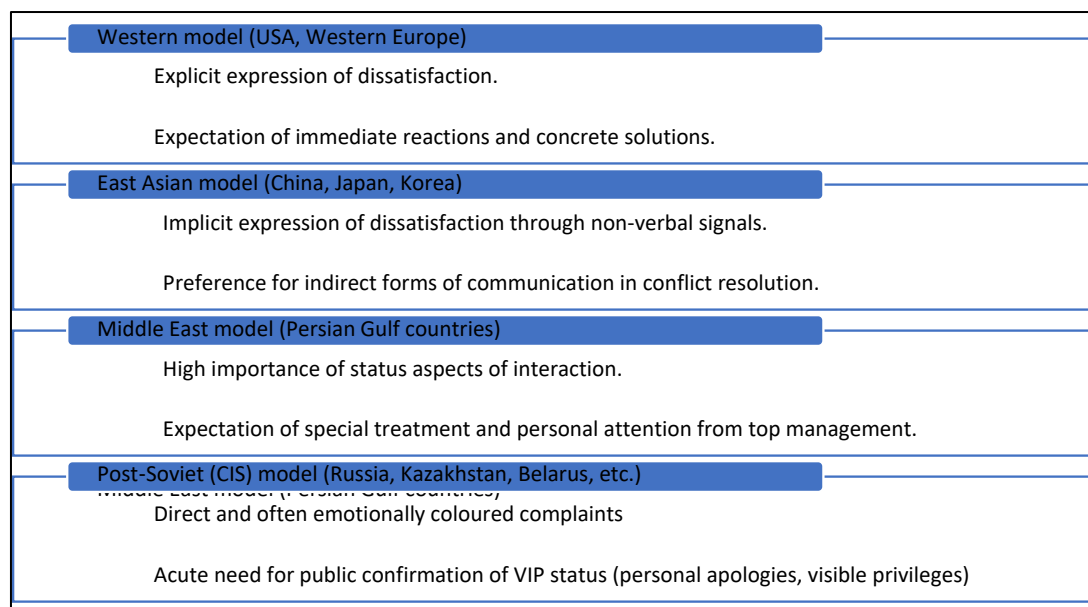


Figure 1 Perceptions of conflicts and preferred ways to resolve them among clients from different cultural contexts (compiled by the author)

Effective management of intercultural conflicts requires not only an understanding of these models but also insight into their internal logic, as well as the ability to adapt conflict resolution strategies to the client's cultural context. A key factor in successfully resolving intercultural conflicts is the cultural competence of personnel, which includes several indicators as illustrated in Figure 2.

In the analysis and evaluation of the effectiveness of conflict resolution in premium establishments—such as bars, restaurants, spas, casinos, and hotels—the observational method has identified the following indicators that directly impact effectiveness: regional differences, industry specificity, strategy evolution, economic efficiency, and related dependencies.

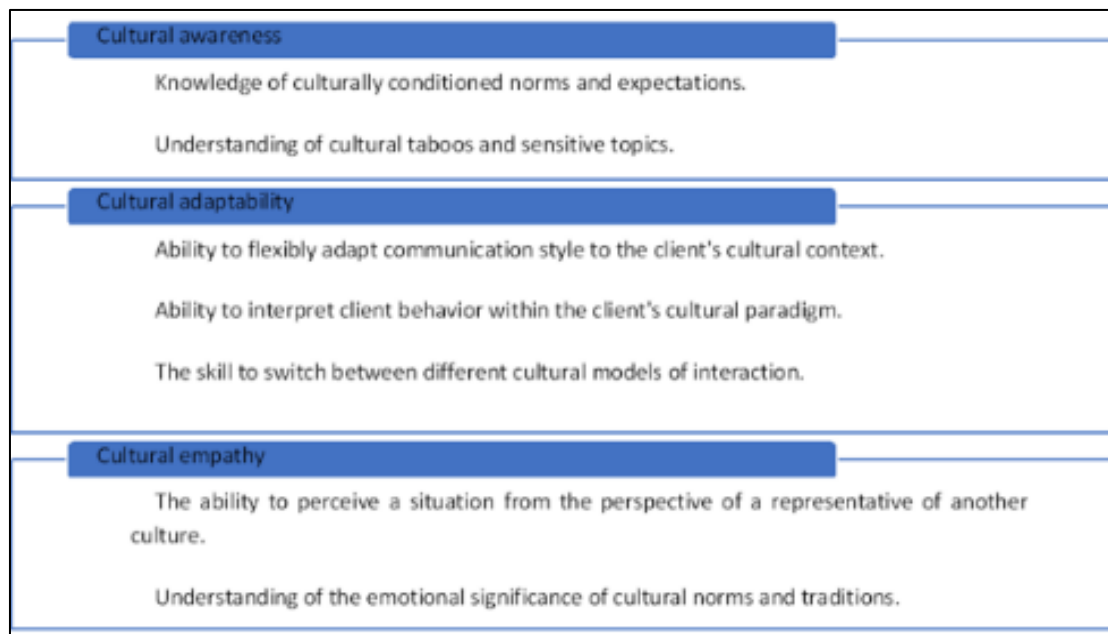


Figure 2 Cultural competence of personnel in premium segment institutions in matters of resolving intercultural conflicts (compiled by the author)

In practice, specific conflict resolution mechanisms are identified according to the type of premium establishment:

- Premium restaurants: gastronomic compensation, culinary immersion, and oenological support.
- Premium hotels: room/status upgrades, personalized butler service, and exclusive access.
- Premium spas: therapeutic personalization, sensory compensation, and exclusive temporal spaces.
- VIP-level casinos: insider privileges, financial discretion, and status escalation.
- Premium bars and lounge areas: exclusive mixology, social capital, and spatial privileges [2, 3].
- The ethical principles of conflict resolution in the premium segment are presented in Figure 3.

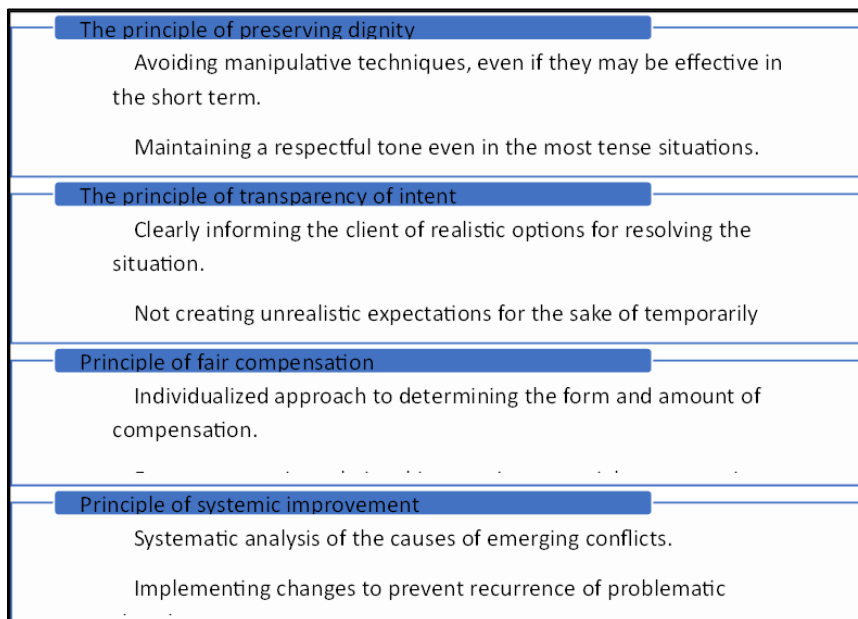


Figure 3 Ethical principles of conflict resolution in the premium segment (compiled by the author)

Adherence to the principles clearly demonstrated in Figure 3 not only enables the effective resolution of current conflicts but also strengthens the establishment's reputation as an ethically responsible brand.

Overall, factors that directly impact the effectiveness of conflict resolution include the emotional intelligence of employees, reaction speed, alignment with status, information transparency, and cultural competence.

- The types of effects that can be achieved through conflict resolution in premium segment establishments are as follows:
- Short-term financial effect: changes in average check size, visit frequency, and the share of additional services.
- Long-term loyalty effect: influence on customer retention metrics and customer lifetime value (LTV).
- Recommendation effect: impact on attracting new clients through recommendations and positive reviews.
- Reputational effect: influence on the target audience's perception of the brand and its market positioning.

For premium segment establishments, the following recommendations can be proposed to improve conflict management systems:

Organizational-corporate initiatives: Integrate conflict management into corporate culture by establishing corresponding values, norms, and behavioral models among staff; Create specialized rapid-response teams with high emotional intelligence and crisis communication expertise; Introduce a multi-tiered compensation system for clients; Develop industry-specific conflict management standards that account for the particularities of different premium establishments (such as restaurants, hotels, spas, casinos, and bars).

Technological and analytical tools: Implement predictive analytics systems to detect potential conflicts early based on the analysis of emotional and behavioral indicators; Apply artificial intelligence and machine learning methods in conflict management procedures; Organize social media monitoring and active reputation management.

Psychological-communicative technologies and customer services: Enhance employees' skills in empathetic listening; Develop psychological support programs for clients after conflict episodes; Introduce the practice of emotional audits; Use mediation procedures to resolve the most complex situations.

Information and methodological support: Create a specialized repository of typical conflict resolution solutions; Develop intercultural service agreements that reflect the expectations of clients with diverse cultural and national behaviors; Implement a real-time customer feedback system.

The conducted study opens up prospects for further scientific research on the phenomenon of conflict in premium segment establishments. Of particular interest is the study of the long-term dynamics of customer loyalty after a conflict has been successfully resolved, as well as examining the extent of the impact that digitalization and technological innovations have on transforming conflict management mechanisms in premium-level establishments.

4. Conclusion

Resolving conflict situations in premium establishments requires a comprehensive approach that focuses both on the psychological characteristics of the participants and on the organizational aspects of the establishment's operations. Effective conflict management not only helps to preserve the establishment's reputation but also lays the foundation for long-term customer loyalty.

In an environment of growing competition and high customer expectations, investments in the development of conflict management systems become not merely desirable but essential for maintaining leadership in a given industry.

Overall, it can be noted that conflict resolution in high-end institutions involves a complex psychosocial process that requires the integration of knowledge from various scientific fields and a high level of emotional competence on the part of the staff. Effective conflict management is recognized not only as an element of service strategies but also as one of the key factors in the ability to compete in the market and in the sustainable development of premium establishments.

The conducted research found that conflicts in premium establishments such as bars, restaurants, spas, casinos, and hotels possess unique characteristics due to high customer expectations, heightened reputational sensitivity, and cultural differences. The most successful strategies include personalized approaches, responsiveness, the use of technology, and thorough training of personnel.

Future research prospects are associated with studying the impact of artificial intelligence and machine learning on preventing and resolving conflicts, including the use of predictive analytics to forecast potential problems, as well as investigating the psychological mechanisms that transform negative experiences into sustainable customer loyalty in high-quality establishments.

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