



# Solo travellers assign higher ratings than families: Examining customer satisfaction by demographic group



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## ABSTRACT

In this study, we employ big data to explore the characteristics of four different demographic categories of hotel customers with regard to their reported levels of satisfaction. The categories examined are solo travellers, groups of friends, couples, and families. The results show that considerable differences exist within the baseline level of satisfaction and, furthermore, that the importance of certain factors which contribute to satisfaction varies across the categories. The conclusions drawn from this study will be greatly beneficial to managers who aim to target some of these categories while equally providing direction worthy of consideration for future research.

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## 1. Introduction

Examining complex and subtle causal effects can be exceptionally demanding with regard to the volume of data. When a sample size is obtained through conventional methods of data collection, such as questionnaires, but is not sufficient to yield enough statistical power, the use of big data, generated by Internet users, becomes both an opportunity and a necessity. Therefore, it is not surprising that researchers in the hospitality industry are increasingly employing user-generated data in order to answer important research questions (Mellinas, Martínez María-Dolores, & Bernal García, 2015).

One such research question, which proved difficult to address in the era prior to the emergence of big data and remains open, is whether demographic characteristics of a hotel guest play a role in his or her evaluation of hotel services. In the absence of conclusive empirical evidence on this issue, a (simplistic) presumption has prevailed: The effect of demographic characteristics is negligible, if existent at all. However, there are at least two reasons to believe that the effect, despite being widely disregarded, does in fact exist.

The first reason is that general, or baseline, levels of satisfaction may differ across demographic categories. Certain demographic categories may perhaps report consistently lower or higher levels of satisfaction

than others for economic, sociological, or other reasons which are not accounted for in research. Despite the fact that demographic characteristics of a sample are commonly reported in research studies which compare reported levels of customer satisfaction across hotels, destinations, and respondent nationalities, they are rarely included in the core statistical analysis as a control variable (Bulchand-Gidumal, Melián-González, & González Lopez-Valcarcel, 2013; Yu & Goulden, 2006; Zhou, Ye, Pearce, & Wu, 2014). By failing to control for the demographic structure of a sample, researchers are implicitly assuming that (a) all units being compared encompass the same demographic structure of guests, (b) the baseline levels of reported satisfaction do not significantly differ across the demographic categories included in the sample, or (c) both are true. The problem is that if the demographic structure of guests does vary across units and general levels of reported satisfaction do differ across demographic categories, failing to account for the demographic structure of the samples leads to an omitted-variable bias<sup>1</sup> and, consequently, unreliable results. Therefore, the first research question that we address in this study is whether the aforementioned assumptions are met to the degree that the demographic

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<sup>1</sup> In statistics, omitted-variable bias occurs when a model incorrectly leaves out one or more independent variables that influence the dependent variable. The estimated parameters are likely to be biased. Linear regression and structural equation modelling, the two commonly used techniques in hospitality, are among the other techniques affected by the bias.

structure of a sample can be ignored without affecting the reliability of research results.

Another reason to believe demographic characteristics of hotel guests' influence evaluations is that certain hotel attributes may be perceived as more important by a specific demographic category than by others. Although a vast body of literature has examined the relative importance of different hotel attributes (Akbaba, 2006; Choi & Chu, 2001; Zhou et al., 2014), studies that provide a comparative analysis of importance in relation to specific demographic sub-groups are surprisingly rare (Barsky & Labagh, 1992), providing no conclusive answer on the existence and nature of the differences. Therefore, the second question addressed in this study is whether demographic categories are sufficiently homogeneous with regard to preferences for hotel attributes, thereby allowing for differences to be disregarded and focus to be placed on the general importance of hotel attributes.

By providing reproducible and statistically robust results, based on an analysis of a large dataset involving more than 2 million individual customer-rating scores, we aim to answer the two fundamental research questions raised above and to narrow the existing knowledge gap. The data are collected from one of the leading online hotel-booking services, *Booking.com*, and in this regard, the demographic categories of hotel customers examined in the study are those recognised on this service, namely solo traveller, group of friends, couple, and family. Although the sample consists of hotels located in capital cities of Europe, the rating scores included in the study are assigned by guests originating from all over the world, making the results fairly generalisable within the context of urban touristic destinations.

## 2. Theory

After using hotel services, many tourists are eager to share their experience online in the form of customer reviews (Bronner & de Hoog, 2010; Munar & Jacobsen, 2014; Serra Cantallops & Salvi, 2014). Given that a hotel's online reputation ultimately affects its financial performance (Anderson, 2012; Kim, Lim, & Brymer, 2015; Luo & Homburg, 2007; Mauri & Minazzi, 2013; Xie, Zhang, & Zhang, 2014; Ye, Law, & Gu, 2009), reviews should be thoroughly considered and managed as a critical element of marketing strategy (Kim et al., 2015; Ye et al., 2009).

According to Oliver's (1980) expectancy disconfirmation theory, customer satisfaction is a result of either confirmation or positive disconfirmation of consumer expectations; conversely, dissatisfaction stems from a negative disconfirmation of expectations. With regard to the hospitality industry, the most important category of factors about which customers have expectations is a hotel's tangible and intangible products and services, also known as *hotel attributes*.

Dolnicar & Otter's, 2003 review study is perhaps the most comprehensive piece of literature on the importance of hotel attributes. Based on an analysis of 21 relevant studies and a total of 173 distinct hotel attributes, the authors concluded that the most important attributes are convenient location, service quality, reputation, and friendliness of staff. However, the authors suggested that the results be interpreted with caution as they include 'studies with different definitions of importance, different target groups and different item lists in the questionnaire' (Dolnicar & Otter, 2003, p. 9). This statement clearly underlines the breadth and heterogeneity of this field of research and, furthermore, raises three key points related to hotel attributes which need to be addressed here.

The first point is that there is more than one definition of attribute importance. The factors deemed important for hotel selection (known as *hotel selection factors* in the literature) are not necessarily the same factors that will determine a guest's satisfaction with

the service (known as *customer satisfaction factors*). For example, a customer may select a hotel based primarily on its location, price, and star classification, becoming relatively more concerned with the quality of food and tangibles during the stay, with his or her final impression being influenced by the friendliness of the hotel staff at the time he or she completes a follow-up survey. Interestingly, the recent increase in the transparency of customer voice has made online reviews an important hotel selection factor. With this development, observed through both individual online reviews and combined rating scores, we are likely to see more overlap between the two groups of factors in the future. In this regard, factors that govern customer satisfaction currently appear to be somewhat more deserving of examination.

The second point is that different studies examine different lists of attributes. The review study showed that some attributes, such as the friendliness of staff and the cost of accommodation, are included in most studies (15 and 14, respectively), whereas several other attributes are given little consideration. For example, star classification, which is proven to be of utmost importance to customers (Ryan, 2007), is included in only two studies. Another source of heterogeneity among the list of items stems from the varying definitions of the attributes. Many studies use SERVQUAL-like dimensions to represent the most relevant characteristics of hotels. While this approach is preferable from a conceptual perspective, it has certain drawbacks. For instance, some recent studies have reported various attributes to be the most important: for Choi and Chu (2001), they were staff service quality, room qualities, and value; Akbaba (2006) identified them as tangibles, adequacy of service supply, understanding and caring, assurance, and convenience; and Zhou et al. (2014) pointed to physical setting—room, physical setting—hotel, physical setting—food, price, location, and staff. Although one can argue that the constructs of room qualities, tangibles, and physical setting—room largely overlap, they are still defined differently. Such variation in the lists of the attributes assessed and the definitions of the latent constructs further add to the incomparability of available studies. Moreover, the constructs are often broadly defined and thus tend to suppress (in terms of relative importance) directly observable attributes. It is difficult to imagine a precisely defined, observable attribute that could be more important than, for example, service quality or tangibles, and as a result, it is not surprising that none of the directly observable attributes identified in the review study conducted by Dolnicar and Otter (2003) ended up being among the four most important criteria (all four are broadly defined constructs).

Finally, the third and most significant point for this study is that demographic categories (or target groups) may have their own peculiarities with regard to the importance of hotel attributes. Studies report that demographic groups exhibit considerable differences in terms of travel behaviour and spending patterns (Bernini & Cracolici, 2015), travel motivations (Heung, Qu, & Chu, 2001), expectations (Ariffin & Maghzi, 2012), hotel selection and service use (McCleary, Weaver, & Lan, 1994), and subsequent word of mouth (Bronner & de Hoog, 2010). Therefore, it would be reasonable to consider that varying demographic groups assign a different relative importance to hotel attributes as well; however, existing literature addressing this question is surprisingly rare. Related research studies generally focus on a single demographic category such as business travellers (Dolnicar, 2002; Gundersen, Heide, & Olsson, 1996) or mature travellers (Wuest, Tas, & Emenheiser, 1996). Furthermore, a comprehensive examination of the relevant literature has revealed only one study which compares the preferences of two different categories of hotel guests. In this study, Barsky and Labagh (1992) demonstrated segmentation analysis using a customer satisfaction matrix on two types of guests: business travellers and pleasure travellers, considering only a relatively small sample size. Yet again, the heterogeneity in the methodology of

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