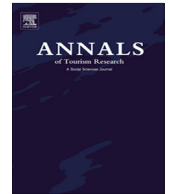




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Research Note

Determinants of advanced booking

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Individuals know that the optimal time to make hotel reservations is critical because of the close relationship between advanced booking and travel expenditures (Thrane, 2016). This task is even more complex because the expectations of advanced-booking travellers change over time (Chen & Schwartz, 2008). Hence, their expectations of finding a good price vary and depend on the proximity of the travellers to the date of stay. In an attempt to clarify this issue, the objective of this study is to obtain the determinants of the time that people book a hotel in advance.

Accommodation is a major component of tourist expenditures. The anticipation with which bookings are made remains a critical issue that determines the level of such expenditures. Chen & Schwartz (2008) emphasized that uncertainty leads tourism managers to be considerably vigilant on the time tourists make their reservations. The advent of online booking activities has resulted in many purchase decisions becoming time dependent (Lynch & Zauberman, 2006). Nonetheless, if intangibility is considered, the fact that one does not know what will receive after buying a product makes the booking time a relevant decision. Tourists want to ensure that everything will go according to plan; however, they also seek for “good prices.” The Internet has reduced information asymmetries between guests and accommodation firms, and has made clients follow deal-seeking behaviour (Chen & Schwartz, 2008). Therefore, the optimal time for advanced booking is a crucial point for guests and firms. To date, this situation is considerably prevalent and some websites show the future evolution of prices rather than merely allowing individuals to determine prices and room availability. This feature enables customers to render good and informed decisions on the date of their booking. Even the timing decision could be conditioned by the distribution channels that individuals use for information search (Pearce & Schott, 2005).

The expanded theoretical model of Schwartz (2008) states that the traditional advanced-booking decision model must be considered dynamic rather than merely static over time. In this context, it is suggested that the time before the day of

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Table 1
Sample descriptive statistics.

	Mean (or %)	St. dev.	Min	Max
Advance booking (days)	38.38	51.30	0	321
Total price (CHF)	536.73	437.12	69	5320
Length of stay (nights)	2.85	2.47	1	14
Price per night (CHF)	207.19	85.10	50	495
Party size	2.14	0.88	1	9
<i>Type of accommodation (100%)</i>				
Hotels	80.94%			
Holiday homes	19.06%			
<i>Hotel sales channels (100%)</i>				
OTAs	58.29%			
Own website	8.38%			
DMO website	27.13%			
DMO call center	6.20%			
<i>Holiday home sales channels (100%)</i>				
OTAs	18.08%			
Own website	0.58%			
DMO website	45.58%			
DMO call center	35.77%			
<i>Months (100%)</i>				
January	3.85%			
February	3.52%			
March	10.48%			
April	9.64%			
May	11.66%			
June	12.54%			
July	16.39%			
August	8.94%			
September	9.49%			
October	7.70%			
November	2.24%			
December	3.56%			

consumption serves as a cue in booking decisions. People know that booking considerably in advance or at the last minute enables them to obtain good deals (Chen & Schwartz, 2008). In between, many different factors can affect booking decisions. In fact, these authors claim that it is not easy to identify the factors that explain the fluctuations between 30 and 2 days before the date of stay. Accordingly, this observation opens a future avenue for research.

Consequently, the objective of the current investigation is to explore potential factors that could explain decisions on advanced booking. This study focuses on major travel determinant factors, such as prices, travel party size, accommodation type (i.e., hotels vs. holiday homes), length of stay, booking month, and distribution channel. As specific empirical applications on advanced booking are not common, this article tries to add to the literature in an attempt to contribute to the aforementioned research thread.

Research design

The empirical application is based on a set of bookings for accommodations obtained in Ascona-Locarno, Ticino, Switzerland. Different sales channels are represented in the database; thus, we could test the different effects of each channel. In particular, the local destination marketing organization (DMO) has two booking platforms, namely, online (i.e., through its website) and offline (i.e., through its call center). In addition, the local DMO provides accommodation owners the possibility of using an ad hoc channel manager in dealing with the bookings from different channels, including online travel agents (OTAs), their own websites, and the two DMO channels. A total of 2728 bookings were successfully recorded. Focusing on the variable of interest, the data show strong heterogeneity in the variable “days of advanced booking,” with a median of 15 days prior to the time of stay and a distribution ranging from bookings made on the same day of the stay to those made 321 days before the actual stay. This heterogeneity is appropriate for the objective of this study, that is, to determine the factors that explain the variability. The sample descriptive statistics for the other variables used in the analysis are reported in Table 1.

To analyse count data such as the days of advanced booking, a count model is proposed. The negative binomial distribution represents a typical probability distribution for count data and leads to the estimation of the so called NegBin model. Accordingly, an individual t will select a number y_t of days with the following probability:

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