Development of measurement scale for functional congruity in guest houses

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HIGHLIGHTS

- Guest houses are unique in terms of customers' needs and expectations.
- Functional congruity is essential for understanding tourist decision making.
- Functional congruity of guest houses in China includes 5 dimensions.
- This study operationalized functional congruity of guest houses and carries implications for management practice.
- The scale developed lays the foundation for future research.

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ABSTRACT

The rapid development of guest houses in China intensified business competition. Understanding the experiences and expectations of customers can help guest houses gain advantage over competitors when customers are particular about their accommodation experience. Given the limited discussions, only a few systematic approaches were developed for the functional needs of customers toward guest houses. Thus, the present study developed a measurement scale for the functional congruity of guest houses based on the procedures recommended by Churchill (1979). The scale was tested, which was found reliable and valid. Marketing implications were provided theoretically and practically based on the results.

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1. Introduction

Specialist accommodation, which focuses on bedding rather than on other services, has become an important choice for an increasing number of tourists. These types of accommodation are regarded as "commercial home" (Lynch, 2005), which include B&Bs, guest houses, home stays, farm stays, small hotels, and host family accommodations. Although the names of houses in this sector may vary, the essential aspects are similar; for example, guests pay accommodation fees to stay in private homes and customers interact with a host and/or a family (Lynch, 2005). The popularity of this type of lodging establishments started in the US in the early 1990s (Lanier & Berman, 1993) and has spread to other areas, especially Asian countries/regions, such as Japan, Taiwan, and South Korea. Airbnb and other similar companies may boost the industry of specialist accommodation in the current age of sharing economy.

Guest houses in Mainland China have become popular to tourists, especially in historical towns and countrysides. According to the data provided by Ctrip, the largest online travel agency in China, guest houses in the Old Town of Lijiang in Yunnan Province (http://inn.ctrip.com/inn/lijiang37/zone462) reached 1500 by the end of July 2017; moreover, around 300 inns opened in Mogan Mountain area in Zhejiang Province (http://inn.ctrip.com/inn/moganshanD87_1367). However, the increasing number of guest houses in a particular destination surpassed the demand due to copycat investment. Thus, business competition in the industry intensified. Guest houses should exert their best effort to attract and maintain tourists to survive and develop in such an industry. However, most guest houses have limited marketing budgets.

Word-of-mouth (WOM) marketing is viewed as the most successful marketing strategy for guest houses (Lee, Reynolds, & Kennon, 2003).

The lodging experiences and expectations of guests can be sufficiently addressed if the congruity between what customers want and what the industry offers is examined. However, past expectation studies ambiguously defined customer expectation (Hung, Wang, & Tang, 2015). Two types of customer expectation were identified in existing literature, namely, normative and predictive expectations; the former refers to the experience desired by customers (i.e., what customers want), whereas the latter refers to the experience they expect to receive (i.e., what the industry offers) (Lee, Lee, & Yoo, 2000). Understanding the gap between these two types of expectations is important in creating a desirable lodging experience for customers. However, existing literature focuses on a specific type of expectation instead of both. The present study focuses on understanding the two types of expectation using the concept of functional congruity.

To provide an improved experience for customers, guest house owners and managers in China exerted effort to examine the psychological attributes of their establishments (e.g., home atmosphere, host-guest interaction), but functional (utilitarian) accommodation factors were not investigated in-depth (Peng & Zeng, 2010). A considerable number of studies in tourism and hospitality areas indicate that self-congruence and functional congruence are essential for understanding tourist decision-making (Sirgy & Su, 2000). Self-congruity pertains to the match between the product image and self-concept of the tourist, whereas functional congruity refers to the match between the perception of product utilitarian attributes and the tourist desires toward such attributes (Sirgy & Su, 2000). Self-congruity may be the sole reason for purchasing behavior in the context of luxury consumption (Hung & Petrick, 2011); by contrast, the behavior of consumers in other contexts can be strongly predicted by functional congruity between their needs and the services and facilities offered by suppliers (Sirgy, Johar, Samli, & Claiborne, 1991). However, self-congruity has been the central focus of congruity literature, whereas functional congruity receives less attention. Understanding functional congruity is critical to the success of small businesses given that the majority of guest houses in China are small-scale and do not fall into the category of luxury product/service.

Several studies were conducted that focused on the experiences of customers in guest houses (e.g., Radder & Wang, 2006; Wang & Hung, 2015), but a systematic approach of examining functional congruity regarding this type of accommodation remains lacking. Customer expectations of guest houses as a type of specialist accommodation offer products and services that may differ from that of regular hotels. Thus, the application of the scale of functional congruity based on other types of hotels to the guest houses is not appropriate. This topic should be investigated in the context of guest houses. Therefore, by applying the modified procedure of developing measures recommended by Churchill (1979), the present study attempts to develop a measurement scale for functional congruity in guest houses in Mainland China. This approach could provide a foundation for future research on this topic and help guest house owners/managers create a positive lodging experience for customers.

2. Literature review

2.1. Functional congruity

Functional congruity is defined as the match between consumers' desired utilitarian features of a product and their perceptions of how the product is perceived along the same features (Kressmann et al., 2006, p.955). For example, when selecting a guest house, a tourist may consider the proximity of the guest house from the main tourist attractions, price range of alternative guest houses, facilities of the guest house, and the quality of services provided. These evaluative criteria are utilitarian or functional in nature. Functional congruity was traditionally captured using multi-attribute attitude indices, wherein the attributes are functional consequences involving financial costs and utilitarian benefits (Sirgy & Samli, 1985; as cited in Sirgy, Grzeskowiak, & Su, 2005).

The theory of functional congruity was widely applied in consumer behavior. For example, Sirgy et al. (2005) argued that home buyers are likely to consider functional and symbolic aspects in their housing choice. In mall evaluation, Massicotte, Michon, Chebat, Sirgy, and Borges (2011) found that mall atmosphere positively affects functional congruity, whereas self-congruity and functional congruity positively affect the mall evaluation of adult and teenage shoppers. In tourism contexts, Hung and Petrick (2011) suggested that functional congruity has a positive influence on cruising intentions; the dimensions of functional congruity include service, space, and activities. In terms of destination choice, Ahn, Ekinci, and Li (2013) used a sample of 367 British residents and found that the destination choice of tourists was strongly influenced by functional congruence instead of self-congruence; functional congruity includes five factors, namely, tourist facilities and comfort, quality of food, cultural heritage, tourist leisure activities, and quality of natural resources.

One may confuse satisfaction with functional congruity. The disconfirmation paradigm (i.e., expectation-disconfirmation model), which was first proposed by Oliver (1980), was traditionally used to measure customer satisfaction. According to this paradigm, consumers develop expectations about a product before purchasing a product/service. Subsequently, they compare actual performance with those expectations. Researchers have not reached a consensus regarding the use of this approach to measure satisfaction. Some researchers argue that this is a better approach (Szymanski & Henard, 2001 from marketing field), but others proposed alternative approaches to measure satisfaction. For instance, Baker and Crompton (2000) used both perception and expectation scales in their study and found that perception has higher predictability on behavioral intentions. Petrick and Backman (2002) investigated the determinants of the overall satisfaction of golf travelers; they found that Oliver's model may be improved with the inclusion of information satisfaction. Nevertheless, most studies measure satisfaction with either the disconfirmation paradigm (Heung & Cheng, 2000; Teye & Leclerc, 1998; Zhang & Chow, 2004) or perceived overall performance (Tse & Wilton, 1988).

Functional congruity differs from satisfaction in four ways. First, the expectation in functional congruity refers to the normative instead of predictive expectation, whereas the opposite applies in satisfaction measure. Second, satisfaction may include both cognitive and affective measures, but functional congruity is geared toward understanding the cognitive instead of affective aspect of customer expectation and perception. Third, while overall satisfaction is commonly applied, item-to-item approach is the only measure being used in functional congruity literature thus far. Fourth, the perception measure in satisfaction refers to customer evaluation of product/service after their actual experience, whereas in functional congruity, it refers to customer perception with or without experiencing the product/service.

2.2. Lodging experience of specialist accommodation

Guest houses and other types of specialist accommodation present an alternative option to regular hotels for a niche market. Most hospitality studies focus on regular hotels, but only a few