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### **DEVELOPMENT OF A SCALE TO MEASURE THE FACTORS OF SELECTING THE ALTERNATIVE ACCOMMODATION**

#### **Abstract:**

This paper relates a study designed to develop a scale to measure the factors of selecting the alternative accommodation from the viewpoint of Thai people. Based on the review of the previous literature and studies the research objectives were posed. The important attributes of alternative accommodation were defined in the literature by several scholars from a qualitative perspective. Nevertheless, up to the knowledge of the researcher a quantitative scale to measure these factors was not developed. The instrument consists of 28 variables on which the respondent has to respond on five point scale and 1 open-ended question for other variable as their suggestions. It was found that out of the total sample of 95; only 92 usable responses was returned. The responses of some of the participants were either incomplete or blank. Items with lower standard deviation ( $SD < 1$ ) were selected. In this process out of 28 items, only 24 were selected for the final scale. These items with less SD also happened to have higher mean (3.55, 4.17), this was in line with the concept of homely atmosphere and non-smoking room being always importance accepted by the students. The researcher recommends that this scale should be further tested and investigated on other domains of attributes and countries to further validate the findings.

#### **Keywords:**

Accommodation, Alternative, Traveler, Measurement, Scale

## Introduction

Alternative accommodation refers to sites such as guest houses, service apartments and commercial homes that provide paid lodging to the visitors on short-term period. They differ from the traditional hotels in terms of the limited and personalized services provided with an intrinsic, local reach. Commercial home refer to types of accommodation where visitors or guests pay to stay in private homes, where interaction takes place with a host and/or family usually living upon the premises and with whom public space is, to varying degrees, shared (Lynch A., McIntosh J. and Tucker H. 2009). Commercial home therefore supports a range of accommodation types including small boutique hotels, bed and breakfasts (B&Bs) and host family accommodation, which simultaneously span private commercial and social settings. The terms 'hotels' and 'B&Bs' are used synonymously for accommodation such as guesthouses, boarding houses, lodging houses and therefore should also be included as commercial home sites. Not only the physical description and attributes are important, but also the associations: private homes, interaction with host/family who live on the premises, sharing of space that thereby becomes 'public' (Lynch A., McIntosh J. and Tucker H. 2009).

## Literature review

This study explores the factors that influence visitor decision making when select alternative accommodation. Then, the relevant literatures for qualitative synthesis as following; Peter Jones and Meng-Mei (2010) reviewed the considerable literature on hotel selection. It demonstrated that content of literature has been developed, for the most part, outside of the context of a widely endorsed consumer decision-making model based on set formulation. It then reported on a study that used an experimental design focus on understanding hotel guest consideration set formation and modification. Rather than the previous traditional emphasis on choice sets and attributes. For a specific market segment selecting a hotel for leisure stay the paper reported on the size of the consideration and choice set, and identifies the different factors that influence choice at these two stages in the process. In this study, they found that guests actually used an average of 3.3 attributes in forming the consideration set; while other group used an average of 2.6 attributes in forming the choice set and making the final selection. The results revealed that the online customer did not consider large numbers of attributes when they made online purchase decisions. The most popular attributes in forming the decision were 'non-smoking', 'swimming pool', 'high-speed internet', 'hot tub', 'fitness centre', 'room service', and 'set price range'.

Gunasekaran N. and Victor Anandkumar (2012) studied the factors that lead visitors to choose the alternative accommodation at Pondicherry, a heritage coastal town in India. The respondents included 123 domestic and international guests at the predetermined alternative accommodation enterprises representing all the three categories; Guest

houses, Service apartments and Commercial homes (including variants of Bed & Breakfast businesses and Homestay) during March 2012. The data collection locations were determined to represent the geographical spread of Pondicherry and also the different budget ranges. They suggested that there were for factors, namely homely atmosphere, value for money, local touch and guest-host relationship that influence the tourists to choose alternative accommodation such as Guest houses, Service apartments and Commercial homes (including Homestay and Bed & Breakfast). They found that value for money perception of the visitors concerning alternative accommodation.

Yu Qin, Bin Li, and Larry Yu (2015) studied management innovations developed by a homegrown Chinese hotel company aimed at sustaining its growth and reveals some unorthodox management practices in the lodging industry in China. A theoretical sampling process was used to choose 7 Days Inn as a single case study. Semi-structured in-depth personal interviews of 15 informants with varying responsibilities were conducted to obtain organization-specific insights. Content analysis of the transcripts was performed to analyze interview data. Secondary data and interviews of managers in competing hotels were also used to support the findings. They identified seven major innovative management practices developed by 7 Days Inn. Most of these innovations arose from the company's idiosyncratic collective mindset. The company created a different approach to thinking about the basic issues regarding business and management – including managerial roles, mistakes and change – that constituted the cornerstones of its management innovations.

The relevant literatures for decision making such as Kahneman and Tversky (1979), they found that consumers make inconsistent decisions when they were presented with different pricing structures, even if the final price was the same. Their research concluded consumers looked at the reference price rather than the final total price, and when additional costs were included separately, they rated those as gains or losses from the reference point but did not calculate a total cost. In hotel room pricing, the reference point could be considered the room rate and consumers could consider the resort fee as a gain or a loss. According to Kahneman and Tversky's (1979) research previous studies have shown hotel policies and pricing can impact consumer behavior. While much research has been conducted on differing pricing policies, the studies pertaining to mandatory fees were discussed here because resort fees were required charges, and this study was concerned with consumer perceptions of the resort fee and not the base price or total cost. The two most prevalent pricing policies related to mandatory fees were bundled pricing and partitioned pricing. Bundled pricing quotes one price that includes all base prices and fees, while partitioned pricing presents all individual products or services separately (Fruchter, Gerstner, & Dobson, 2011). Evans and Dave (1999) investigated customer attitudes toward mandatory gratuities in the form of service charges and found required fees caused meeting planners to select alternate hotels for events. Chen, Schwartz, and Vargas (2011) suggested the combination of a cancellation policy and fees impacted consumer search behavior when selecting a hotel online. Fruchter et al. (2011)

concluded service providers often competed to attract consumers with a low price for primary services and then charged more fees for add-ons. In a survey of 144 meeting planners, Edelstein (2012) found 51% of respondents indicated resort fees were a factor when considering which hotel to select for a meeting or convention, but overall cost was more important in the final booking decision. Hardin (2005) discussed the potential positive side of paying resort fees instead of an increased room rate. She stated customers should look at all costs, including taxes, which are often overlooked. In most states, resort fees are subject to sales tax but not occupancy tax. This affects the total cost of the room to the consumer. A reserved hotel room at a rate of \$250 per night will cost more to the guest than a room at a rate of \$220 with a mandatory \$30 resort fee simply because of the tax difference. Schwartz (2008) explored the advanced booking decision model as a theoretical framework to reveal how deal-seekers search and make booking decisions for travel destinations. The model described deal-oriented travelers review a variety of information when making booking decisions. He reported that resort fees were a factor in the decision-making process could yield interesting results into consumer behavior to assist hotel operators in determining resort fee implications.

The relevant literatures for rural lodging sites such as Litvin, Goldsmith, & Pan, (2008); Ng, David, & Dagger, (2011) reported that offer services were very important intangibility feature. Because consumers cannot evaluate the services before consuming it, the purchase process was inherently risky. This greater risk tends to increase the influence of interpersonal communication on customers' buying decisions. Moreover, the quality certification schemes for rural lodging sites, unlike those for hotels, vary widely, which makes it very difficult for customers to interpret certification logos and assess the quality of each establishment. So most customer prefer to purchase these services independently, rather than relying on professional advice from a travel agent, and the Internet had emerged as a primary source of rural lodging sites information (Hernández-Maestro, 2010; Hernández-Maestro et al., 2007). These various factors combined to make eWOM (electronic word of mounth) especially valuable for rural lodging guests. Because hospitality offerings tend to be seasonal and perishable, as well as characterized by a highly competitive environment, eWOM also could produce important competitive advantages for the sites and their owners. In particular, it represented a low cost method to learn about customers' perceptions and needs, as well as communicate with many potential customers with greater marketing efficiency (Bughin, Doogan, & Vetvik, 2010; Ye, Law, Gu, & Chen, 2011). In turn, understanding online interpersonal influence, as provided support eWOM, was critical for small, rural lodging sites, which tend to suffer from scarce resources. Trusov, Bucklin, & Pauwels, (2009) reported that among the various communication channels rural lodging sites use, a relatively new but highly influential online communication model relies on infomediaries, that is, web pages that include products from different providers and customer reviews. Infomediaries effectively link producers and consumers and may create a more dynamic market by providing consumers with information more quickly. When the website posts more information, it has greater value for readers.

The relevant literatures for impact of customer reviews such as Chevalier and Mayzlin (2006), Pathak et al. (2010), and Zhu and Zhang (2010) all revealed that the number of online reviews positively affect its business performance. In other studies by Duan et al., (2008a, 2008b); Liu, (2006) and Ye et al. (2011) found that the volume of online reviews, separated from the ratings, emerged as the primary influence on sales even specify a positive relationship between the number of reviews and the number of bookings for hotels. Such measures refer only to the number of reviews, not their positive or negative tone. Thus it appeared that more reviews increase consumers' awareness of the lodging sites, such that any publicity (positive or negative) may be good publicity (Cheung & Thadani, 2012; Duan et al., 2008a, 2008b; Liu, 2006; Vermeulen & Seegers, 2009).

## Method

### Participants

The researcher selected a convenient sample of 95 regular students enrolled in hotel management of Khon Kaen University. The average age of the participants was 18.39 year with an SD of .755 year. The collection of data occurred within the consumer behavior in hospitality industry class. Out of 92 participants, a total of 95 usable responses were returned (with a response rate of about 96.8%)

### Instrument

The selecting scale was developed initially by qualitative synthesis to identify possible decision-making items for selecting alternative accommodation among subjects. The results from the literature review synthesis in qualitative method then will be used for the questionnaire design for the next stage. The preliminary scale (with 28 items) was administered on 95 students of Khon Khan University. They were asked to rate the important attributes for selecting alternative accommodation items on a five point Likert scale (ordinal measurement scale) with '5' indicating much more, '3' indicating neutral and '1' indicating little. Depending on the feedback received, required modifications were made in the instruction part of the scale as well as in the items used to make the scale more objective and usable.

### Procedure

After the prototype testing, when the instrument was ready for use, it was administered on 95 subjects. The scale was initially explained to the participants in small groups. They were asked to go through the instructions properly, before rating the items in a five point scale. The participants were introduced that the all items in the scale was attributes of alternative accommodation. The participants were introduced that the alternative accommodations include guest houses, service apartments, commercial homes/B&B. Each participant was given a copy of the scale and was asked to fill it independently without discussing the answers with others during the assessment. The instrument consist of 28 variables on which the respondent has to

respond on five point scale and 1 open-ended question for other variable as their suggestions. It was found that out of the total sample of 95; only 92 usable responses was returned. The responses of some of the participants were either incomplete or blank. These responses were rejected. The responses of 92 participants, who responded carefully to all the 28 items in the measurement scale, were retained for further analysis (Table 1).

## Results

In the process of analyzing the data, score variability and mean (descriptive statistics) were used to analyze and select the items in the scale. The mean and standard deviation of each item was calculated. Items with lower standard deviation ( $SD < 1$ ) were selected for further use in the final scale as they represent greater unanimity among the participants. This was the only criterion for selection as greater comparability of scores affecting a person will not be possible if there is very wide variability in the perceived important attributes. In this process out of 28 items, only 24 were selected for the final scale (Table 2). These items with less SD also happened to have higher mean (3.55, 4.17), this was in line with the concept of homely atmosphere and non-smoking room being always importance accepted by the students. The rest of the items were rejected not because they do not relate the important attributes but because there is less agreement in rating.

**Table 1. Mean and SD of all the items used in the preliminary important rating scale**

Number of the items	Mean	Standard Deviation
1	4.47	.702
2	3.59	.713
3	3.55	1.052*
4	4.84	.498
5	4.86	.434
6	4.48	.777
7	3.83	.765
8	3.30	.899
9	3.74	.754
10	4.77	.537
11	3.34	.952
12	4.38	.608
13	4.49	.734
14	3.85	.864
15	4.23	.800
16	3.52	.920
17	2.73	1.080*
18	3.49	.777
19	3.92	.917
20	4.39	.726
21	2.86	1.306*
22	4.17	1.012*
23	3.54	.988

24	4.58	.615
25	3.40	.973
26	3.59	.974
27	4.11	.831
28	4.49	.564

\*stands for items which are not selected.

**Table 2. List of selection items in the scale**

No.	List of selection items	Mean value
1	Own space	4.47
2	Wanted a change	3.59
3	Hygiene	4.84
4	Security	4.86
5	Food quality	4.48
6	Something different	3.83
7	Local environment	3.30
8	Flexibility stay	3.74
9	Value for money	4.77
10	Local lifestyle experience	3.34
11	Readily available	4.38
12	Not exorbitantly price	4.49
13	Number of reviews (on line)	3.85
14	Personalized hospitality	4.23
15	Interaction with locals	3.52
16	Local culture	3.49
17	Avoid the crowd	3.92
18	Cordial relationship with host	4.39
19	Swimming pool	3.54
20	High speed internet	4.58
21	Hot tub	3.40
22	Fitness centre	3.59
23	Room service	4.11
24	Set price range	4.49

## Conclusion

The purpose of this paper was to develop a scale to measure the attributes factors that influence visitor decision making when select alternative accommodation. The study was based on the inductive approach with an initial proposal of the relevant literatures for qualitative synthesis as referring above, summing up to 28 items. Results revealed the statistical relevance of 24 items out of the 28. The researcher recommends that this scale should be further tested and investigated on other domains of attributes and countries to further validate the findings.

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