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# EXPLORING THE ACCOMMODATION TYPES DIFFERENCE BY AGE GROUPS

## Abstract:

This paper aimed to identify accommodation type that best fits for each customers' segment. The study aimed determine how difference between customers groups when choosing types of accommodation, based on a questionnaire survey and descriptive statistical analyses of ANOVA (age groups). Results obtained may serve as a useful reference for the owners of accommodation. The output of the ANOVA analysis for type of accommodation had a statistically significant difference between type means. Therefore, there is a statistically significant difference in the all types of accommodation except hotel between age groups which they had attended. Based on these results, marketing implications were suggestion and discussed.

## Keywords:

market segment, difference, accommodation, customer, marketing

**JEL Classification:**  A10, A10

## Introduction

A key factor for increased tourism industry development is facilities for travelers such as accommodation, transportation, security, and traveling information. Kasikornbank research center (2016) reported that there is a growing trend in the accommodation business sector due to the increasing number of travelers in 2016. The large accommodation scale results in a significant expansion in both Bangkok and the other provinces, including expanding business overseas. Medium and small accommodation sectors invested in the design of a unique building to attract travelers from their new experience including pricing strategy by value for money with service quality and lower cost. This supported the government's campaign to, increase the frequency of domestic flights and transportation alternates thereby, encouraging travelers to broaden their travel destination to include minorcities and geographical area in Thailand. Alternate accommodations refer to hostel sites such as guest houses, service apartments and commercial homes that provide paid lodging to the customers on short-term period. They differ from the traditional hotels in terms of the limited services provided with intrinsic cues and local culture. Commercial homes refer to accommodation where guests pay to stay in private homes, where interaction takes place with a host and/or family usually living in the premises. Alternate accommodations focus on satisfying customer needs in a competitive environment. The owners provide customers with rooms that are clean and neat as they are able to furnish, depending on the services quality level and standard of the accommodation.

## Literature review

A number of studies have examined hotel selection, the impact of customer reviews by travelers, and the factors that led some to choose the alternate accommodation, and example, Gunasekaran N. and Victor Anandkumar (2012) found that there were four factors, consisting of homely atmosphere, value for money, local landscape and guest-host relationship, had an affect on customer decision to choose the alternate accommodation. They found that value for money perception of the costomers concerning alternate accommodation. The research area was at Pondicherry, a heritage coastal town in India. Studies for rural lodging sites such as Litvin, Goldsmith, & Pan, (2008); Ng, David, & Dagger, (2011) revealed that accommodation services were a very important intangible feature. The purchase process was inherently risky, because customers could not evaluate the services before check in. They recommended increasing interpersonal communication on customers' buying decisions. They found that most customers prefer to purchase accommodation services independently, rather than relying on professional advice from a travel agent, and that the Internet had emerged as a primary source of rural lodging sites information on rural lodging sites (Hernández-Maestro, 2010; Hernández-Maestro et al., 2007). Trusov, Bucklin, & Pauwels, (2009) found that among the various communication channels rural lodging sites use, highly influential online

communication model relies on infomediaries, or web bloggers that gather information from different accommodation service providers and customer reviews. When the web bloggers post more information, it resulted in had greater value for readers. Studies concerning the 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 and there were  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).

The research conceptual framework model that is being explored is shown in figure 1.

Independent variables                    Dependent variables

Ranking of short-term accommodation preference to be mesured

1. Hotel
2. Resort hotel
3. Service apartment
4. Motel
5. Motor hotel
6. Guesthouse
7. Pension
8. Bed and breakfast unit
9. Bungalow
10. Time-share unit
11. Holiday home
12. Cottage on mountain
13. Hostel
14. Tent campground
15. Cabin

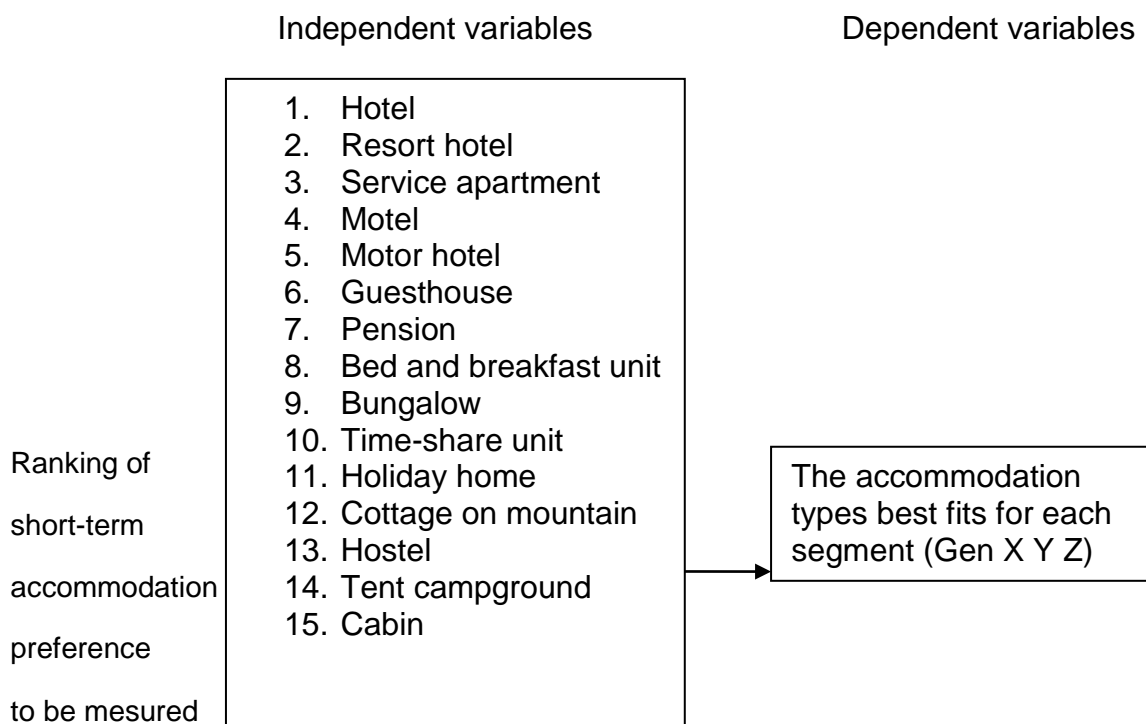The accommodation types best fits for each segment (Gen X Y Z)

Figure 1. research conceptual model

This paper aimed to identify accommodation type that best fits for each customers' segment as represented in figure 1 which depicts the studies conceptual framework. The study aimed determine how difference between customers groups when choosing types of accommodation, based on a questionnaire survey and descriptive statistical analyses of ANOVA (age groups). Results obtained may serve as a useful reference for the owners of accommodation.

**Methodology**

*Research Design*

Qualitative and quantitative methods were used for this study. The questionnaire was based on the inductive approach with an initial proposal based on relevant studies for qualitative synthesis. The measure of internal consistency of researchers was tested by Cronbach's alpha coefficient value. The alpha coefficient for the 14 variables was 0.880, revealing that the variables had relatively high internal consistency.

Data collection

A self-administered questionnaire with two sections was developed for use as the data collection. The survey instrument was organized in to two sections as follows:

Section 1 collected information on respondents' demographic data and use frequency distribution based on gender, age, education level, and income level.

Section 2 was designed to ranking and exploring the popular accommodation types for short stay by age groups (Gen X=31-51, Gen Y=22-30, and Gen Z=18-21) by mean score and the univariate null hypothesis of ANOVA (age groups).

Therefore, null hypothesis would be:

$H_0$ : The mean rating for accommodation preference is the same in the gender groups.

$H_1$ : The mean rating for accommodation preference is not the same in the gender groups.

If the p-value (significance level) is less than 5% (.05) reject the null hypothesis and accept the alternative hypothesis.

Data collection was conducted on randomly selected days over  two-month period. Target respondents included people in Thailand aged 18 – 51 years (Gen Z =18-21, Gen Y =22-30 and Gen X =31-51) who have had leisure traveling experience. The survey was conducted with people who were working and studying in Bangkok. A total of 520 questionnaires were distributed on May-June 2016. It was found that out of 520; only 488 usable responses were completed (with a response rate of 93.8%). All of whom responded to the 24 variables in the measurement scale, and were used for further analysis.

**Results**

Respondent Profiles

Of the 488 suitable respondents, 59.8% were female, 40.2% were male. Resulting in 19.6% more female respondents than male respondents. The respondents were composed primarily of Gen Y (22-30 years) accounting for 34.4%, Gen X (31-51

years) 33.6% and Gen Z (18-21 years) 32% of the respondents. Other demographic data are given in Table 1.

Table 1. Demographic Profiles of Respondents (N=488)

|  | Frequency | Percentage (%) |
|---|---|---|
| Gender |  |  |
|   Female | 292 | 59.8 |
|   Male | 196 | 40.2 |
| Age (years) |  |  |
|   18-21 | 156 | 32.0 |
|   22-30 | 168 | 34.4 |
|   31-51 | 164 | 33.6 |
| Education |  |  |
|   College and below | 155 | 31.8 |
|   University | 306 | 62.7 |
|   Graduate school | 27 | 5.5 |
| Monthly household income (Baht/USD in parentheses ) |  |  |
|   Less than 10,000  (285) | 168 | 34.4 |
|   10,001-15,000 (286-427) | 195 | 40.0 |
|   15,001-20,000 (428-570) | 100 | 20.5 |
|   20,001 or above (571 or above) | 25 | 5.1 |

Exploring the popular accommodation types for short stay by age groups

The univariate null hypothesis of ANOVA (age groups). The descriptive table (see Table 2) provides some very useful descriptive statistics, including the mean, standard deviation and 95% confidence intervals for the dependent variable for each age group (Gen X=31-51, Gen Y=22-30, and Gen Z=18-21), as well as when all groups are combined (Total).

Table 2. Mean preference rating by age groups

| Types of Accommodation | Age | N | Mean | Std. Deviation |
|---|---|---|---|---|
| Hotel | 18-21 | 156 | 3.88 | .819 |
|  | 22-30 | 168 | 3.92 | .709 |
|  | 31-51 | 164 | 4.06 | .671 |
|  | Total | 488 | 3.96 | .736 |
| Resort hotel | 18-21 | 156 | 3.87 | .763 |
|  | 22-30 | 168 | 4.16 | .712 |
|  | 31-51 | 164 | 4.05 | .769 |
|  | Total | 488 | 4.03 | .756 |
| Service apartment | 18-21 | 156 | 3.72 | .793 |
|  | 22-30 | 168 | 3.37 | .747 |
|  | 31-51 | 164 | 3.09 | .750 |
|  | Total | 488 | 3.39 | .803 |

| | | | | |
|---|---|---|---|---|
| Motel | 18-21 | 156 | 3.81 | .825 |
| | 22-30 | 168 | 3.36 | .835 |
| | 31-51 | 164 | 2.87 | .818 |
| | Total | 488 | 3.34 | .910 |
| Motor hotel | 18-21 | 156 | 3.90 | .914 |
| | 22-30 | 168 | 3.66 | .908 |
| | 31-51 | 164 | 3.41 | .913 |
| | Total | 488 | 3.66 | .931 |
| Guesthouse | 18-21 | 156 | 3.76 | .851 |
| | 22-30 | 168 | 3.68 | .843 |
| | 31-51 | 164 | 3.13 | .921 |
| | Total | 488 | 3.52 | .915 |
| Pension | 18-21 | 156 | 3.76 | .875 |
| | 22-30 | 168 | 3.35 | .812 |
| | 31-51 | 164 | 2.95 | .881 |
| | Total | 488 | 3.34 | .915 |
| Bed and breakfast unit | 18-21 | 156 | 3.92 | .831 |
| | 22-30 | 168 | 3.81 | .861 |
| | 31-51 | 164 | 3.43 | .966 |
| | Total | 488 | 3.72 | .912 |
| Bungalow | 18-21 | 156 | 3.71 | .827 |
| | 22-30 | 168 | 3.60 | .937 |
| | 31-51 | 164 | 3.26 | .899 |
| | Total | 488 | 3.52 | .908 |
| Time share unit | 18-21 | 156 | 3.86 | .823 |
| | 22-30 | 168 | 3.38 | .894 |
| | 31-51 | 164 | 2.93 | .890 |
| | Total | 488 | 3.38 | .947 |
| Holiday home | 18-21 | 156 | 3.90 | .856 |
| | 22-30 | 168 | 3.76 | .879 |
| | 31-51 | 164 | 3.05 | .958 |
| | Total | 488 | 3.57 | .972 |
| Cottage on mountain | 18-21 | 156 | 3.85 | .978 |
| | 22-30 | 168 | 3.61 | .997 |
| | 31-51 | 164 | 2.98 | .984 |
| | Total | 488 | 3.47 | 1.051 |
| Cabin | 18-21 | 156 | 3.78 | .918 |
| | 22-30 | 168 | 3.40 | .974 |
| | 31-51 | 164 | 2.90 | .948 |
| | Total | 488 | 3.35 | 1.011 |
| Hostel | 18-21 | 156 | 3.77 | .841 |
| | 22-30 | 168 | 3.44 | .887 |
| | 31-51 | 164 | 2.74 | .826 |
| | Total | 488 | 3.31 | .951 |
| Tent campground | 18-21 | 156 | 3.79 | .887 |
| | 22-30 | 168 | 3.28 | .972 |
| | 31-51 | 164 | 2.75 | 1.011 |
| | Total | 488 | 3.26 | 1.046 |

ANOVA for types of accommodation

Table 2. shows the output of the ANOVA analysis for type of accommodation and whether we have a statistically significant difference between type means. To determine whether the one-way ANOVA was statistically significant you need to look at the "Sig." column. We can see from the table that we have a "Sig." value of 0.000 and 0.002 which means $p < .005$, *p-value* which is below 0.005, and, therefore, there is a statistically significant difference in the all types of accommodation except for hotel between age groups which they had attended.

Therefore, the researcher concludes that resort hotel, service apartment, motel, motor hotel, guesthouse, bed and breakfast unit, bungalow, time share unit, holiday home, cottage on mountain, cabin, hostel, tent campground was significantly dependent on age group which they had attended ($p < 0.005$).

Table 3. ANOVA for types of accommodation

| Types of accommodation | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| Hotel | Between Groups | 2.789 | 2 | 1.394 | 2.588 | .076 |
| | Within Groups | 261.307 | 485 | .539 | | |
| | Total | 264.096 | 487 | | | |
| Resort hotel | Between Groups | 7.199 | 2 | 3.600 | 6.434 | .002* |
| | Within Groups | 271.340 | 485 | .559 | | |
| | Total | 278.539 | 487 | | | |
| Service apartment | Between Groups | 31.464 | 2 | 15.732 | 27.025 | .000* |
| | Within Groups | 282.337 | 485 | .582 | | |
| | Total | 313.801 | 487 | | | |
| Motel | Between Groups | 71.982 | 2 | 35.991 | 52.699 | .000* |
| | Within Groups | 331.229 | 485 | .683 | | |
| | Total | 403.211 | 487 | | | |
| Motor hotel | Between Groups | 19.141 | 2 | 9.570 | 11.517 | .000* |
| | Within Groups | 403.023 | 485 | .831 | | |
| | Total | 422.164 | 487 | | | |
| Guesthouse | Between Groups | 38.617 | 2 | 19.308 | 25.366 | .000* |
| | Within Groups | 369.178 | 485 | .761 | | |
| | Total | 407.795 | 487 | | | |
| Pension | Between Groups | 52.625 | 2 | 26.312 | 35.925 | .000* |
| | Within Groups | 355.226 | 485 | .732 | | |
| | Total | 407.850 | 487 | | | |

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|---|---|---|---|---|---|---|
| Bed and breakfast unit | Between Groups | 21.872 | 2 | 10.936 | 13.845 | .000* |
| | Within Groups | 383.104 | 485 | .790 | | |
| | Total | 404.975 | 487 | | | |
| Bungalow | Between Groups | 17.574 | 2 | 8.787 | 11.092 | .000* |
| | Within Groups | 384.221 | 485 | .792 | | |
| | Total | 401.795 | 487 | | | |
| Time share unit | Between Groups | 69.468 | 2 | 34.734 | 45.822 | .000* |
| | Within Groups | 367.638 | 485 | .758 | | |
| | Total | 437.107 | 487 | | | |
| Holiday home | Between Groups | 67.740 | 2 | 33.870 | 41.888 | .000* |
| | Within Groups | 392.161 | 485 | .809 | | |
| | Total | 459.902 | 487 | | | |
| Cottage on mountain | Between Groups | 65.592 | 2 | 32.796 | 33.695 | .000* |
| | Within Groups | 472.061 | 485 | .973 | | |
| | Total | 537.654 | 487 | | | |
| Cabin | Between Groups | 62.362 | 2 | 31.181 | 34.740 | .000* |
| | Within Groups | 435.309 | 485 | .898 | | |
| | Total | 497.670 | 487 | | | |
| Hostel | Between Groups | 88.315 | 2 | 44.157 | 60.783 | .000* |
| | Within Groups | 352.341 | 485 | .726 | | |
| | Total | 440.656 | 487 | | | |
| Tent campground | Between Groups | 86.279 | 2 | 43.140 | 46.847 | .000* |
| | Within Groups | 446.620 | 485 | .921 | | |
| | Total | 532.900 | 487 | | | |

\* $p < .005$

The results of this ANOVA  as following:

1.  Generation Y (22-30 years) prefer resort hotel more than others.

2.  Generation Z (18-21 years) prefer service apartment more than others.

3.  Generation Z (18-21 years) prefer motel more than others.

4.  Generation Z (18-21 years) prefer, motor hotel more than others.

5.  Generation Z (18-21 years) prefer guesthouse more than others.

6.  Generation Z (18-21 years) prefer bed and breakfast unit more than others.

7.  Generation Z (18-21 years) prefer bungalow more than others.

8.  Generation Z (18-21 years) prefer time share unit more than others.

9.  Generation Z (18-21 years) prefer holiday home more than others.

10. Generation Z (18-21 years) prefer cottage on mountain more than others.

11. Generation Z (18-21 years) prefer cabin more than others.

12. Generation Z (18-21 years) prefer hostel more than others.

13. Generation Z (18-21 years) prefer tent campground more than others.

## Implications

In order to satisfy the customers, the alternate accommodations should focus security together with recreational facilities, local landscape, and special services. A alternate accommodation  should offer local life experience with relaxed atmosphere in accommodation surroundings, including rooms. The pricing strategy adopted by alternate accommodations could be specified as economically priced. Alternate accommodations distribution strategy heavily relies on information technology, social media, and internet. Any promotion advertising themes should focus on security, recreational facilities, local landscape, availability of special services, and the owner of the accommodation.

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