

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

**CUSTOMER EXPERIENCE IN CITY HOTELS –
THE PRE-VISIT STAGE: A FOCUS ON CUSTOMERS' EXPECTATIONS.**

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Abstract

The research aims to analyze some important aspects of customer experience in city hotels visited for leisure purposes, and it focuses on the pre-visit stage of customer experience. The paper identifies two main types of guest expectations in city hotels, basic and unexpressed expectations, which are demonstrated to be significantly sensitive to different hotel categories.

Keywords: City Hotels, Customer Experience, Customer Satisfaction, Expectations.

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1. Introduction

Customer experience can be defined as “any sensation or knowledge acquisition resulting from some level of interaction with different elements of a context created by the service provider” (Gupta e Vajic 2000). It comes as an extension of the “experience economy”, a concept that was introduced in the late nineties and was described as the fourth wave in the economic progression (Pine II e Gilmore 1998).

In recent years customer experience has attracted increasing attention and importance in all businesses (Godovykh e Tasci 2020) and is often used as a tool for differentiation and competitive advantage (Gentile, Spiller e Noci 2007). In fact, 85% of business management believes that customer experience is the main competitive advantage, more meaningful than price, product, and quality (Godovykh e Tasci 2020). Moreover, a positive customer experience and subsequent positive word of mouth (WoM) are demonstrated to increase efficiency and minimize issues and complaints from customers (PwC 2017).

In hospitality customer experience is everything, it is the core of the whole industry (Kandampully, Zhang e Jaakkola 2018). It is the main indicator of quality service, and it is one of the few tools that players can use to increase the loyalty rate of guests.

In this sector, customer experience is the result of all interactions of the guest with the service provider, and it can usually be divided into three different stages: pre-visit, onsite, and post-visit (Godovykh e Tasci 2020). It follows that customer experience in hospitality is complex, as it does not only depend on accommodation, food and beverage outlets, and staff, but also on supporting features including on-site technology, website, social media accounts, and online and offline interactions (Kandampully, Zhang e Jaakkola 2018). In order to improve the overall experience of the guests, it is essential to focus on each different stage and to understand what should be fixed, what could be implemented, and what kind of innovations could be introduced. In the context of city hotels, which is typically very fragmented and competitive, providing a seamless customer experience becomes even more essential. Usually, guests intend to stay there

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only for a short time – a maximum of one week – and expect to receive the best service while enjoying the city (Walker 2020).

After the rise of alternative accommodations, such as “Airbnb” (O'Brien 2022), it is crucial for hotel managers to keep high standards in all departments and to always provide an innovative and fulfilling experience, which is what attracts guests to hotels.

This paper has the objective to develop a thorough analysis on the first stage of customer experience, and it is structured in six sections: the brief introduction is followed by the research proposal, the choice of research, and the context of the study; a literature review on the specific topics is then presented and introduces the main research question of the paper.

2. Research Proposal

The study aims to fill some precise research gaps identified in the pre-visit stage of customer experience.

The specific stage is analyzed through a research on guests' expectations and their sensitivity to different hotel categories, followed by a presentation of managerial implications driven by the findings. The research question is the following: what are customers' expectations in city hotels visited for leisure purposes, and are these expectations sensitive to different hotel categories?

Overall, the study will provide insights on how to improve customer experience in city hotels when visited for leisure purposes.

3. Choice of Research

The author of this paper had the opportunity to obtain a summer internship in a city hotel located in Paris, and to work on an interesting challenge during the summer of 2022. The hotel is endorsed by a famous brand (premium category), and the challenge aimed to find strategies to attract more leisure customers during the summer months, which usually display lower occupancy rates compared to other periods of the year in Paris.

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During the internship, the author was kindly hosted by the property, and could thus observe all the operations and the management practices from within, as well as try to understand the attitudes and thoughts of its guests.

This has inspired the choice of research, as the centrality of customer experience was widely recognized during the project. The importance of being customer-centric emerged from the experience and led to a growing interest in analyzing the topic in its entirety, and in understanding what some practices to improve the overall guest experience could be.

The desire to learn more about the topic was also driven by the content of some courses attended at Nova School of Business and Economics during the academic year 2021-2022, where the student had the opportunity to discover some theories related to customer experience and to build some theoretical background about it, as well as to develop some skills on the matter.

4. Context of the Study: The Parisian Tourism Sector

Tourists who decide to visit Paris are mostly driven by their willingness to experience the Parisian lifestyle. According to statistics, Paris is ranked to be the leading capital city in terms of cultural attractions worldwide with 4,206 cultural sites open to the public in June 2021. This factor represents a great competitive advantage when compared with other European cities; for instance, Paris has 2,726 sites more than Milan (Italy) which shows only 1,480 sites (STATISTA 2021).

Outstanding is the performance of the Louvre Museum, which is ranked as the most visited museum in the world, obtaining an estimate that ranges between 2.7 and 2.8 million visitors during Covid-19's years and 9.6 million in 2019 (Themed Entertainment Association 2022).

A crucial factor is played by the transport accessibility of the city, which makes the entire customer journey more enjoyable for guests. A study conducted by Christie & Co underlines how the powerful transportation system (including airport, public transport, and railway accessibility), ranked among the best in Europe and France, is one of the many drivers for

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Parisian tourism’s success (Christie&Co France 2020).

Studies have recognized three main tourist districts in the city of Paris, which are Île de la Cité, Montmartre, and the Opéra district, with each of them showing unique features in terms of historical importance and presence of cultural and shopping attractions.

Historically, the Opéra district, neighbourhood in which the city hotel where the author worked during the internship is located, registers the highest number of five-stars hotels in the entire city, due to its proximity to the famous “Galeries Lafayette Haussmann” and to many companies' headquarters (as “Le Figaro” Newspaper) (Pearce 1998).

In 2021, a year after Covid-19’s outbreak, the number of hotels in the city was 1,611, divided into the following categories (Insee 2022):

Hotel Category	Number of Properties
Unclassified	201
One-star Hotels	22
Two-star Hotels	171
Three-star Hotels	696
Four-star Hotels	426
Five-star Hotels	95

Table 1: Hotels in Paris in 2021.
Source: Insee, 2022.

Moreover, the number of Airbnb in Paris counts 56,739 listings divided between apartments/entire homes, private rooms, hotel rooms, and shared rooms (Inside Airbnb 2022), making it the second city after London per number of listings on the platform in 2022 (Inside Airbnb 2022).

According to the newspaper “Le Monde”, the capital city of France is expected to reach 33 million visitors by the end of the year 2022, an amount that has already impacted positively the entire hotel industry, that reached an average occupancy rate of 75% in May (Le Monde 2022).

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Although the tourism and travel sector contributed 210.7 billion euros to the French GDP only in 2019 (WTTC 2021), one should also consider the downside of excessive tourist arrivals and the implication on the city and its citizens.

4.1. The Tourism Destination Triad

As the guest journey and customer satisfaction involve not only direct touchpoints with the hotel but also indirect ones, the service experience is highly affected by external variables affecting the customer outside of the property (Marc Stickdorn 2009).

In the specific case of the city of Paris, city hotels can benefit from unique urban branding linked to the style of the city itself and its historical legacy, which contributes to high expectations during the pre-service stage and to a desire for specific experiences, such as the shopping ones (Rabbiosi 2015).

All the factors described imply a certain relationship between Parisian attractions and hotels, where it is necessary to include destination management organizations (DMOs).

Research conducted by Sheehan, reports that city hotels are part of the so-called “tourism destination triad”, a unique relation between the three stakeholders previously listed. The author states that hotels’ role in promoting a destination begins with the promotional pricing offered to its guests, whereas DMOs, who play the role of coordinators, should be in line with the city’s visions and goals for the future. City institutions, to this extent, are the ones in charge of regulating financial resources with the aim to protect and guarantee the public good (Sheehan 2007).

After the easing of Covid-19 restrictions during the second and third quarters of 2022, cities have experienced a drastic increase in arrivals, that put to test hotels and tourist hotspots (The Guardian 2022) – which underlines how the tourism triad has failed during the last year.

4.2. City Hotels

City hotels are properties located in the center of a city, usually in a strategic location that allows

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guests to easily reach tourist attractions and public transportation. These features have made city hotels the preferred choice for leisure customers and corporate travelers in history (O'Neill 2018).

City hotels, likely any other type of hotels, differ depending on size, segments served, and type of services offered to guests. According to studies, city hotels located in the finest locations have higher average room rates (ARR) when compared to competitors located in distant areas (Shoval 2006).

5. Literature Review

5.1. The Experience Economy

To better understand the context of the study and the findings of the research, a literature review was conducted on the topic of customer experience, and in particular on customer experience in the hospitality industry.

The concept of customer experience as we perceive it nowadays has originated from what is known as the “experience economy”. This term was first used in 1998 by two American authors, B. Joseph Pine II and James H. Gilmore. They argue that the history of economic progress can be summarized in four stages, which are tied to the progression of economic value.

The first step relates to “commodities”, which are undifferentiated and have to be sold at market value, followed by “goods”, which are commodities processed up to a certain degree and can be priced accordingly.

The third stage is the one of “services”, which involves a particular type of activity and delivers them directly to customers. Services can guarantee a competitive position in the market, even though this might also be applicable to goods sometimes.

The fourth stage introduced by the authors is the one of “experiences”.

Up to that moment, economists used to tie services and experiences together, when, in reality, they are two distinct economic offerings. Experiences are “as real as (...) any service, good, or commodity” (Pine II e Gilmore 1998), and for this reason constitute a different step of economic value progression.

Experiences combine services and goods to engage customers and leave them with a great memory. They should be designed to be engaging and should require a fee. As cited in the

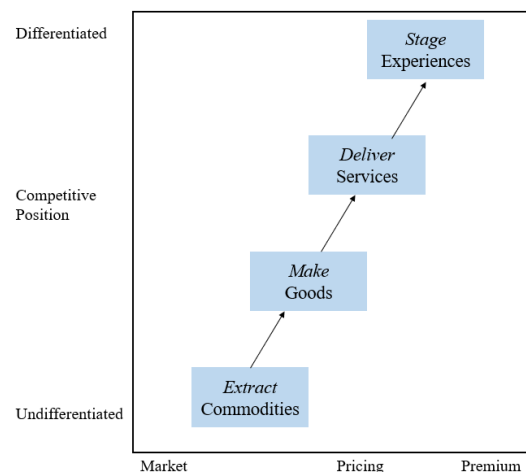


Figure 1: The Progression of Economic Value.
Source: “The Experience Economy”, Pine & Gilmore, 1998 – own representation.

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article, “commodities are fungible, goods tangible, services intangible, and experiences memorable”. It follows that experiences are highly subjective, and thus it is extremely unlikely for two people to report the same level of involvement. Nowadays, the experience economy is a widely used concept in the hospitality and leisure industry, whose primary goal is to provide high-quality experiences (Mehmet e Engen 2011).

5.1.1. Dimensions of Experience

As for goods and services, experiences have their qualities and characteristics as well. Following Pine and Gilmore’s research article (1998), there are two main dimensions to consider: “customer participation”, the degree of involvement of the customer, and the “connection” of the customers to the surroundings (Hosany e Witham 2009).

Customer participation can either be “passive”, where customers are not involved in the performance, or “active”, where they are deeply involved. Connection, or environmental relationship, also has two extremes in the spectrum: “absorption”, which happens when the customer is involved in the experience but not completely, and “immersion”, which is realized when customers are totally immersed in “sights, sounds, and smells around them” (Pine II e Gilmore 1998).

These two dimensions can help to categorize experiences in four different sets (the four E’s): entertainment, educational, esthetic, and escapist.

Entertainment includes all those activities where participation is rather passive and customers are absorbed in the activity; an example is watching a football match on tv.

Educational experiences involve active participation from customers while still being in a state of absorption, because they perceive themselves as external to the event; an example is participating in a workshop. Escapist experiences usually display active participation, but customers are immersed in them; this happens for example when playing in an orchestra. The fourth “realm” of experience is the escapist: customers show little involvement in the activity

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(passive participation), but they are immersed in it with all their senses; this is the case for visitors of an art gallery (Pine II e Gilmore 1998).

Experiences in the tourism sector can touch three of the four dimensions: they can be educational when tourists expect to increase their knowledge or acquire new skills (Şeker e Unur 2022); they can be escapist when tourists engage actively in activities in order to escape from the rush of modern life, and they can be esthetic when guests lose themselves in admiring landscapes or immersive ambience. Entertainment is less frequently realized, as there is either some degree of participation or immersion when considering an experience in the tourism sector.

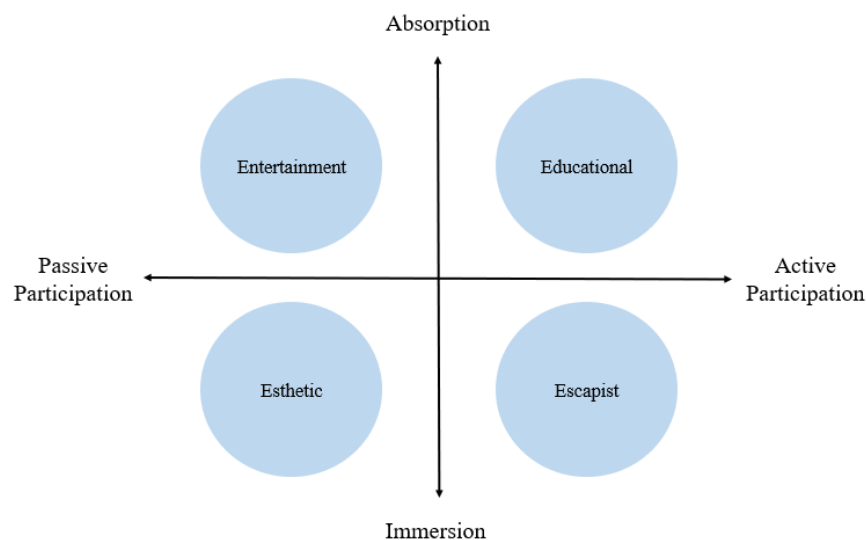


Figure 2: The Four Realms of Experience.
Source: “The Experience Economy”, Pine & Gilmore, 1998 – own representation.

5.2. The Stages of Experience: Customer Journey

Guest experience can be defined also as “an individual's immediate or ongoing, subjective and personal response to an activity, setting or event outside of their usual environment” (Packer e Ballantyne 2016). This means that the experience starts from internal reactions (concepts and beliefs) triggered by physical and social stimuli through guests’ attributes (past experiences, passions, and expectations). This then leads to guest interpretations and to the creation of impressions (memories and narratives).

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This continuum coincides with three phases of experience: pre-visit, onsite, and post-visit (Godovykh e Tasci 2020), and is also called customer journey.

The customer journey consists of a series of touchpoints between the customer and a service, product, or brand. The most significant steps of the hotel guest journey are the following (Operto 2022):

- Inspiration and research (pre-visit): it refers to all the steps the guest goes through before deciding to book any stay. The touchpoints can be word of mouth, online travel platforms (OTAs), social media, and influencers.
- Booking (pre-visit): this happens when the guest checks prices and online reviews and books the stay through OTAs, the official website, or by calling the hotel directly or sending an e-mail to the front desk.
- Pre-arrival planning (pre-visit): it begins when the guest books the stay and ends when the guest arrives at the hotel. During this step guests typically search for activities to do at the destination and gather more information about their trip. Touchpoints will be many and very different, from websites promoting activities and excursions to magazines and social media.
- Check-in (onsite): when the guest physically arrives at the hotel. He/She will have the first approach with the hotel staff and observe the ease of access to the property and the room conditions.
- Stay (onsite): during this phase, the guest enjoys his time at the property. It ends with the check-out and will shape significantly, if not entirely, the opinion of the guest about the property. Touchpoints would be the hotel staff, the activities organised, a mid-stay contact (whenever applicable), and the hotel services.
- Check-out (onsite): the guest is ready to leave the property and is presented with the bill. This is a crucial moment, as it is the last opportunity for the hotel to intervene before

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the guest leaves a review in the booking engine or on the website.

- Review and post-stay (post-visit): the journey does not end once the guest leaves. He/She will remember the trip, share experiences with friends and family, write a review and come back if the opinion was positive, which could lead to the guest becoming loyal to the hotel. At this point, it is also necessary to understand the degree of customer satisfaction.

5.3. Understanding Customer Satisfaction through the Kano Model in the Tourism Sector

In 1984, Professor Noriaki Kano established a model to be used to measure customers' satisfaction with a product or a service purchased: the result comes from the difference between expected quality and perceived quality.

Due to its close connection to the final customer, the model has been applied in different tourism research and studies (Zobnina e Rozhkov 2018); (Albu 2009); (Mikulić e Prebežac 2016).

Firstly, the author sorted clients' preferences into five classifications (Kano 1984):

- “Must-Be Quality” refers to all the elements related to the product that can only create dissatisfaction whenever absent, but that are not drivers of satisfaction as they are considered essentials by customers.
- “One-Dimensional Quality”, also called desired quality, includes all the requirements that once met by the provider, make the guest more pleased.
- “Attractive Quality”: additional elements or unexpected services that can positively influence customer satisfaction and therefore also the competitiveness of the firm performing the superior service.
- “Indifferent Quality”: features that do not impact with their presence or absence the overall experience of the customer.
- “Reverse Quality”: elements that can highly create dissatisfaction when present – therefore the absence can drive guest's satisfaction.

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The change in customers' needs and wants makes the entire model extremely dynamic; indeed, attractive quality features get habitually considered as basic needs.

The empirical measurement of the Kano model is performed by examining clients' judgements through the conduction of a survey, which implies two questions (one functional and the other dysfunctional) to which respondents need to answer by using a scale composed of "I like it", "I expect it", "I am neutral", "I can tolerate it", "I dislike it". Each of the answers is then associated with one of the previously listed qualities.

Finally, the model is used to derive managerial decisions, using the Kano Diagram, which shows whether a service/product needs more investments to reach a different quality feature, depending on the level of satisfaction derived from it.

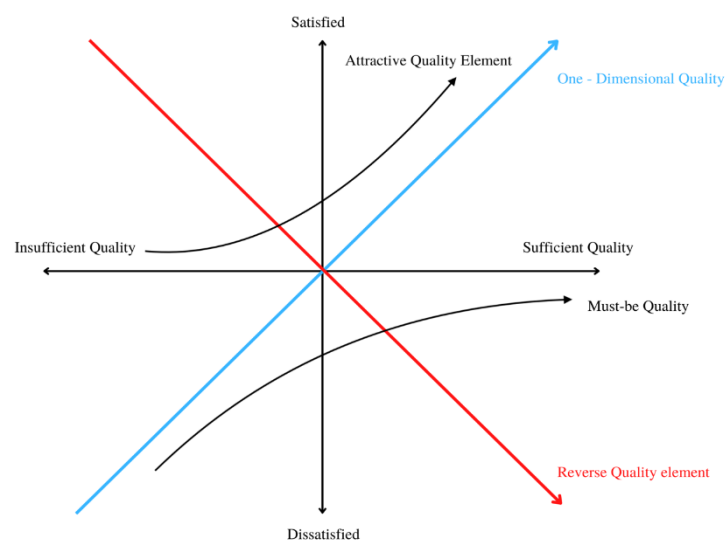


Figure 3: Kano Model Diagram.
Source: Kano, 1984 - own production.

5.4. The Hospitality Model

Another very useful model to be adopted whenever a guest interacts with an organization providing hospitality is the "Hospitality Model", created by Reuland, Choudry, and Fagel in 1985.

The model sees two actors involved, the "provider" and the "receiver" of hospitality, which create the "hospitality experience" whenever they meet.

The provider offers the service, which the receiver appreciates through the payment.

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The provider is characterized by three factors: the product, the behaviour, and the environment.

The product in the model refers to all the tangible elements of the hospitality offer that have a tradable value outside the context of hospitality, namely all the furniture of the accommodation.

The behavior explains the human element of the model, which is key to defining the whole experience. There are two types of behaviour: transactional and contextual.

Transactional behaviour underlines the direct interaction between the provider and the receiver, and can be either technical, whenever a task is performed according to the technical standards (check-in procedures, restaurant etiquette), or social, which implies the ability to connect with the receiver in the process of service delivery. In particular, this entails anticipating the unexpressed needs and wants of the guest and acting with empathy during the interaction with him/her.

On the other hand, contextual behaviour explains the indirect interaction between provider and receiver, which the guest usually creates by observing how the staff behaves with other guests. For example, whenever a guest sees other guests being treated kindly, he will create a good impression about the staff of the property, even if he did not have any direct interaction himself.

The third element is the environment, which can be classified as tangible (infrastructure, furnishing, art), and intangible, consisting of the atmosphere, the temperature at the location, and the particular perfume, and is also influenced by other guests. Product, behaviour, and environment should always be consistent and follow the same dynamics: the more consistent the formula is, the easier to communicate the nature of the provider to its receivers.

The second element of the model is the receiver. The receiver of the hospitality experience has a set of expressed and unexpressed needs and objectives, and is actively involved in the creation of the experience. “Maslow’s Hierarchy of Needs”, designed by Abraham Maslow in 1943, can be a helpful tool in assessing the main needs categories, as customers hardly express their needs clearly. The main goal should be to predict customers’ needs and to cater to their expectations,

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in order to achieve an exceptional customer experience. Maslow's hierarchy of needs can be expressed through a pyramid: at the bottom of the pyramid there are the most basic needs (physiological needs and safety needs), followed by psychological needs (belongingness and love needs, and esteem needs) whereas on top there are self-fulfilment needs (self-actualization).

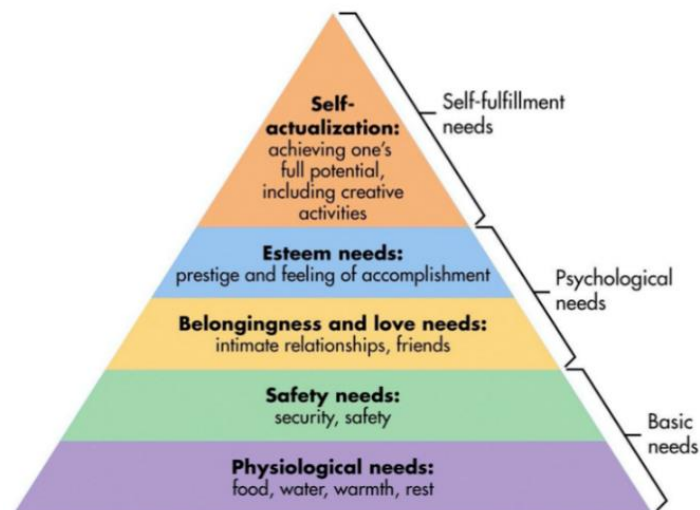


Figure 4: Maslow's Hierarchy of Needs.

Source: "A Theory of Human Motivation", Abraham Maslow 1943.

As for the objectives of the receiver of the hospitality experience, they usually remain unexpressed, yet they play an important role in the assessment of the quality of the experience. Finding the underlying objective of the guest allows the provider to serve him/her better and to develop stronger bonds. Possible objectives could be relaxation, enhancing social relationships, finding inspiration, solving a problem, and more.

It follows that the hospitality experience is a product of co-creation between provider and receiver, and comes from the match of product, behaviour, and environment to needs and objectives. A visual representation of the model can be found in Appendix 1.

This all leads to the importance of managing expectations. Expectations come from the receiver through needs and objectives, and are usually influenced by brand reputation. In order to have a positive customer experience, the hospitality experience must at least meet expectations. The more expectations are exceeded, the higher the guest satisfaction will be. Product, behaviour, and environment must be internally consistent, as to strengthen the formula and enhance the

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communication power, which influences expectations.

5.5. Nature of Expectations

Customer expectations are a set of ideas that customers create about a product, a service, or a brand, and constitute what they “believe or hope will happen in the future” (Cambridge Dictionary 2022).

It is essential to meet these expectations, as it will guarantee that guests feel heard and taken care of, and will leave them satisfied with the product or service.

Focusing on the hotel sector, it is safe to say that when guest expectations are met, the guests will feel passive or neutral about the hotel. They might be satisfied with the stay but will not feel passionate about the place. They can recommend the hotel, but the feedback will probably be mixed (ReviewPro 2020).

Instead, when expectations are exceeded, guests will be particularly pleased with the stay and their satisfaction rate will be high enough to leave them with a great memory. They are more likely to write a positive review and recommend the hotel to someone else (Mews 2022). This means that expectations need to be catered to with the highest level of accuracy in order to create memorability, and need to be used as a tool to retain loyal guests and attract new ones.

On the other hand, when expectations are not met, an expectation gap will generate, which is the difference between the customers' internal perception and their expectations (Zeithaml, Parasuraman e Berry 1990). Guests will feel frustrated and will be more likely to spread negative word of mouth, which will damage the reputation of the hotel. Thus, the expectation gap should always be avoided by all means possible.

In addition to this, following a report published by Deloitte, it seems that guests are likely to spend 140% more at organizations after a positive experience where expectations are met (Monitor Deloitte 2020), and this can be a more than valid reason for hotels and other services in the hospitality industry to close the expectation gap.

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When it comes to adapting products or rebranding spaces, hoteliers might forget the importance of customers' expectations and would tend to start by redesigning the change from operations instead of focusing on customers' needs and wants. That is, they could believe to be customer-centric while, in reality, the focus is on the supply side of the equation. Nowadays, being customer-centric is a critical element, and a comprehensive approach should always be adopted when innovating and transforming parts of the business.

All in all, understanding the expectations of customers for hotels nowadays could be used as a tool to improve customer experience and thus obtain higher guest satisfaction rates, which will generate great returns.

5.5.1. Guest Expectations in Hotels

Existing literature about guest expectations in hotels is extremely scarce, almost non-existent. The only articles on the topic are usually case studies referring to a single city, region, or country, and are thus not applicable to the scope of general research. There are also articles proposing alternative systems to rank hotels based on both preferences and expectations (Bi, et al. 2022), but no one reveals what the expectations truly are. The only trustworthy reference to guest expectations is to be found on websites from companies operating with property management systems (PMS) or managing online reviews, which are reliable sources but do not constitute any research. They do, however, constitute a good starting point for further analysis and leave space to be checked and validated.

What most guests expect from hotels nowadays, seems to be excellent service, personalization, and a good quality-to-price ratio (Mews 2022).

Excellent service is one of the most important requirements and is usually a determinant factor for a guest to decide whether to visit the hotel or not. Service entails many different departments of the hotel, including the personnel and the overall organization of operations. Personalization is also an underlying requirement of guests. It is usually difficult to grasp practically, but it is

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an important element to keep guests engaged and passionate about their stay. It is about connecting with guests on a more emotional level, and letting them feel taken care of. It starts with small details and particular attention to the guest (Mews 2022).

Lastly, guests really care about a fair quality-to-price ratio. It follows that the higher the rate people are required to pay for their stay in a hotel, the more they will expect. The perceived value needs to be above par in order to motivate guests to come back.

As already mentioned in the choice of research, this study will focus on city hotels. As previously introduced, city hotels are located in the central area of cities and meet the needs of the traveling public for business or leisure reasons. They offer a range of accommodations and services, and they generally include a named restaurant, a named bar, a lounge, meeting and convention rooms, and a ballroom (Walker 2020).

Regarding expectations for city hotels specifically, there is a total lack of literature. This was one of the main reasons why the authors decided to further investigate the topic and to provide insights on a subject that has not been directly addressed before.

5.6. Promotional Packages in Hotels

A great way for hotels to set the right expectations about the stay is to offer packages. Promotional packages sold by hotels usually include the room night (base product) together with other additional products or services. The most known package options are half-board, full-board, and all-inclusive – which is mostly sold by resorts and usually include either two meals, all meals, or both meals and drinks to be enjoyed at the property at a special price (Cvent 2021).

Packages constitute an opportunity to offer a personalized experience, and if the content is communicated correctly the guest will know in advance what to expect from the stay.

In the specific case of city hotels, literature lacks studies about the relevance of packages in maximizing revenues. This is because before the Covid-19 outbreak the corporate sector was a

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core business for city hotels, which did not have to spend any resources in attracting more guests to hotels. On the other hand, in February 2022, 42% of business travelers affirmed they did not intend to travel again for business purposes. This underlines the rise of a new travel concept named “bleisure travel” rooted in the idea of longer stays with higher flexibility for corporate travelers (Forbes 2022).

According to EHL Insights, the end of the pandemic has intensified competition among city hotels that need to diversify their identity and offers from rivals in order to attract more leisure customers (EHL Insights 2021).

Therefore, this has accentuated the importance of finding new ways to attract customers to city hotels. From the customer’s perspective, packages are a way to acquire different products at the same time, while from the property’s perspective, packages are marketing tools able to up-sell different products at the same time.

Scholars report that the experience and the service had during a stay are the two factors that gratify guests the most, and they also contribute to boosting their willingness to spend more (Hua 2020).

According to a study conducted by Statista, the creation of packages was the main distribution strategy during the second quarter of 2021 (Oracle 2021). Moreover, an investigation managed by Expedia Group states that packages that are well-tailored for a specific segment can drive more than 30% in average daily rates (ADRs) and cut down cancelations by four times (Maher 2018).

This leads to considering packages as a valuable tool for both improving customer experience and optimizing revenue management through different pricing strategies.

5.7. Pricing Strategies

In late 1980, revenue management was defined as a decision-making technique used to manage supply and demand in relation to prices and availability in the most efficient way. This

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quantitative process relies on three main cornerstones: fixed capacity, consumable resources, and pricing discrimination (Georgiana-Florina 2022).

As reported by scholars, the current trends in revenue management extended the concept to different areas such as business strategies, pricing strategies, forecasting, inventory, and price optimization, setting booking controls, distribution channel management, and performance analysis and evaluation (Nair 2019).

The science of revenue management is strongly tied to pricing strategies due to the complexity of the hotel sector, to global technology innovation, and to the recent crises (Ye 2022). Authors suggest that the pricing strategy adopted by a hotel varies depending on the position of the property itself against its competitors and its context.

Moreover, the competitive advantage of a hotel can be driven by pricing strategies and non-pricing strategies (Nair 2019). Consistent with what was stated by Ivanov in 2014, the most widely implemented pricing strategies in hotels are demand-based pricing, optional product pricing, psychological pricing, promotional pricing, and captive product pricing. On the other hand, non-pricing strategies are capacity management, over-contracting and booking, room availability guarantee, and length of stay control (Nair 2019).

5.7.1. Promotional Pricing

Promotional pricing is a technique used to boost sales and make the product more appealing. Therefore, promotional pricing proposes to buyers an additional value, an upgrade to the items they are buying (MAO 2016). The upgrade might involve different products, varying from tangible to intangible ones, with the aim to enhance the customer experience and increase revenues from the hotel's side. During the last few years, Airbnb has clearly demonstrated how intangible products, such as authentic experiences connected to the social and cultural environment, represent a gain-gain situation for guests and properties (Erose Sthapit 2018). The variety of experiences offered has marked the difference between the traditional idea of

accommodation and of promotional pricing, showing that the concepts of sensation tourism and experience tourism should be deepened by hoteliers (Brondoni 2016).

5.8. The “Human Touch” and its Relevance to Customer Experience

As with any other service industry, hospitality is a customer-facing industry. It depends on its employees working in departments where direct contact with guests is the cornerstone: the front desk department, the food and beverage department, and the housekeeping department. As a consequence of being constantly in contact with the public, these departments are the ones to receive appraisals from visitors (Schwindt 1998).

People working in hotels represent a significant portion of the customer experience excellence drivers. A well-motivated and satisfied workforce has been proven to impact positively guests’ experiences (Afshan Naseem 2011). As suggested within the hospitality model, consistency is essential in all hospitality elements; this also applies to employees, who should reflect the hotel culture in their actions with customers.

Authenticity in terms of interaction with guests can influence the service quality perception and their overall experience during their stay at the hotel (Melissen 2014). Consequently, it is indispensable to involve the internationalization of specific quality standards together with the financial performance of the property. Quality standards are driven by proper employee training, defining internal communication procedures, well-defined standard operating procedures (SOPs), and by setting the business goal. All of these elements need to be the result of a never-ending improvement process and investment from the hotel’s management side (TARÍ 2022).

Once resources have been settled, building an effective employee branding, defined as “behaviour in favour of the service brand”, is a human resource practice necessary to build a competitive advantage against competitors (Praveen Dhiman 2020). This can consistently contribute to building a true relationship with customers, which will be more likely to return to

the hotel, thus becoming loyal, and make good use of electronic word-of-mouth, which is particularly relevant in the industry.

5.9. Electronic Word-Of-Mouth

According to Hennig-Thurau, Gwinner, Walsh & Gremler (2014), electronic word-of-mouth (eWOM) communication is considered “any positive or negative statement made by potential, actual or former customers about a product or company which is made available to a multitude of people and institutions via the Internet”.

The hospitality industry is probably the most affected industry by this type of communication, and the impact of the eWOM phenomenon is particularly significant for the sector (Serra Cantalops e Salvi 2014).

During the last few years, there has been a significant increase in user-generated online reviews, with consumers communicating their opinions on hotel stays as well as seeking the opinions of others to support their choices when it comes to making a purchasing decision (UNWTO 2014). As a result, travelers are more actively using the Internet to search for travel content, organise trips, make online bookings and purchase tourism-related products and/or services (Bilgihan e Bujisic 2014). Thus, eWOM is an essential source of information in the purchasing decision, since it is difficult for customers to understand the value of a hotel service before consuming it (Sann, Pei-Chun e Chen 2021).

In addition, online reviews are directly related to the degree of customer satisfaction, and they can be described as the result of the success or failure of the customer experience. The customers who are most likely to post online reviews are those who had a bad experience or an extreme experience (extremely great or extremely bad), both positive and negative (Han e Anderson 2020). That said, the content of online reviews can impact the bottom line of an organization, particularly city hotels.

5.9.1. Influence of eWOM on Customers' Behaviour

Sotiriadis & Gursoy also concluded that tourists are influenced by several factors when it comes to using eWOM information as input in the final purchase decision. Some of these factors are (i) the perceptions of trust in the source of the review: understanding the usefulness of the recommendation or critic; (ii) the perception of the credibility of the source: understanding if this source usually influences the consumer's attitudes and intentions toward online reviews; (iii) the evaluation of reviews dimensions: understanding the context and the external factors which influenced that review; (iv) the nationality: customers from different countries have different behaviors; (v) the information quality dimensions; (vi) the gender and level of expertise influence consumers motivations to read online reviews; and (vii) the perceived benefits of the content of the social media as a useful and credible channel to collect information to support the final choice (Sotiriadis e Gursoy 2016).

Indeed, eWOM has different influences according to different perspectives: the consumer perspective, and the company perspective. Regarding the effects from the consumer



Figure 5: Main Impacts of eWOM from the consumer perspective.

Source: "New consumer behavior: A review of research on eWOM and hotels", Serra Cantallops e Salvi, 2014.

perspective, the main impacts are described in figure 6 (Serra Cantallops e Salvi 2014). Among these impacts, the focus will be on the variable "loyalty". Since it was not addressed in academic literature yet, one section of the study aims to develop research on the consequences and the degree of impact of eWOM communication on customers who are already loyal, according to distinct stages of attitudinal loyalty, such as cognitive, affective, and conative loyalty, to be explained in the next paragraph. In contrast, from the company

perspective, it is confirmed that hoteliers consider online reviews a key element to understanding customer needs, since 77% of hotel industry professionals worldwide stated that customer needs are the main output that they can have from online reviews (UNWTO 2014).

5.10. Customer Loyalty

Several authors approach the concept of loyalty through different dimensions.

According to Oliver (1999), loyalty is described as a “deep commitment to repurchase or repatronise a pre-ferred product/service consistently in the future, thereby causing competing purchases of the same or same brand despite situational influences and marketing efforts with the potential to cause switching behaviour”. Moreover, Kandampully & Suhartanto (2000) state that “a “loyal customer” is a customer who repurchases from the same service provider whenever possible, and who continues to recommend or maintains a positive attitude towards the service provider”. Additionally, Gremler & Brown (1996) designated service loyalty as “the degree to which a customer exhibits repeat purchasing behavior from a service provider, exhibits a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this type of service arises”.

In his research, Day (1969) expresses that brand loyalty is a concept with two dimensions: attitudinal or behavioral. Better defined in later years, the attitudinal component of loyalty represents the customer’s intention of repurchasing and persuading others for his favored product or service (Getty e Thompson 1994). On the other hand, the behavioural component of loyalty represents the customer’s action of repurchasing and preferring a specific product or service over others (Shoemaker e Bowen 1998).

In addition to that, some authors advocated other approaches and Oliver (1997) distinguished three dimensions of customer loyalty: cognitive, affective, and conative.

In 1999, the same author defined these three types of loyalty as attitudinal, because customers can create certain perceptions about the product or brand, which makes them have a specific

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attitude toward it.

Oliver (1999) also added a new dimension to this concept, defining it as “action loyalty”, in which the customer always acts in favor of the brand. Going back to Day’s distinction, this would be considered behavioral loyalty, since it involves an action by the customer towards the brand or product.

Customer loyalty is indeed a topic that attracts the curiosity of researchers and in which there are several perspectives on different factors, such as the drivers of loyalty in hotels. Wangchan & Worapishet (2019) found that hotel location, the level of quality in the service provided, and the consumption value perceived by consumers have an impact on consumer satisfaction and consequently can influence the decision to revisit the hotel, thus affecting customer loyalty towards the hotel. Guan & Choi (2020) questioned whether employee satisfaction would also impact customer loyalty and concluded that service quality impacts employee satisfaction and customer loyalty, as the employee ends up with better levels of productivity and service values. This will encourage a higher level of customer satisfaction and, therefore, lead the customer to purchase the service again.

Having said that, numerous factors influence customer loyalty, but in the end, if the overall experience is positive, this will inspire customers to always become loyal to a product/service and will certainly continue to have a positive approach toward the service provider (Padhi 2013).

After the analysis of customer loyalty based on different components and the knowledge of some factors of consumer loyalty, it becomes relevant to cite authors who have related this topic to different types of consumers, in different scenarios, in the context of hotels.

Firstly, Tanford, Raab, & Kim (2012) discovered that loyal customers in the high-tariff hotel category may not be satisfied customers only, since switching costs are an important aspect for them, and, when faced with some risks, such as the quality of service, employees attitude, etc.,

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these customers usually opt to become loyal to the initial hotel or hotel brand. Nevertheless, low-tariff hotel clients may easily change to another hotel when dissatisfied, since the importance of switching costs is lower. Given that, Tanford, Raab, & Kim (2012) stated that the effect of customer satisfaction on customer loyalty is significant. Following this approach, Bowen & Chen (2001) stated that managers should understand that satisfied customers do not coincide with loyal customers. So, having satisfied customers is not enough. In the article, Bowen & Chen (2001) stated that it is important to make the customer extremely satisfied in order to retain them and make them loyal. That said, as mentioned by other authors such as Guan & Choi (2020), and Bowen & Chen (2001), a positive service attitude from the employees, identifying themselves with the customers' values, is a good strategy to retain the end consumers, thus making them loyal to the hotel or the hotel brand. In addition, there are different advantages associated with extremely satisfied customers, namely, repeat patronage and savings on expenses associated with marketing, aimed to invite the customer to stay.

Another element that attracted recent research is the relationship between consumer loyalty and corporate social responsibility. Some studies define customer loyalty as a mediating role between social responsibility and hotel performance. Lee, Barker, & Kandampully (2019) concluded that hotel competitiveness and performance can be achieved when the hotel builds a consistent and popular reputation for serving its society and fulfilling its environmental, social, and economic responsibility. Assaker (2020) confirmed that hotel sustainable practices, when aligned with service quality and implemented through high service quality standards, have a positive effect on perceived value and then on customer satisfaction and loyalty intentions. Moreover, Bani-Melhem, Al-Hawari, & Shamsudin (2022) observed that sustainable innovation initiatives can encourage customer loyalty, particularly when the hotel is dealing with customers who consider the environmental issues a global problem that everyone must address.

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Given that the focus of this study is also to understand the impact of e-word-of-mouth on leisure customers who are already loyal, it is important to cite some authors who analyze the aspects to which these customers are sensitive, and which may compromise their loyalty.

A PwC's Consumer Intelligence Series study (2016) looked at the behavior of business and leisure customers who subscribed to a certain loyalty program, and found that the preferences of business and leisure customers are different, as well as their motivations for joining the programs. That said, this study noted that leisure customers are willing to spend \$23 more per stay at their preferred hotel brand, while business

customers are willing to spend \$29 more per stay at their preferred hotel brand. Furthermore, considering the aspects that customers value most about their preferred hotel brand, leisure customers are much more price sensitive than business customers, and the aspect that counts most for both being in a loyalty program is the room quality usually offered by the brand, as can be seen in Figure 7.

5.11. Customer Perceived Value, Customer Satisfaction, and Loyalty

In the hospitality industry, it has been proven that there is a relationship between customer-perceived value, customer satisfaction, and customer loyalty (El-Adly 2019). Yang & Peterson (2004) pointed out that perceived value is another key driver of customer loyalty and also influences significantly customer satisfaction. Oliver & DeSarbo (1988) define perceived value as the ratio of the consumer's outcome/input to that of the service provider's outcome/input. Furthermore, Taylor & Cronin (1992) stated that customer satisfaction is described as an antecedent of perceived service quality and, consequently, both consumer satisfaction and

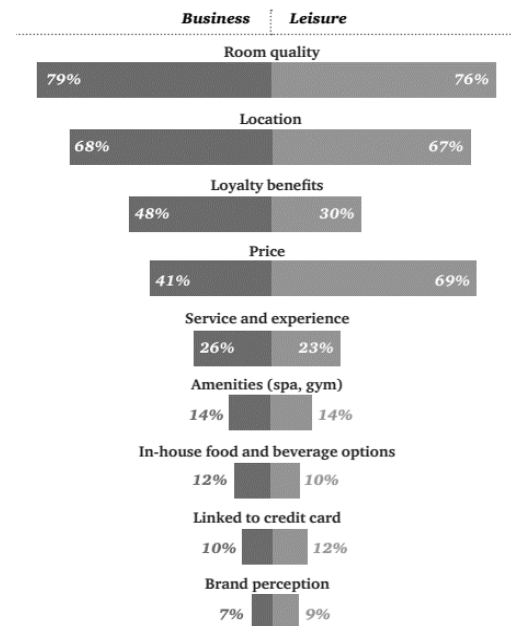


Figure 6: What do travelers value most about preferred hotel brands?

Source: PwC's Consumer Intelligence Series, 2016.

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perceived service quality have an important impact on purchase intentions. As a result, the value perceived by the consumer has an impact on his/her experience and also on his/her loyalty, encouraging him/her or not to repurchase the service with which he/she obtained certain satisfaction.

Since the links between perceived value, customer satisfaction, and loyalty can be assessed based on post-purchase or post-experience evaluations, it is important to understand that all these factors are connected and result from adding value to experiences. This value is highlighted in different research articles, namely in Gallarza, Saura e Moren (2013), who also described this value as a possible competitive advantage for companies in the hospitality industry. According to Yang & Peterson (2004), the higher the value, the more primary the motivation for customer patronage.

In the case of city hotels, there is no available literature to assess the drivers of customer loyalty and satisfaction. This does not allow further research on the impact that customer perceived value can have on customer experience when influenced by aspects such as eWOM communication, and on the pre-creation of ideas and expectations in the consumer about a certain level of quality influenced by the post-experience stage of other customers. This is why the topic is deeply analyzed in one of the research questions.

5.12. Impact of Covid-19 Pandemic on Customer Experience

The last paragraph of the literature review refers to a different topic, which is the impact of Covid-19 pandemic on customer experience. The author believed such insight was worth mentioning for contemporary relevance at the time the paper was written. As many are now aware, the Covid-19 pandemic had some striking consequences in all sectors. Hospitality was one of the most affected industries, with a global drop in demand, occupancy rates, and revenues (Rivera 2020). Since properties were forced to close for long periods of time or only allow a limited number of guests, impacts on employment were very strong (European Federation of

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Food Agriculture and Tourism Trade Unions (EFFAT) 2022). The sector had to switch to short-term contracts, or temporary or permanent layoffs. Following this, many employees decided to change their working sector, as recovery was uncertain and income support schemes could not guarantee an acceptable standard of living. Many workers started to appreciate more regular working hours and a better work-life balance and did not feel the desire to work in the hospitality sector again once the effects of the pandemic started to soften and a slight return to normal could be observed. This is why since Covid-19's occurrence it has been hard to attract more talent to hospitality, especially due to the industry instability of the last two years, the workload requested by employees, and low salaries (EHL Insights 2022).

Since the personal touch is the essence of hospitality, shortages in labour became the source of many issues. In fact, it is extremely difficult to provide excellent services and a remarkable guest experience when employees are not committed to the organization because they are casual workers, or when they need to work extra shifts out of necessity for the hotel (Simpson 2022). During the internship at the city hotel in Paris, the author had the chance to observe the real impact of this issue on guests' satisfaction and the hotel reputation.

It follows that if hoteliers want to maintain the high rates they are currently benefitting from, due to recovery after the pandemic, it is essential to provide a better guest experience, even though this might come at the expense of profitability (Simpson 2022). In fact, if guests are not satisfied with the service received and cannot see any value in what they are offered, they will refuse to pay high rates. They will have a very low tolerance for poor service, and this will make the value for money significantly decline (Simpson 2022). Therefore, redesigning the customer experience in hospitality after what experts defined as the highest peak of the pandemic, is a crucial element that needs to be addressed by all hoteliers. To do this, it is essential to focus on some important aspects of the customers' experience, and to adapt them to rapidly changing customer's expectations.

6. THE PRE-VISIT STAGE OF CUSTOMER EXPERIENCE IN CITY HOTELS: A FOCUS ON CUSTOMERS' EXPECTATIONS.

6.1. Introduction

Following the main approach to customer experience of the study, this chapter aims to identify what are customers' expectations when visiting city hotels for leisure purposes, and to study whether these expectations are sensitive to different hotel categories, namely economy, midscale, upscale, and luxury hotels.

6.2. Choice of Research

As mentioned in the literature review, understanding expectations is a crucial step to delivering exceptional customer experience, and it is an essential concept underlying the hospitality model. However, a research gap was identified in the topic, as there are no studies identifying customer expectations for city hotels. For this reason, the author decided to develop her own research and adopt a customer-centric approach by creating a survey to be delivered to potential customers of city hotels. To give a better understanding of the underlying reasoning, the research methodology is deeply explained in the next paragraph.

6.3. Research Methodology

In order to gather the largest amount of data, an online survey (created through Google Forms) was conducted around the topics, where respondents were asked to answer multiple-choice questions and rate statements. The questionnaire was created in English to attract the highest number of international respondents, and it can be found in full in Appendix 2.

The survey consists of two separate sections: the first one aims to understand what truly are the expectations of guests about city hotels visited for leisure purposes, and the second aims to analyze if those expectations vary according to different hotel categories, from economy to luxury. Namely, how sensitive guest expectations are to hotel categories.

- **First Section**

Given the lack of literature regarding customers' expectations in hotels, it was not feasible to test existing expectations on the sample. For this reason, a different approach was adopted.

Firstly, the survey was built by identifying what are the key determinants of customer satisfaction in the hospitality industry, as expectations created on these matters influence customer experience. Two research articles, following two different approaches, were analyzed for this purpose.

The first article, "Determinants of Customer Satisfaction in the Hotel Industry: An Application of Online Review Analysis" (Li, Ye e Law 2012), provides key factors influencing customer satisfaction retrieved through text mining and content analysis. Researchers analyzed 42,668 online traveller reviews posted on TripAdvisor by international travellers about 774 star-rated hotels. This consists of a great research methodology, as online textual reviews are an efficient way of gathering insights; in fact, they display extensive information about the experience of the customers due to their open structure and provide many details (Berezina et al., 2016).

The study found four main categories that consistently influence the satisfaction of customers: "transportation convenience", "food and beverage management", "convenience to tourist destinations", and "value for money" (Li, Ye e Law 2012). For the purpose of the survey, "food and beverage management" was thoroughly investigated. "Convenience to tourist destinations" and "transportation convenience" are considered to be intrinsic to the hotel location, and were thus disregarded. Lastly, "value for money" is believed to be dependent on the hotel category, and thus it was investigated only in the second section of the survey, as responses gathered in the first section could have been misleading.

In the second research article "Prioritisation of the hotel attributes according to their influence on satisfaction: A comparison of two techniques", Albayrak and Caber (2015) still aim to identify which are the attributes that significantly predict overall customer satisfaction, but

work with data collected from a survey. In fact, data used in the study come from a multinational tour operator's customer satisfaction survey which was filled by 163,090 customers in 27 countries. Nine main attributes were identified, in order of significance: "personnel", "food and beverage quality", "decoration of the rooms", "overall cleanliness", "swimming pool", "animation activities", "facilities for children", "technical status of the hotel and rooms", and "beach" (Albayrak e Caber 2015). Since the focus of the survey is city hotels, some of the categories were eliminated from the investigation, as they are believed to be best applicable to resorts. In detail, "swimming pool", "beach", "animation facilities" and "facilities for children" were excluded. One additional category was added to the survey, since it was analyzed during the project carried out for the summer internship and it led to interesting cues to improve customer experience. The category was named "packages and promotions".

Eventually, the categories investigated through the survey were six: "property" (cleanliness and technical status), "rooms" (decoration and technical status), "personnel", "food and beverage" (quality and management), "packages and promotions", and "value for money" (only in the second section). In the majority of cases, respondents were asked to express their degree of agreement with statements related to each category through the use of a Likert Scale from 1 to 5. This scale is sometimes referred to as the "satisfaction scale", as it ranges from one extreme attitude to another, leaving a neutral option in the middle.

In order to build the statements, inspiration was taken from the negative aspects mentioned in online reviews written by customers about the city hotel visited for the summer internship. Since negative comments are usually a symptom of dissatisfaction, it is possible to assume that the guests' expectations on the matter had not been met at the specific moment, and thus using these elements could be a good way to discover what guests truly expect.

The online sources accessed for this purpose were Booking.com and the official website of the city hotel in Paris, in the time frame between January 2022 and September 2022 (included).

- **Second section**

In the second section, the focus is on how expectations vary when customers are faced with different hotel categories.

Firstly, different hotel categories had to be identified. Smith Travel Research (STR) provides a hotel classification list (Smith Travel Research 2019), where hotel categories are defined based on their average daily rate (ADR). The categories are six and they are globally accepted: economy, midscale, upper midscale, upscale, upper upscale, and luxury. To simplify the concept, only four categories were considered for the purpose of the survey: economy, midscale, upscale, and luxury.

Consequently, one or more brands were assigned to each category to be included in the description of the second section of the survey, as a reference for respondents when replying to questions. For this purpose, the “Hotel Chain Index” published by Bounce, a global luggage storage company that operates in more than 1,000 cities, was taken as a reference (Bounce 2022). In particular, the brands were chosen from the ranking based on the number of annual Google searches. Starting from the first position, two brands were selected for each hotel category. The full ranking can be found in Appendix 3 and the analysis for brand selection in the survey can be found in Appendix 4. The final selection was thus the following: JW Marriott and Ritz-Carlton for luxury, Doubletree and Crowne Plaza for upscale, Holiday Inn and La Quinta for midscale, and Days Inn and Econo Lodge for economy.

There is a question for each of the sub-sets of the first section (property, rooms, personnel, food and beverage, and promotion and packages), plus the category “value for money”. The statements proposed are exactly the same as the first section, where respondents are asked to tick the hotel category(ies) they believe fit most with the statement. This was necessary to understand the sensitivity of each set of expectations to different hotel categories; if different statements would be introduced in the second section without being tested in the first section,

the results would negatively influence the representativeness of the analysis.

6.3.1. Choice Of Survey Respondents

The target of the survey were people of different ages, gender, and nationalities. The survey was delivered to respondents individually through instant messaging apps and was posted on online platforms (LinkedIn) to attract the largest number of respondents.

6.4. Data Analysis

The survey was run from October 6th, 2022 until October 27th, 2022, for a total of 3 weeks, reaching a number of 161 respondents, which was considered satisfactory for the study.

The results were consequently organised in Excel and SPSS to further analyze data and statistics to uncover meaningful insights.

6.4.1. Characterization of Respondents

The majority of people surveyed are aged between 18 and 25 years old (75.2%), followed by the age group 26 – 35 (11.8%). 5% of people are aged between 36-45 years old, and 5% belong to the age group 46-55. The remaining 3% of the sample has reported an age higher than 55 years old. Regarding nationalities, the survey was able to attract a significant number of different nationalities. The wide majority of respondents are Italian (64%), due to the origin of the author, while the second nationality for number of respondents is Portuguese (20.5%), which is explained by the fact that many colleagues of the author are Portuguese, being Nova School of Business and Economics based in Lisbon, Portugal. Concerning other nationalities, 4.3% of respondents are German, 1.2% are Austrian, and 1.9% is attributed to Indian and Filipino. All in all, the sample was extremely varied, showing many different nationalities: Brazilian, Dutch, Egyptian, English, French, Omani, Polish, Thai, Tunisian and Turkish (0.6% each).

Concerning the frequency of stay in city hotels visited for leisure purposes, 41.61% of respondents stated they stay one time per year, 30.4% stay two times per year, 18.6% stay three

times per year, only 3.1% stay four times per year, and 6.2% report to stay for five times or more per year. Complete data can be found in Appendix 2A.

When operating a cross-tabulation between the age of respondents and their frequency of stay, relevant data can only be observed within the 18-25 age group, as it is best represented in the survey. In particular, almost half of the respondents (43.8%) in this age range stay in city hotels one time per year, 30.58% stay two times per year, and 18.18% stay three times per year, with a higher frequency being almost non-existent. When performing a contingency analysis between the age range 18-25 and frequency of stay, it can be affirmed that the variables are independent, and thus do not allow for further analysis (Appendix 2B). This is probably due to the fact that some age groups are not significantly represented by the sample.

6.5. Findings and Analysis

The survey brought diverse and interesting insights about the topic. Each section explained in the research methodology will be carefully analyzed and the main findings will be clearly displayed.

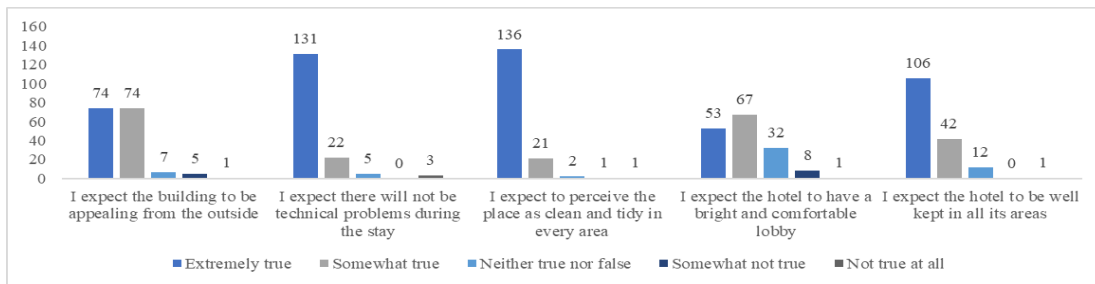
a. Property

In this sub-section, expectations about different aspects of the property were inspected, both referring to the external and internal space.

45.96% of respondents expect the building to be appealing from the outside, not showing cracks or mold on the walls, and the same percentage refers to the statement as “somewhat true”. Concerning the sensitivity of expectations to hotel categories, 42.86% of the respondents seem to expect this for all categories. However, when looking more in detail, expectations are higher for luxury hotels compared to the other categories.

More than three-quarters of the sample (81.37%) require there will be no technical problems during the stay (such as power outages or water leaks), and an even higher percentage (84.47%) expects to perceive the place as clean and tidy in every area, not just in the lobby. These two

aspects are considered important for every hotel category (115 and 117 responses respectively). Instead, regarding expectations for the lobby, only 32.92% truly expect it to be bright and comfortable, whereas 65.84% have expectations that go beyond just the lobby, requiring the property to be well-kept in all its areas. In particular, the presence of a bright and comfortable lobby seems to be a requirement mainly for luxury hotels (121 responses).



Graph 1: Guests Expectations about Property

To carry out a deeper statistical analysis, statements were first converted into numbers from 1 to 5 (1 = not true at all, 2 = somewhat not true, 3 = neither true nor false, 4 = somewhat true, 5 = extremely true), and consequently mean and standard deviation were computed. The mean of the sample is 4.49 points, meaning that expectations related to property, in general, are quite high, and the standard deviation is 0.49 points, thus confirming fluctuations contained in the higher part of the scale – detailed data on statistics for all sections can be found in Appendix 5. It follows that guests give primary importance to the property status, valuing more technical aspects and cleanliness rather than ambiance and space organization.

b. Rooms

Rooms are the main product sold by the hotel, which is the reason why guests devote a lot of attention to them.

The vast majority of guests expect the room to be clean and tidy upon arrival, and expect there will not be any technical problems related to the room during their stay (91.93% and 86.34% of respondents respectively). Respondents express these expectations for every hotel category with a vast majority of the votes (130 and 114 votes).

This leads to the idea that guests consider some aspects as essential in order to rate their stay as

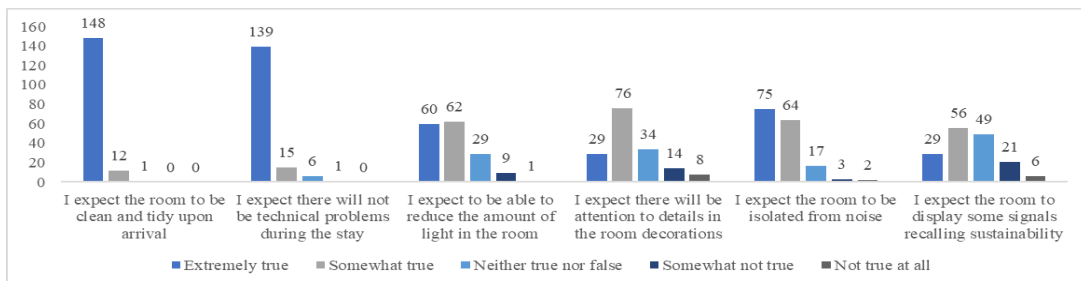
acceptable, but these do not contribute to drafting an exceptional experience.

37.27% of respondents expect to be able to reduce the amount of light in the room, with almost the same percentage referring to the statement as “somewhat true”, while 47.2% somewhat expect to find attention to details in the room. These two expectations are particularly sensitive to hotel categories, as they are mostly applicable only to luxury and upscale hotels.

Almost half of the sample (46.6%) expect the room to be soundproof, but 10.56% do not seem to care about this aspect, which at first glance could be considered a basic requirement.

In particular, the expectation for the room to be soundproof is relevant mainly for luxury and upscale hotels (99 and 95 responses respectively).

Sustainability shows the widest variety of opinions. 18.01% of the sample truly expects the room to display some signals recalling sustainability, 30.43% do not have an opinion on that and 16.77% do not expect city hotels to display anything related to sustainability matters. This seems to underline a general lack of interest, and maybe information, about the topic, which should be somehow corrected by hoteliers.



Graph 2: Guests Expectations about Rooms

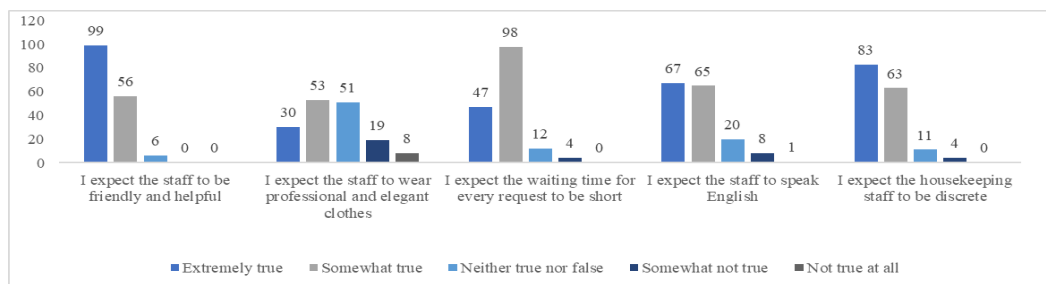
Even while considering the varying expectations regarding some statements of this section, the arithmetic mean of the sample for this section is 4.2 points, meaning that expectations related to rooms are fairly high, and the standard deviation is 0.46 points, thus the majority of answers are placed around the statement “somewhat true”.

c. Personnel

Personnel is an essential element in delivering a great customer experience. 61.49% of respondents expect all the staff to always be friendly and helpful and do not appreciate detached

behaviour, with no respondents referring to the statement as not true. This is a core expectation for all hotel categories (122 responses).

An interesting insight refers to the attire of employees, with roughly half of the surveyed people (51.5% - merging “extremely true” and somewhat true”) saying they expect the personnel to wear professional and elegant clothes.



Graph 3: Guests Expectations about Personnel

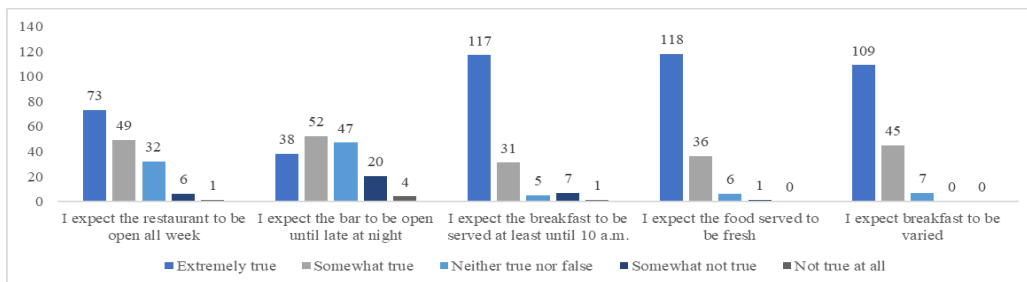
However, this becomes a strong expectation in luxury hotels, where clothing seems to reflect the quality of service provided (141 responses). What guests seem to care a lot about, is being served rapidly: 60.86% of the sample says they somewhat expect the waiting time for every request at the reception desk to be short, confirming one of the global trends we are observing, which is the one of instant gratification (Forbes 2022). In particular, this expectation is strong in luxury and upscale hotels (98 and 87 responses respectively), with few people voting in the “all categories” box. Ideas are clear also about expectations of the staff being able to speak fluent English (90% between “extremely true” and “somewhat true”) and on the housekeeping staff to be discrete with noise in the early morning (51.55%). These attributes are required in all hotel categories, whereas fluency in English has stronger values in luxury hotels. Statistically, the arithmetic mean of the sample for this section is 4.16 points, meaning that expectations related to personnel are generally high, but less than those related to rooms and property. The standard deviation is 0.51 points, showing a little wider fluctuation in the scale of answers, mainly driven by the standard deviation related to the question about elegant clothes.

d. Food & Beverage Department

The food and beverage department can greatly influence the stay of guests through the level of service present in both hotel restaurant(s) and bar(s).

45.34% of the sample expect the restaurant to be open during all week, while opinions on the bar being open until late at night are quite varied: 29.19% of respondents do not have an opinion about it, 23.60% have expectations about it, and 15% do not expect it. In particular, guests have high expectations on these matters while referring to luxury and upscale hotels, only rarely mentioning midscale properties.

Expectations seem to be pretty strong about the breakfast served: 72.67% of respondents expect the breakfast to be open at least until 10 a.m., 73.29% expect the food served to always be fresh and 67.70% expect the breakfast to be varied with both sweet and salty options. These expectations are well-defined for all hotel categories for a great number of respondents, with a stronger focus on luxury and upscale hotels.



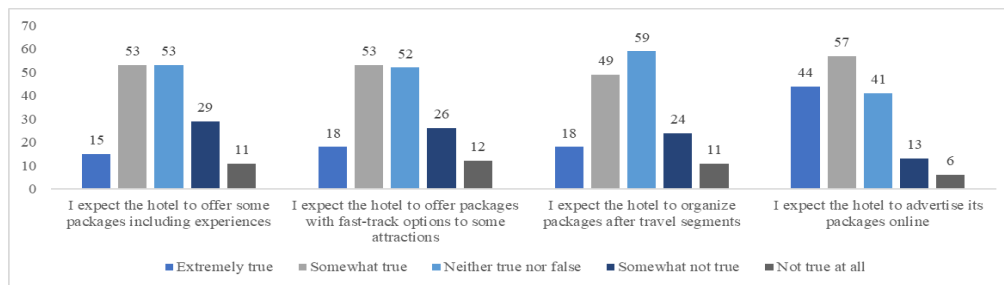
Graph 4: Guests Expectations about Food and Beverage Outlets

The average response for the sample is 4.15 points with a standard deviation of 0.56 points. This points out that the majority of respondents' answers are included within “neither true nor false” and “somewhat true”, which is driven down mainly by the statements regarding the opening hours of the bar.

e. Packages

The last section concerns packages, which are usually offered to improve customer experiences and boost sales. 32.92% of interviewed people do not have any thoughts on the presence of packages including experiences offered by hotels, while the exact same percentage somewhat

expects to find them in the hotel offer. The same scenario applies to the statement concerning expectations about hotels offering packages with fast-track options to some attractions and about the hotel organizing its packages after travel segments. However, guest expectations for each of the statements are particularly high for luxury hotels (135 responses on average), and reach a considerable level also for hotels in the upscale category.



Graph 5: Guests Expectations about Packages

On the other hand, respondents have a clearer idea when it comes to seeing the packages offered online: 62.7% expect the hotel to post news about packages online (joining “extremely true” and “somewhat true”), confirming websites to be one of the main sources of information for guests. All in all, guests do not seem to have a clear idea about the presence and characteristics of the packages they expect. This is confirmed by the mean response of the sample, which is 3.96 points, and its standard deviation of 0.90 points, thus showing that respondents have different opinions on the matter and used the lower part of the Likert scale more frequently than for other sections.

f. Value for Money

Value for money refers to the level of service experienced compared to the amount of money paid. Most respondents expect the value for money to be poor when they visit economy hotels (87 responses) and to be consistent for upscale and midscale hotels (67 and 65 responses). When asked on which occasion they would expect the value for money to be great, most of the sample pointed out luxury hotels (91 responses), followed by upscale hotels with some gap (66 responses). This suggests a general feeling of disappointment in relation to value-for-money expectations for the economy and midscale category, which should be further investigated.

6.6. Discussion

The survey highlights many interesting aspects and insights about customers' expectations.

Firstly, on a general level, guests seem to have fairly high expectations for each of the analyzed sections, as confirmed by the statistical analysis which shows a mean of responses around 4 ("somewhat true" statement), and only a rather contained standard deviation.

However, going into more detail, there seem to be some characteristics that guests consider essential, as they register a high level of expectations and are usually required for all hotel categories. Those are mainly related to the operational characteristics of the hotel, such as cleanliness and order in every area of the hotel and the absence of technical problems of any sort in the property and in the room. The second block of essential aspects is related to the emotional side of the service, which is represented by the expectations of the personnel.

Secondly, guests create particularly high expectations of the breakfast, which is an important moment of the stay: they expect it to be served at least until 10 a.m., and to be always fresh and varied.

All of these can be classified as basic requirements, necessary for guests to experience an adequate stay and probably to prevent them from posting a negative review. They consist of a good starting point to increase guest satisfaction levels, but will not make the stay remarkable.

The fact that these features are expected in all hotel categories with no great distinction, signals that the sensitivity to different levels of service is low, as guests demand them in every situation.

It is possible to refer to them as "basic expectations".

On the other hand, some of the expectations analyzed can be considered as the elements marking the difference between a "basic" experience and an outstanding one. These are expectations that are reported with fairly high numbers but are mostly (and sometimes only) applied to luxury and upscale hotel categories. They refer to the space organization, such as a bright and comfortable lobby, attention to detail in room decorations, and signals recalling

sustainability, but also to personnel characteristics, such as the staff wearing professional and elegant clothes and the satisfaction of guest requests in a short time. There is another particular aspect that is considered an upscale attribute, and it is the isolation from noise in the room.

This might seem surprising, as at a first glance it could be considered a basic expectation for all hotel categories given its importance for a good night's sleep, one of the main attributes to evaluate the level of comfort of a hotel. Instead, respondents to the sample show a different tendency, which might suggest that guests are probably not used to staying in overnight accommodations providing truly soundproof rooms.

There are also peculiar expectations referring to F&B outlets, such as the bar being open until late at night, together with a very specific expectation of having brunch options offered on weekends. These requirements can be connected to the fact that luxury hotels are associated with higher price levels, and thus with better service, which includes longer opening times of the facilities and more options. While packages do not seem to be a core expectation for the majority of guests, they become one when considering luxury hotels. In fact, many guests expect luxury hotels to offer packages including experiences or fast-track options for local attractions.

All in all, these expectations can be considered markers of what turns the stay from mildly satisfactory to exceptional. They are not essential for a basic experience, but they are the turning point for delivering great service and going beyond expectations. The fact that they become expected only when guests stay at a luxury hotel means that they are somehow unexpressed: guests would not express them if generally asked what they are expecting from the hotel, but they would be surprised when these expectations are met, as their needs were anticipated. They will be referred to as “unexpressed expectations”.

Identified Types of Expectations	
<i>Basic expectations</i>	
81.37% -	No technical problems in the property and in the room during the stay
84.47% -	Clean and tidy property in every area
91.93% -	Clean and tidy room upon arrival
61.49% -	Friendly and helpful personnel
72.67% -	Breakfast service open until 10 a.m.
73.29% -	Fresh food at breakfast/restaurant
67.70% -	Varied breakfast - both sweet and salty
<i>Unexpressed expectations</i>	
121 responses	Bright and comfortable lobby
141 responses	Attention to details in the room
114 responses	Signals recalling sustainability in the room
141 responses	Staff to wear elegant and professional clothes
132 responses	Brunch options on the weekend
121 responses	Packages including experience
140 responses	Packages with fast-track option to attractions

Table 2: Identified Types of Expectations

While generally considering the sensitivity of expectations to hotel categories, it is safe to say that expectations are generally sensitive to hotel categories, but, as previously shown, some are more sensitive than others. The survey suggests that consumers become more and more demanding with increasing hotel category, but they do not seem to have half measures. Either they do not consider the characteristic as an expectation for lower-end hotels, or they expect it consistently only when referring to high-end categories. Midscale options are hardly mentioned, and the economy category is almost completely disregarded.

6.7. Managerial Implications

Having analyzed all the most meaningful results from the survey, it is now important to define which are the implications and how hotel managers can act to effectively improve customer experience in their properties starting from these findings.

The first important point is to be aware of the “basic” expectations of guests. They need to be met consistently at all times, otherwise, guests will be deceived by the service offered and will avoid choosing the same hotel again in the future, as well as recommending it to others. Secondly, hotel managers should be aware also of the “unexpressed” expectations, which become more readable only in contexts of high-end hotel categories. As such, they need to be respected in luxury and upscale hotels, as guests could consider some of them as basic expectations anyway. What is always valid, is that every property needs to be fully aware of

the hotel category it is part of, and of the expectations that guests require in that scenario.

Thirdly, as long as it is feasible in terms of demand and costs, some expectations that usually apply to the upscale category could be offered also in the midscale one, to significantly improve guest satisfaction rates. The fact that a hotel is in the midscale category does not indicate that it provides only a basic service, but this seems to be one of the results of the section related to “value for money”. Since the classification of hotels was made based on the average daily rate (ADR), being in the mid-scale category simply points out a specific price rate, always consistent with the level of service offered. For this reason, it might be beneficial for this hotel category to try to upgrade some of its services to satisfy part of the unexpressed expectations. This might lead guests to be surprised and appreciate the upgraded service, thus making their willingness to pay grow. It would also influence their beliefs about the category, changing their main ideas about the hotel and its overall worth, thus tackling the issue of poorly perceived value for money.

Clearly, while looking into this, there should always be an eye on the profit margin of the department in question and of the overall property. In order to offer affordable prices it is usually necessary to cut costs, and implementing other services is usually a way of increasing them. For this reason, an analysis should be carried out before any decision is taken.

The mid-scale category is pointed out for this purpose because adopting the same strategy for a hotel in the economy category would be inconsistent with the characteristics of the economy segment, which focuses on providing a very frugal service to keep the rates as low as possible. Offering any form of service upgrade could cause discontent among guests, which could perceive it as unnecessary fringes only resulting in higher rates. However, value for money for the economy category is also perceived as poor, suggesting that something probably needs to be changed in the communication of the category characteristics.

6.8. Conclusion

All in all, guests' expectations can be different for each hotel analyzed, as every property has its own set of characteristics and organization. However, the results coming from the survey offer some meaningful insights on the matter and could be used by properties to draft their own questionnaires about guest expectations, as a way to better know their customers and to meet their needs and wants, which are always changing in our fast-paced environment. Concluding, two essential aspects to bear in mind while considering guests' expectations in city hotels are the distinction between basic and unexpressed expectations and the possibility to upgrade some services to cater to changing customers' needs in midscale hotel categories. All the strategies have to be adopted with the aim to improve customer experience and increase guest satisfaction.

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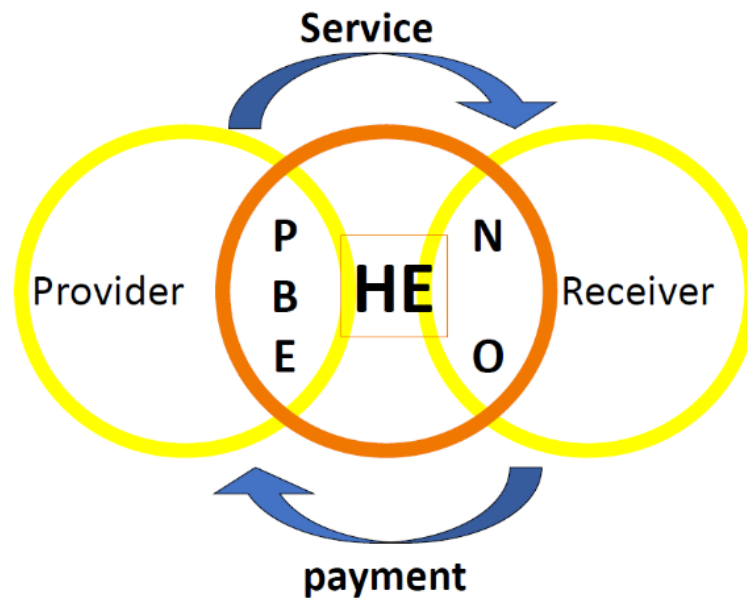
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10. Appendix

Appendix 1: Visual representation of the Hospitality Model (Reuland et al., 1999).

Source: Reuland et al., 1985 – an adaptation of Professor Sander Allegro.



Appendix 2: Survey Implemented as a Basis for the Research

Personal Information

What is your age?

- > 18
- 18 – 25
- 26 – 35
- 36 – 45
- 46 – 55
- 56 – 65
- > 65

What is your nationality?

How frequently do you stay in city hotels for leisure purposes during a year?

- One time per year
- Two times per year
- Three times per year
- Four times per year
- Five or more times per year

Guidelines

From now on you will be asked questions about your expectations on different matters related to city hotels when you are travelling for leisure purposes. There is no specific hotel category you need to have in mind while responding, the questions are built so that they can apply to different contexts. Just think about what your expectations would be if you booked a city hotel for your next leisure trip!

Likert scale for all questions ranged from: extremely true, somewhat true, neither true nor false, somewhat not true, not true at all.

First Section

Property

What is your opinion about these statements referring to the hotel property?

- I expect the building to be appealing from the outside (no cracks on the wall, no visible mold)
- I expect there will not be technical problems during my stay (power outages, water leaks)
- I expect to perceive the place as clean and tidy in every area
- I expect the hotel to have a bright and comfortable lobby
- I expect the property to be well-kept in all its areas, not just in the lobby

Rooms

What is your opinion about these statements referring to the hotel rooms?

- I expect the room to be isolated from noise
- I expect the room to be clean and tidy upon arrival
- I expect to be able to reduce the amount of light in the room
- I expect there will be attention to details in the room decorations

- I expect the room to display some signals recalling sustainability matters
- I expect the room not to have any technical problems (cracks on walls, water leaks, functioning AC)

Personnel

What is your opinion about these statements referring to the hotel personnel?

- I expect all the staff to always be friendly and helpful – not detached
- I expect the staff to wear professional and elegant clothes
- I expect the waiting time for every request to be short
- I expect the housekeeping personnel to be discrete with noise in the early morning
- I expect all the staff to speak fluently English

Food & Beverage Department

What is your opinion about these statements referring to the hotel food and beverage department?

1. I expect the restaurant to be open during all week
2. I expect the bar to be open until late at night
3. I expect the breakfast to be open at least until 10 a.m.
4. I expect the food served at breakfast/in the restaurant to be fresh
5. I expect the breakfast to be varied – both sweet and salty options
6. I expect the hotel to offer brunch options on the weekends

Packages

What is your opinion about these statements referring to the hotel food and beverage department?

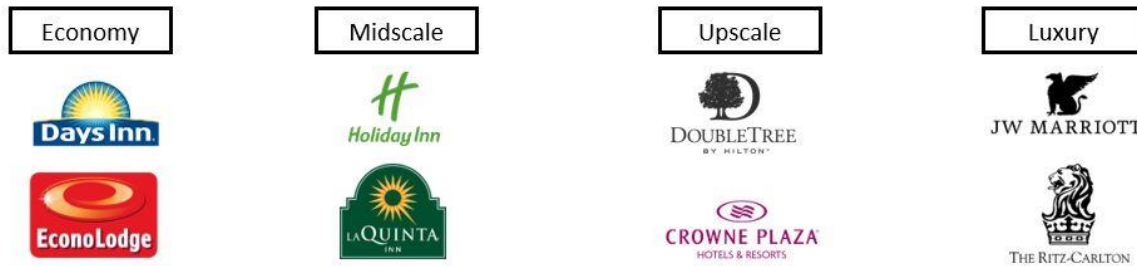
- b. I expect the hotel to always offer some packages
- c. I expect the hotel to offer packages including a fast-track option to some attractions
- d. I expect the hotel to organise its packages after travel segments (couples, solo travellers, families)
- e. I expect the hotel to advertise its packages online.

Second section

Sensitivity of Guest Expectations to Hotel Categories

In this section you will be asked to evaluate some statements in accordance with different hotel categories. The hotel categories chosen for this purpose are 4: economy, midscale, upscale and

luxury. Here you have some brand references to better understand the hotel category:



At this point statements proposed are the same as in the first section and respondents are asked to tick one or more categories that they associate with the statement to choose among luxury, upscale, midscale, economy, all categories. The only additional question is about value for money and it is the following:

How do you feel about these statements on the hotel value for money?

- a. I expect the value for money to be poor
- b. I expect the value for money to be consistent with the rate paid
- c. I expect the value for money to be great.

In submitting this form I agree to my details being used for the purposes of gathering information for the realization of research and work projects (thesis), which will only be accessed by necessary university staff. I understand my data will be held securely and will not be distributed to third parties. I understand that when this information is no longer required for this purpose, official procedures will be followed to dispose of my data.

Appendix 2A: Characterization of Respondents from the Survey

<i>Age</i>		
	Frequency	Percentage
< 18	1	0.6
18 - 25	121	75.2
26 - 35	19	11.8
36 - 45	8	5
46 - 55	8	5
56 - 65	2	1.2
> 65	2	1.2
Total	161	100

<i>Nationality</i>		
	Frequency	Percentage
Austrian	2	1.2
Brazilian	1	0.6
Dutch	1	0.6
Egyptian	1	0.6
English	1	0.6
Filipino	3	1.9
French	1	0.6
German	7	4.3
Italian	103	64
Indian	3	1.9
Omani	1	0.6
Polish	1	0.6
Portuguese	33	20.5
Thai	1	0.6
Tunisian	1	0.6
Turkish	1	0.6
Total	161	100

<i>Stays in city hotels for leisure purposes</i>		
	Frequency	Percentage
One time per year	67	41.6
Two times per year	49	30.4
Three times per year	30	18.6
Four times per year	5	3.2
Five or more times per year	10	6.2
Total	161	100

Appendix 2B: Cross-tab between Age Groups and Frequency of Stay

	<i>Age Groups x Frequency of Stay</i>					Total
	One time per year	Two times per year	Three times per year	Four times per year	Five or more times per year	
< 18	0	1	0	0	0	1
18 -25	53	37	22	4	5	121
26 - 35	7	3	6	1	2	19
36 - 45	2	5	0	0	1	8
46 - 55	3	2	1	0	2	8
56 - 65	0	1	1	0	0	2
> 65	2	0	0	0	0	2
Total	67	49	30	5	10	161

Appendix 3: Ranking of Hotel Chains based on the Number of Annual Google Searches

Source: Bounce, 2022 - <https://usebounce.com/blog/hotel-chain-index>



Appendix 4: Detailed Ranking of the First 10 Hotel Chains based on the Number of Annual Google Searches in 2021 for Purpose of the Survey

Position	Brand	Hotel Category (based on “Smith Travel Research” hotel classification)	Core Brand
1	Holiday Inn	Upper Midscale (Midscale)	InterContinental Hotels Group
2	DoubleTree	Upscale	Hilton Worldwide
3	Crowne Plaza	Upscale	InterContinental Hotels Group
4	Hilton Hotels	Upper Upscale (Upscale)	Hilton Worldwide
5	Embassy Suites	Upper Upscale (Upscale)	Hilton Worldwide
6	Days Inn	Economy	Wyndham Hotels & Resorts, Inc.
7	JW Marriott	Luxury	Marriott International
8	Ritz Carlton	Luxury	Marriott International
9	Econo Lodge	Economy	Choice Hotels International
10	La Quinta	Upper Midscale (Midscale)	Wyndham Hotels & Resorts, Inc.

Appendix 5: Detailed Statistics for Each Section

<i>Property</i>			
	Mode	Mean	Standard Deviation
I expect the building to be appealing from the outside (no cracks on the wall, no visible mold)	5	4.34	0.76
I expect there will not be technical problems during my stay (power outages, water leaks)	5	4.73	0.70
I expect to perceive the place as clean and tidy in every area	5	4.80	0.55
I expect the hotel to have a bright and comfortable lobby	4	4.01	0.89
I expect the property to be well-kept in all its areas, not just in the lobby	5	4.57	0.69
Overall Section (analysis per respondent)	5	4.49	0.49

<i>Rooms</i>			
	Mode	Mean	Standard Deviation
I expect the room to be isolated from noise	5	4.29	0.82
I expect the room to be clean and tidy upon arrival	5	4.91	0.30
I expect to be able to reduce the amount of light in the room	4	4.06	0.91
I expect there will be attention to details in the room decorations	4	3.65	1.03
I expect the room to display some signals recalling sustainability matters	4	3.5	1.05
I expect the room not to have any technical problems (cracks on the walls, water leaks, functioning AC)	5	4.81	0.51
Overall Section (analysis per respondent)	5	4.2	0.46

<i>Personnel</i>			
	Mode	Mean	Standard Deviation
I expect all the staff to always be friendly and helpful - not detached	5	4.58	0.57
I expect the staff to wear professional and elegant clothes	4	3.48	1.08
I expect the waiting time for every request at the reception desk to be short	4	4.17	0.66
I expect the housekeeping personnel to be discrete with noise in the early morning	5	4.40	0.73
I expect all the staff to speak fluently in English	5	4.17	0.88
Overall Section (analysis per respondent)	4	4.16	0.51

<i>F&B</i>			
	Mode	Mean	Standard Deviation
I expect the restaurant to be open during all week	5	4.16	0.91
I expect the bar to be open until late at night	4	3.62	1.05
I expect the breakfast to be open at least until 10am	5	4.59	0.80
I expect the food served at breakfast/in the restaurant to be fresh	5	4.68	0.57
I expect the breakfast to be varied - both sweet and salty options	5	4.63	0.57
I expect the hotel to offer brunch options on weekends	3	3.22	1.23
Overall Section (analysis per respondent)	5	4.15	0.56

<i>Packages</i>			
	Mode	Mean	Standard Deviation
I expect the hotel to always offer some packages including experiences	4	3.20	1.06
I expect the hotel to offer packages including a fast-track option to some attractions	4	3.24	1.09
I expect the hotel to organize its packages after travel segments (couples, solo travellers, families)	3	3.24	1.06
I expect the hotel to advertise its packages online	4	3.75	1.06
Overall Section (analysis per respondent)	4	3.36	0.90