

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 – A STUDY IN THREE STAGES:  
PRE-VISIT, ONSITE, POST-VISIT.**

**THE ONSITE STAGE OF CUSTOMER EXPERIENCE IN CITY HOTELS LOCATED  
IN PARIS: PRE-PREPARED PACKAGES AS DRIVERS OF GUESTS'  
SATISFACTION.**

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## **Abstract**

The research aims to analyze some important aspects of customer experience in city hotels visited for leisure purposes. It is divided in three stages: pre-visit, onsite, and post-visit. The pre-visit part identifies two main types of guest expectations in city hotels, which are significantly sensitive to different hotel categories. The onsite analysis aims to define the implication of experience economy on promotional packages to improve guests' satisfaction during their stay. The post-visit section assesses the impact of online reviews on customers who are already loyal to city hotels, showing differences depending on the degree of attitudinal loyalty.

**Keywords:** City Hotels, Customer Experience, Customer Satisfaction, Expectations, Electronic Word-Of-Mouth (eWOM), Loyalty, Online Reviews, Promotional Packages.

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## **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 topic, and it is structured in eight 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 three main research questions of the paper.

### **Research Proposal**

The study aims to fill some precise research gaps identified in the three stages of experience: pre-visit, onsite, and post-visit. Each of the main sections addresses one stage and was developed by one of the co-authors.

The pre-visit 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?

The section related to the onsite stage aims to fully comprehend the implication of the experience economy on hospitality strategies aspiring to attract new guests, such as promotional packages. This guest-centric analysis investigates the role of city hotel packages in driving superior experiences, with a focus on leisure travelers in the city of Paris, and is embodied in the research question: what types of pre-prepared packages can improve guests' experience in city hotels located in Paris?

The section on the post-visit stage is linked to the evaluation of the impact of electronic word-

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of-mouth on loyal customers according to different levels of attitudinal loyalty, such as cognitive, affective, and conative loyalty, and is represented by the research question: are attitudinal loyal customers influenced by online reviews after their visit to city hotels for leisure purposes?

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

### **Choice of Research**

The authors of this paper had the opportunity to obtain a summer internship in a city hotel located in Paris, and to work together 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.

During the internship, the authors were 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 students 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.

### **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 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 authors 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). 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.

### **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

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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.

### **City Hotels**

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

## Literature Review

### 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

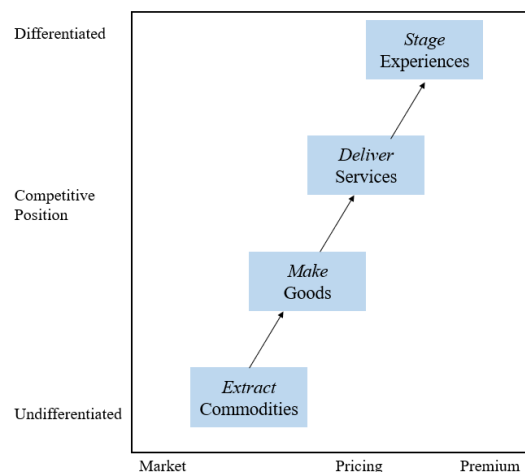


Figure 1: The Progression of Economic Value.  
Source: “The Experience Economy”, Pine & Gilmore, 1998 – own representation.

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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).

### **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.

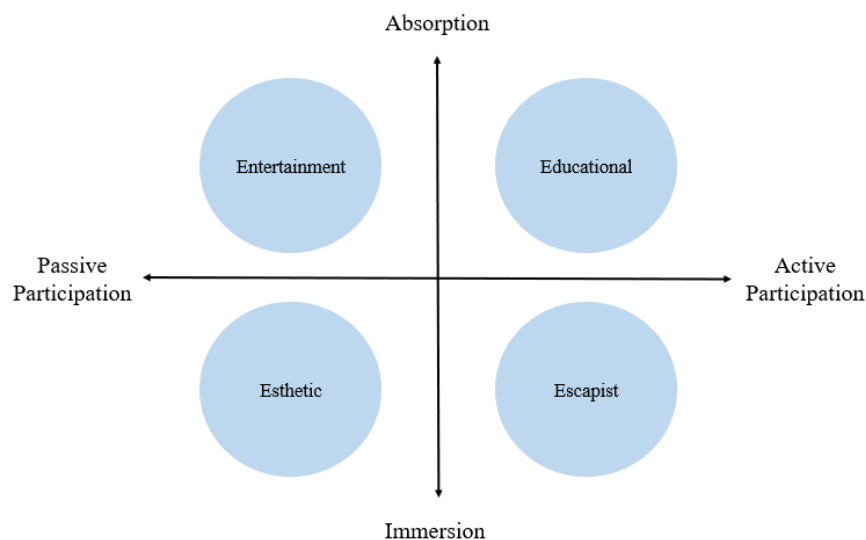
Entertainment includes all those activities where participation is rather passive and customers are absorbed in the activity; an example is watching a football match on tv.

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.*

## 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.

### **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.

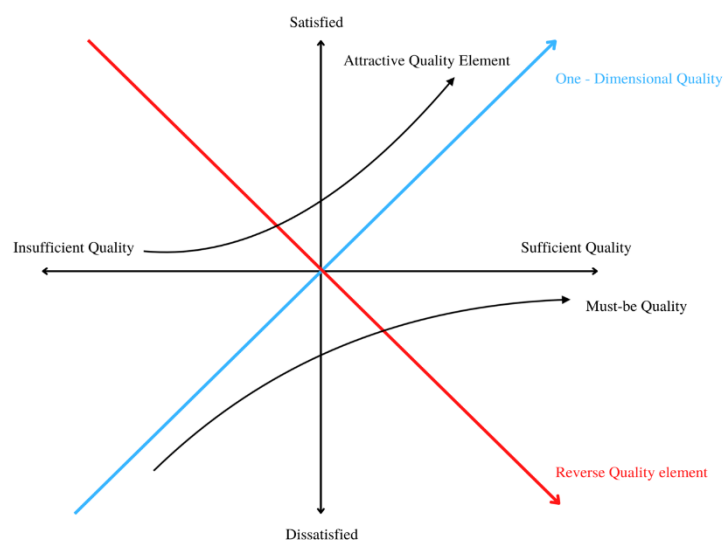


Figure 3: Kano Model Diagram.  
Source: Kano, 1984 - own production.

## 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).

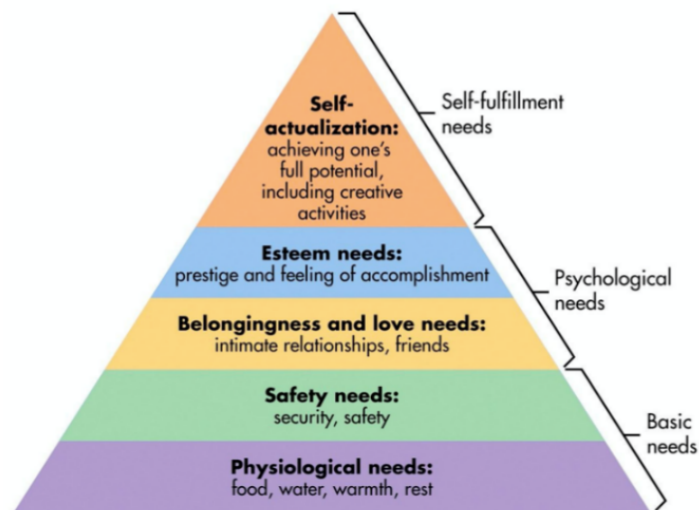


Figure 4: Maslow's Hierarchy of Needs.

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.

### **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.

### **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.

### **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.

### **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).

### **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

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

### **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

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

### **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 Cantallops 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.

## 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

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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).

### **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.

### 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

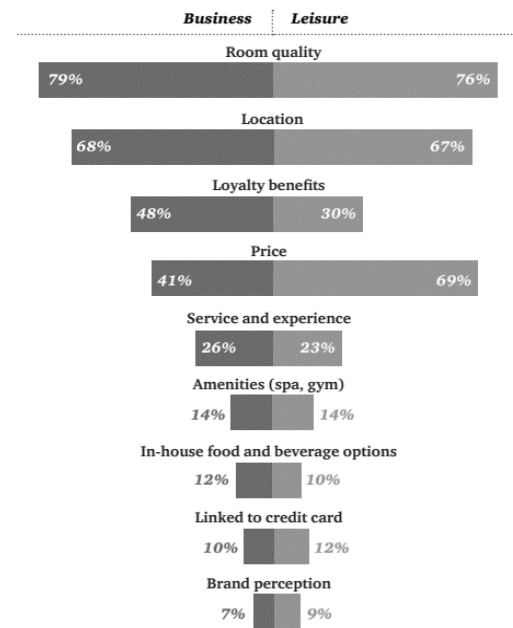


Figure 6: What do travelers value most about preferred hotel brands?

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.

### **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 authors 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 authors 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.

## **7. THE ONSITE STAGE OF CUSTOMER EXPERIENCE IN CITY HOTELS LOCATED IN PARIS: PRE-PREPARED PACKAGES AS DRIVERS OF GUESTS' SATISFACTION.**

### **Introduction**

Upon the authors' arrival at the city hotel where the internship took place, the property had gone under a considerable renovation, which together with the Covid-19 crisis, slowed the implementation of any kind of pricing strategies to attract new customers. In July 2022, only one type of promotional package was proposed to customers. Hence, the internship aimed to develop strategies to attract more leisure customers during the low-season period, to improve the hotel's overall performance, occupancy, and average daily rate.

### **Choice of Research**

As already mentioned in the paper, the rising importance of the experience economy and its impact on the guest journey has urged hoteliers to reconsider the concept of experiential packages and their implementation to compete against other accommodation providers. Without any doubt, the latest crises have impacted different tourism segments that were crucial to city hotels, such as corporate travel, accentuating the importance for city hotels to find new strategies to attract more leisure customers to their properties.

The purpose of this research is to define what type of pre-prepared packages can improve leisure guests' stay at city hotels located in the city of Paris and how their characteristics can generate memorabilia of guests' experiences. Lastly, the aim is to assess managerial implications related to such hotel packages.

### **Research Methodology**

To collect a considerable number of responses, a questionnaire has been distributed to a diversified group of people from November 5<sup>th</sup>, 2022 to November 16<sup>th</sup>, 2022, reaching a sample of N=125. The survey's questions have been structured accordingly to the literature

review analyzed previously – with a strong focus on the hospitality experience concept described in the book “Hospitality experience” by Frans Melissen (2014), and the customer satisfaction model developed by Professor Kano (1984). Still, existing literature lacks studies on what type of packages should be offered to customers to improve guests’ stay at city hotels and what type of additional products should be included.

The survey has been self-administered and structured to cover the following research topic: “The onsite stage in city hotels located in Paris: pre-prepared packages as drivers of guests’ satisfaction”.

It consisted of four main sections: (i) Personal details, (ii) General information about the respondents’ habits in hotels, (iii) Scenario-based survey, (iv) General perception of packages and respondents' wants (Appendix 6).

- **First Section**

For a better segmentation of participants, personal information has been asked such as age, nationality, gender, level of education, and net monthly income.

- **Second Section**

In this section, respondents were asked about their traveling habits to investigate their willingness to spend more time at the property. As the literature review explains, most of the city hotels' packages usually include meals (breakfast and dinner) to be consumed at the hotel. Consequently, this section has been structured to obtain evidence on the up-to-date level of packages adoption across participants.

*a. Second Sub-section*

As 74 of the contributors already purchased a package, in this subsection they were asked to share what type of package they acquired by choosing from a list including “museum entrance”, “spa”, “meals included”, “private taxi”, “cuisine classes”, and “events”.

- **Third Section**

In the third part of the survey, which is a scenario-based section, a brief description of the two inspected packages has been portrayed to participants, who were then asked to answer four close-ended questions. This section of the survey has been split into two cases. Since this research work is based on the summer internship in which the authors took part, the packages were chosen from the ones recommended by the authors to the strategic apex of the hotel (namely the General Manager and the Sales and Marketing Director). The price has been based on the average price per night delimited to the area where the hotel is located (Opéra district, Paris, France) for the specific period for which packages were realized (June and February). Finally, a Likert scale from 1 to 7 has been adopted to collect more reliable and accurate data from participants.

*Case 1*

The first package proposed to respondents is “Romantic getaway”, which contains a night in a “comfort room” type, a fine dining dinner for two people, breakfast with room service and late check-out, in the highest season for the city of Paris (June). Finally, participants were given only the purchase price of 700 euros per night.

*Case 2*

The package “Opéra Nights” includes a night in a comfort room, two tickets for a concert/ballet at the Opéra Garnier Theater, aperitif at arrival, early check-in, and late check-out. The package would be available to the public in January, the off-peak travel month for the city of Paris. Only the closing price of 500 euros for one night was disclosed to participants.

The two packages present one core difference, which is their dependency on the location. If the first package can be sold globally without applying any difference to the product, the second is exclusive to the city of Paris, and it cannot be duplicated elsewhere for customers, as the Opéra Garnier is unique.

#### - **Fourth Section**

Respondents were asked to rank from 1 to 5 their priorities when purchasing a package from a list of five unique features. Only at the end of the survey, respondents were asked what kind of experience should be proposed by a hotel located in the centre of Paris to customers to improve their customer journey.

#### **Data Analysis**

Due to the data nature, excel statistical tools and the statistical software R (only for the multi correspondence (MCA) analysis) have been adopted for the entire investigation. The latter has been used to execute a multiple correspondence analysis between the following questions: (i) What is your age? (ii) Which gender do you identify most with?, (iii) Net monthly income in euros, (iv) What is your highest level of education, (v) Where are you from?.

As the questionnaire was presenting coded variables and it was necessary to assess the level of satisfaction and perspective of specific segment clusters, pivot tables have been adopted to perform cross-tab evaluations about the relation between these variables.

#### **Demographics of the Sample**

Firstly, it was necessary to inspect basic information related to contributors to better define the managerial implications of this study. 58% (72) of individuals belong to the age range 18-25 years old, 29% represent the age range 26-35, while 36-45 are 5%, 46-55 are 3%, 56-65 are 4%, and <18 are 1% – no data was collected from seniors aged >65 years old. Considering gender, 62% (77) of the participants identify with the female gender – whereas 38% (48) with the male gender. Concerning nationalities, a total of 26 have taken part in the survey: the leading group is Italian with 53% of contributors, followed by Dutch (7%), Portuguese (6%), French (4%), German (4%), Czech Republic (4%) – whereas the others' nationalities percentage fluctuated between 1% and 2%.

Considering the role of pricing in this case, and its relevance in terms of customer satisfaction, respondents were asked to share their net monthly income range in euros. The decision to display net monthly values derives from the necessity of making the questionnaire simpler for everyone to understand. Pondered the obvious difference in terms of salaries, depending on the economy where the individual lives, seven ranges were provided: <500 EUR (46% of respondents), 501 -1000 EUR (6%), 1001 – 1400 EUR (6%), 1401 – 1800 EUR (13%), 1801 – 2200 EUR (12%), 2201 – 2600 EUR (5%), 2601 – 3000 (3%, <3001 EUR (9%). Finally, the level of education data shows that 41% of participants hold a bachelor’s degree, 30% a master’s degree, 24% high school diploma, 1% have not completed school, 1% hold a professional degree and 3% completed a doctorate.

### Further Comments on Demographics

Different cross-tab analyses have been performed to show the percentage of female and male respondents relating to the dependent variable selected. Choosing gender as the independent variable granted a clearer exploration of the demographic itself, as it incorporates only two subsections. Consequently, this would also ease the process of decision-making for the strategic apex of Parisian hotels in defining promotional packages for specific segments.

Table 2 presents the portion of females and males and their educational level. Showing that although the percentage of females and males holding a bachelor’s degree is similar (female 41.16%, male 39.60%) the number of male respondents holding a master’s degree is higher, likewise in the case of doctorate degrees.

Count of “What is your highest level of education?”	Gender		
	Female	Male	Grand Total
<b>Bachelor's Degree</b>	32	19	51
<b>Doctorate Degree</b>		1	1
<b>High School Diploma</b>	19	11	30
<b>Master's Degree</b>	22	15	37
<b>No schooling completed</b>	2		2
<b>Professional Degree</b>	2	2	4
<b>Grand Total</b>	<b>77</b>	<b>48</b>	<b>125</b>

*Table 2: Count of “What is your highest level of education?”*

Because of the price given to respondents, the most significant relationship for this study is certainly the distribution of gender depending on the income range proposed. As reported in Table 3, the greatest majority of females belong to the lowest income range, while male respondents fit within higher incomes. Considering that the packages are taking place in Paris, which is known to be one of the most expensive cities in the world (Economist Intelligence Unit 2012), this dynamic is crucial in understanding the analysis of respondents' satisfaction.

Count of "Net Monthly Income"	Gender		
	Female	Male	Grand Total
<500 EUR	42	15	57
>3001 EUR	3	8	11
1001 - 1400 EUR	7	1	8
1401 - 1800 EUR	8	8	16
1801 - 2200 EUR	9	6	15
2201 - 2600 EUR	1	5	6
2601 - 3000 EUR	2	2	4
501 - 1000 EUR	5	3	8
<b>Grand Total</b>	<b>77</b>	<b>48</b>	<b>125</b>

*Table 3: Count of "Net Monthly Income"*

To better evaluate the difference between females and males when travelling, a cross-tab examining the time spent at properties has been run. From Table 4, it is evident that females prefer to spend on average 12 hours at the hotel, whilst 54.17% of male respondents prefer to spend less time at the hotel. The range 10 hours + 4 hours highlights that 12.5% of males rather spend more time at the hotel, while only 3.9% of female respondents affirmed to stay 10 hours + 4 hours.

Count of "When you travel to a new city, how long do you stay inside the hotel?"	Gender		
	Female	Male	Grand Total
10 hours + 4 hours	3	6	9
10 hours + 2 hours	41	16	57
Just to sleep (10 hours max)	33	26	59
<b>Grand Total</b>	<b>77</b>	<b>48</b>	<b>125</b>

*Table 4: Count of "When you travel to a new city, how long do you stay inside the hotel?"*

Finally, considering age ranges, females represent the youngest generation among participants, whereas the male respondents' majority belong to the age range 26-35. Having in mind that

Generation Y and Millennials are the generations travelling the most, and that they have totally embraced the concept of experience economy (Ketter 2020), the data collected drives valuable implications for city hotels located in Paris.

### General Overview of the Dataset’s Demographic from MCA Analysis

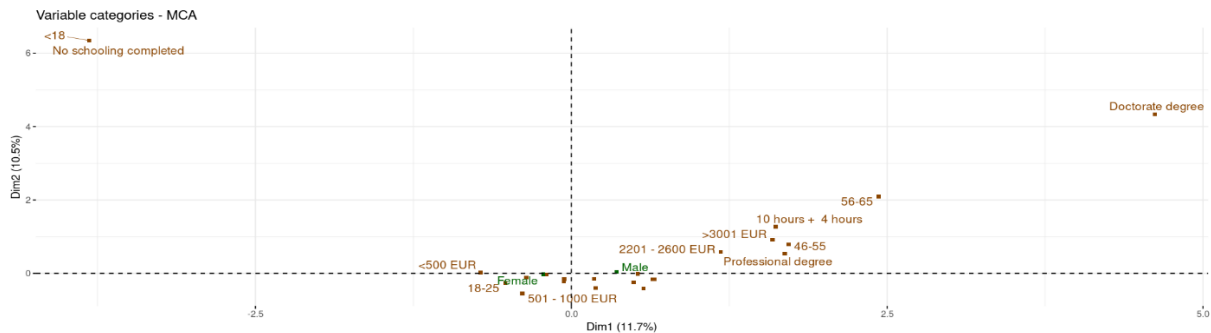


Figure 7: Multi Correspondence Analysis

Multi correspondence analysis (MCA) reports a suitable overview of the sample’s demographics since the variables involved are nominal categorical. From this investigation, it is noticeable how the two genders (male and female) present distinctive characteristics that allow a better segmentation for the purpose of this examination. The individualities obtained in the MCA analysis (Figure 7) are reflecting the results obtained in the cross-tab analysis, therefore demonstrating the validity of the data previously explained.

### Findings and Analysis

As most of the literature reveals, when customers are offered products including experiences their willingness to spend is higher regardless of their income. This gives rise to managerial implications that hoteliers should consider when proposing packages for their guests. It is noticeable how most respondents (92.8%) affirmed spending around 11 hours on average in hotels, whereas only 0.72% affirmed spending 14 hours inside properties. This explains the results obtained from the question “How often would you rather eat at the hotel instead of outside?”, as the mode reported was “Rarely” and the least selected was “Every time” with no selection from participants. Finally, although promotional packages are a pricing tool widely

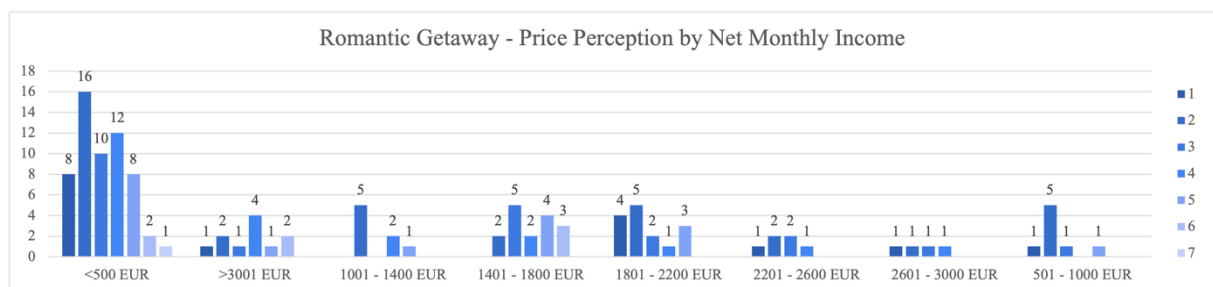
used by hoteliers, 51 participants out of 125 have never purchased a package in their entire life. Moreover, among those who purchased one, 53 out of 74 chose a package with meals included. The survey presented to participants two types of experiences (an experience not tailored to the local area and one experience well-tailored to the area of Paris), with different prices (due to seasonality), meaning that it was necessary to examine price sensitivity related to the experience through the entire analysis (Appendix 2).

### Experience and Pre-prepared Packages’ Comparative Analysis

The third block of the survey is constructed on a scenario-based analysis. To ease the process of comparison between the two, identical questions have been asked to participants – apart from question number two (which relates to the seasonality of the package). Therefore, the following analysis tends to scrutinize the distinctive behaviors of respondents across the two scenarios depending on the net monthly income.

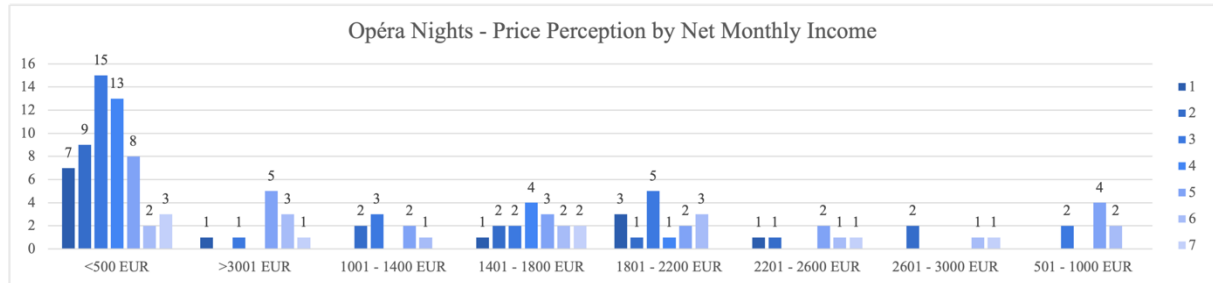
#### a. Price Perception

Both situations presented differences in services and price charged, due to the different moments of the year when they were offered. On the other hand, to reduce bias, the room category and hotel category were not altered. Respondents were asked to value their perception of prices from 1 (extremely overpriced) to 7 (fairly priced). For the Romantic Getaway (Graph 1), those having an income lower than 500 EUR per month ranked it as overpriced, showing that their price sensitivity is high when this type of package is proposed to them.



Graph 1: Romantic Getaway – Price Perception by Net Monthly

On the other hand, in the case of Opéra Nights (Graph 2), different conclusions can be drawn. In this specific case, participants with lower incomes are perceiving the price of the package as better priced – underlying the changes in perception when exclusive experiences are proposed.



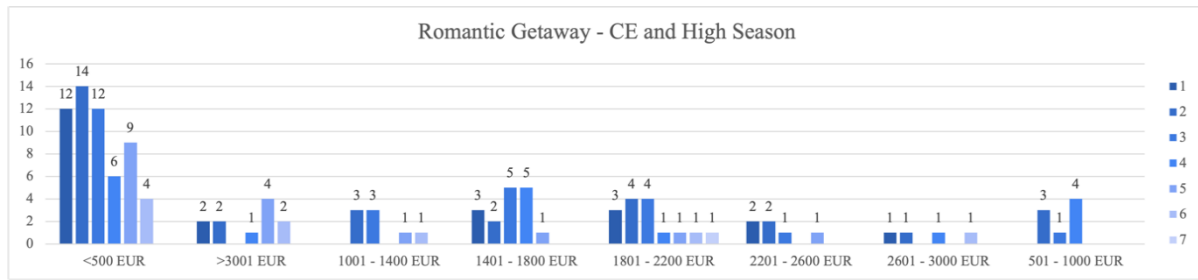
Graph 2: Opéra Nights – Price Perception by Net Monthly

An indicative factor is derived by more responses affirming that the price is fairly priced (7), whereas in the previous case it was marked only once. This question provides valuable insights to the research conducted by Viglia (2016), as it shows how participants’ price perception changes depending on the type of information given (in this case the seasonality factor).

**b. High and Low Seasons: Customers’ Perception**

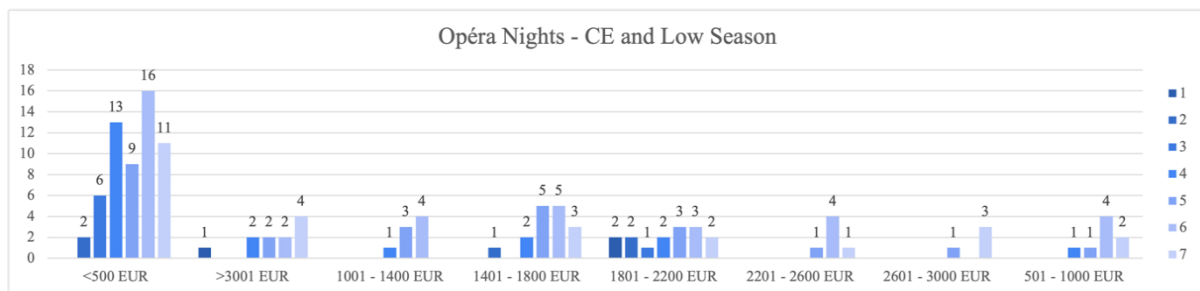
The reasoning behind having different periods of the year when customers could purchase the package, relies on the need to investigate the role of seasonality on customer experience. Respondents were asked to share their level of agreement from 1 (strongly disagree) to 7 (strongly agree) to the statements: “The high season and the fact that there are more visitors around Paris will allow me to enjoy the experience at the restaurant.”-“The low season and the fact that there are more visitors around Paris will allow me to enjoy the experience at Opéra Garnier”.

The Romantic Getaway has been proposed under the assumption of high season (month of June in the city of Paris). In this case, most of the respondents affirmed that the high seasonality (consequently the inconveniences arising from it) could negatively affect their experience (Graph 3). Still, from the insights, it is noticeable how people with higher incomes seem to be less affected by the effect of mass tourism.



Graph 3: Romantic Getaway – CE and High Season

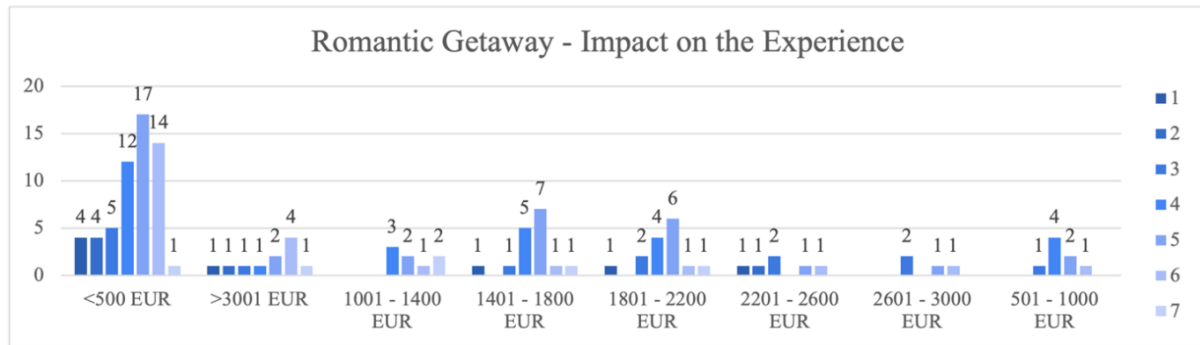
Considering the Opéra Nights package, people demonstrated the opposite trend, meaning that the low seasonality could play a crucial role in their experience and impact it positively. A key finding to be underlined from Graph 4 is that all the different respondents belonging to different income ranges (apart from the range 1001 – 1400 EUR) marked the experience as extremely unjoyful when there are more visitors around Opéra Garnier.



Graph 4: Opéra Nights – CE and Low Season

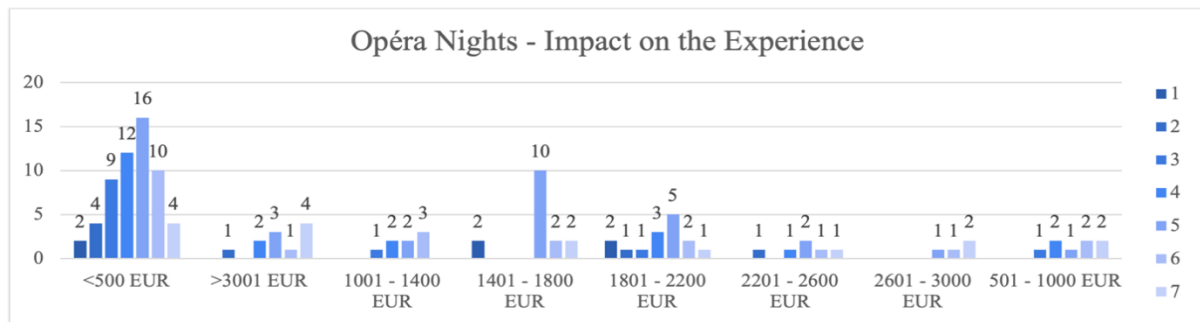
**c. Improving Customer Experience through specific Promotional Packages**

Given the fact that the focus of this research is customer experience, it is fundamental to define which of the two promotional packages can better contribute to improving it. Both experiences resulted in high ranking according to people, meaning that guests highly value living experiences and proving that, overall, experiential packages make the difference in guests’ satisfaction. In this case, respondents were asked to define their level of satisfaction related to the question, “How do you think this package will influence your stay experience?” by expressing a ranking from 1 (not at all) to 7 (extremely). Across three income ranges (<500; 1401 – 1800; 1801 – 2200 EUR) 5 was the mostly selected option.



Graph 5: Romantic Getaway – Impact on the Experience

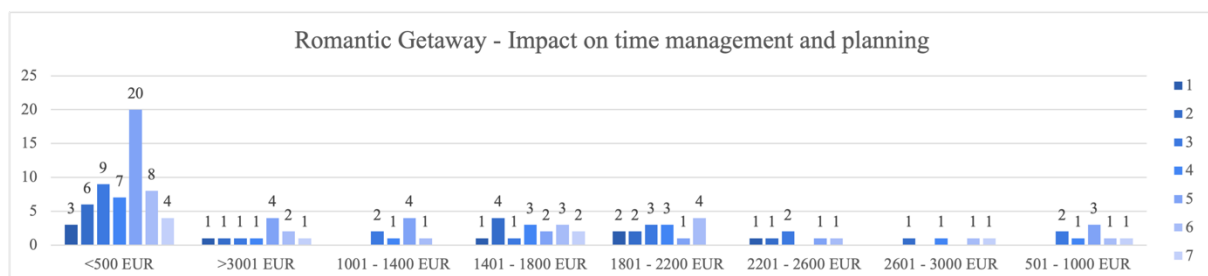
However, also in this question, the Opéra Nights package obtained the highest level of satisfaction among participants, independently from the net monthly income, as they consider this package more impactful than the other one.



Graph 6: Opéra Nights – Impact on the Experience

**d. Efficiency Planning Perception**

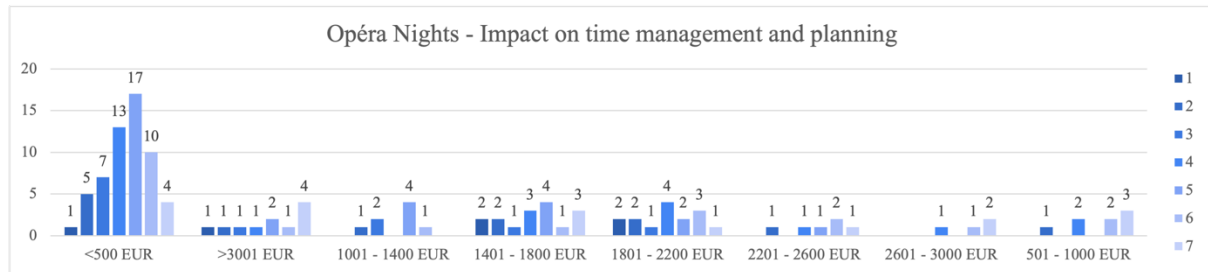
According to statistics, the average length of stay in Paris is around 6 days (linked to Italian tourists) (Thomas 2019), meaning that planning vacations efficiently is extremely important for leisure guests. The Romantic Getaway package (Graph 7) seems to be less effective to customers when compared to the Opéra Night package (Graph 8) regardless of their income.



Graph 7: Romantic Getaway – Impact on time management and planning

From this analysis an assumption should be made, which is that customers value products differently depending on their exclusivity. The case of Opéra can be undoubtedly explained as

a prestige pricing strategy, where customers’ willingness to spend more derives from the idea of exclusivity and from an intrinsic desire to have that specific experience (Houssam Jedidi 2019).



Graph 8: Opéra Nights – Impact on time management and planning

## Discussion

### Respondents’ Priorities

As the focus of the research is to give insights on the types of packages able to foster customer experience for leisure travellers during their stay at Parisian hotels, respondents have been asked to rank (from 1 – most important - to 5 - least important) the importance of different features of packages. Moreover, assigning the same mark to the same element was not allowed for this question, forcing respondents to rank the options given.

From a descriptive analysis (Appendix 3), participants’ most favorite experience resulted to be value for money, as the mode reported was 1, followed by tailored experience, dates flexibility, transparency of the rate offered, and exclusivity of the experience. However, means show different scores, the lowest mean is registered by “tailored experiences” with 2.76, while the highest is showed by “transparency of the rate offered” with 3.126. Finally, a key finding is the standard deviation, with the highest being registered by “exclusivity of the experience” (1.745), meaning that responses varied across respondents. On the other hand, the value which reported the least variation is “dates’ flexibility”.

### Respondents’ Wants

Following what is stated in the literature, which highlights how having unique experiences drives customer experience in the travel industry, respondents were asked to choose one type

of activity to be included in a package for a city hotel located in the center of Paris. Therefore, five experiences were proposed to participants, with the possibility to add more to the list. By performing a descriptive analysis of the data, the highest-ranked activity was “Culinary experiences (baking classes, food tasting, wine tasting)” with 52 votes, followed by “cultural activities”, “well-being activities”, and “shopping experiences”.

From Table 6, it is clear how preferences differ from income ranges. Apart from the culinary experience, which seems to be independent of the person’s income, lower incomes (<500; 1001 – 1400 EUR) give importance to the experience of having private tour guides, since 71.42% of respondents belonging to these two ranges selected it. On the other side, 36.36% of people with the highest income value activities as including well-being more than others.

Favorite activities						
Row Labels	Culinary experiences	Cultural activities	Private tour guides	Shopping experiences	Wellbeing activities	Grand Total
<500 EUR	21	15	11	3	6	57
>3001 EUR	3	2	1	1	4	11
1001 - 1400 EUR	1	2	4			8
1401 - 1800 EUR	8	3	4		1	16
1801 - 2200 EUR	8	3	1	1	2	15
2201 - 2600 EUR	5				1	6
2601 - 3000 EUR	1	2			1	4
501 - 1000 EUR	5	1		1	1	8
<b>Grand Total</b>	<b>52</b>	<b>28</b>	<b>21</b>	<b>6</b>	<b>16</b>	<b>125</b>

*Table 5: Respondents’ favorite activities*

From a managerial point of view, the need to readapt meeting room spaces, and the need to profit from them can be seen as an opportunity for hotels to host the main activities/ experiences of their promotional packages. This not only would benefit properties on a financial side, but would also invite guests to spend more hours inside the hotel and, therefore, increase indirect revenues.

### **Limitations and Future Studies**

The study has potential limitations, since it might be subject to biases that could have influenced the result. For this reason, there are several areas for additional studies. Firstly, although the emphasis of the research is on leisure customers regardless of their nationalities and age, the

analysis has been tailored to the city of Paris, to a limited number of participants (N=125) and during a delimited period. Therefore, during the demographic analysis of the sample, the exploration of nationalities based on gender has not been discussed.

The analysis allows to affirm that this sample participants are looking for activities strictly related to the culture of France and especially of Paris as culinary and cultural activities, meaning that future investigation should be conducted in the case of other cities and of different future trends. Therefore, future investigation could apply the same methodology but focus on different cities, in order to enrich the external validity and/or on different services. The latter is crucial for the development of strategies that could positively impact the overall performance and revenues of different properties worldwide.

Secondly, studies have reported that the relation between hotels and cities is strictly dependent, meaning that the increased number of people traveling and looking for tailored experiences might affect the real essence of the city and consequently the experience itself lived by guests - especially by the ones with lower income, as proved in this paper, who seems to feel more affected by mass-tourism. This is why, it is also important to consider that experiential packages involve services, which by nature have four characteristics (Chyi Jaw 2010): (i) Intangibility, (ii) Perishability, (iii) Inseparability, (iv) Heterogeneity. Intangibility refers to the absence of a physical evidence, as services cannot be seen, touched or smelled. Perishability refers to the fact that services cannot be stored for later use: when left unused, they are automatically wasted. Inseparability underlines the difference from products to services, as usually services are consumed in the time they are bought. Lastly, heterogeneity refers to a lack of consistency and measures how greatly the perception of services varies from one customer to another. Further research should address the impact of promotional packages in destination management purposes, as their main objective is to attract more guests to the city and to city

hotels. When considering a physical item, the product will be the same for all customers. Instead, characteristics of services will vary depending on the recipient.

### **Conclusion**

By following the customer satisfaction model provided by Professor Kano, the “Opéra Nights” package represents the so-called “attractive quality”, meaning that, due to its uniqueness, the experience might drive a high level of satisfaction among customers. The unexpected and niche service, such as the possibility to spend a night at the Opéra Garnier, can be considered a main driver for the hotel competitiveness and a point of differentiation from the others. The presence of other visitors can be considered a one-dimensional characteristic as it might affect guests’ gratification during their experience. The same analysis could be conducted on the Romantic Getaway Package, which during this investigation proved to have more friction points and to be less attractive to leisure customers traveling to Paris. The study conducted underlines the impact of different variables during guests’ stays, such as time management, mass-tourism, and price perception on the overall experience, and highlights customers’ needs.

It is managerially recommended that hoteliers comprehend the different preferences of guests, and hence try to personalize the services included in each package proposed. Therefore, by following the previous analysis, Parisian hotels should consider proposing activities rooted in the essence of the city, and that bring added value to guests’ experiences. Having said that, being the survey Paris-centered, and being value for money a crucial factor for respondents, introducing pricing discrimination strategies could be an optimal solution to attract the younger generations with higher incomes and to develop loyalty. This could play a crucial role in the growth strategy of city hotels, which are, by business nature, subject to a higher level of competition. To conclude, the study emphasizes the rising trend of experiential packages and its impact on guests’ satisfaction, as well as the need for city hotels to adapt their pricing strategies to meet the future needs of customers.

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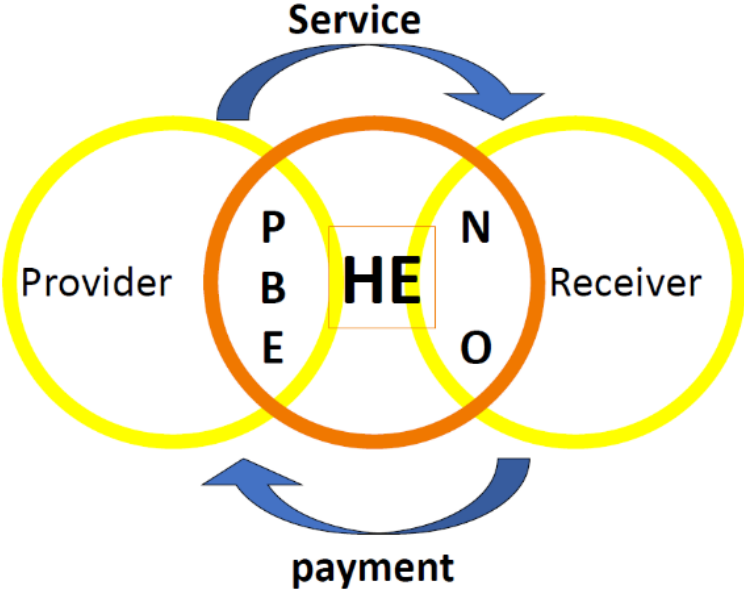
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**Appendix**

**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:**

**Questionnaire 2 and Answers from Respondents (counted) – How does the presence of packages influence customer experience in city hotels?**

- *What is your age?*

AGE RANGE	
Age Range	Count
<18	2
18-25	72
26-35	36
36-45	6
46-55	4
56-65	5
>65	0

- *Which gender do you identify most with?*

GENDER	
Female	Male
77	48

- *Net Monthly Income*

NET MONTHLY INCOME	
Income Range	Count
<500	57
501-1000	8
1001-1400	8
1401-1800	16
1801-2200	15
2201-2600	6
2601-3000	4
>3001	11

- *Where are you from?*

NATIONALITIES	
Countries	Count
Belgium	1
Brazil	1
Burma	1
Canada	2
China	1
Croatia	1
Czech Republic	5
Democratic Republic of Congo	1
Denmark	1
France	5
Germany	5
Italy	67
Japan	2
Kazakhstan	1
Mongolia	1
Netherlands	9
Poland	2
Portugal	7
Russia	2
Serbia	1
Slovakia	2
Slovenia	1
Thailand	2
Ukraine	2
United Kingdom	1
United States	2

- *What is your highest level of education?*

EDUCATION	
Education Level	Count
Bachelor's degree	51
Master's degree	37
High school diploma	30
Professional degree	2
No schooling completed	1
Doctorate degree	4

- *When you travel to a new city, how long do you stay inside the hotel?*

TIME SPENT	Count
10 hours + 2 hours	57
Just to sleep (10 hours max)	59
10 hours + 4 hours	9

- *How often would you have dinner inside the hotel rather than outside?*

FREQUENCY	Count
Never	34
Rarely	59
Sometimes	24
Often	8
Every time	0

- *Last time you purchased a package b. What was the package about?*

LAST PURCHASE	Count
One month ago	14
Two - Three months ago	22
Three - Five months ago	6
Six months to One year ago	32
Never	51

PACKAGES' PRODUCTS	Count
Meals included (Breakfast and Dinner at the hotel)	53
Museum Entrance	2
Events	1
Spa	1
Two nights in a room	9
Continental breakfast	1
Meals + taxi	1
Private taxi	1
Cuisine classes	2
Spa, Events, Meals	1
Continental breakfast	1

## Scenarios

**Case 1:** A 4-star Hotel, from a famous hotel chain - located right in the heart of Paris, on its booking engine is proposing the "Romantic getaway" package for 700 EUR per night for two

adults. The package is bookable in June, the period of the year when Parisian hotels have the highest occupancy rate (Source: STATISTA, 2021). You will sleep in a comfort room, have dinner in a fine dining restaurant, have breakfast in your room, and have late check-out.

- *How would you perceive the price of this package?*

---

	1	2	3	4	5	6	7	Total
Count of “How would you perceive the price of this package?”	16	3	2	2	1	7	1	125
		8	2	3	8			

---

- *The high season and the fact there are more visitors around Paris will allow me to enjoy the experience at the restaurant.*

---

	1	2	3	4	5	6	7	Total
Count of “The high season and the fact that there are more visitors around Paris will allow me to enjoy the experience at the restaurant.”	23	31	26	18	17	9	1	125

---

- *How do you think this package will influence your stay experience?*

---

	1	2	3	4	5	6	7	Total
Count of “How do you think this package will influence your stay experience?”	8	6	1	2	3	2	6	125
			4	9	8	4		

---

- *How helpful do you think this pre-made hotel package is? In terms of organizing your vacation.*

---

	1	2	3	4	5	6	7	Total
Count of “How helpful do you think this pre-made hotel package is? (in terms of organizing your vacation).”	8	1	2	1	3	2	9	125
		5	0	7	5	1		

---

**Case 2:** A 4-star Hotel, from a famous hotel chain - located right in the heart of Paris, on its booking engine is proposing the "Romantic getaway" package for 700 EUR per night for two adults. The package is bookable in June, the period of the year when Parisian hotels have the highest occupancy rate (Source: STATISTA, 2021). You will sleep in a comfort room, have dinner in a fine dining restaurant, have breakfast in your room, and have late check-out.

- *How would you perceive the price of this package?*

---

	1	2	3	4	5	6	7	Total
Count of "How would you perceive the price of this package?"	13	1	2	1	2	1	8	125
		7	8	8	6	5		

---

- *The low season and the fact there are more visitors around Paris will allow me to enjoy the experience at Opéra Garnier.*

---

	1	2	3	4	5	6	7	Total
Count of "The low season and the fact that there are fewer visitors around Paris will allow me to enjoy the experience at the Opéra Garnier."	3	5	7	2	2	3	2	125
				1	5	8	6	

---

- *How do you think this package will influence your stay experience?*

---

	1	2	3	4	5	6	7	Total
Count of "How do you think this package will influence your stay experience?"	6	7	1	2	4	2	1	125
			2	2	0	2	6	

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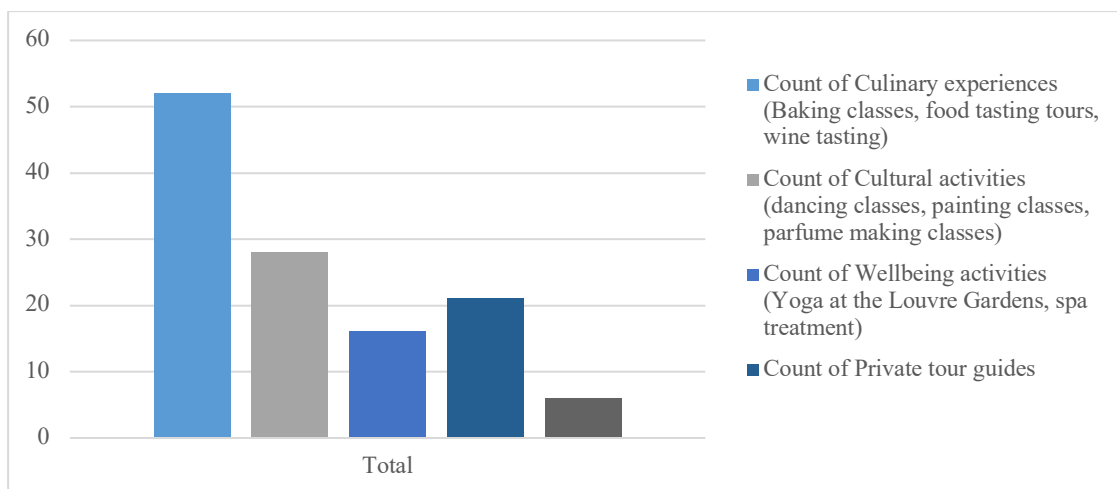
- ***How helpful do you think this pre-made hotel package is? (In terms of organizing your vacation).***

	1	2	3	4	5	6	7	Total
Count of “How helpful do you think this pre-made hotel package is? (in terms of organizing your vacation).”	6	13	12	25	30	21	18	125

- ***Rank from 1 (most important) to 5 (least important) what are the elements you would consider when purchasing a package made by a city hotel located in Paris?***  
***Please note that you cannot use the same grade twice:***

(Answers in Appendix 7)

- Tailored local experiences
- Value for money
- Dates’ Flexibility
- Transparency of the rate offered
- Exclusivity of the experience
- ***If you could decide what to include in a package for a hotel located in the city center of Paris, you would like to have - one choice (feel free to add more to the list)***



**Appendix 3: Descriptive Analysis – Customers' Preferences**

Tailored local experience		Value for money		Dates' Flexibility	
Mean	2,76	Mean	2,864	Mean	2,984
Standard Error	0,124641421	Standard Error	0,13694548	Standard Error	0,117492072
Median	3	Median	3	Median	3
Mode	2	Mode	1	Mode	3
Standard		Standard		Standard	
Deviation	1,393533453	Deviation	1,531097013	Deviation	1,313601304
Sample Variance	1,941935484	Sample Variance	2,344258065	Sample Variance	1,725548387
	-		-		-
Kurtosis	1,254683169	Kurtosis	1,494794443	Kurtosis	1,063139052
Skewness	0,221397219	Skewness	0,136808045	Skewness	0,094987993
Range	4	Range	4	Range	4
Minimum	1	Minimum	1	Minimum	1
Maximum	5	Maximum	5	Maximum	5
Sum	345	Sum	358	Sum	373
Count	125	Count	125	Count	125

Transparency of the rate offered		Esclusivity of the experience	
Mean	3,216	Mean	3,176
Standard Error	0,10508614	Standard Error	0,142359835
Median	3	Median	3
Mode	4	Mode	5
Standard		Standard	
Deviation	1,17489876	Deviation	1,59163134
Sample Variance	1,380387097	Sample Variance	2,533290323
	-		-
Kurtosis	0,744137873	Kurtosis	1,535047568
	-		-
Skewness	0,278828156	Skewness	0,159643965
Range	4	Range	4
Minimum	1	Minimum	1
Maximum	5	Maximum	5
Sum	402	Sum	397
Count	125	Count	125

