

*Full Length Research Paper*

# Consumers attribute analysis of economic hotels: An exploratory study

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Accepted 16 June, 2010

**Service sector represents nearly 50% of Brazilian GNP in a sector which hotel industry has had a lot of changes as the entrance of international competitors. The objective of this article is to identify which attributes of low price hotel segment was more valued causing more consumer's satisfaction. For this reason an exploratory research using a structured questionnaire with pre selected attributes was conducted. After the results were discussed using a focus group. The research shows that there were three main valued attributes of low price hotels: cleanness, silence in rooms and conditioning air, all the attributes were directly associated with tangibles aspects, the qualitative study suggests some additionally aspects as internet access and facilities.**

**Key words:** Brazilian economic hotels, hotel management, consumer behavior.

## INTRODUCTION

Tourism sector in Brazil has grown and concerning employment generation, it was responsible for nearly two million working people in direct related activities, according to Barreto (2009).

In tourism, hotel activity has a highlighted role mainly in low price hotels and according to Embratur (2002) has undergone a great modernization in the last years, what has generated awareness with respect market segmentation. For this reason results management techniques have been used in this activity what has allowed the hotels to better know their market, optimize resources, maximize occupation rate, and improve the financial result. However, each hotel network present a set of main attributes like room size, position of bathroom items, service, colours and building layout, only to cite some examples of highly specific elements to be managed.

Most part of this change is owed to the growing investment and enlargement of great international hotel chain bringing a professionalism which was low developed so far. Besides, these international chains have projected

their hotels in order to operate with low operational cost and have invested in training, standardizing attendance and service quality.

The hotel international chains made strong changes in Brazilian tourism sector when they offered attractive price and high standard service, both associated with one brand.

The motivation for this study was a further knowledge in the comprehension of consumers' satisfaction of economic hotels segment. The main aspects which justify the actual study were: the meager existing discussion these consumers profile; the recent changes in this hotel segment in Brazil and the need of understanding the consumer's behaviour.

## Services and consumer's satisfaction

Service operations, according to the classification of Brazilian Institute of Geography and Statistics– IBGE (2004) include the subsectors: retail, lodging (including hotel sector) and food sector (including restaurants); transports; telecommunication; financial intermediation; security and private insurance; real estate activities; computer services; public administration; research and

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development; education; health and social services and personal and home services.

Lovelock and Wright (2002) define services as one action or performance offered to other part. Even the process is connected to one physical product; the performance is essentially intangible and normally does not result in any tangible good. Additionally, Slack et al. (2002) present the main service characteristics such as: intangibility, non stockable, not transportable, and inseparable.

### **Hotel: Definition and classification**

According to Medlik and Ingram (2002), the hotel concept involves the following elements: location which geographically places the hotel in a region, showing such aspect as accessibility, convenience, and attractiveness in the neighborhood: facilities which include rooms, restaurant, bars, functional room, meeting rooms, and leisure area: Service which involves the existence and dimensions of hotel services supplied through its facilities: the style and qualities of such items, in formal and informal aspects, personal attention level, speed and efficiency.

Hotel concept is also formed by elements such as: image (how the hotel presents itself); price (the price charged by the hotel) and, satisfaction of its users. Hotels are also classified in order to know what they offer and make choice easier. Hotels can be ranged in six main categories: super luxe, luxe, superior, touristic, economic (budget), and simple. For each one of these classifications there is a number of stars, ranging from five to one, according to Embratur (2002), which is based after international standards.

However, many times the average price for a day stay has been more used as a parameter for segmentation value than the official classification as used by Embratur.

Varian (2003); Pyndyck and Rubinfeldt (2005) conceptualize the importance on the microeconomics theory for using prices as a reference for quality. Lewis and Nightingale (1983) empirically confirmed this aspect showing the importance of price as an attribute used by consumers as a sign of a good or bad service.

This variation in classification is a result of changes occurred in the sector in the last years; first abroad and most recently in Brazil. According to Lewis and Nightingale (1991) hotel operations primarily based their strategies on location. However, this variable was neutralized by the fast expansion of big hotel chains. According to the authors the new steps for a service strategy are: to segment and to determine which market to attend, to know the expectations of this market, to find potential services for differentiation, to supply this service as promised and to choose one aspect which promote a sustainable competitive advantage.

In this scenario, Moskowitz and Krieger (2003)

highlighted the need for consumer segmentation and the definition of suitable messages to each segment in order to increase the communication impact.

Another trend which has changed in Brazil is the use of internet as a new distribution channel of hotels. It allows the hotel to offer their products directly to the clients with a relatively low cost (Kamel and Hussein, 2004; O'Connor and Piccoli, 2003; Frey et al., 2003). However, it is necessary to be aware to these new technologies, trying to incorporate them to the organization's culture in a way not to make them a potential dissatisfaction maker for clients (Frey et al., 2003).

### **Budget hotel**

The main characteristic of budget hotels is the supply of a basic service with high quality, due to reduced facilities and services to a minimum, offering only the essential points to their goal clients - groups formed by intermediate level businessmen, technicians, professionals and salesmen who travel for business preferring lower price, but make a point on comfort instead of sophistication (Bezerra and Melo, 2003) because only they have a short staying.

According to Andrade et al. (2000), accommodation is basically rooms of suitable dimension and furniture, with full bathroom facilities and air conditioning, a small reception, breakfast room, and parking with limited services in reception, maid and cleaning.

### **Processes of a hotel**

Fitzsimmons and Fitzsimmons (2000) state that the service pack can be considered a set of attributes the clients experience and which is composed by four characteristics: supporting facilities, explicit facilitator aspects (easily recognized elements) and implicit facilitator items, usually associated to psychological benefits related to consumption or service (prestige, guarantees, etc). According to Fitzsimmons and Fitzsimmons (2000) the service is an experience which occurs in the company facilities which provides the service and the service quality is reinforced if the facilities were projected according to the clients' perspective. This aspect implicitly shows the importance of knowing the consumer and the attributes he valorizes, for a more efficient management. These attributes were the objects of research, aiming to know their attributes and importance for the clients of budget hotels.

### **Models for service quality evaluation**

The hotel activity is characterized as a service operation,

with several characteristic attributes of this productive system in the operation. Thus, it is necessary a fully understanding of the operation characteristics of hotel services and the dimensions which comprise the evaluation system. It is also important the presentation and analysis of main evaluation models for quality and services, for a comprehension of the main dimensions and attributes used in each one of these models, allowing a comparison with results of field research.

To start the study of service quality it is essential to discuss customers' expectations – how they are formed and how they impact the quality assessment of a service operation.

Consumers' expectations represent what these groups of individuals feel about what a company should offer in a service relationship (Parasuraman et al., 2005).

Prakash (1984) estimates that there is no single model of expectations, but predictions made by the consumer relating the possibilities of events in the transaction which he get involved. Before the service operation event, the consumer considers a range of information about the future service. These determine the basis for judging of quality to be made by the client.

These expectations are formed by the accumulation of consumers' experiences. By the time, certain standards are set by customers such as what is expected when experiencing various service operations and, once formed; the expectations are very hard to change. It is for each operation to meet or exceed them if they want to be perceived as of superior quality (Patrick, 1996).

Researchers recognize the existence of several expectative classes, prevailing two main forms (Zeithalm and Bitner, 2003). The first one represents the expectation as a foreseeing of future events; it means the beliefs about what is to occur in a service. There are two kinds of foreseeing: the waited expectations and the minimum bearable ones. The last ones representing what should occur in a service. In case this bearable minimum is not met, the consumer will be displeased.

The other pattern is the normative expectations of future events which represent the wished or ideal ones (Prakash, 1984). These patterns are often used in the study of service quality. Thus, the delivery of a quality service means to meet the consumer's expectations in a consistent basis.

These two levels of expectations are a parameter for evaluating the service received by the client. However, they are heterogeneous, extremely variable among the service providers and even with respect to a particular company's employee (Zeithalm and Bitner, 2003). This is the concept of tolerance zone, that is, the area formed by the recognition of the change in service and the possibility to accept it.

Anyway, these tolerance zones are not the same for all the customers and may be influenced by several factors, such as time and price (Zeithalm and Bitner, 2003). It can

also vary with the service size; the more important a factor, the narrower should be the tolerance zone, being the reliability one of the most relevant dimensions to this effect (Zeithalm and Bitner, 2003).

The kind of industry where the service is developed also makes the tolerance zone varies. Hotels for example, have a tolerance zone larger than sectors of entertainment and aviation (Patrick, 1996). The variation may occur in the same manner for services rendered for the first time and for their recovery.

### **Differences and similarities between quality and service satisfaction**

A very important discussion about satisfaction is its distinction from quality or service operation. This difference follows two distinct lines of thought in marketing literature. The first perspective takes quality as a global judgment or attitude toward a service as a long-term result, which contributes toward customer's expectations. Satisfaction in this case is a specific concept of the transaction related to consumer perceptions (Parasuraman et al., 1985). A consumer can be satisfied with a transaction, yet his global judgment can be negative, and vice versa.

The second perspective focuses on the premise that satisfaction is superior to quality. Despite the different perspectives, it is almost a consensus the fact that satisfaction and service quality are different concepts.

Some authors adopt the thought that satisfaction influences the quality along the time (Patrick, 1996; Lovelock and Wright, 2002); however, satisfaction is usually seen as a wider concept. Service quality on its turn is mainly focused on service dimensions. Based in this view point the noticed quality in services is a component of client's satisfaction (Zeithalm and Bitner, 2003). The quality is obtained and represented through specific dimensions of service: reliability, responsibility, safety, empathy, and tangibility. On its turn, satisfaction is influenced by perceptions related to que service and product quality, by the price, and by the perceptions related to personal and conditional agents.

According to the authors, the clients evaluate the quality of a service through the given technical result and through the way this result was delivered, in a nutshell, through the service process. If the result is positive for the client and within a process which have had a suitable result, the quality must be implicit. However, there are some aspects or situations in which technical and functional qualities of services are difficult to be evaluated. When it occurs, the clients use other indicators. Consequently, this is not a one-dimension evaluation, but split in several factors (Zeithalm and Bitner, 2003).

### **Service evaluation model: Servqual**

The quality of service organizations is hard to be measured,

once different from products, it is hard to touch or try a service before delivering it to the client. Parasuraman et al. (1985) proposes in order to evaluate quality, a methodology in which there is a comparison between the clients' expectations and the perception of service quality. For this comparison, the authors developed a model which gathers the following service dimensions: tangible items, receptivity, empathy, confidence, and reliability.

The tangible items in SERVQUAL are bi-dimensional, analyzing equipments and facilities, employees, and communication material. The dimension receptivity related to the desire or availability of employees to produce a service, dealt in this dimension on questions about the aspects of expectation and perceptions. Empathy verifies the possibility about the person experience the feelings of another person as himself.

Confidence is meant the company competence, the courtesy for clients, and the trust on its operations. Reliability is related to service level, time it is taken to be done within an established period, attendance to a promise, among other factors

The expectations and perceptions reported by service consumers, considering the five dimensions, are flexible and can suffer some changes or adaptations according to the service whose quality is to be measured. The model also analyses the gaps which represent the service quality, it is, smaller the gap, better the quality and interprets quality within a continuum which ranges from ideal to completely unacceptable.

The difference on evaluation is the base of the model, once the judgment for quality is done through the difference between given grade to service perceptions compared to its expectations. Thus, In case the expectations are surpassed, the service has a positive grade; otherwise, this grade is negative. The average differences are the references for a general quality evaluation (Parasuraman et al., 1985).

## MATERIALS AND METHODS

The research can be classified as an exploratory one, once it tried to deepen in the comprehension of a recent phenomenon which is little studied in the literature according to Selltitz et al. (1967).

The study was split in three distinct steps: bibliographic, quantitative, and complementary qualitative research. In the first step, in order to identify work with similar topics; the study by Wind et al. (1989) was used as a reference, since it researched which attributes were most valorized by consumers in a big international hotel chain.

When preparing a questionnaire which was used in the second step of this research, using the attributes identified in the research by Wind et al. (1989), as the most valorized by consumers for budget hotels. All the attributes used by the authors were kept, once it was an already validated questionnaire. Therefore, variables such as price, which intrinsically is the decision factor in the guest's option in this kind of hotel, were preserved.

Participants were selected through convenience sampling, which was 220 respondents, who were asked to answer a questionnaire

containing 35 attributes, divided into three groups, which contained the hotel characteristics as a total, the apartments and staff. They were asked to select the four most important attributes when choosing a hotel in the economic sector in each of the categories.

From the 220 questionnaires, 24 with errors were eliminated, making a final sampling of 196 questionnaires. The data assessment was done through frequency analysis for each attribute. At this stage, 11 were identified as the most relevant.

Subsequently, to confirm the information obtained in the previous step, the technique of the focus group was used. According to Kinnear and Taylor (1996) this is an interview technique poorly structured, which should be conducted by an experienced moderator, where he/she should manage a small group of participants to collect data about a focused subject. In this study the research focus group aimed to complement the results previously obtained in quantitative research.

Following methodological recommendation contained in Krueger and Casey (2009) which indicates that the focus group should be composed by members who have similarity, which is the basis for recruitment of participants, it was chosen to work only with people with higher education, predominant age for the users of this hospitality segment.

The attributes used in the initial research concerned to hotel, rooms and employees; adapted from Wind et al. (1989) contemplates aspects as location, reliability, price, safety, cleanliness, etc. Given the set of attributes in the research of Wind et al. (1989) only the ones identified as the most relevant in quantitative research were selected, conducted in the second step. The obtained classifications in the focus group, as well as the comments were compared with the results of the previous step in order to expand and better discuss the results obtained with the attributes to the customers.

## RESULTS AND DISCUSSION

The result of the first step of the research, which comprised a structured questionnaire, showed that, considering the 35 attributes reported by literature and by professionals of the area as the most relevant ones, eleven were chosen by the participants in this group as the most important ones in the satisfaction for consumers of budget hotels (Table 1).

In this first analysis for gathered data, the most relevant attributes, in the opinion of budget hotel consumers who were interviewed are: cleanness in facilities, professionalism, price, silence, safety, reliability, air conditioning, employees' congeniality, fast reception work, location, and kind of mattress (Table 2). All these attributes were pointed in a sample of 196 questionnaires obtained.

From the analysis of the results it was identified that the participants seem to be mostly concerned with the price, cleanliness, type of mattress, air conditioning – it is, attributes which are classified as tangible – which the customers use to have some information for comparison with future service experience. The price is not a quality attribute, but one of the dimensions which influence customer's satisfaction, along with the product and service quality. These dimensions are always considered by the client in his analysis of quality (Zeithaml and Bitner, 2002).

**Table 1.** Characteristics for a budget hotel.

Location	<ul style="list-style-type: none"> <li>i. The areas along the roads close to or at the entrance of the city are more suitable.</li> <li>ii. Location in strategic points must be considered for stops on long trips.</li> <li>iii. In cities, out of commercial areas, budget hotels should be located close to train, subway or bus stations.</li> </ul>
Size and diversity	<ul style="list-style-type: none"> <li>i. Facilities are reduced, only the room, reception, managing office, breakfast room, or a small snack bar, and a room for equipments.</li> <li>ii. The laundry can be a small one. As an alternative, laundry services can be contracted or a medium laundry company which also supplies service to a group of hotels of the same chain can be used.</li> <li>iii. In order to avoid elevators, always it is possible a horizontal architecture must be preferred.</li> </ul>
Characteristics of the Lobby	<ul style="list-style-type: none"> <li>i. Must be only a reception and a small area resting area.</li> </ul>
Characteristics of the rooms	<ul style="list-style-type: none"> <li>i. The number of rooms must be reduced (ranging from 60 to a little more than 100 approximately).</li> <li>ii. The rooms can be smaller or bigger than similar ones in upper categories depending on the clients' characteristics.</li> <li>iii. Special rooms for handicapped people must be supplied.</li> <li>iv. In hotels aimed to working travelers, the room as well as the bathroom can be significantly smaller.</li> <li>v. Rooms with only one bed can be fitted with rooms containing two beds.</li> <li>vi. It is important to suit furniture for small rooms, making a careful project for available area.</li> <li>vii. Working facilities must be considered as an essential item.</li> </ul>
Parking	<ul style="list-style-type: none"> <li>i. The number of parking spaces must be equivalent to the number of rooms.</li> </ul>

Source: Andrade, Brito and Jorge (2000).

The first step of the research showed that budget hotel consumers search for a relatively low cost – a hotel with conditions to provide a comfortable night rest and quickly service, without any problems; therefore, the value of attributes such as cleanliness, silence and staff professionalism. However, this study aimed to obtain better details of the attributes listed as the most important ones (second step of the research) in choosing a budget hotel, being done a focus group type research. In the focus group, it was also sought to obtain an ordering for the attributes of importance in decreasing level. The moderator tried to get a group consensus about the importance of attributes for budget hotels; however, as the method itself foresees, it was not possible to reach a common agreement.

The participants were asked if there is any difference on their expectation if the hotel is an independent one or a chain one. The answer was affirmative, showing that for chain budget hotels it is expected that most valorized attributes such as cleanness, for example are intrinsic to the service experience.

It can be noticed that some attributes such as cleanness,

silence, and air conditioning showed in the quantitative exploratory research were confirmed by the exploratory research for focused group. However, some other ones as: professionalism, niceness, fast work, liability, kind of mattress, safety and location were not confirmed.

Other attributes were also mentioned as important related to the tangible aspect of the hotel such as indoor parking, fitness center, leisure, furniture in the room, internet, linen, room conditions, kind of floor, restaurant, food variety, and room tidiness. The importance of offered service such as reception service, both personally and by internet and payment conditions.

It is important to mention that the focused group raised an important attribute, estimated by consumers of this sector which had not been mentioned in previous researches, perhaps due to the period they were done. They pointed that internet has a great importance in the choice of hotel, mainly on booking through the web. The seen attributes represent the consumers' expectations for the researched budget hotels, once the knowledge of expectations were essential for evaluating a service quality. When these consumers choose a budget hotel, or when

**Table 2.** Most valorized attribute by consumers of budget hotels according to the category.

Attribute	Number
<b>Hotel</b>	
Cleanliness in all the facilities	144
Price	116
Location	108
Safety	103
<b>Room</b>	
Silience in the room	138
Air conditioning	126
Kind of mattress	103
<b>Employees</b>	
Professionalism	139
Reliability	132
Congeniality	118
Fast answer to service	109

Source: Research data.

evaluate their quality, these are the attributes of services desired and expected by the clients.

As it has already been highlighted, an attribute considered important by the participants of this study, which was not expected as a result for the research was the internet. This attribute has two dimensions. The first one is an instrument itself to be offered as a service by the hotel, and the second one as an on line service. Thus, the awareness about service quality offered by the hotel and the clients' expectations outgoes the physical barriers of the hotel going into the virtual world. It demands a new care with the quality of offered service. It is not enough to offer a good service inside the hotel, it is necessary to be aware about the on line services such as bookings, attendance, general presentation of the hotel in the site, site layout, safety, accessing, and customizing (Parasuraman et al., 2005).

## Conclusion

The main aspect and contribution of this article was a deeper understanding of attributes valorized by clients of budget hotels. After the complementary evaluation of the qualitative research, it could be observed that there are three attributes which are more valorized by the clients of budget hotels: cleanness in the facilities, silence inside, and air conditioner, it means, basic conditions for a suitable night.

The result of the articles reinforces Bitner's studies

(1992) which state to have a higher importance for tangible aspects in the scenario of services for budget hotels, once the level of offered service is essentially lower. These physical evidences can affect clients' experiences making them pay attention to the company, which can, in its turn, act spawning messages and effects over the consumer's expectations.

It can be inferred that the contact level between the consumer for budget hotel and the hotel itself is low, once they are only taken as an option for resting. Consequently, they are worth by this kind of clients on attributes which assure them a fast service which takes them the shortest possible time (employees' professionalism, booking on internet, fast reception service liability, and location) and despite short, a comfortable stay with quality (cleanness, air conditioning, silence, kind of mattress)

In doing new studies it is also important to include in the analyses of attributes, the issue of internet, both as a serviced supplied to the clients and as a sale channels (bookings) and also the fitness services as a surplus, mainly when dealing with the concurrence between independent and chain budget hotels.

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