



Article Title

Exploring online sales promotions in the hospitality industry

Citation

Christou, E. (2011). Exploring online sales promotions in the hospitality industry. *Journal of Hospitality Marketing & Management*, 20(7), 814-829.

Abstract

In this study, a cognitive–affective–conative multidimensional model was hypothesized to incorporate all elements of how and why hotel customers utilize sales promotions offered over the Internet. The proposed model incorporates various facets related to customers’ exploitation of online sales promotions and focuses on the relationship between hotel customers’ beliefs, attitude, and purchasing behavior. The model fit was tested through structural equation modelling analysis (SEM) and results indicated significant support for the hypothesized paths. The suggested pattern appears to influence behavior towards online promotion deals, and certain trait variables had considerable impact on the process.

Methods

The population surveyed was inhabitants of a major city in Greece. To obtain a representative sample, particular data collection was restricted to a certain number of census tracts located in the city and its surrounding area.

Results

The variety-seeking element tends to have a positive impact on the affective component; nevertheless, the nonsignificant path for extra point affect appears to support the finding that searching the Internet for variety in hotel promotions has no effect on fondness for extra points contrarily to price discounts. The nature of the extra points/miles and the significance of the information search effect (0.538) in the explanation of the affect may explain this finding. The busyness variable has a negative impact on the behavioral intention toward extra miles in the model presented here; hotel customers that claim they are busy frequently have less of a chance to incur the fixed and handling costs that are necessary for redeeming points and miles. The lack of substantial paths for behavioral intentions toward price discounts is compatible with the lack of busyness impact on this type of hotels’ online sales promotions. A possible reason for this may be that such sales promotions do not require advance planning, involve lower individual efforts for redeeming, and thus are not influenced by the busyness element. The results related to the positive impact of hospitality brand loyalty on the fondness for extra points is rather unexpected given that it contradicts findings of previous studies that examined this topic (Barone & Roy, 2009); in particular, Mittal (1998) established that higher brand loyalty resulted to not so positive attitudes towards extra points. Lastly, the financial wellness element was found to have a considerable effect on behavior; people that perceived themselves

as not so wealthy appeared inclined to exploit price discount deals compared to those who consider themselves as wealthy enough not to worry adopting price discounts.

Conclusion

In this study, a cognitive–affective–conative multidimensional model was hypothesized to incorporate all elements of how and why hotel customers utilize sales promotions offered over the Internet. The suggested process appears responsible for the people’s behavior towards online promotion deals and trait variables had considerable impact on the pattern (busyness, variety seeking, financial wellness, hotel brand loyalty, and market maven). As to managerial implications, current findings describe how some psychographic—or lifestyle—factors (i.e., financial wellness, variety seeking, hotel brand loyalty, and general busyness) were the ones that had the greater impact on hotel customers’ online deal attraction. It is hence proposed that hospitality marketers should consider the significance of online customer awareness and involvement in relation to these traits and appropriate segmentation. Furthermore, marketers should also take into account that through this survey it has been established that a significant number of hotel customers are fond of online deals and promotions because such tools make them feel as though they are being smart shoppers.