



Article Title

Influences of consumer characteristics on fairness perceptions of revenue management pricing in the hotel industry

Citation

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Abstract

Fairness perceptions play an important role in customers' behavior, and this study explores which consumer characteristics influence fairness perceptions of revenue management (RM) pricing in the hotel context.

Methods

The study conducts a logit analysis by comparing two groups: one group of customers who consider hotels' RM practices to be fair and the other group considers the practices to be unfair. Selected respondents were among students and staff of a University located on the east coast of the US. Individual e-mails, sent to potential respondents, had a web link for the survey. The questionnaire's total online distribution was 10,023 over 20 days and resulted in a return of 962 completed surveys.

Results

The findings provide an opportunity for hotel managers to identify customers' particular characteristics that affect customer's perceptions of the fairness of hotels' RM pricing practices.

Conclusion

The main model comparison reveals that more frequent users of hotels, younger hotel guests, and more educated people tend to perceive hotels' RM practices to be fair, compared to their counterparts. Based on the findings about hotel guests' household income levels, hoteliers may want to develop their RM strategies differently. Hotels may increase revenues through RM practices, especially the variable pricing strategy based on demand level, without damaging their customers' fairness perceptions.