



Article Title

Exploring the Role Of Human Judgment in Making Discount Decisions in the Lodging Industry

Citation

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Abstract

This study assesses the process of making pricing decisions, specifically discounts, in the lodging industry. The findings of the study enhanced the understanding of how management's discount choice was constructed. Different rankings on information attributes among departments were investigated; results show that managers from different departments rank some information elements differently. Learning the process of a discount choice provided new insights on managerial resources and capabilities required to set and change prices in the lodging industry.

Methods

The study applied a qualitative technique employing structured interviews of hotel managers in the United States. The assessments included the narration of events, stages, and cycles of choices made by hotel managers.

Results

This study identified the habitual management practices in the lodging industry such as "less-than-35 rule," "trial and error," and "follow suit." To confirm the findings from the interviews, a follow-up study was conducted. The survey was designed to learn what kinds of information managers rank highly when considering price adjustments in their operations.

Conclusion

The major goal of the current study was to narrate events, stages, and cycles of decisions in choices made by hotel managers in order to determine the role of human judgment based on contextual factors in the decision making process. A choice, such as to discount or not to discount, is the product of human agency and social forces over time as human agency and its perception of reality within a specific context infuse meaning into business practices.