



Article Title

THE INFLUENCE OF HOTEL PRICE ON PERCEIVED SERVICE QUALITY AND VALUE IN E-TOURISM: AN EMPIRICAL INVESTIGATION BASED ON ONLINE TRAVELER REVIEWS

Citation

Ye, Q., Li, H., Wang, Z., & Law, R. (2012). The Influence of Hotel Price on Perceived Service Quality and Value in E-Tourism. *Journal of Hospitality & Tourism Research*, 38(1), 23–39. doi: 10.1177/1096348012442540

Abstract

The relationship between price and post purchase perceptions is an important topic in tourism and hospitality studies. However, little is known about how this relationship operates in an online context. Using 43,726 online reviews covering 774 star-rated hotels, this study empirically investigated the influence of price on customers' perceptions of service quality and value. The results show that it has a positive impact on perceived quality but has a negative impact on perceived value. Price also has a more significant impact on perceived quality for higher-star, luxury hotels than lower-star, economy establishments. Additionally, it has a significant influence on perceived quality for business travelers but the equivalent value for leisure travelers is not significant.

Conclusion

In conclusion, this study relays the impact of price information on perceptions of service quality and value in an online context for the hospitality industry. It shows that price has a significant effect on the evaluation of perceived quality and value, based on a data set of online traveler reviews. It is estimated that price has a negative effect on the evaluation of perceived value.

The results also indicate that price plays a positive role in a reviewer's ratings of perceived quality. Factoring it all in, price has a more significant impact on perceptions of quality for higher-star hotels than economy establishments. Additionally, it does not have a significant influence on perceived quality for leisure customers but does affect business travelers' ratings. Hotel managers should, therefore, seriously consider looking into online traveler reviews when developing pricing strategies.

Another important aspect are the role of star rating and trip type, which enables a clearer understanding of the influence of price on perceived quality and value according to hotel classification and trip type. It is important to keep in mind, other factors might moderate the impact of price on perceptions of quality and value, such as the district where a hotel is located and the number of rooms. These factors were not considered in this article but are nevertheless important. Overall, this study makes a contribution as an initial step toward understanding the impact of price information on the perceived service quality and value of the hotel industry using online traveler reviews.

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