

Value of a Hotel Stay: A case study in Hong Kong

Abstract

This study examines the value of a hotel stay from the perspective of hotel customers and hotel service professionals. Respondents, including hotel customers and hotel service professionals, were asked the extent of their agreement or disagreement with statements related to four different value dimensions: functional value, emotional value, social value, and customer-perceived sacrifices. Results showed that there are significant differences between the hotel service professionals' perceived value of the hotel stay and customers' perceived value of the hotel stay. The differences are found in social value and customer-perceived sacrifices.

Keywords: customer-perceived value, hotel industry, hotel service professional, hotel customer

Value of a Hotel Stay: A case study in Hong Kong

This study examines the value of a hotel stay from the perspectives of hotel customers and hotel service professionals. Over the last decade, there has been a growing interest in studying and understanding customer-perceived value (Bolton et al., 2014). Delivering superior value to customers is a recognized way to maintain a competitive business advantage (Parasuraman, 1997). Customer-perceived value is a multidimensional concept. In this study, customer-perceived value is defined as the trade-off between the total perceived benefits and total perceived sacrifices in a supplier's offering (Zeithaml, 1988; Ulaga and Chacour, 2001). The term *perceived* refers to the experiential perspective of the customer, since the value of the hotel stay is not limited to a product or service utility, but to the whole hotel-stay experience (Petrick, 2002). Customer-perceived value is also important for maintaining various business relationships (Floh *et al.*, 2014). For instance, customers' perspectives of value influence their intention to repurchase products and services and recommend them to others. Offering superior value plays a critical role in creating and maintaining customer loyalty. Thus, service quality should not only be improved to meet the needs and expectations of the customer (Haywood, 1983), but also to create memorable experiences through value co-creation activities by service employees (Bove and Johnson, 2009).

Service delivery is based on human interactions. Merely improving the service quality without recognizing the customers' perspective is not likely to lead to success (Solomon *et al.*, 1985). Value creation activities are undertaken by customers and service providers simultaneously. The production of products or services that customers obtain becomes their consumption experience (Xie *et al.*, 2008). Therefore, service delivery in the hotel context can be viewed from two different perspectives; that of customers and hotel service professionals. The perspectives of service providers and service receivers might be different (Saleh and Ryan, 1991). In the hotel industry context, different intentions for travel, including business and leisure, might also influence how customers perceive the value of their hotel stay.

This study uses case study approach and focus on one full service, brand name, five-star hotel as a sample of hotel customers and hotel service professionals from one hotel, enabling a direct comparison of customers' and hotel service professionals' perspectives. Hotel service professionals exclude the management level. The reason for excluding the management level is that the literature (Lewis, 1987; Coyle and Dale, 1993; Qu and Tsang, 1998; Nasution and Mavondo, 2008) provides evidence that hotel managers tend to overestimate the value they offer. This study argues that hotel service professionals are the providers of service and are the direct contact with the customers, putting them in the ideal position to comment on the value they deliver. This study fills the research gap in customer-perceived value research in the hotel industry. Previously, value was examined from customers' perspectives (Sanchez *et al.*, 2006; Chen, 2015) or service providers' perspectives (Eggert & Ulaga, 2002; Liu *et al.*, 2005) but both perspectives were rarely considered in one study. Only one research study evaluated hotel

managers' expectations and hotel customers' experiences; however, it is limited in that the study compares the differences between different hotel categories including budget, standard and prime hotels (Nasution and Mavondo, 2008). In the previous study, customer perceptions were not from identical hotels as the management responses. Therefore, a direct comparison between hotel managers' expectations and hotel customers' experiences was not feasible. The specific objectives of this study are as follows:

1. To assess the hotel service professionals' perceived value of hotel stay.
2. To assess the customers' perceived value of hotel stay.
3. To identify and compare the customers' perceived value of hotel stay and hotel service professionals' perceived value of hotel stay.

Literature Review

Defining Customer-Perceived Value

Value is one of the most challenging concepts to define, but it is one of the most important parts of strategic thinking. Value concept comes from the utility theory which is the foundation of the modern microeconomic theory. The notion of value is widely used in different fields, such as economics, social science, accounting finance, strategy, product management, information system, marketing (Huber *et al.*, 2001), and tourism (Sanchez *et al.*, 2006). The definition and interpretation of value differs depending on the perspective.

Zeithaml (1988) identified customer-perceived value as the general evaluation of a product based on the customer's perceptions of what benefits are received. It can be conceptualized as a comparison of weighted get attributes to give attributes. Get attributes are perceived benefits and give attributes are perceived sacrifices. In other words, it can be operationalized as a ratio of the trade-off between the total benefit received to the total sacrifices made, taking into consideration the offering and price from the service provider (Monroe, 1990).

Scholars extended the concept of value into multiple dimensions (Sheth *et al.*, 1991): acquisition value and transaction value (Grewal *et al.*, 1998). Acquisition value refers to the perceived net gains from the trade-off between benefits and sacrifices. The transaction value is defined as the differences between the customers' reference price and the selling price.

Bolton and Drew (1991) argued that value defined solely as a trade-off between quality and price is too simplistic. Porter (1990) suggested that superior buyer value should be related to product quality, unique features, and after-sale service. Also, both non-monetary (time, effort, energy, and risk) and monetary aspects must be involved as the part of the customer-perceived value construction (Sweeney and Soutar, 2001). This viewpoint indicated that the value construct is not comprehensive enough and further extension of the value construct needs to be developed and investigated.

A broader theoretical framework of perceived value was developed by Sheth *et al.*, (1991). They developed five value dimensions, including functional value, emotional value, social value, conditional value, and epistemic value. The conceptual model provided the foundation of the value construct as it is validated through research in a variety of fields, including economics, social, and clinical psychology.

Customer value research evolved from focusing on the cognitive aspect to the intrinsic aspect, including the symbolic, hedonic, and esthetic aspects of the customer consumption process. Babin *et al.* (1994) developed a measurement of shopping value that included utilitarian and hedonic components. Richins (1994) created a possession rating scale that included utilitarian and hedonic dimensions to examine sentimental items.

While customer-perceived value has been studied from the rationalist perspective, attention has increasingly focused on emotional components, especially favoring leisure activities like the tourism industries (Sanchez *et al.*, 2006). Feelings and emotions made up customer-perceived value, rather than tangible product attributes such as the perceived quality or price (Havlena and Holbrook, 1986). There is an increasing focus on customer experiences in the hotel industry to increase customer-perceived value (Orsingher and Luca Marzocchi, 2003). Delivering superior service quality no longer guarantees high customer-perceived value (Pizam, 2010) because customer-perceived value is a judgment based on customers' thoughts toward their experience.

The literature shows that customer-perceived value is directly related to customer satisfaction (Woodruff and Gardial, 1996), customer loyalty (Ganesan, 1994; Mittal and Kamakura, 2001; Parasuraman and Grewal, 2000; Jin *et al.*, 2013), and customer retention (Flint *et al.*, 1997). In addition, creating superior value is beneficial not only to the customer, but also to different stakeholders, such as employees and shareholders. Employees can enjoy a better working environment with happy customers (Narver *et al.*, 2004). Shareholders may enjoy a superior financial performance when superior customer-perceived value is delivered consistently (McDougall and Leveque, 2000). Reichheld and Sasser (1990) revealed that a five percent increase, on average, in customer retention led to a 40–50 percent increase in net present value profits. This reinforces the viewpoint that delivering superior customer-perceived value can achieve a better financial performance.

Additionally, there is an increasing interest in value co-creation related to customer experience (Navarro *et al.*, 2014; Kaur Sahi *et al.*, 2017). In this context, value is jointly created by customers and management. Yi and Gong (2013) defined value co-creation as two types of behavior: customer participation behavior and customer citizenship behavior. Value co-creation was proved as a significant source of competitive advantage, as it helps increase customer satisfaction, while having a positive impact on customer loyalty through customer engagement (Randall *et al.*, 2011). Some scholars suggest that value co-creation can improve the productivity of the company (Schneider and White, 2004; Zeithaml *et al.*, 2006).

Customer-Perceived Value in the Hospitality Industry

Recently, hospitality literature has emphasized customer-perceived value (Gallarza *et*

al., 2011; Wu, 2013; Kuo *et al.*, 2013; Gallarza *et al.*, 2015; Kaur Sahi *et al.*, 2017). Several researchers attempted to prove underlying dimensions affecting customer-perceived value and its relationship with service quality, customer satisfaction, and customer loyalty. Oh (1999) examined the integrated relationship between service quality, customer value, and customer satisfaction. The results show that customer-perceived value is one of the most significant factors in customer satisfaction. The perceived price has significant negative impact on customer-perceived value in the luxury hotel market. This contradicts a previous study from Bojanic (1996), indicating that the perceived price would exert a significant positive effect in the hotel industry, especially in the luxury hotel market. Gallarza and Gill-Saura (2006) show another perspective of customer-perceived value in their study. They argue that the price policies are not permanently prominent for customers when assessing their travel experiences. Other costs, like time and effort, may overcome the monetary sacrifices, and an underpricing strategy may not be effective for enhancing customer-perceived value.

Al-sabbahy *et al.* (2004) expanded the measurement scale of customer-perceived value in the hotel and restaurant industry from the price-focus perspective to an intrinsic-value perspective. Their study classified customer-perceived value into two dimensions: the acquisition value and the transaction value. Acquisition value refers to the perceived gain from the trade-off between the benefit and sacrifices from the product. Transaction value refers to the difference between the customer's internal reference price and the actual selling price. Their results showed that only the acquisition value was a valid construct for evaluating customer-perceived value in the hospitality industry. Transaction value performed poorly, diminishing its validity.

Cognitive elements, like service quality and price, play a significant role in customer perceived value. However, the considerations of the effective components of social and emotional value are also necessary to capture the concept of value in hospitality industry context. Jamal *et al.* (2011) study reinforced this viewpoint. They stated that the visitors' value perceptions cannot only depend on functional aspects but should also depend on emotional and experiential features since it is the main sources of value derived from customer experiences. Gallarza *et al.* (2015) attempted to build four self-oriented value scales for investigating customer-perceived value in the hospitality-related context, exploring relations between customer-perceived value dimensions, overall perceived value, satisfaction, and loyalty. This four-value scale was comprised of efficiency, service quality, play, and aesthetics; all were positively related to perceived value. Service quality had the strongest correlation with perceived value, while play was the weakest antecedent of perceived value.

In the hotel industry, the conceptualization of value is more complicated, as it is derived from many aspects, including location, security, service quality, price, the quality of the room, the food and beverage quality, entertainment facilities, the hotel atmosphere, and service efficiency (Chu and Choi, 2000; Callan and Bowman, 2000; Tsai *et al.*, 2011). Coyle and Dale (1993) examined the perspective difference in the service quality in the hospitality industry, finding several differences between the perspective of customers and service

providers. For example, customers ranked tangible products, such as decoration, cleanliness, and facilities as much less important than hotel managers expected.

Qu and Tsang (1998) investigated the perceptions and expectations of customers related to the service quality in China's hotel industry. The results showed that, in most cases, hotels did not perform well because customer expectations were always higher than customer perceptions, implying that there is a gap between customer expectations and the provisions of the hotel. This is consistent with previous studies stating that managers overestimate their service delivery in comparison to customers' expectations (Lewis, 1987; Coyle and Dale, 1993). There are some plausible explanations for such differences. First, there seems to be a lack of interaction between managers and customers. Managers have the least amount of contact with customers and they do not always experience the primary needs of the customers (Zeithaml *et al.*, 1990). Second, the process of customer-perceived value delivery in hotels includes at least three parties: employees, customers, and managers (Gowan *et al.*, 2001; Hartline *et al.*, 2003). Service delivery problems can be related to unqualified employees unable or unwilling to perform the standard of service planned by the management, inadequate internal systems, improper information systems, and insufficient capacities to serve. Another reason might be that the hotel may fail to communicate a particular, planned image to the customers; customers may perceive and interpret the image—and hence value—differently through advertisements, social media, or customer-generated content. Shoemaker and Lewis (1999) recommended that management should perform informal and formal research on customer needs and expectations to better understand customer-perceived value and make necessary adjustments.

Nasution and Mavondo (2008) studied the differences between managers' perception of customer-perceived value and customers' experiences in the context of the Indonesian hotel industry. Their study showed that the management-perceived value is higher than the value experienced by customers across all classes of hotels. The standard hotel showed the narrowest differences, while luxury and budget hotels have a wider gap between customers' experiences and managers' expectations. All hotel managers overestimated the value they delivered. The underlying reasons may be the differences between the planned and provided services, promotional efforts not consistent with the management-expected standards, and a lack of knowledge about the customers' needs and expectations. Moreover, customers are more knowledgeable and demanding, and they expect superior customer-perceived value at lower prices, which may contribute to enlarging the perspective gap in value. As stated in the introduction, in Nasution and Mavondo's (2008) study, customers are not from the same hotels as the managers. Hence, their results should be interpreted with caution.

Methodology

Research Design and Data Collection

A descriptive research design was used in this study. Respondents, including hotel customers and hotel service professionals, were asked the extent of their agreement or disagreement with statements related to four different value dimensions: functional value,

emotional value, social value, and customer-perceived sacrifices. The seven-point Likert scale was used, ranging from 1: strongly disagree to 7: strongly agree. This study used two self-administered surveys, one for hotel service professionals and one for hotel customers. Both surveys asked the respondents the extent of their agreement with statements based on their first-person perspective towards the hotel stay. The sample was collected from one five-star, international, brand-name, full-service hotel with around 500 rooms in Hong Kong. This hotel brand offers 30 hotels in 24 destinations around the world. A five-star, brand-name, full-service hotel can provide a comprehensive perspective in service delivery rather than the economy or budget hotel. Hotel service professionals are the front-line employees directly serving customers. Managerial-level staff were excluded from the sample in this study, since previous studies showed that the managers tend to overestimate the value they deliver (Lewis, 1987; Coyle and Dale, 1993; Nasution and Mavondo, 2008).

What differentiates this study is its inclusions of the hotel service professionals who have direct interaction with the hotel guests. Hotel service professionals include employees from the Housekeeping, Concierge, Front Office, Guest Relations, and Food and Beverage departments. In total, 70 surveys were distributed and 61 completed surveys were collected from the hotel service professionals. Data from the hotel customers was collected at the hotel lobby and club floor. Surveys were distributed to the hotel customers directly. In total, 155 surveys were distributed. All responded, but two incomplete surveys were discarded, since the agreement of the value dimensions was missing. Surveys were prepared in English and translated to both Traditional and Simplified Chinese using a back-to-back translation method to ensure both face and content validity. Chinese travelers are one of the significant market segments of the sample hotel brand. Surveys in three languages were completed by 10 service employees and 20 guests as a pilot study to ensure that the survey items were understandable. Minor changes were made to improve the survey items.

Measurement Scale

This study integrated Sweeney and Soutar (2001)'s perceived value scale (PERVAL) and Petrick (2002)'s service PERVAL scale (SERV-PERVAL) as the measurement scale. Sweeney and Soutar's (2001) scale has four dimensions with 19 statements, including quality/performance, price/value for money, emotional value, and social value. Quality/performance evaluates the product's perceived quality and expected performance. Price/value for money evaluates the utility derived from the product due to the reduction of its perceived short-term and long-term cost. Emotional value evaluates the feelings generated from the product. Social value is related to the product's ability to boost the social self-concept. Petrick's (2002) SERV-PERVAL scale is comprised of five dimensions with 25 statements, which includes quality, emotional response, monetary price, behavioral price, and reputation. Quality evaluates the quality, reliability, dependability, and consistency of both the product and the service. Emotional response evaluates the cognitive feeling of the customer towards the product and service, like pleasure, joy, and happiness. Monetary price evaluates financial cost when purchasing the product and service. Behavioral price evaluates the non-

financial cost when purchasing the product and service, such as the time and effort required. Reputation evaluates the reputation and social status enhancement incurred when purchasing the product and service. The dimensions of perceived value in this study integrates Sweeney and Soutar's (2001) PERVAL scale and Petrick's (2002) SERV-PERVAL scale to include four dimensions of value: functional value, emotional value, social value, and customer-perceived sacrifices. Functional value captures the concept of the product and service quality. Emotional value is the emotional response and the feeling associate oneself with the product and service. Social value captures the reputation and social self-concept enhancement. Monetary and behavioral price is the comparison of the total perceived benefit and total perceived sacrifices.

There are two reasons for combining these two measurement scales in this study. Firstly, PERVAL is one of the most reliable scales in measuring customer-perceived value (Callarisa Fiol *et al.*, 2011). However, PERVAL was developed to measure the customer-perceived value of retail products. Due to the nature of this study, it was essential to incorporate the service aspect of the hotel industry. Therefore, Petrick's (2002) service-orientated measurement scale was used in conjunction with the PERVAL scale.

Several amendments were made to the existing scales to make them suitable for the hotel industry. First, functional value replaced the quality components from Petrick's scale, incorporating the service aspect of a hotel stay. Second, efficiency related to the reservation and check in/out processes was added to the measurement of functional value. It is evident in previous studies that this attribute is important to customers as a criteria for hotel selection. (Chu and Choi, 2000; Callan and Bowman, 2000; Tsai *et al.*, 2011). Lastly, customer-perceived sacrifices combined the price/value for money (Sweeney and Soutar, 2001) and the behavioral price (Petrick, 2002). This way, both the monetary and non-monetary aspects of customer-perceived cost were taken into consideration (Wang *et al.*, 2004). The measurement scale used is listed in Table 1.

----- Insert Table 1 here-----

Findings and Discussion

Factor Analysis

Sample size is a significant element for determining the suitability of factor analysis for estimates of correlations among variables (Pallant, 2007). This study met the minimum requirement of 150 cases (N=214). The Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity were conducted to assess sampling adequacy. The KMO result was 0.929 and the Bartlett Test yielded a value of 6084.756 at $p=0.000$. Both are within the satisfactory range.

Exploratory factor analysis (EFA) was adopted to ensure the validity of the results (Alreck and Settle, 2004). According to Pallant (2007), EFA is a measurement technique to examine the interrelationships between a set of variables. One statement was eliminated (This

hotel offers value for money). The remaining 19 variables loaded into three major factors. These factors were functional and emotional value, social value, and customer-perceived sacrifices. Functional and emotional value is the strongest influential factor of customer-perceived value. The total variance of these three major factors reached 0.838. The results of the EFA are summarized in Table 2.

The reliability test was conducted to determine how strongly the statements were related to each other. The final assessment of the overall scale must achieve a minimum alpha of 0.70. In this study, the Cronbach's alpha reached 0.98 for functional and emotional value, 0.983 for social value, and 0.873 on customer-perceived sacrifices (Table 2). This means that there is a high level of internal consistency for this amended measurement scale.

----- Insert Table 2 here-----

Profile of Hotel Service Professionals

The distribution of male and female respondents were 45.9% and 54.1%, respectively. The 18–34 age group formed the majority of respondents at 60.7%, while the 35–54 age group was 26.2%, and the 45–64 age group was 13.1%. The respondents mainly came from four departments: Front Office and Guest Relations, Housekeeping, Food and Beverage, and Concierge, which consist of 55.7%, 19.7%, 18%, and 9.2%, respectively. 39.9% of respondents have a bachelor or postgraduate degree, 26.2% have a college or associate's degree, and the remaining 34.4% have a high school or below education level. In addition, 44.3% of the respondents worked for up to three years in this hotel. Respondents who worked three to seven years and seven years or more consisted of the same figure, at 27.9%. In addition, 49.2% of respondents worked nine years or more in the hotel industry, 19.7% worked five to nine years, and 31.1% worked up to five years in the hotel industry.

Profile of Customers

Male and female customers are almost evenly distributed at 51.6% and 48.4%, respectively. The 35–54 age group formed the majority of respondents at 47.1%, while 18–34 was at 28.8%, and 55 and older was at 24.2%. Respondents mainly came from five countries and regions: Asia (not including China), China, Europe, North America, and Australia, consisting of 24.8%, 24.2%, 26.8%, 11.1%, and 9.2%, respectively. 60.1% of respondents hold a bachelor's degree, 14.4% have a postgraduate degree, and the remaining 25.5% have a college or associate's degree, or have a high school or below education level. Leisure travelers formed the majority sample of this study, consisting of 70.6%, while business travelers consisted of 20.9%. Respondents are well experienced in travel, as 45.1% travel four to seven times a year, 21.6% travel eight times or more a year, and 33.3% travel one to three times a year. In addition, 52.3% of the respondents stay one to three days at hotels per month, 36.6% stay three to five days, and only 11.1% stayed for five days or more per month.

Hotel Service Professionals' Perspectives

Hotel service professionals' ratings for the four value dimensions are very close to each other (Mean = 5.77 in functional and emotional value, Mean = 5.80 in social value, and Mean = 5.68 in customer-perceived sacrifices.) From this, it appears that the hotel service professionals thought they provided good service in all aspects of value. Table 3 shows that the perceived value of the hotel stay is comparatively higher for hotel service professionals compared to those of customers.

----- Insert Table 3 here -----

Customers' Perspectives

Findings show that social value was rated the lowest with a mean of 4.09, followed by customer-perceived sacrifices with a mean of 5.25, and functional and emotional value with a mean of 5.80. Table 4 reveals that customers 55 years old or above have the highest functional and emotional value among the sample with a mean of 6.48. One plausible explanation to this finding is that in Asian cultures like China, most people believe in the “filial piety” of Confucian traditions, which emphasize and value the utmost respect to the elderly (Martinez-carter, 2013). It is important to note that most of the hotel service professionals in this study were Asian, particularly from Hong Kong. Therefore, it may be that they show special attention to older customers and attentively serve them with utmost care and respect.

The sample was divided into customers from Asian countries (including customers from China) and non-Asian countries (including customers from North America, Australia, and Europe) for comparison. The findings show that social value is significantly different between the Asian and non-Asian countries. Social value for non-Asian countries is lower. It may be that the customers from other countries would not consider gaining social status when they stay at a luxury hotel. It could also be that the hotel is only a means for accommodation and not a social symbol. Comparably, “face issue” is more powerful in Asia, and even more so in China (Li and Buhalis, 2008). Face issue in the individual level refers to a customer's feelings of prestige and reputation based on their status. Staying at a luxury brand name hotel may be a symbol of social status for customers from Asian countries.

It is surprising that no significant differences emerge in customer-perceived value between business and leisure travelers. Yavas and Babakus (2005) indicated that business and leisure travelers have different needs and expectations, since they have different purposes for travel and their core service needs are not the same. One possible explanation may be that overall customer needs and expectations, regardless of market segments, are becoming homogeneous. Examples for these needs and expectations include high-speed internet access and efficiency in the reservation and check in/out process. This finding is similar to Liu *et al.*'s findings (2014). They stated that Chinese and Western respondents do not express significantly different preferences in hotel rate restrictions. Therefore, hotel management companies can follow a globalized approach when they design rate restrictions. More research should be done to have a better understanding of the globalization of customer preferences.

There are the significant differences in social value between customers who traveled only one to three times a year and other customers who traveled four or more times per year. Customers who travel one to three times a year have higher social value (Mean = 4.77) than the customers who traveled four to seven times a year (Mean = 3.94) and travelers who traveled eight times or more a year (Mean = 3.35). One plausible explanation is that customers who have less travel experience may feel more enthusiastic and excited when staying at a luxury, brand-name hotel, and therefore their perceived social value is higher than that of more experienced travelers.

----- Insert Table 4 here -----

Differences in Perceived Value: Hotel Service Professionals and Customers

Table 3 shows that hotel service professionals overestimated social value and customer-perceived sacrifices (Mean difference -1.71, -0.43, respectively). In addition, the hotel service professionals' perceived functional and emotional value was very similar to those of customers. These differences are presented in Figure 1. This result is different from Nasution and Mavondo's (2008) findings. They stated that managers tend to overestimate the value they offer. One explanation is that the hotel service professionals might be better at understanding customers' perceptions of value during a hotel stay in terms of functional and emotional value compared to hotel management. Nasution and Mavondo's (2008) study used hotel management as their sample to represent the service provider's perspective.

----- Insert Figure 1 here -----

It is interesting that customers' perceived functional and emotional value is comparably higher than perceived social value and customer-perceived sacrifices. There are several plausible explanations for these differences. Hotels may deliver excellent service in general, such as the efficiency of reservation and check in/out process, and consistency in service delivery. However, the hotel may lack customer engagement, customer acknowledgment, personalized service, and customer-perceived value co-creation activities. Another perspective is that the advertisements carried out by the advertising agency or public relations department may not properly deliver social value to potential customers.

Differences in customer-perceived value is expected between the customers and hotel service professionals. Hotel management should identify these differences and take immediate action to reduce the perceived value gaps between service professionals and customers. From the managerial aspect, the findings of this study suggest that hotels should try to invest in customer understanding and customer co-value creation activities. This would assist in aligning the actual service delivery and customer experiences. More research should be conducted to understand why significant differences exist in perceived social value and perceived sacrifices.

Conclusion

This study showed that there are significant differences in the perceived value of the hotel stay between hotel service professionals and customers. The differences are in the social value and customer-perceived sacrifices. In addition, customers' perceived functional and emotional value is very similar to the hotel service professionals' perceived functional value. This finding contradicts previous studies that stated that hotel managers overestimate their expected service standard (Coyle and Dale, 1993; Nasution and Mavondo, 2008). It is important to note that hotel service professionals were not considered in previous studies. This study indicated that there are significant differences in customer-perceived value based on customer demographic information, including age, region, and travel frequency.

This study makes significant contributions to the customer-perceived value literature. Previous studies mainly investigated customer-perceived value solely from the perspective of customers or managers. There is lack of research on customer-perceived value from the perspectives of both the service provider and receiver. This case study is the first to examine and compare the perceived value of hotel stays from two different, but complementary, perspectives: hotel customers and hotel service professionals. Hotel service professionals represented the service provider's perspective. This study used hotel service professionals, as they are the ones interacting with the customer and delivering value to the customers.

It is interesting to report that the customer-perceived value was not different between business and leisure travelers. One possible explanation is that customers have more experience traveling and staying at hotels because of globalization and technology advancement (Liu et al. 2014; Salifou and Haq, 2016). The needs of business and leisure travelers may be becoming more universal. However, the underlying drivers of customer-perceived value are not examined in this study. The hotel industry should put more effort into understanding these drivers and making use of the information to improve resources and capabilities. In addition to improving the functional and emotional value aspects of the business, hotel professionals should make necessary investments to enhance the social value of their businesses, including better communication of hotel values to customers across different communication channels, emphasis on customer engagement, customer acknowledgment, customer-perceived value co-creation activities. Most importantly, hotel management should ensure that hotel service professionals are well-informed and well-trained to provide the service quality as planned by the management. For example, hotel management can plan employee seminars to reassure that the service standard and hotel philosophy are well transmitted from the executive management level to the frontline operational staff level. In addition, the hotel management should ensure that the resources are there to support the hotel operation and avoid overwhelming workload. This can help frontline operational staff to act and serve in the best interest of the hotel and provide a valuable stay experience to the guest.

Several limitations in this research should be acknowledged. The sample size of the customers (N=153) and hotel service professionals (N=61) were relatively small. The case study approach by using an identical hotel sample enables comparing the customer-perceived

value of hotel stay from the perspective of customers and hotel service professionals. However, as this is case study, the results are not generalizable. The effect of nationality of the hotel service professional was not examined in this study. Future studies can examine the influence of the hotel service professionals' nationality and culture on customer-perceived value of hotel stay. The data collection of this study took place during the low season in Hong Kong (January to February 2017) so the any interference of the data collection to the daily hotel operations would be minimized. The service quality and customer-perceived value may be different during the low and peak seasons. Future studies can focus on analyzing and comparing the customer-perceived value in different types of hotels in various locations.

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Table 1 - Sources of the measurement scale

| Factors | Statements | Source |
|-------------------------------|--|---|
| Functional Value | This hotel is outstanding quality | Sweeney and Soutar (2001); Petrick (2002) |
| | This hotel is very reliable | Petrick (2002) |
| | This hotel is very dependable | Petrick (2002) |
| | This hotel is very consistent in service delivery | Sweeney and Soutar (2001); Petrick (2002) |
| | This hotel reservation and check in/out process is very efficient | Chu and Choi (2000), Callan and Bowman (2000); Tsai, Yeung and Yim (2011) |
| Emotional Value | This hotel is the one that I would enjoy | Sweeney and Soutar (2001) |
| | This hotel makes me want to book and experience it | Sweeney and Soutar (2001) |
| | This hotel is the one that I would feel relaxed to stay with | Sweeney and Soutar (2001) |
| | This hotel would make me feel good | Sweeney and Soutar (2001); Petrick (2002) |
| | This hotel would give me pleasure | Sweeney and Soutar (2001); Petrick (2002) |
| Social Value | Staying at this hotel would help me to feel acceptable | Sweeney and Soutar (2001) |
| | Staying at this hotel would improve the way I am perceived | Sweeney and Soutar (2001) |
| | Staying at this hotel would help me make a good impression on other people | Sweeney and Soutar (2001) |
| | Staying at this hotel would give me the social approval | Sweeney and Soutar (2001); Petrick (2002) |
| Monetary and Behavioral Price | This hotel is reasonably priced | Sweeney and Soutar (2001); Petrick (2002) |
| | This hotel is economical | Sweeney and Soutar (2001); Petrick (2002) |
| | This hotel is easy to reserve | Sweeney and Soutar (2001); Petrick (2002) |
| | This hotel requires little effort and energy to book | Petrick (2002) |
| | This hotel requires little time to book | Petrick (2002) |

*Table 2 - Factor analysis results with Varimax Rotation of customer-perceived value factor
(N = 214)*

| | Factor Loadings | Eigenvalue | Variance Explained | Mean | Cronbach's Alpha |
|--|-----------------|------------|--------------------|-------|------------------|
| Factor 1: Functional and Emotional Value | | 11.808 | 43.793 | 5.793 | 0.980 |
| This hotel is outstanding quality | 0.881 | | | | |
| This hotel is very reliable | 0.869 | | | | |
| This hotel is very dependable | 0.877 | | | | |
| This hotel is very consistent in service delivery | 0.864 | | | | |
| This hotel reservation and check in/out process is very efficient | 0.813 | | | | |
| This hotel is the one that I would enjoy | 0.867 | | | | |
| This hotel makes me want to book and experience it | 0.856 | | | | |
| This hotel is the one that I would feel relaxed to stay with | 0.844 | | | | |
| This hotel would make me feel good | 0.861 | | | | |
| This hotel would give me pleasure | 0.836 | | | | |
| Factor 2: Social Value | | 2.924 | 23.655 | 4.579 | 0.983 |
| Staying at this hotel would help me to feel acceptable | 0.952 | | | | |
| Staying at this hotel would improve the way I am perceived | 0.950 | | | | |
| Staying at this hotel would help me make a good impression on other people | 0.908 | | | | |
| Staying at this hotel would give me social approval | 0.945 | | | | |
| Factor 3: Monetary and Behavioral Price | | 1.191 | 16.360 | 5.377 | 0.874 |
| This hotel is reasonably priced | 0.501 | | | | |
| This hotel is economical | 0.561 | | | | |
| This hotel is easy to reserve | 0.757 | | | | |
| This hotel requires little effort and energy to book | 0.754 | | | | |
| This hotel requires little time to book | 0.793 | | | | |
| Total variance explained | 83.808 | | | | |
| KMO | 0.929 | | | | |

| | | | |
|-------------------------------|------------------|------------|-------------|
| Bartlett's Test of Sphericity | $c^2 = 6084.756$ | $df = 171$ | $P = 0.000$ |
|-------------------------------|------------------|------------|-------------|

Table 3 - Independent sample t-test results of the differences in customer-perceived value between hotel customers (HC) and hotel service professionals (HSP)

| Dimension | Mean (HC) | Mean (HSP) | Mean Difference | T - value | Sig. (2-tailed) |
|---------------------------------------|--------------|---------------|--------------------|-----------|-----------------|
| Functional and Emotional Value | 5.8026 | 5.7705 | 0.0321 | 0.198 | 0.844 |
| Social Value | 4.0915 | 5.8033 | -1.7118 | -9.048** | 0.000* |
| Monetary and Behavioral Price | 5.2549 | 5.6820 | -0.4271 | -3.111** | 0.002** |

Notes: * significance value < 0.05, ** significance value < 0.01

Table 4 – One-way ANOVA and independent sample t-test of the differences of customer-perceived value between customer age group, travel frequency, region and travel purpose

| | Age | Mean | Comparison | Mean Difference | Sig. |
|---------------------------------------|-------------------------------|-------|-------------------------------|--------------------|---------|
| Functional and Emotional Value | 55 and older | 6.476 | 18 - 34 | 0.817 | 0.003** |
| | | | 35 - 54 | 0.931 | 0.000** |
| | Travel Frequency | Mean | Comparison | Mean Difference | Sig. |
| Social Value | Once to three times a year | 4.77 | Four to seven times a year | 0.823 | 0.023* |
| | | | Eight times or more a year | 1.421 | 0.001** |
| | Region | Mean | Mean Difference | | Sig. |
| Social Value | Asian Countries | 4.33 | 0.75 | | 0.010* |
| | Non-Asian Countries | 3.58 | | | |

Notes: * significance value < 0.05, ** significance value < 0.01

Figure 1: Sample distribution in functional & emotional value, social value, and customer-perceived sacrifices



