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Consumer Decision Making for Accommodations in the Shared Economy

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CONSUMER DECISION MAKING FOR ACCOMMODATIONS
IN THE SHARED ECONOMY

by

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DEDICATION

I dedicate this dissertation ultimately to God, who carried me through this most challenging journey. Also, I would like to dedicate this work to the following folks including my late father, who supported me and lived vicariously through many of my pursuits – he would have been so proud. Also, my mom, who always wanted a doctor in the family. Well, I'm not 'that kind of doctor,' but I so appreciate her support as well through the years! My parents have always supported me. Perhaps the greatest example of this was their encouraging me to pursue a vocal performance undergraduate degree – that's a degree that requires a huge step of faith because that's not a degree that typically lands anyone a job of any kind! Luckily, I changed majors! In order to show her support, my sister had feather extensions added to her hair (to go along with the University of South Carolina Gamecock mascot), which she used as a reminder to pray for me. My brother traveled with me on my initial move from Denver to Columbia to ensure his 'bubba' got off to a good start! My kids also helped keep my focus on finishing this marathon journey. I would also like to thank all my friends and colleagues who helped me stay positive and reminded me of the important things in life. I never would have made it through this journey without their unwavering support and encouragement. I offer a heartfelt thank you to each one of them!

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ABSTRACT

Although many components of the shared economy have existed over time, it has recently blossomed into a thriving business that facilitates sharing of assets and services with strangers by using applications on the Internet. Recently, a convergence of many factors favorable to the development of the shared economy occurred and has become a new way of doing business for many and has introduced a new business model. Many people are shifting their goals from owning assets to borrowing them. This is not only economically favorable, but it is also environmentally favorable for the planet.

The Lodging Shared Economy (LSE) is the portion of the shared economy that focuses on the sharing of accommodations such as Airbnb and Vacation Rental by Owner (VRBO). The LSE enables homeowners and tenants, where it is legal, to rent out an extra room or full house/apartment either while they share the residence or while the host is away from the property. This new accommodation arrangement has become very popular with leisure travelers and more recently with business travelers, but little is known about how much business travelers utilize LSE properties for their business travel. Much of Airbnb's advertising campaign is targeted at showing a stay at an Airbnb property is more about creating an experience rather than merely spending the night. This dissertation focuses on business travelers' motivations and preferences for travel while away from home on business. Specifically, this dissertation explored how much effect seven independent variables had on business travelers' level of satisfaction. The

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independent variables are as follow: Price/Value, Financial Security, Personal Safety, Location, Empathy, Amenities, and Cleanliness. It then proceeds to evaluate whether three moderators of Gender, Age, and Accommodation Type affect the individual relationships between the independent variables and satisfaction.

This dissertation begins with an introduction to shared economy (and LSE) concepts that are necessary to understand to better comprehend the studies. This is followed by a literature review, which describes and catalogues the current body of literature available regarding the LSE including several theories that guide guests to choose between diverse accommodation options. Chapter 2 ends with a conceptual model. Chapter 3 discusses the methodology of designing the survey instrument as well as methods used to conduct the test. Additionally, the pilot study results were presented and discussed as a precursor to the final study, which were presented to business and leisure hotel respondents as selected using the MTurk respondent database.

Results of the final study were presented and discussed in Chapter 4 within the framework of a Structural Equation Modeling (SEM) framework along with various statistical tests and safeguards to ensure valid and reliable results. Chapter 5 discussed implications from the study and makes suggestions for both LSE hosts and hoteliers based on results found.

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LIST OF ABBREVIATIONS

ATax..Accommodation Tax

BRT..Bounded Rationality Theory

CFA...Confirmatory Factor Analysis

EFA .... Exploratory Factor Analysis

EUT...Expected Utility Theory

GPS ....Global Positioning System

FICO...Fair Isaac Corporation

HHI.. Hilton Head Island

KMO .... Kaiser-Meyer-Olkin

LSE..Lodging Shared Economy

MSA .... Metropolitan Statistical Area

Mturk.. Mechanical Turk

PRT ....Perceived Risk Theory

RFP.. Request For Proposal

SEM..Structural Equation Model

VRBO.. Vacation Rental By Owner

CHAPTER 1: INTRODUCTION

1.1 SHARED ECONOMY BACKGROUND AND CONTEXT

The shared economy has evolved over time and only recently has it flourished due to the convergence of optimal components that made it possible. Although many of the individual components of the shared economy have existed for years in some form or another, the shared economy only recently has reached critical mass (Philip, Ozanne, & Ballantine, 2015). For being what some refer to as 'anti-consumption,' the shared economy has taken roots and arguably is here to stay (Albinsson, Wolf, & Kopf, 2010). The shared economy is exemplified by applications such as Uber and Airbnb, which allow people to emulate taxi drivers or hoteliers, respectively, and make use of personal, underutilized assets in order to make money. However, there are many other categories and participants in the shared economy and it continues to grow and further define itself.

Lesser known segments of the shared economy include a plethora of companies and applications that facilitate the sharing of goods and services such as tools, bicycles, sporting equipment, etc. (Botsman & Rogers, 2010; Philip, Ozanne, & Ballantine, 2015; McDonald, 2014). Entrepreneurs introduce to the market many new sharing offerings each day and the shared economy is continuously growing as it becomes increasingly more accepted (Geron, 2013a; Nadler, 2014). However, Belk (2014b) claims many participants in the shared economy are not truly 'sharing,' but instead are 'pseudo-sharing.' He claims many participants are not truly collaborative, but are merely 'for profit' businesses posing as 'benevolent organizations.' Kahneman, Knetsch, and Thaler

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(1986) further explore guest's views of fairness in pricing as well as the automatic checks and balances that help regulate prices for shared economy items. While profits are a major goal of hotels and Lodging Shared Economy (LSE) hosts, the customer and his needs cannot be neglected without serious backlash (Kimes and Wirtz, 2013; Kimes, 2010).

Botsman (2012) mentions several favorable circumstances occurred during a short period such as the great recession of 2008, eBay, the advent of smartphone technology, which converged and created the shared economy, which had an estimated value of $26 billion in 2014 (Malhotra & Van Alstyne, 2014). The shared economy has over an estimated 10 million users who reported using a shared economy service in the past twelve months (Owyang, Samuel, & Grenville, 2014). One component of this 'perfect storm' was the United States' recent recession (at the end of the first decade of the twenty-first century) coupled with high unemployment. This combination of events left many homeowners fearing they would lose their homes (Geron, 2013). By using Airbnb, many homeowners were able to keep their homes and not default on their loans (Noone & McGuire, 2016). Another factor in this shared economy 'perfect storm' was consumers' desire to behave in a more sustainable manner and slow down the rate of consumption of the planet's resources and the improvement of GPS technology and digital street maps (Nadler, 2014; Botsman & Rogers, 2010).

An additional factor that contributed to this shared economy 'perfect storm' was the explosion of Internet applications that allowed users to advertise their good or service literally to anyone in the world who owns a computer and an Internet connection (Keymolen, 2013). The Internet made it possible and easy to skip the middleman in

business transactions, thereby reducing costs and increasing efficiencies Schor, & Fitzmaurice, 2015). In an ailing economy, some people sought alternative sources of income. Shared economy companies such as Airbnb facilitated a means for homeowners to create a new, viable income stream, which was a substantial factor for many homeowners to be able to keep their homes. In fact, 13% of Los Angeles Airbnb hosts reported that the act of renting their houses prevented them from losing them due to foreclosure (Economic Impact Studies, n.d.).

Transportation shared economy companies rely almost exclusively on riders using their smartphones to hail a ride. Uber and Lyft transportation applications use smartphone technology to attract customers. Therefore, the exponential growth of smartphone coverage and consumer adoption of smartphones also contributed to shared economy success. In 2015, 68% of the United States' population owned a cell phone, which is almost double from 2011 when only 35% of the U.S. population owned a cell phone. People's love for their cell phones was taken to an extreme by Aaron Chervenak, when he married his cell phone in Las Vegas. Chervenak said, "what I hope my wedding will do is to somehow act as a symbolic gesture to show how precious our phones are becoming in our daily lives, and hopefully get others to ask that same questions of themselves and their relationships with their phones" (Tempesta, 2016, p. 1).

Companies such as Uber and Lyft capitalize on transporting people from one place to another like a taxi service. These companies capitalize on the fact that most American automobiles are under-utilized and are typically used only about 5% of the time (Fraiberger & Sundararajan, 2015). There are several other companies that allow the sharing of resources and assets to generate income to the owners of these under-utilized

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assets. Hall and Krueger (2015) mention that Uber drivers work to add to their income. In fact, many Uber drivers make as much if not more than chauffeurs and taxi drivers, from an average of $23.00 to $27.00 per hour (Benenson Survey Group, 2014).

Uber has further economic implications beyond mere added income for drivers and cheaper, faster rides for riders. An AlixPartners study indicates that the addition of one ride-sharing vehicle can decrease the purchase of up to 32 vehicles for personal use (AlixPartners, 2014). Although this has positive ecological and sustainable consequences, it does not bode well for the automobile industry, especially given that the level of awareness of the concept of car-sharing is not yet universal. Presumably the popularity of services such as Uber and Lyft will only increase as long as municipalities don't ban the service – as was done when the country of Germany banned Uber from operating within the country (Malhotra & Van Alstyne, 2014). Currently, however, according to an intercept study in San Francisco—a city that should have a high awareness—showed a low awareness of the availbility of car-sharing (Ballús-Armet, Shaheen, Clonts, & Weinzimmer, 2014).

The number of shared economy companies increases daily as the entrepreneurial spirit mixes with creativity. For example, TaskRabbit allows customers, using a minimal amount of effort, to submit a request for proposal (RFP) – anything from putting together IKEA furniture to catering a formal dinner (Botsman, 2012; Hoshaw, 2011). Customers utilize TaskRabbit by drafting an RFP for the service they would like provided and wait for 'task rabbits' to bid on it. The customer then awards the bid to the rabbit with the best-perceived combination of price and reputation.

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The shared economy offers alternatives to products and services provided by conventional businesses. Through Internet technology, average people can rent their assets (cars, spare bedrooms, camera equipment, etc.) to guests who choose to rent rather than purchase these items from conventional sources. This shared economy was once thought to be merely a fad, but now is becoming an extremely powerful force (Gansky, 2010).

One other factor that contributed to the adoption of the LSE was Craigslist, which decreased apartment and housing rental vacancies and substantially reduced its competition – classified advertisements in newspapers. This more efficient, online solution essentially replaced traditional searches (Kroft, & Pope, 2014). Platforms such as eBay and Craigslist introduced the first phase of the success of the shared economy through selling objects (and some trading goods between sellers and buyers) in a more efficient manner whereas companies such as Airbnb and Uber transcended to another level and capitalized on sharing objects (Zervas, Proserpio, & Byers, 2015). Instead of merely selling products, the shared economy focuses on facilitating the matchmaking of hosts/providers with guests/users in order to share resources, assets, and services, most times for a price. Perhaps one of the greatest barriers is that of trusting strangers, which is discussed below. This new 'currency of trust' is becoming increasingly understood and valued in the shared economy (Botsman, 2012).

1.2 LODGING SHARED ECONOMY

The Lodging Shared Economy (LSE), which is made up of companies like Airbnb, Vacation Rental by Owner (VRBO) and Roomorama allows hosts to rent properties (whole unit/house or a single room) to guests using an LSE company as a

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conduit. Just as Uber connects passengers with drivers, LSE companies match those seeking accommodations with LSE hosts who have an extra room/apartment/house to rent for one or more nights. Most LSEs (most notably Airbnb) claim their rentals do not compete with traditional hotels (McCracken, 2016) and Airbnb offerings are attracting additional travelers (Martin, 2016); however, this was found not to be the case with the study conducted by Zervas, Proserpio, and Byers (2015), who found the presence of Airbnb properties decreased ADR of nearby hotels. Further, Guttentag, D. A., & Smith, S. L. (2017) conducted a study of over 800 tourists who used an Airbnb within the past year to determine how many of them used Airbnb as a substitute for a hotel and found that two-thirds claimed Airbnb was a substitute for a hotel.

Zervas, Proserpio, and Byers (2015) reported that in their study of Airbnb locations in Texas, many Texas hotels apparently lowered their room rates slightly because of Airbnb's entry into the market. Zervas et al. (2015) state, "affected hotels have responded by reducing prices, an impact that benefits all consumers, not just participants in the sharing economy" (p. 17). While this may be good news for consumers, it may not be positive for hoteliers. Reduced room rates result in overall decreased accommodation revenue. This results in a further decrease of accommodation taxes collected by each jurisdiction. Ayscue and Boley (2016) note that according to the Zervas study, hotels that cater to business travelers were more insulated from the competitive forces of Airbnb than hotels which did not cater to business travelers. Cusumano (2014) does not forsee traditional hotel chains going out of business because of LSEs, but he mentions hotels will need to "adapt and compete based on their own

unique advantages—or they will become much diminished versions of what they used to be" (p. 34).

Airbnb claims they are attracting travelers that normally wouldn't travel and are not in direct competition with hotels and have increased the total number of travelers (Airbnb, 2016). Boyd, Gallun, and Paladino (2015) speculate that even though both hotel and LSE business is growing, this trend will change with the next recession. They forecast that hotels will see a marked decrease in business with the next recession. This may be the impetus hotels need to realize LSEs are indeed serious, direct competition.

Meanwhile, Airbnb continues to gain market share. In fact, according to the Airbnb web site, 141,000 guests stayed in Airbnb properties worldwide on New Year's Eve of 2012, which is approximately 50% more rooms than are available in the entire Las Vegas strip (Geron, 2013). Hotel News Now reported that in the second quarter of 2015, "Airbnb captured 5% of total room revenue in New York City" (Mayock, 2015). Shatford (2015) illustrates how much of a threat the LSE has become using data from Santa Monica, CA as he shows Airbnb supply is larger than hotel rooms and additionally showed Airbnb rooms booked also exceeded the amount of hotel rooms booked. Airbnb's supply is roughly one-fifth the supply of all hotels in Santa Monica. Further, the number of rooms booked by Airbnb is also roughly one-fifth of those booked by hotels. This could become a liability for conventional hotels.

Many hoteliers seem indifferent to the danger of companies such as Airbnb or VRBO, which allow everyday people to rent out a spare bedroom, apartment, or house as if they were a guest in a hotel room (Botsman, 2012). Perhaps at greatest risk are economy and mid-scale hotels (especially independent properties), but this shared

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economy is a threat to hotels of every scale (Geron, 2013; Varma, Jukic, Pestek, Shultz, & Nestorov (2016). Viewed as a lower scale threat, midscale to luxury hotels and resorts do not appear to consider companies such as Airbnb (and other shared economy companies) a serious threat to their businesses (Zervas, Proserpio, & Byers, 2015). Many hotel owners believe their business travelers will not be interested in staying in an LSE property. This assumption is very important because about 70% of U.S. travelers travel for business purposes (Noone & McGuire, 2016). Therefore, if business travelers do indeed begin to use LSE properties, they could have a substantial impact on conventional hotels. Yavas and Babakus (2005) study the differences between leisure and business travelers and conclude each group has many unique characteristics and do, in fact, have differing wants and requirements from a hotel. Because of this, they suggest not combining these two groups together, but instead, they mention each group should be studied separately. This was part of the basis for choosing to focus only on business travelers for this dissertation.

There are uncertainties and risks associated with traveling—especially with staying at a hotel for the first time and even more risk using an online site to book a hotel stay. Companies such as Airbnb, which capitalize on the LSE, have had to overcome trust issues—mostly through the establishment of reputation scores (Botsman, 2012). Similar to scores used by eBay customers to determine the trustworthiness of vendors, the shared economy uses such reputation scores for both vendors/hosts as well as guests/users, which are also tied to a social media account such as Facebook or Google (Botsman, 2012).

In a Ted Talk, Botsman (2012) describes three 'trust waves' consumers have undergone to feel more comfortable doing business over the Internet. The first 'trust wave' began with sharing personal information over social media such as Facebook. Consumers overcame the second 'trust wave' when they became comfortable making financial transactions over the Internet such as online purchases and banking. Finally, the third and current 'trust wave' involves trusting strangers online using trust indicators.

Currently, the LSE appears to affect mostly the following customer segments: non-business focused hotels (although more business travelers are using LSE services); independent hotels; and hotels lower on the price point scale—economy hotels are currently more affected than are luxury properties (Boyd, Gallun, & Paladino, 2015). LSE properties typically offer fewer amenities than hotels; therefore, since higher scale hotels offer more amenities than those on the lower end of the price point spectrum, these luxury guests are more resistant to the allure of the shared economy than those requiring lower priced scales (Zervas, Proserpio, & Byers, 2015).

Boyd, Gallun, and Paladino (2015) acknowledge that Airbnb public relations officers communicate that Airbnb is expanding overall room supply such that overall tourism revenue is benefitting (and that Airbnb is not a competitive threat to hotels). However, Boyd et al. (2015) predict that during the next economic downturn, Airbnb will undoubtedly present an increased competitive threat.

1.3 PURPOSE OF STUDY

The purpose of this dissertation is to determine what business travelers value when they stay at an LSE property and if their valuations are different than those of business travelers who stay at a hotel. The practical implications of this are at least two-

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fold: first, it informs hotels what their competitions' competitive advantages are so they can target the business traveler segment; and secondly, it identifies qualities that attract business customers to LSE properties so LSE hosts can further develop their market strategy to better target business travelers. This study will assess which of the following constructs are most important to different types of business travelers: Price/Value, Financial Security, Personal Safety, Location, Empathy, Amenities, and Cleanliness. This information is relevant to hoteliers so they can alter their marketing strategies if necessary to keep their business customers from using LSE properties.

Leisure travelers have championed the LSE movement and as a result, many economy and lower scale hotels have felt the impact of declining occupancy, but few hotels feel threatened by the potential loss of business travelers because many of these hoteliers do not believe business travelers will utilize an LSE property (Geron, 2013). Not only is there little concern about business travelers, but currently there is also a gap in literature regarding the participation of business travelers to stay in an LSE. As of today, there is little known research that has been published regarding business travelers staying in LSE properties. Therefore, the likelihood of business travelers to stay at an LSE property is not currently known. Also, still not known is whether business travelers will switch their loyalty from traditional hotels to LSE properties. The overarching categorical research question for this study is, 'How willing are business travelers to stay in an LSE property and what aspects of the LSE attract or repel business travelers from staying in an LSE property instead of a traditional hotel?' The following specific research questions are presented below:

1.4 RESEARCH QUESTIONS

The first research question addresses the issue of LSE properties allegedly having a lower price tag than a similar room at a conventional hotel. Therefore, this dissertation presents the following research question:

Research Question 1: Does the price/value of an accommodation affect a consumer's level of satisfaction?

The second research question addresses guests' comfort level with utilizing LSE web sites to pay for their stay. While guests are presumably more comfortable using established brands' web sites such as the website for Hilton hotels, http://www3.hilton.com, many are not as comfortable with the relatively new LSE companies such as VRBO and Airbnb. Therefore, this dissertation presents the following research questions:

Research Question 2: When paying for or reserving a room, do guests feel more satisfaction from the transaction if they feel their transaction is secure?

Research Question 3: Does the safety of business travelers affect their level of satisfaction?

Research Question 4: Does an accommodation's location affect a business traveler's level of satisfaction?

Research Question 5: Does empathy shown to business travelers affect their level of satisfaction?

Research Question 6: Do amenities make a significant difference to business travelers as to how satisfied they are with their accommodation stay?

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Research Question 7: Does cleanliness have an effect on the level of satisfaction experienced by business travelers?

1.5 ASSUMPTIONS FOR THE STUDY

Many hoteliers believe the LSE only poses a competitive threat to economy and mid-scale hotels (Geron, 2013). They believe upper midscale, upper scale and luxury scale hotels are safe from LSE intrusion. Further, many hoteliers believe only leisure travelers and smaller groups stay in LSE properties and therefore feel comfortable about retaining their business traveler revenue. Specifically, Boyd, Gallun, and Paladino (2015) declare that, "sole proprietors, independent consultants and small groups are the most logical business users of Airbnb. On the leisure side, Fitch expects budget and adventure travelers and small groups (i.e. families, sports teams) to find Airbnb most appealing. However, in both cases we expect hotels to remain the preferred choice for these customers" (p. 1).

One major assumption of this study is that this conventional thinking (regarding LSE users, which believes LSE is used mostly for leisure and business travelers are much less likely to stay in an LSE property) will not hold in the future. Currently, most LSE guests are leisure travelers and business travelers are less likely to stay in an LSE property; however, many companies (including Airbnb) are targeting business travelers (Levere, 2016). Many businesses, like Google, see the financial advantage of encouraging employees to stay in an Airbnb-type property when traveling on business. (Economist, 2014). Further, Airbnb's recent focus on businesses also indicates a trend toward the LSE focusing on growing their business by attracting more business travelers (Taylor, 2016; Guttentag, 2016). Wilson et al. (2016) note that many business travelers

have begun using LSE properties when convention centers have no remaining capacity. This adds familiarity and increases overall use for LSEs.

Another assumption is municipalities will take years to begin a war on LSE activities in their regions. Even though many municipalities may not embrace LSE activities, public demand may force policies to allow LSE activities since much of the public has experienced the LSE experience/format through Uber, Lyft, Airbnb, and/or VRBO (Hartl, Hofmann, & Kirchler, 2015).

1.6 EXPECTED RESULTS BASED ON LITERATURE

Based on the literature, this dissertation expects the following results: LSE guests will expect to get a better deal (price/value proposition) than hotel guests. Specifically, business travelers expect to pay less money to stay at a larger place because they will be staying in a whole apartment or house instead of merely a hotel room. Based on this, it is expected that this better price/value proposition will contribute to a positive feeling associated with a previous stay that will translate into the propagation of positive word-of-mouth accolades for the LSE experience as well as an intention to stay in an LSE in the future. Conversely, hotels could have a negative feeling associated with the price/value proposition paid at a hotel from a previous stay that will translate into the propagation of negative word-of-mouth communications for the hotel stay as well as an intention to stay in a hotel property in the future.

Guests will feel their financial information is more safe/secure when paying for a reservation using a hotel than paying for an LSE stay? Based on this, it is expected that this feeling of financial security will contribute to a positive feeling associated with a previous stay that will translate into the propagation of positive word-of-mouth accolades

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for the hotel stay as well as an intention to stay in a hotel in the future—perhaps even the same hotel or hotel chain. Conversely, LSE properties could have a negative feeling associated with an LSE protecting a guest's financial information from a previous stay that will translate into the propagation of negative word-of-mouth communications for the LSE stay as well as an intention to stay in an LSE property in the future.

Guests will feel safer (personally) at a hotel than at an LSE property? Because a hotel has a history of providing safety for its guests (and an LSE does not have this same track record), customer will feel safer at a hotel and at an LSE. Based on this, it is expected that this feeling of personal safety will contribute to a positive feeling associated with a previous stay that will translate into the propagation of positive word-of-mouth accolades for the hotel stay as well as an intention to stay in a hotel in the future—perhaps even the same hotel or hotel chain. Conversely, LSE properties could have a negative feeling associated with an LSE protecting a guest's person and assets during a previous stay that will translate into the propagation of negative word-of-mouth communications for the LSE stay as well as an intention to stay in an LSE property in the future.

Guests will expect to find better business locations at a hotel than at an LSE property because most business hotels are located in metropolitan districts near businesses; however, many LSE properties are not located near business districts. Based on this, it is expected that this feeling of financial security will contribute to a positive feeling associated with a previous stay that will translate into the propagation of positive word-of-mouth accolades for the hotel stay as well as an intention to stay in a hotel in the future—perhaps even the same hotel or hotel chain. Conversely, LSE properties could

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have a negative feeling associated with an LSE's location (closeness to guest's place of business) from a previous stay that will translate into the propagation of negative word-of-mouth communications for the LSE stay as well as an intention to stay in an LSE property in the future.

Business guests expect LSE hosts to have more compassion (empathy) than hotel employees? Based on this it is expected that this better price/value proposition will contribute to a positive feeling associated with a previous stay that will translate into the propagation of positive word-of-mouth accolades for the LSE experience as well as an intention to stay in an LSE in the future. Conversely, hotels could have a negative feeling associated with the empathy (or lack thereof) at a hotel from a previous stay that will translate into the propagation of negative word-of-mouth communications for the hotel stay as well as an intention to stay in a hotel property in the future.

Business guests expect (and value) hotels to have more (and better) amenities than LSE properties? Based on this, it is expected that this better level of empathy will contribute to a positive feeling associated with a previous stay that will translate into the propagation of positive word-of-mouth accolades for the LSE experience as well as an intention to stay in an LSE in the future. Conversely, LSE properties could have a negative feeling associated with the number and quality of amenities at an LSE from a previous stay that will translate into the propagation of negative word-of-mouth communications for the LSE stay as well as an intention to stay in an LSE property in the future.

Business guests perceive hotels will have cleanliness standards that are better (and more consistent) than at an LSE property. Based on this, it is expected that guests'

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expectations of more consistently clean rooms at a hotel will contribute to a positive feeling associated with a previous stay that will translate into the propagation of positive word-of-mouth accolades for the hotel stay as well as an intention to stay in a hotel in the future—perhaps even the same hotel or hotel chain. Conversely, LSE properties could have a negative feeling associated with the cleanliness encountered on a previous stay that will translate into the propagation of negative word-of-mouth communications for the LSE stay as well as an intention to stay in an LSE property in the future.

Regarding moderating, this dissertation study expects to find the following variables to be moderated by Gender: Personal Safety, Location and Cleanliness. Specifically, the expected outcome is that women value Personal Safety, Location and Cleanliness more than men. Further, this dissertation study expects to find the following variables to be moderated by Age: Price/Value, Financial Information Security, Personal Safety, Location and Amenities. Accommodation Type is expected to moderate all of the Independent variables.

1.7 DEFINITION OF TERMS

The following terms are defined for use in this study:

1) *Entire Home/Apt*: The guest has full privacy in the home or apartment and shares their stay with only those in his/her party.

2) *Full Mesh Model*: An asset sharing arrangement where the company owns the assets such as with Zipcar where Avis Rental group owns the vehicles (Gansky, 2010).

3) *Hospitality Exchange:* A guest stays at a host's home while the host also occupies the same home.

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4) *Lodging Shared Economy (LSE)*: Sharing economy services which involve lodging, such as Airbnb and VRBO.

5) *Non-simultaneous Exchange:* A guest stays at a host's second property or vacation home.

6) *Own-To-Mesh Model*: An asset sharing arrangement where the company does not own the assets such as with Airbnb where the company itself owns no apartments or houses (Gansky, 2010).

7) *Private Room.* An LSE property where the guest has his/her own room for sleeping. The sleeping room is guaranteed to be private however bathroom and common areas may be shared with the host(s) and/or other guests.

8) *Shared Economy*: Transactions between peers (peer to peer) similar to bartering.

9) *Shared Room*: The sleeping room is not private for the guest. This could be a couch/bed in a common area of the home (e.g., living room) where privacy is not guaranteed.

10) *Simultaneous Exchange:* Home swapping where a host stays in a second host's home in exchange for that same second host being a guest in the first host's home at the same time.

1.8 CHAPTER SUMMARY

Even though the shared economy has existed in one form or another for centuries, it has only recently grown to its current level of popularity and acceptance. Many factors converged at that same time, which quickened the rise of enormous shared economy businesses such as Uber and Airbnb. Social media enabled trust for people to share their

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ideas and lives over the Internet. Craigslist and eBay paved the way for trusting strangers, which is a key component for the shared economy to thrive. Another hurdle was consumers becoming comfortable making financial transactions over the Internet. Improvements in GPS technology and more accurate digital street maps combined with the ubiquity of cell phone usage/ownership also assisted in the creation of this 'perfect storm.' The final hurdle was to overcome when consumers found they can trust strangers using a trust indicator.

Many hoteliers believe LSE only poses a competitive threat to economy and lower budget hotels and only leisure travelers stay in LSE properties, and therefore feel comfortable about retaining revenues from their business travelers. This dissertation explores how valid this belief is and analyzes what draws business travelers to a hotel for business travel.

The next chapter will discuss in greater detail the shared economy including the LSE as explained through literature. Differences between an LSE stay and a conventional hotel stay are explored as well as the positive and negative attributes of each option. Applicable Theories that apply to this subject matter are explained and related to the study's purpose. Each research question and its specific hypotheses is discussed and the chapter will conclude with a conceptual model, which is the foundation for this study and, specifically, the survey development.

CHAPTER 2: LITERATURE REVIEW

2.1 THE SHARED ECONOMY

A common version of the American Dream has traditionally involved owning a house, a car, and many other assets. This focus on ownership has been changing over the past couple of decades. There appears to be a shift from owning assets to borrowing or accessing them when they are needed (Huefner, 2015; Bardhi & Eckhardt, 2012). There is an ongoing blurring of boundaries between what is one's own, what is others', and what belongs to everyone (Casserly, 2011). Instead of owning a car (or many cars), many people use Uber or a similar service in lieu of automobile ownership. This is the premise of the shared economy, also referred to as collaborative consumption, Gig economy, or peer-to-peer transactions.

According to Bainbridge (2013), in 1978, Felson and Spaeth first coined the phrase 'Collaborative Consumption'—almost 48 years ago, Felson and Spaeth (1978) analyzed what Hawley (1950) wrote regarding the rhythm, tempo, and timing of community participation. Specifically, Hawley, "identified and discussed three important temporal components of community structure: (1) rhythm - the regular periodicity with which events occur, as with the rhythm of alcoholic beverage consumption or the rhythms of commuting into the central city; (2) tempo - the number of events per unit of time, such as the number of meals consumed per week or the number of supermarket visits per month; (3) timing - the coordination among different activities which are interdependent, such as the timing of a family's joint vacations or long distance phone

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calls" (Hawley, 1950, p. 615). Even though Hawley was more describing the structure of human community and how it works, Felson and Spaeth (1978) used his work to better define what they coined as the 'Collaborative Community.' They determined that timing was a key factor in interactions among the community. This dissertation addresses the variations in timing in a different section. Felson et al. (1978) explained the futuristic concept of car sharing from a 1978 predictive understanding as a way this 'Collaborative Community' could work well. After a brief introduction of the shared economy, Bainbridge suggested the need for businesses to incorporate certain practices of the collaborative consumption movement to augment their business models, which will become increasingly important in the near future (Sacks, 2011). Further convinced of the shared economy's popularity, Lisa Gansky (2010) wrote a book called *The Mesh*, which describes how businesses should incorporate the shared economy in order to take advantage of it.

Just as eBay connects bargain hunters with sellers, similarly, LSE companies such as Airbnb match accommodation bargain hunters (or those seeking an insider's experience) with LSE hosts who have an extra room/apartment to rent for one or more nights. Alternatively, LSE providers also rent entire houses, castles, or tree houses, to name a few of the more unique offerings (Airbnb opening video, 2017). Airbnb advertisements emphasize the human touch 'home-like' feeling guests get when they stay at an Airbnb property. The opening video (as well as their recent national ad campaign) on the Airbnb web site has the following quote, "Don't go to Paris. Don't tour Paris and don't do Paris. Live in Paris" ("Airbnb opening video," 2017). This same video ends with

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the quote, "Wherever you go, don't go there. Live there, even if it's just for a night" ("Airbnb opening video," 2017).

Christensen, Cook, and Hal (2006) emphasize the need for businesses to focus on what consumers ultimately want versus the process involved for delivering the product/service as conveyed in the following, "People don't want to buy a quarter-inch drill. They [customers] want a quarter-inch hole!" (p. 1). Their approach is customer-focused instead of product-focused and is at the center of the shared economy where customers pay for sharing services versus owning them (Bardhi & Eckhardt, 2012; Sacks, 2011; Botsman & Rogers, 2010). The U. S. economy has been so focused on selling products that it has forgotten what people really want.

Some researchers believe the shared economy will ultimately carry the United States into its third economic system, eclipsing capitalism (Fainstein, 2014; Rifkin, 2014). Other groups are raising awareness of overconsumption and waste in an effort to encourage more of a shared economy (Albinsson & Perera, 2012). Authors Albinsson, Wolf, and Kopf, (2010) study participants' attitudes toward opposing acquiring products—especially cheap, inexpensive, throw-away items. These authors depict in Eastern Germany a discontent between the haves and have-nots, in which participants blame the capitalism system. There is a radical movement that swings far away from capitalism to more of a sharing-related system or economy. Although the shared economy does not rely on such a radical economic transformation, it has the potential to disrupt existing capitalist economies and/or shift our current economic drivers (Bauwens, Mendoza, & Iacomella, 2012; Fainstein, 2014; Rifkin, 2014).

Hardin (1968) was not a proponent of the shared economy ('the commons') and insisted it would only function correctly in low populated environments, which is contrary to Botsman and Rogers (2010) who suggest a 'critical mass' must be reached where enough people offer a good or service in order for it to be convenient. Keymolen (2013) uses the example of needing to rent a power tool. If it is too inconvenient such as requiring a long car drive to rent the tool, the consumer will not engage in the transaction. Contrary to Hardin (1968), Botsman and Rogers (2010) assert the more people involved allow the shared economy to reach 'critical mass' and be more efficient and convenient.

2.1.1 RISK AND REPUTATION

Increased use of e-commerce such as eBay and other online purchasing behavior has decreased the perceived risk of online financial transactions (Kim, Qu, & Kim, 2009; Nunes, & Correia, 2013), but allowing strangers to stay in one's home and "subletting your house or apartment to someone, or simply hosting an out-of-town visitor, is no trivial social exercise" (Green, 2011, p. 1). In some cases, LSE providers provide a less risky option as is the case with Uber, which points out it is actually safer than taxis, because when a rider uses Uber, a record is generated—something that does not occur with a traditional taxi (Gebhart, 2015). Trust of strangers is a major deterrent for most guests to participate in the shared economy (Tussyadiah, 2015; Keetels, 2013).

Trust is an important factor in any given exchange-type transaction common in the LSE (Jenkins, Molesworth, & Scullion, 2014; Papadopoulou, Andreou, Kanellis, Martakos, 2001). Just as an individual's Fair Isaac Corporation (FICO) credit score has become increasingly important in getting a loan or credit card, a similar reputation score is developing for the shared economy, which determines the trustworthiness of buyers

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and sellers of goods and services. (Botsman, 2012; Green, 2011; "Fair Isaac Corporation," 2016; Melnik & Alm, 2002). An LSE host's reputation is as important today as travel agencies' reputation and needs to be monitored closely (Horster, 2011). This is especially critical when considering that Malhotra & Van Alstyne (2014) reported that 16% of Yelp reviews are fabricated for revenge or to denigrate a given business (e.g., a competitor). One's reputation is expected to become increasingly more valuable.

Further, many of these shared economy companies emphasize relationship building to combat fear and trust issues. They capitalize on creating friendships by referring to strangers as "friends you haven't met yet" ("Couchsurfing Main Page," 2015) and "See how Airbnb hosts create a sense of belonging around the world," n. d.)." Kim, Qu, and Kim (2009) found the reputation of the web provider, as well as the reputation of the brand, were two key concerns from airline guests when booking online reservations. They also found security risk to be the greatest fear of online airplane ticket customers. Walsh (2011) touts one of the most significant attractions of the sharing community to be the act of connecting with strangers. Further, Walsh relays that there is a physical reaction, which occurs when a person feels trusted; specifically, "one researcher has found that people get a spike of the pleasant neurotransmitter oxytocin when they're entrusted with another's goods" (Walsh, 2001, p. 3).

Svantesson (2009) believes "the right of reputation has never been more important than it is in our information-driven society and its importance is likely to continue to increase. Further, it has never been more difficult to protect one's reputation than it is today and doing so is not likely to get any easier" (p. 8). Disputes over reputation claims will presumably become a hot topic in the future. For example, Uber

drivers can decline to pick up someone if they don't like their rider's reputation (Cusumano, 2014). If this passenger happens to be traveling, their negative reputation score could cause them hardship and could have legal consequences to the previous reviewer who gave the rider a bad review.

In their study, Papathanassis and Knolle (2011) found that holiday travelers rely on a plethora of information sources, one of which is online reviews. Travelers increasingly research many sources in order to best match their holiday preferences with available providers. According to the study by Papathanassis and Knolle (2011), online reviews played a secondary role in destination decision making. They asserted that guests look for collaboration from various sources and are less willing to blindly trust a reviewer's post or posts from one source. This emphasizes the danger in posting artificial reviews in order to boost guests' perception (Papathanassis & Knolle, 2011).

Shtatfeld and Barak (2009) conducted a study which implied that online dating site participants seek out partners who are like them or slightly better than they perceive themselves (e.g., smarter, better writer, more attractive). They found that people were drawn to those with similar demographics and this appeared to give them a feeling of comfort and security. Another desirable factor was the perceived availability of the potential partner. If the viewed dating partner recently joined the site, he or she was considered more available and accessible. This could have carryover effects in Airbnb response times from hosts since Airbnb identifies 'new' listings. If this same behavior transfers, guests might be more attracted to newer, more recent listings. From a host's perspective, this may motivate totally revamping their listing, so their property appears as a new listing. This could negatively affect the ability to track the effectiveness of Airbnb

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listings and could make monitoring LSE offerings difficult for other uses such as tax collection and other compliance purposes. Listed in each Airbnb advertisement is a method to contact the host as well as the host's anticipated response time. Another factor in the decision-making process is the speed of communication response from the host. A quicker host response time could provide the potential guest with a more accepting feeling.

Dillahunt and Malone (2015) found that low-income subjects in their study had a lower trust level than the overall population. These unemployed subjects used shared economy applications—specifically, they were encouraged to share their own excessive resources with other employment seekers. Their experiment illustrated the power of the shared economy.

HomeLink is a home swapping arrangement where you needed to trust complete strangers to stay in your home. "HomeLink is celebrating its 60th anniversary this year. In all of the years we've been in business, there's never been a case of reported theft or vandalism. In the end, they're staying in your home and you're staying in theirs, so mutual trust is fundamental." (Costello, 2013, p. 4). Lamberton and Rose (2012) identify another fear many people have about the shared economy, which is availability of the service. Contrary to owning your own vehicle (or other product), a shared economy rider is vulnerable to a shortage of sharing vehicles (or products) or an inflated price if they happen to need a vehicle during a high demand period.

As its name suggests, couchsurfing is a network of hosts and guests who sleep on the host's couch for free. In an effort to increase trust and sense of belonging among its members, Couchsurfing participants host gatherings where hosts and guests in a given

area build a sense of belonging and sense of inclusion in the given community. These gatherings have been shown to significantly increase trust among the participants (Rosen, Lafontaine, & Hendrickson, 2011).

2.1.2 THE ROLE OF TECHNOLOGY

Although other factors contributed to the popularity of the shared economy, the role of technology offered enormous contributions to this phenomenon. Technological advancements have allowed LSE providers ease of access to information and lower transactional costs per transaction, which allows them to operate more efficiently as a business (Gretzel, Werthner, Koo, & Lamsfus, 2015; Hamari, Sjöklint, Ukkonen, 2013; Slee, 2014). As already mentioned, customers' trust of online transactions has evolved to be a non-event. While at one time online financial transactions might have been considered risky, now they are widely accepted and embraced (Kim, Qu & Kim, 2009). Improvements in GPS technology and more accurate digital street maps allowed for pinpoint accuracy for riders and drivers of Uber and other transportation providers. In addition to exploring the use of drones to deliver packages, Amazon has also considered using shared economy drivers (e.g., Uber, Lyft, etc.) to help deliver packages (Bensinger, 2015). The proliferation of cell phone adoption and the ubiquitous embracing of smartphones also played a key role in the success of the shared economy.

Bartering has occurred for many years, but what makes the shared economy different is the role played by technology, which fuels the success of the many shared economy businesses. For example, Uber picks up 90% of passengers within 10 minutes (compared to 30% to 40% for traditional taxis) which is very attractive to riders (Gebhart, 2015). Additionally, Airbnb allows prospective guests to view properties and submit a

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request for properties from all over the world from the convenience of their computer or smartphone from one application. Griffith and Gilly (2012) identify that the very act of using a smartphone signals to those around them that the phone user does not want to be social. Ironically, the very act of using a smartphone to join the shared economy actually shuns the act of sharing oneself socially.

Additionally, the reputation of each host and guest allows all involved to feel more secure about the transaction and fulfillment of the stay. Applications such as this allow the host to display properties or hide properties with lightening speed and also allows hosts to experiment with pricing (Zervas, Proserpio, & Byers, 2015). Similarly, the TaskRabbit application allows People or 'rabbits' from all over the world to compete for business through the use of computer connectivity technology (Botsman, 2012). The introduction of technology has made some services safer than their more established versions, such as taxis: Uber points out that when a rider uses Uber, a record is generated for the ride—something that does not occur with a traditional taxi (Gebhart, 2015). Additionally, Uber provides information about the driver along with previous riders' reviews—something also not available with a traditional taxi ride.

Prior to May of 2000, the U.S. Government entwined error into the GPS signal for civilians which produced a signal that was only accurate to about 100 meters (GPS, 2013). After May of 2000, this error ('Selective Availability') was removed, which allowed for signal accuracy to a few meters. Prior to May 2, the GPS signal accuracy was an average of 100 meters different from the real location, but after May 2, the accuracy was within a few meters, both in horizontal accuracy (as in driving or walking directions)

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and vertical elevation. This improved accuracy allowed more businesses to use and rely on GPS technology.

The quality of the data for city street shapes and addresses was also greatly improved over time, not only from large data providers, but even more recently from a collaborative 'crowd-sourcing' type of effort from individuals who report inaccuracies in electronic maps (Haklay & Weber, 2008). Individuals act as electronic map company employees by identifying errors in the data. Then companies like GoogleMaps and TomTom can make their maps even more accurate. These psuedo-data-corrective employees typically utilize their smartphones to report inaccuracies, although GPS was not added to the iPhone until 2009 (Nield, 2015). While these employees were able to report inaccuracies prior to 2009, their impact was substantially improved with the added tool of GPS.

Park and Yang (2006) conducted a study that captured peoples' attitudes toward mobile security. This study was published one year before the introduction of the first Apple iPhone GPS and revealed that at the time, customers had much apprehension about using mobile technology. Less than ten years later, computer programmers have adapted most web applications to work on cell phones and customers use them especially for coordinating transportation through an application such as Uber or Lyft; however, customers also use their cell phones to contact other shared economy companies such as Airbnb and VRBO. Lu, Mao, Wang, and Hu (2015) found compatibility, perceived ease of use, and perceived usefulness to have a significant effect on customers' intentions to use cell phone applications for travel. The only thing slowing the incorporation of smartphones being used for more booking transactions is a lack of confidence in the

security offered by cell phone security measures. Even as recently as the past couple of years, Park and Tussyadiah (2016) noted that the adoption of smartphone reservations is not as robust as with desktop and notebook computers. Park, et al. (2006) attribute this to the issue of trust.

Another aspect of the role of technology is the role social media plays in the success of a company such as an LSE. Naftanaila (2013) discusses how social media can add or subtract from a city's image. Unfavorable social media messages can substantially decrease (or increase) the number of tourists who chose to visit the given city. Similarly, social media can have the same impact on shared economy companies and can induce prospective customers to make a purchase decision or boycott the product or service.

2.1.3 REVENUE MANAGEMENT PERSPECTIVE

Zervas, Proserpio, and Byers (2015) state how many newspaper businesses became bankrupt when Craig's list began taking away their classified ads business and additionally forced newspapers to reduce the fees charged for these ads. Perhaps this decrease in ad prices benefitted consumers in the short run, but it can be argued that the extinction of many newspapers has not been in each consumer's best interest. Additionally, Zervas et al. (2015) mention how shared economy companies such as Uber employ revenue management to increase their revenues by using 'surge pricing' during periods of high demand, which is very similar to high demand pricing utilized by airlines and hotels in order to maximize revenue opportunies during high demand events. The shared economy appears to be learning how to utilize revenue management in order to increase revenues, although they are not yet as sophistocated as the airlines, who increase prices as the departure date approaches (Algar, 2007) and change prices minute by

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minute (Doreswamy, Kothari, & Tirumalachetty, 2015). From this real-world example, it is clear that care must be taken in order to ensure a sense of fairness is upheld. Otherwise, consumers will generate ill will toward the company.

Anecdotally, the author noticed while collecting daily data from www.airbnb.com, some property owners seemed to be more savvy than others about their listing quality. Some owners changed their daily rates many times a month versus other owners who seldom, if ever, changed their price. Additionally, some owners appeared to list several properties whereas most appeared to own a single unit. A consulting company can assist Airbnb providers to maximize revenue and improve the performance of their property (Shatford, 2016). Shatford illustrates how he used these same methods to purchase properties strictly for use as an investment. A consulting company, Airdna, offers services to Airbnb hosts from a basic review of their Airbnb listing for $199, providing customized services to maximize revenues and to recommend best locations to invest in a rental in order to make the most return on investment ("Airbnb consulting services," n.d.). The LSE appears to be shifting from hosts renting out a spare bedroom to using this sharing model as an investment or source of employment. In their report on Airbnb participants, O'Neill and Ouyang (2016) revealed that during the fiscal year beginning in September 2014, 16.8% of Airbnb hosts (hosts who rent out two or more units) made a disproportional 39% of total revenue in the largest Metropolitan Statistical Areas (MSAs) in the United States. These include "New York, Chicago, Los Angeles, Philadelphia, Miami, Houston, Dallas, Phoenix, San Antonio, San Diego, San Francisco, and Washington, D.C." (p. 2). This same report found similar disproportionate results

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regarding the percentage of hosts who offer their units 365 days a year (3.3% of hosts) who make 92.5% percentage of total revenue in these same twelve MSAs.

This detracts from much of the Airbnb marketing, which portrays Airbnb as a company that enables an 'average Joe' to make a few extra bucks to pay the rent or pay for a vacation. These figures imply Airbnb (and presumably other LSE companies) is being used by individuals/groups to make a substantial amount of money by renting out units more like a business than a hobby. This has serious implications; these Airbnb hosts behave more like serious hoteliers, renting a room(s) almost every day of the year, versus like a mere homeowner sharing their home on occasion to make some income. This topic is discussed in more detail in the Taxation and Operational Issues sections.

Another tool Airdna offers is a map that allows users to spatially view their competition ("Airbnb Data and Analytics," n.d.). Airbnb hosts can see how close other Airbnb hosts are located to determine their pricing. Additionally, Airdna offers maps of a given area that show where this is a saturated market or areas of greater demand (please see Figure 2.1). Kimes and Wirtz (2015) state that, "In the long run, achieving the full potential from RM lies in management's ability to market and manage every available moment as a unique product." (p. 60).

Matzler, Veider, and Kathan (2015) propose five things a business can do to take advantage of the shared economy, one of which suggests a business owner "Take advantage of unused resources and capacities." (p. 74). There is much the LSE can do to improve revenues by incorporating RM strategies.
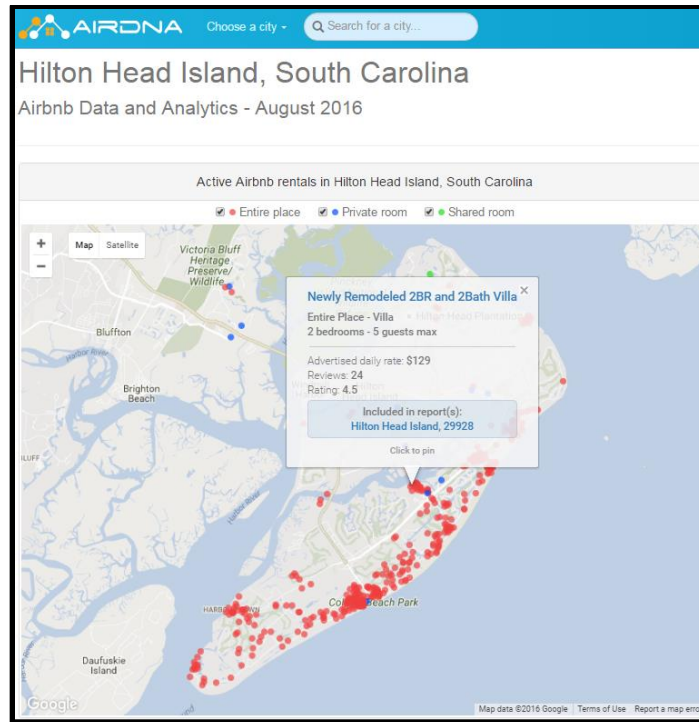
Figure 2.1 Airdna Spatial View of Airbnb Properties

2.2 THE LODGING SHARED ECONOMY

The LSE Economy is the term used for those shared economy services, which involve lodging such as Airbnb and Vacation Rental by Owner (VRBO). Other LSE providers include Getabed and Roomarama (Tomlinson, & Stuart, 2014). The term *Lodging Shared Economy* was coined by Scott J. Smith, Ph.D. in 2015 during a discussion about this study. The terms shared economy and sharing economy have been used in much of the literature specific to the shared economy; however, this study needed a term that referred specifically to those shared economy businesses focused on lodging and accommodation.

House swapping is a variation on this theme. There are many traditional companies that facilitate house swapping, including: HomeLink International; Intervac; Green Theme International; and HomeExchange.com (Forno & Garibaldi, 2015). These

house swapping companies require a yearly membership fee between $50 and $100 (US$) in order to participate. This house swapping study conducted by Forno, et al. (2015) found demographics for these swappers to be more educational and environmentally focused. Consistent with creative, innovative thinking was the introduction of further variations on this theme with the following companies: Love Home Swap, Knok, and CasaHop. Costello (2013) describes the three types of house swapping. The first, which has been used for the past sixty years, is a 'simultaneous exchange.' A variation on this is 'non-simultaneous exchange,' where one stays at someone's second property or vacation home. The third type is a 'hospitality exchange,' where one stays at a host's house while the host is also present at the residence (Costello, 2013).

Airbnb has published on their site (and elsewhere) many documents which promote its company as an economic benefit to the communities it serves (Badger, 2014; Airbnb, 2016; Geron, 2012; Hall, 2013; Mayock, 2015; Yeung, 2012). It appears Airbnb is making its case that while LSE guests may inconvenience neighbors when they park their cars on the street or alternatively, by having strangers in the neighborhood, but look on the bright side, these strangers are spending money in your neighborhood and helping to keep towns vibrant and alive. There is little argument that Airbnb's marketing is brilliant. Huete, R. (2008) found those who were not familiar with the positive impact tourism has on an area were less in favor of making further developments; therefore, the education of the uninformed should boost goodwill in a given area. For example, if an Airbnb host's neighbors understand the benefits of Airbnb, they will be more supportive of LSE activity. The marketing staff at Airbnb repeatedly emphasize this strain of the

Social Exchange Theory on their web site in order to communicate that Airbnb hosting is good for communities (Badger, 2014; "Airbnb, 2016; Geron, 2012; Hall, 2013; Yeung, 2012; "Mayock, 2015; "The Airbnb Community's Economic Impact on New York City." n. d.). Further, Gumbs, Dodds, and Griffin (2016) mentioned since most Airbnb guests typically stay for longer periods of time and therefore has a greater economic benefit for the surrounding area.

Another very positive aspect of Airbnb's advertising campaign is their latest ads, which capitalize on the whole experiential aspect of an LSE stay in contrast to the experience of a hotel stay. The opening video (and recent national ad campaign) on the Airbnb web site has the following quote, "Don't go to Paris. Don't tour Paris. Don't go to Paris—live there." This same video ends with the quote, "Wherever you go, don't go there. Live there, even if it's just for a night." ("Airbnb opening video," n.d.).

On the host side, there are consulting services to help hosts improve their property's profitability ("Airbnb consulting services," n.d.) by showing rates of properties in the host's area and suggesting an optimal rate. This service not only offers consulting services that improve an Airbnb host's success, but they also offer articles and blogs that keep hosts informed. One such article poses the question of whether Airbnb could destroy the hotel industry (Shatford, 2015).

2.3 DIFFERENCES BETWEEN AN LSE AND HOTEL STAY

There are tradeoffs when guests choose to stay at an LSE property such as Airbnb versus what guests experience in a conventional hotel room. Many LSE guests choose an LSE property because they believe they are being environmentally responsible since they are utilizing an extra room (in the case of a shared or private room). They believe by

using extra inventory of an existing asset (a spare bedroom or car) instead of consuming 'new' assets (such as contributing to the construction of a new hotel or owning a car) their actions will be more sustainable or 'green' and will help preserve the planet. However, in trying to synthesize a single profile of shared economy participants, Lamberton (2016) found there are many discrepancies, which are difficult to quantify. For example, car sharing is utilized by many, but only some have chosen to sell their automobiles and rely solely on 'renting' transportation. Logically, and in many cases, financially, it makes sense to utilize an Uber-type of service for local trips and rent a rental car for longer trips, but there is an emotional component that insists owners keep their cars.

2.3.1 ROOM PRICE

Perhaps the greatest advantage of staying at an LSE property is the price tag. LSE properties are typically cheaper than staying at a similar class hotel. Nadler (2014) states that, "In a study performed by Priceonomics, renting an Airbnb listing provides cost savings between, on average, 21.2 and 49.5% compared to hotel prices" (p. 40). Airbnb has three categories of types of LSE properties: shared room, private room, and entire apt/house. A shared room might be sleeping in a host's living room whereas a private room where the guest can close a door and have privacy. The entire apt./house designation means the host is not staying at the property simultaneously and guests have the entire apartment, condo, townhouse or house to themselves.

One disadvantage of staying at an LSE property is the lack of established cleanliness standards: there is not a brand guarantee like one receives with a conventional, branded hotel. For example, a guest knows what to expect when he checks

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into a Sheraton: the cleanliness standards are well documented in a procedures manual (Pentland & Feldman, 2005). An LSE room has no such standards; in fact, if a guest shows up and finds unacceptable cleanliness standards, he has little recourse (or options) for corrective measures. For example, if a guest finds a room in a conventional hotel to be substandard regarding cleanliness, he may request another room from the hotel's inventory; whereas, an LSE property usually does not have that luxury since its inventory usually consists of only one room or one house/'Entire Apartment.' A hotel's brand reputation is a promise to guests they will receive a certain level of service and cleanliness: this gives guests much more leverage than in an LSE scenario. Related to cleanliness is the potential of an accident or unforeseen circumstance that prevents an LSE room from being rented. If a room becomes un-rentable for whatever reason, the host has limited resources to 'walk' a guest to another property, whereas a hotel is more accustomed to this situation and has processes in place to handle such situations.

2.3.2 SAFETY

A second disadvantage of many LSE properties is the lack of a room safe. While safes (or lock boxes) are requirements for a conventional hotel—even if the safe is located behind the front desk, there is no such requirement for LSE properties; therefore, guests do not share the same level of security for their personal items in an LSE property as they do in a hotel.

2.3.3 PROPERTY LOCATION

An third disadvantage of LSE hosts is their location. Although some LSE hosts are geographically located in an ideal spot, others are not. Unless an LSE host has purchased their housing unit with the goal of renting it, they probably had personal

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location requirements that are different from most LSE travelers. For example, a resident looks for proximity to schools and open spaces, but LSE travelers seek proximity to 'happening' locations where they can feel like an insider (Peer-to-peer rental, 2013). As with many other public-serving businesses, hotels spend a great deal of attention on site selection, which has been shown to be a key element in the choice of a hotel (Arbel & Pizam, 1977). Traveling guests seek properties based on their proximity to major activity centers such as downtown areas and beaches.

2.3.4 PRIVATE ROOM VERSUS A HOTEL ROOM

The following amenities and attributes are different between staying in an LSE private room stay versus a hotel room stay. Through direct access to hosts, guests feel more connected to the local scene and have the opportunity to have an emic experience. As an insider, LSE guests experience an authentic feel for their given locale (Hamari, Sjöklint, & Ukkonen, 2013). One other advantage of an LSE experience is the relational bonds that can be established through staying in a private residence—especially when the host provides meals and/or spends time with guest(s). As mentioned previously, Airbnb's recent advertising campaign capitalizes on this aspect of traveling. They instruct travelers that "Wherever you go, don't go there. Live there, even if it's just for a night." (Airbnb opening video, n.d.) This is an advantage for travelers who feel lonely in a hotel room and enjoy meeting people and making new friends; however, perhaps the greatest LSE advantage is a lower cost for the stay, as previously mentioned. Also, an LSE host typically has more flexibility regarding checking in and checking out times. For many guests, these benefits are substantial enough for them to overlook the disadvantages of an LSE stay, some of which are discussed below.

Disadvantages of an LSE private room experience include the following (which conversely are considered advantageous to staying in a conventional hotel). Anonymity and privacy are among the top disadvantages of an LSE stay. A hotel offers a guest as much anonymity as the guest chooses: the guest may stay in his/her own room or if they choose, they may frequent the lobby (and/or bar) and socialize there, but it is the guest's choice. Anonymity is not realistic for most guests in an LSE scenario because of the limited number of guests (only one guest in many homes). Many hotel guests enjoy being in control of their own level of anonymity experienced. Privacy is another concern for LSE guests—especially when guests share a bathroom and/or public hallway. A hotel offers complete privacy within the confines of a locked hotel room, but a shared bathroom or public hallway decreases the level of privacy for guests. Additionally, there could be the inconvenience of having to wait for other guests in a shared bathroom situation. One never needs to plan extra time to take a shower in a conventional hotel because there is only one guest (or couple or family) who will use the sole bathroom designated for the single room; however, a shared bathroom could substantially affect a guest's grooming preparation. Additionally, one cannot leave a toiletry bag or one's own towels in a shared bathroom but instead must transport them back to the guest's room: a guest is able to leave whatever they like in a hotel bathroom and the housekeeping staff will clean around it.

2.3.5 CLIMATE CONTROL

Climate control is another feature a hotel guest enjoys, but LSE guests typically do not since most extra rooms in a house are only climate controlled by a main house thermostat. Another LSE disadvantage includes a scenario where an LSE host rents out a

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spare bedroom (private room) and the guest does not have control over the house thermostat. Instead, they are restricted to the temperature the host chooses. One of the first things many hotel guests do once they enter their room is turn the air conditioning (or heating) on high, but this is not feasible in a private room scenario.

2.3.6 HOSPITALITY

An additional intangible advantage of a hotel stay is that guests feel no need to reciprocate for the hospitality shown to them (Belk, 2014a; Ikkala & Lampinen, 2015). A guest feels more like a customer/client with hotel employees at their beck and call. Many guests desire an experience where they feel important because of this type of attention: this treatment portrays to the guest that it's 'All about them' or 'the guest deserves quality treatment.' Alternatively, an LSE stay has more of a 'staying with family or friends' atmosphere than a hotel stay; the LSE guest typically feels an obligation to chat with the host(s) (Airbnb opening video. n. d.). Also, an LSE host typically has more flexibility regarding checking in and checking out times.

2.3.7 ENTIRE APARTMENT/HOUSE VERSUS A HOTEL ROOM

Johnston (2014) conducted a paired comparison logit survey (a.k.a. conjoint analysis) of 10,357 respondents and concluded that they were willing to pay $65.43 more (in addition to a 'normal' hotel room) for a hotel room with a kitchen and would pay an additional $37.39 for an extra room like in a suite. However, almost all respondents mentioned they were not willing to pay extra for a second bedroom (a second bedroom had a negative value to respondents). This is relevant regarding why people link the shared economy with sustainability (Gorenflo, 2010); however, Barnes and Mattsson (2016) found in their 'four-stage Delphi study' that of the reasons twenty-five experts

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gave as their reason for utilizing the shared economy was not predominantly because of sustainability concerns. Benkler (2004) cites two of the largest sharing platforms as having no profit incentive: one is the Search for Extra-Terrestrial Intelligence (SETI); the other is carpooling in the United States. SETI has over four million participants and offers no compensation and U.S. carpooling accounts for one-sixth of all commuter trips. Benkler (2004) sites this non-profit motive as an indication of what the shared economy should behave like—not like a profit-making company such as Airbnb or Uber.

Conjoint analysis was used to assess the importance tourists assign to the following aspects of "cost, comfort, safety, and travel time" as it relates to travel bundles (Baltas, 2007, p. 26). This relates to the attractiveness of a given hotel or LSE location since travelers seek these same attributes.

There are advantages and disadvantages associated with an LSE stay when compared to a conventional hotel stay; however, guests perceive different values for these amenities (or lack thereof). Millennials tend to deem the advantages of an LSE visit worth enduring the inconveniences listed above (Johnston, 2014).

"Traditional companies in these markets are not likely to go out of business, but they cannot stand still. They must adapt and compete based on their own unique advantages—or they will become much diminished versions of what they used to be" (Cusumano, 2014, p. 34).

2.4 ENVIRONMENTAL CONSCIOUSNESS (SUSTAINABILITY)

Environmental awareness is not a recent concept. One additional attraction of the shared economy is an awareness of finite resources being consumed by a growing population, as documented by Hardin (1968) almost fifty years ago, when he sounded a

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call to action to stop the population explosion on this planet containing finite resources. Although there is more environmental awareness and concern for the environment, Möhlmann (2015) reinforces the concept that consumers predominantly make their decisions based on their own self-interest. Slee (2014) aptly describes the sustainability focus of the shared economy as follows, "There's a definite green slant to the movement, too: ideas of 'sharing rather than owning' make appeals to sustainability, and the language of sharing also appeals to anti-consumerist sentiments popular on the Left [political left]: property and consumption do not make us happy, and we should put aside the pursuit of possessions in favour of connections and experiences. All of which leads us to ideas of community: the shared economy invokes images of neighbourhoods, villages, and 'human-scale' interactions" (p. 1). The company eBay did not set out to be a green company, but they, like Craig's List, facilitate recycling products instead of discarding them (Botsman & Rogers, 2010).

Some literature indicates that while many consumers voice their support for companies that are sustainable by their willingness to pay a premium for sustainable products and services (Philip, Ozanne, & Ballantine, 2015). Parsa, Lord, Putrevu, and Kreeger (2015) relate this specifically to hotel guests who enthusiastically laud sustainable properties, yet they are only willing to pay a slight premium to stay at such a sustainable property. They are not willing to pay for more than a 'modest premium' for a sustainable room.

2.5 OPERATIONAL CONCERNS

One major roadblock to the shared economy is government regulations. Slee (2014) states the following:

The industries they [the shared economy] threaten have long been subject to city-level consumer protection and zoning regulations, but shared economy advocates claim that these rules are rendered obsolete by the Internet. Battle lines are being drawn between the new companies and city governments (p. 1).

Uber has been banned by many airports and cities for various reasons (Marshall, 2015). The LSE is not immune to similar problems and specifically has experienced its share of negative actions. The German word, Zweckentfremdungsverbotsverordnung, which means 'Misuse regulation prohibiting' (using something against its regulated purpose), has been used to describe the recent ban on renting one's whole apartment in Berlin, Germany (Robertson, 2016). Beginning in May of 2016, it became illegal to rent out any room that comprises more than 50% of floor space and assigns a hefty fine for non-compliance (£78,000). This permits singular room rentals, but excludes full apartment/house rentals in Berlin. This law was enacted two years prior to May, 2016 but has only become effective in May of 2016. Amsterdam currently only allows flat rentals when hosts are on vacation themselves (Robertson, 2016). Airbnb retracted 2,233 listings in New York City in anticipation of its mayor signing into law a regulation that would make it illegal in NYC for an LSE provider to list more than one residence (Newcomer, 2016). This regulation was in response to concern over housing being sold through an LSE as a tourist product, which displaced permanent residents. Presumably, LSE providers found they could make more money renting their units through an LSE than by renting them through a traditional rental arrangement.

This introduces the need to regulate shared economy businesses to give existing businesses a level playing field. Cohen and Kietzmann (2014) suggest the shared economy should be self-regulated, stating that these innovative entrepreneurs should be able to develop guidelines to regulate themselves. Alternatively, Hartl, Hofmann, and Kirchler (2015) found in their study most respondents who supported the shared economy thought government regulation/governance. Shatford (2016) encourages Airbnb hosts to educate themselves as to the accommodation rental rules and regulations in one's given city in order to not infringe upon current laws and regulations.

Uberx is the economical version of Uber. Davis (2015) highlights the insurance gap Uberx drivers experience when they are merely driving around looking for riders. Davis uses an example of an Uberx driver who accidentally killed a girl while driving without a fare. Uber's insurance did not cover this incident because the Uberx driver did not have a rider at the time of the accident (Malhotra & Van Alstyne, 2014). Such gaps in coverage will likely emerge as these services mature and refine their policies. One such gap in coverage could occur if a former guest steals from the host after their appointed stay (after the guest is no longer consuming the service). It is doubtful that Airbnb's insurance will cover such a robbery. This is similar to the Uber practice of insuring drivers only when drivers physically have a rider (Davis, 2015).

Many neighbors resent the influx of traffic and number of strangers entering their neighborhoods, which introduces the next drawback: the altering of a private neighborhood into a more public venue. Many argue this change in a given neighborhood is not fair to those who are not profiting from renting out their homes in neighborhoods

that are becoming more like lodging locations than homes (Colorado Association of Ski Towns, 2015).

An additional drawback includes working conditions experienced by shared economy workers. Workers have complained, including workers from Uber and TaskRabbit, for not receiving payment or for having to work under inadequate environments (Dillahunt, & Malone, 2015). Epstein (1986) reminds readers of the historical significance of labor unions and government in the prevention of workers being paid a low wage during the great depression of the 1930s. According to Epstein, the product of these complaints by the labor unions was the creation of the national minimum wage, which he attributes to high unemployment throughout the rest of the decade of the 1930s, presumably because employers could not afford to hire as many workers at the increased minimum wage rate. Interestingly, this piece of history appears to be reoccurring in the present where the shared economy allegedly does not pay benefits, including health care (Marshall, 2015). In addition, Airbnb has been accused of enabling discrimination through the posting of host pictures on the website. (Dillahunt, & Malone, 2015, p. 2). Because prospective guests can view what the host looks like, overt discrimination may occur, enabling racial discrimination.

2.5.1 ACCOMMODATION TAXES

The study of the LSE is a relatively new topic and academic research related to the LSE is limited. There is sparse research regarding the collection of accommodation taxes from LSE hosts and so the current study seeks to add to the literature, fill this gap, and explore whether LSE hosts are paying their fair share of local accommodations taxes.

In their study of Airbnb's impact in the state of Texas, Zervas, Proserpio, and Byers (2015) analyzed the effect LSE business had on hotel revenue, and identified a gap where LSE hosts do not pay accommodation taxes. In those municipalities where LSEs do not pay accommodation taxes, municipalities lose their tax revenue. As an LSE steals away market share from a tax-paying hotel, accommodations taxes will necessarily decrease. Unfortunately, industry-wide data on LSEs are not easily available; in fact, it is fiercely protected by LSE companies such as Airbnb and VRBO.

Many local municipality tax laws do not have provisions to capture accommodation taxes from the LSE and these municipalities are in a catch-up mode as they try to keep up with the rapidly emerging changes in the LSE segment of the economy. As mentioned above, one reason LSEs do not pay accommodation taxes is that it is not required in many municipalities (Zervas, Proserpio, & Byers, 2015), but even if there are accommodation taxes that apply to LSE properties (assuming the LSEs are submitting their appropriate taxes), the introduction of LSE properties decreases the accommodations tax base for municipalities by lowering hotels' ADR, including the following ways. First, if an LSE property is less expensive than a hotel room, then necessarily less accommodation taxes are being collected by each municipality—slightly if the LSE pays taxes and more substantially if the LSE property does not.

Many municipalities have decided to attempt to manage and regulate what they consider as illegal businesses (Mayock, 2015). Ten cities have existing laws and regulations in place that make Airbnb illegal. These cities include Fort Worth, Jacksonville, Kansas City, Los Angeles, New Orleans, Santa Barbara, Fresno, Atlanta, Denver, and Oklahoma City. (Shatford, 2016). A report by the Colorado Association of

Ski Towns (2015) describes best practices including the mountain towns in Steamboat Springs and Durango, Colorado where rental advertisements are required to display a valid license (p. 14). Some other municipalities got serious about the losses in accommodation taxes they experienced and are passing laws to mitigate LSE activities in cities to date including New York City and San Francisco (Cusumano, 2014).

2.5.1.1 DATA: HILTON HEAD ISLAND AFCCOMMODATION TAX:

Accommodation Tax (ATAX) data were retrieved from Hilton Head Island (HHI) for the past ten years (fiscal years 2006 through 2015) aggregated by quarter (Simmons, 2015). These data represent actual taxes paid by hotel and non-hotel sources as required by law as a 1 percent (1%) local accommodations tax. Hotel revenue data were retrieved for the same time period from Smith Travel Research, Inc. (Smith Travel Research, Inc., 2015).

Figure 2.2: Some Airbnb host locations on Hilton Head Island, SC as of December 2015

Figure 2.2 shows a small area of Hilton Head Island, SC along with corresponding Airbnb hosts who rent out their living quarters. This ongoing daily data collection effort began August 3, 2015 and records daily vacancies for each Airbnb

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property in HHI along with each individual room rate (which can change from day to day). Currently, these data have revealed that some hosts are more adept at utilizing revenue management techniques than others. This is evidenced through some hosts altering room rate based on supply and demand and other factors. Alternatively, other hosts have chosen not to alter their room rate at all. Although Airbnb properties represent a small percentage of total rentals in HHI, these results are interesting nonetheless and the number of LSE properties are quickly increasing. Specifically, on August 3, 2015, the number of rentals being tracked was 23, whereas the current number as of July 1, 2016 is 117 properties, which is still a miniscule number given the inventory of HHI properties. This study estimates the impact of LSE on local economies via adjusted loss in accommodation taxes. It also documents the potential impact of LSE on the lodging industry in Hilton Head Island.

Concerns about collecting accommodation taxes extend far beyond Hilton Head Island. A report composed by three consulting groups identifies many ski towns in Colorado and Utah where the percentages of hosts who rent their properties through an LSE third-party application are sobering. Over half (52%) of total estimated housing units in Crested Butte, Colorado rent their properties through an LSE like Airbnb or VRBO and 41% of total housing units in Breckenridge are likewise rented from a non-traditional, LSE source (Colorado Association of Ski Towns, 2015, p. 5). There are also other legalities that appear to be ignored by rental hosts such as business licenses and permits. Many believe this gives LSE hosts an unfair advantage over renters who follow all of the regulations. One way municipalities are fighting back is by creating/enforcing bans on short-term house rentals as discussed in the next section.

2.6 EMPLOYEE VERSUS CONTRACTOR DISCUSSION

Bercovici (2015) mentions that one of contract workers' favorite aspects of not being an employee is being able to work when they want to (flexible hours), however, their greatest complaint is low compensation. Woo and Bales (2016) explore Uber's controversy that considers whether an Uber driver should be considered an employee or a contract worker. This distinction is not obvious and presents many ambiguities. Uber claims its drivers are contractors. This contractor designation frees the company from paying benefits and other employment taxes such as unemployment and FICA. Uber, the company, claims they provide a service of linking drivers with passengers and are more of a technology firm. Additionally, Uber claims their drivers are not employees because employees are typically subject to being fired without cause. Uber claims they need to have a reason (cause) to fire a driver based on the contract each driver signs with Uber. According to Uber, an additional reason their drivers should be considered contractors is that Uber does not impose any scheduling requirements to its drivers other than having them fulfill a minimum level of driving one rider every 180 days--every 30 days for premium UberBlack drivers. They claim a similar lack of control argument regarding the routes their drivers take. In fact, Uber claims they only make suggestions on how drivers should do their job, but the driver can vary as much as they would like. Additionally, Uber argues several other issues including the fact that drivers can negotiate their own rates and can choose to receive additional payments during high demand periods when they utilize 'surge pricing' (Woo & Bales, 2016).

Conversely, Uber drivers claim they are employees because Uber is a transportation company and without drivers, Uber would not be able to operate. Drivers

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also claim the company exerts much control over drivers such as requiring a current driver's license, background check, vehicle inspection, interview, and a test that assesses a driver's knowledge of the given city's roads. Additionally, drivers claim that the Driver's Handbook 'commands' drivers to do certain things for riders such as open their doors and to play certain radio channels. Drivers claim these demands indicate control by Uber (Woo & Bales, 2016). Drivers also claim Uber states it can fire drivers whose star rating falls below a minimum level. Although not quoted with Uber drivers specifically in mind, Bercovici (2015) mentions that, "The genius of a successful on-demand startup lies in how it replaces human supervision with software sticks and carrots. Instead of performance reviews, you install user-generated ratings" (p. 82). Drivers claim Uber's supervision role has been replaced with the ratings each driver receives for each ride. Additionally, riders assert they are not able to negotiate fares like Uber says they can (Woo & Bales, 2016).

Seiner (2016) uses the court case of *Wal-Mart Stores, Inc. v. Dukes* to show how a class action suit must have plaintiffs who all share a similar commonality. In this case, over one million female Wal-Mart workers claimed their rights had been violated under Title VII of the Civil Rights Act of 1964; however, since the working conditions and pay treatment did not share a commonality (each woman was not treated in a similar manner in these areas across the many stores represented), the court dismissed the case as class action case. The litigants were still allowed to sue Wal-Mart individually, but they were not allowed to participate in class action litigation because they were not able to show they all were treated the same way in a similar work environment (Seiner, 2016). The

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lack of commonality is one point the Uber company assessed in their defense of an Uber driver class action suit (Woo & Bales, 2016).

The determination between contractor and employee is not clear-cut and there are arguments on both sides. Although Woo and Bales (2016) detail three types of control used by the IRS to determine employment type, and courts consider at least six factors of employment relationship, Seiner (2016) summarizes the overall employment type test as, "The more control a business has in the working relationship, the more the worker is likely to be defined as an employee. The more control the worker has, the more likely that individual is to be characterized as an independent contractor" (p. 13). These tests and considerations have plagued the courts for over seventy years and will likely continue to present challenges to courts and government entities for many years into the future (Seiner, 2016).

2.7 STUDY CONSTRUCTS

The following constructs have been determined to impact a business traveler's choice of accommodation while traveling for business. The constructs under review by this dissertation include the following: Price/Value; Financial Information Security; Personal Safety; Location, Empathy, and Cleanliness. Various articles as cited below were consulted and analyzed to compose the following list of most likely items that most business travelers value. Kim, Vogt, and Knutson (2016) stated that, "There are several hotel attributes consistently reported in the satisfaction literature, i.e., friendliness of staff, facilities and amenities, location, service quality, quality of food, room cleanliness, room comfort, safety/security, and value for the money spent" (p. 50).

2.7.1 PRICE/VALUE: RESEARCH QUESTION ONE

Many authorities maintain that price is one of the most important factors in hotel selection, but many guests rely more on the value they receive than on straight price. These guests are satisfied paying a higher price for a better product (Chan & Wong, 2006; Kim, Vogt, & Knutson, 2016). Sammons, Moreo, Benson, and Demicco, (1999) found that accommodation price was relatively price-insensitive for business travelers. This is consistent with other literature that states that business travelers are not as price sensitive when they are spending 'other people's money' like when their company purchases their room accommodations (Noone & McGuire, 2016). In the case of LSE guests, Guttentag (2016) found that of guests who stayed in an Airbnb within one year of his study, 55% cited a low price as the main reason they chose Airbnb.

The first research question addresses the issue of LSE properties allegedly having a lower price tag than a similar room at a conventional hotel. Chan and Wong (2006) found that, apparently, price is the greatest issue for mature as well as younger and leisure travelers.

Research Question 1: Does the price/value of an accommodation affect a consumer's level of satisfaction?

This research question is converted into the following hypothesis:

H1: The price of an accommodation unit (hotel or LSE room) directly affects a business traveler's level of satisfaction.

2.7.2 FINANCIAL INFORMATION SECURITY: RESEARCH QUESTION TWO

Kim, Vogt, and Knutson (2016) reiterate that guests need to feel comfortable that the company they give their financial information will treat it with the utmost privacy and confidentiality. Kim et al. (2016) lists financial information security as one of the

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Table 2.1: Price/Value References

Reference:	Topic:
Chan & Wong, 2006	LSE price vs. Hotel price
McCleary, Weaver, & Lan, 1994	Female preference for lower priced rooms
Noone & McGuire, 2016	Spending other people's money
Guttentag, 2016	Attracting Airbnb customers through value
Kim, Vogt, & Knutson, 2016	Value proposition: satisfied with what paid for
Sammons, Moreo, Benson, & Demicco, 1999	Value proposition: satisfied with what paid for

most influential factors that influence a decision to stay at a given hotel or LSE property. Featherman and Pavlou (2003) found respondents appeared to be obtaining more faith in online eCommerce sites; albeit, their sample set was younger and more technologically advanced. This article was published in the early 2000's and the trend for greater comfort with online businesses has grown substantially. Another early 2000's article that dealt with online trust was McKnight, Choudhoury, and Kacmar (2002) that also discusses how in the early stages of eCommerce, customers were leery to begin with, but even during this early period, many were overcoming their suspicion over making financial transactions over the Internet. However, Yang, Pang, Liu, Yen, and Tarn (2015) remind everyone that eCommerce trust is still an issue. While it has become more commonplace, it can still involve risk due to data misappropriations.

Park and Tussyadiah (2016) discuss guests' level of discomfort with giving information over a smart phone since guests perceive a level of risk associated with this. This is relevant when making a reservation for a hotel or an LSE stay and perhaps this skepticism felt by guests is influenced by the quality of the reputation of companies—to ensure they provide the latest fire walls and other protective measures to protect guests'

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financial information. Kim, Qu, and Kim (2009) further this argument in stating,

"reputation of web vendor, well-known brand, symbol of security approval, and

recommendation of family and friends were perceived as preferred risk- reduction

strategies when making online air-ticket purchases" (p. 203).

Research Question 2: When paying for or reserving a room, do guests feel more
satisfaction from the transaction if they feel their transaction is secure?

This research question is converted into the following hypothesis:

H2: When business travelers purchase/reserve a room, they feel more satisfaction if their
feel their financial transaction is secure.

Table 2.2: Financial Security References

Reference:	Topic:
Zhang, Hefei, Yan, & Anhui, 2016	Convenience and risk in car sharing (Uber)
Park & Tussyadiah, 2016	Smart phone financial transaction security
Kim, Qu, & Kim, 2009	Accommodation provider reputation
Kim, Vogt, & Knutson, 2016	Comfort and familiarity with accommodation provider

2.7.3 PERSONAL SAFETY: RESEARCH QUESTION THREE

Sammons, Moreo, Benson, and Demicco (1999) discuss the importance of

personal safety while staying at a hotel. Although they focus mostly on female attitudes

toward personal safety, many of their points are supported by other sources. Specifically,

Sammons et al. (1999) found safety to be one of the two most important factors to their

respondents: the other variable was comfort/cleanliness.

Amblee (2015) found a strong relationship between the level of personal safety

and how clean a given hostel was. In fact, cleanliness was an even stronger indicator of

personal safety than location. McCleary, Weaver, and Lan (1994) discuss how a hotel

loyalty program affects a guest's sense of safety.

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Research Question 3: Does the safety of business travelers affect their level of satisfaction?

This research question is converted into the following hypothesis:

H3: The perceived safety of business travelers affects their level of satisfaction.

Table 2.3: Personal Safety References

Reference:	Topic:
Kim, Vogt, & Knutson, 2016	Hotel loyalty programs and safety
McCleary, Weaver, & Lan, 1994	Gender-based differences about safety
Radder & Wang, 2006	Importance of safe hotel parking facilities
Prasad, Wirtz, & Yu, 2014	Security as a measure of satisfaction
Sammons, Moreo, Benson, & Demicco, 1999	Female focus on safety and security

2.7.4 LOCATION: RESEARCH QUESTION FOUR

Traditionally, location has been hailed as the primary reason for guests to choose to book an accommodation location (Rauch, Collins, Nale, & Barr, 2015; Chan & Wong, 2006; McCleary, Weaver, & Lan, 1994; Kim, Vogt, & Knutson, 2016). Location was also cited as one of six important factors that assists in the decision-making process for travelers attending a conference (Mair & Thompson, 2009).

Research Question 4: Does an accommodation's location affect a business traveler's level of satisfaction?

This research question is converted into the following hypothesis:

H4: An accommodation's location affects a business traveler's level of satisfaction.

2.7.5 EMPATHY: RESEARCH QUESTION FIVE

Prasad, Wirtz, and Yu (2014) evaluate the affect Empathy ('Staff Service Quality') as well as other factors have on a business traveler's accommodation experience and found empathy to be one of the most important factors. They also

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Table 2.4: Location References

Reference:	Topic:
Chan & Wong, 2006	Hotel selection: location is 2nd in importance after price
Rauch, Collins, Nale, & Barr, 2015	Service quality in mid-scale hotels
Kim, Vogt, & Knutson, 2016	Hotel loyalty programs and location
Sammons, Moreo, Benson, & Demicco, 1999	Female perception of hotel location
Mair & Thompson, 2009	Factors that determine whether to attend a conference
Guttentag, 2016	Attractions of Airbnb (including location)

recognize the very important role empathy and good customer service plays in a guest's

satisfaction. Also, empathy was one of five variables evaluated in Turkey in a study

conducted in hotels by Akbaba (2006).

Research Question 5: Does empathy shown to business travelers affect their level of satisfaction?

This research question is converted into the following hypothesis:

H5: Empathy shown to business travelers affects their level of satisfaction.

Table 2.5: Empathy References

Reference:	Topic:
Akbaba, 2006	Importance of empathy in Turkey using SERVQUAL
Prasad, Wirtz, & Yu, 2014	Measuring guest satisfaction

2.7.6 AMENITIES: RESEARCH QUESTION SIX

Zervas, Proserpio, and Byers (2015) observe that Airbnb is targeting business

travelers by ensuring the typical Airbnb business listing has more amenities than would

normally be associated with a 'normal Airbnb stay.' They reiterate what the Airbnb

business page details as is required by an Airbnb stay. Hosts are required to provide

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certain amenities business travelers expect like high speed internet and USB charging stations and whole house/condo/apartment rentals.

Kim, Vogt, and Knutson (2016) chose amenities as one of the six variables they tested to see if they were an effective generator of satisfaction and found them to be one of the top three factors that contributed to satisfaction in their study. McCleary, Weaver, and Lan (1994) also analyzed amenities in their study on gender differences. Sammons, Moreo, Benson, and Demicco (1999) specifically review how much business travelers value amenities.

Research Question 6: Do amenities make a significant difference to business travelers as to how satisfied they are with their accommodation stay?

This research question is converted into the following hypothesis:

H6: Amenities have a significant effect on how satisfied business travelers are with their accommodation stay.

Table 2.6: Amenities References

Reference:	Topic:
Zervas, Proserpio, and Byers, 2015	Airbnb business properties have upgraded amenities
McCleary, Weaver, & Lan, 1994	Gender-based amenity preferences
Sammons, Moreo, Benson, & Demicco, 1999	Gender-based hotel selection

2.7.7 CLEANLINESS: RESEARCH QUESTION SEVEN

Dolnicar and Otter (2003) identify cleanliness as one of the most important attributes hotel guests value. Further, Dolnicar et al. (2003) found that hotel guests value cleanliness in not only the room, but also the overall hotel appearance and bathrooms and restaurant(s), where applicable. Literature repeatedly mentions how guests value cleanliness (Radder & Wang, 2006; Sammons, Moreo, Benson, & Demicco, 1999;

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McCleary, Weaver, & Lan, 1994; Zemke, Neal, Shoemaker, & Kirsch, 2015; Kim, Vogt, & Knutson, 2016) and anecdotally acknowledges as 'conventional wisdom' the importance of cleanliness in hotel selection. Rauch, Collins, Nale & Barr (2015) mention that guests value tangible cleanliness over intangible attributes such as friendliness.

Amblee (2015) found a strong relationship between the level of personal safety and how clean a given hostel was. Cleanliness was an even stronger indicator of personal safety than location. Although Radder and Wang (2006) did not find cleanliness to be the most influential attribute for hotel choice for all guests, they found it to be the most important attribute for business travelers. Similarly, Sammons, et al., (1999) found that women ranked room cleanliness the most important attribute when it comes to hotel selection.

Prasad, Wirtz, and Yu (2014) evaluate the affect cleanliness as well as other factors have on a business traveler's accommodation experience and found cleanliness to be an important factor. Barber and Scarcelli (2010) stated the following, "Clearly, respondents in this study have strongly stated that the selection and willingness to return to a restaurant were based upon the cleanliness of the restaurant; not only in the dining room, the service ware, and the restroom, but that they were concerned about the effects on their personal health and overall sanitation as well" (p. 84).

Research Question 7: Does cleanliness have an effect on the level of satisfaction experienced by business travelers?

This research question is converted into the following hypothesis:

H7: Cleanliness affects the level of satisfaction experienced by business travelers.

Table 2.7: Cleanliness References

Reference:	Topic:
Sammons, Moreo, Benson, & Demicco, 1999	Female perception of hotel cleanliness
Radder & Wang, 2006	Business travelers rate cleanliness #1
Dolnicar and Otter (2003)	Hotel attribute research
Prasad, Wirtz, & Yu, 2014	Cleanliness as a measure of traveler satisfaction
Barber, & Scarcelli, 2010	Restaurant cleanliness related to return intention

2.7.8 SATISFACTION

Satisfaction has been an established construct for many years and much literature confirms the relationship between customer stimuli and that customer's level of satisfaction (Van Riel, Semeijn, & Pauwels, 2004; Maxham, 2001; Sim, Mak, & Jones, 2006; Hanif, Hafeez, & Riaz, 2010; Guttentag, 2016). The seven above-mentioned constructs affect guest satisfaction positively or negatively. Guests typically will be satisfied if an attribute/construct they value is evident during their stay. For example, if a guest experiences a clean room, he will feel positive satisfaction; whereas, if he experiences a dirty room, he will feel negative satisfaction (Radder & Wang, 2006). Some research that applies to each of the seven constructs are listed as follows: Price/Value (Wirtz, Kimes, Theng, & Patterson, 2003; Zhang, Hefei, Yan, & Anhui, 2016; McCleary, Weaver, & Lan, 1994; Sammons et al., 1999); Financial Information (Park & Tussyadiah, 2016; Kim, Qu, & Kim, 2009); Personal Safety (McCleary et al. 1994; Radder & Wang, 2006; Prasad, Wirtz, & Yu, 2014; Sammons et al., 1999); Location (Guttentag, 2016; Sammons et al., 1999; Chan & Wong, 2005); Empathy (Akbaba, 2006; Prasad, Wirtz, & Yu, 2014); Amenities (McCleary et al. 1994; Sammons

et al., 1999; Zervas, Proserpio, & Byers, 2015); and Cleanliness (Radder & Wang, 2006; Sammons et al., 1999; Prasad, Wirtz, & Yu, 2014; Barber, & Scarcelli, 2010).

Westbrook (1980) cites Hunt (1977) when defines satisfaction as that which, "refers to the favorability of the individual's subjective evaluation of the various outcomes and experiences associated with using or consuming it (Hunt 1977)." In a study by Westbrook (1980), indirect factors were considered as contributors to satisfaction levels by consumers such as the consumer's disposition or mood. Specifically, they attempted to identify how characteristics of a consumer, such as pessimism, might affect that person's level of satisfaction. Although this is a valid point (as evidenced by their results), this dissertation study will not take this into account, but it was considered in the creation of the survey instrument.

Table 2.8: Satisfaction References

Reference:	Topic:
Maxham, 2001	Service recovery's effect on WOM
Prasad, Wirtz, & Yu, 2014	Measuring hotel guest satisfaction
Sim, Mak, & Jones, 2006	Hotel customer satisfaction model
Hanif, Hafeez, & Riaz, 2016	General factors affecting customer satisfaction
Wirtz, Kimes, Theng, & Patterson, 2003	Resolving customer conflict to achieve satisfaction
Van Riel, Semeijn, & Pauwels, 2004	Satisfaction with online transactions
Sammons, Moreo, Benson, & Demicco, 1999	Gender-based hotel selection & satisfaction

2.7.9 THE RELATIONSHIP BETWEEN SATISFACTION AND WORD-OF-MOUTH: RESEARCH QUESTION EIGHT

Anderson (1998) gives a working definition for word-of-mouth as follows, "*word-of-mouth* refers to informal communicationsw between private parties concerning evaluations of goods and services" (p. 6). Although there is little disagreement about the

relationship between word-of-mouth and satisfaction, Anderson (1998) tested whether there is a stronger relationship between negative satisfaction and word-of-mouth, but surprisingly he found that there was a difference, but not as substantial as he expected to find.

Customers employ word-of-mouth as a means of recommending or warning against a given product or service such as an accommodation experience (Amblee, 2015; Blodgett, Wakefield, & Barnes, 1995; Su, & Bowen, 2000).

Although Maxham's (2001) study focused on the effect of service recovery on word-of-mouth (as well as satisfaction and return intentions), he nonetheless shows how specific actions by employees affect a customer's propensity to spread positive or negative word-of-mouth. This is like this dissertation's model which also relates seven specific constructs of employee/company actions/behaviors with how likely guests are to be satisfied and resultantly to tell others about their accommodation experience. Prasad, Wirtz, and Yu (2014) also tested how hotel attributes affect word-of-mouth—guest's recommendations spread in person or through social media.

Many sources treat the relationship among satisfaction, word-of-mouth, and return intentions as established relationships (Van Riel, Semeijn, & Pauwels, 2004). In fact, the relationships between these two pairs of dependent variables have gained large volumes of literature and validation through the years. Prasad, Wirtz, and Yu (2014) describe how specific hotel attributes affect Satisfaction, Return Intentions, and a guest's propensity to recommend the hotel (or not) using Word-of-mouth. Prasad, Wirtz, and Yu (2014) evaluate the affect Empathy ('Staff Service Quality'), Cleanliness ('Room Quality'), Safety ('Security'), and Problem resolution and found the strongest

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correlation was between Cleanliness and Satisfaction—the found that, "providing a clean and comfortable room for transient visitors as a home away from home is one of the key elements of perceived value, guest satisfaction and loyalty behavior" (p. 458).

In his study, Anderson (1998) sought to identify how significant a part satisfaction (specifically dissatisfaction) played in word-of-mouth behavior. In other words, he expected to find that dissatified customers complained much more than satisfied customers. While he did customers exercised more word-of-mouth activity when dissatisfied, the results were not significally different from satisfied customer word-of-mouth activity. Anderson (1998) did find a strong correlation between customer satisfaction (whether positive or negative) and word-of-mouth, which supports the model presented in this dissertation. Even though Prasad, Wirtz, and Yu (2014) model the relationship among Satisfaction, Return Intentions, and Word-of-mouth instead of Satisfaction directly affecting both Return Intentions and Word-of-mouth, they nonetheless validate there is a relationship among these three constructs.

Research Question 8: Does Satisfaction have an effect on the level of Word-of-mouth shared by business travelers?

This research question is converted into the following hypothesis:

H8: Satisfaction influences the amount of Word-of-mouth shared by business travelers.

2.7.10 THE RELATIONSHIPS BETWEEN SATISFACTION AND RETURN INTENTIONS: RESEARCH QUESTION NINE

Chang (2000) found that the physical environment of experiencing a hockey game directly affected not only satisfaction, but also that satisfaction directly affected a spectator's return intentions. Additionally, Su and Bowen (2000) found that customer

Table 2.9: Word-of-mouth References

Reference:	Topic:
Maxham, 2001	Service recovery's effect on WOM
Prasad, Wirtz, and Yu, 2014	Measuring Hotel Guest Satisfaction by recommendation
Amblee, 2015	Cleanliness in hostels: a WOM approach
Blodgett, Wakefield, & Barnes, 1995	Negative WOM: complaints
So, King, & Sparks, 2014	Hotel & Airline brand behavior
Su & Bowen, 2000	Restaurant complaining activity

satisfaction can positively or negative affect not only word-of-mouth, but also a customer's return intentions.

Worsfold, Fisher, McPhail, Francis, and Thomas (2016) found a strong relationship between hotel guest satisfaction and their intention to return for another stay. Interestingly, they found in their study that the physical attributes of a hotel had more effect on a guest's return intention than the service they received. This was a new finding and has implications for the importance of amenities in a hotel or LSE.

After analyzing over 1,200 electronic comment cards from a hotel, Prasad, Wirtz, and Yu (2014) found a strong link between a guest's level of satisfaction and her intention to return to the same hotel. They found if the room was clean and comfortable, guest satisfaction was maximized. They also attributed equal satisfaction to the service (empathy) a guest received during her stay.

Maxham (2001) conducted an experiment regarding service recovery whereby he further established that satisfaction from a poor service experience (such as a bad haircut) resulted in a high correlation with customers returning for future business, although he also found that this positive relationship became less effective beyond a certain recovery

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refund level. Specifically, in the case of a haircut, return intention was increased with the refund of the price paid for the haircut, but any efforts or compensation beyond this 'moderate' level of compensation did not appear to be effective—diminishing returns appeared to be in effect.

Research Question 9: Does Satisfaction have an effect on a business traveler's Return Intention?

This research question is converted into the following hypothesis:

H9: Satisfaction has an effect on a business traveler's Return Intention.

Table 2.10: Return Intention References

Reference:	Topic:
Chan & Wong, 2006	Hotel selection criteria besides price
McCleary, Weaver, & Lan, 1994	Business traveler lodging preferences
Noone & McGuire, 2016	Business traveler's loyalty attitudes
Guttentag (2016)	Why tourists choose Airbnb
Kim, Vogt, & Knutson, 2016	Hotel loyalty programs' success
Sammons, Moreo, Benson, & Demicco, 1999	Female business traveler preferences

2.7.11 CONSTRUCT INTERACTION

It is possible that there will be more effects than between the seven independent variables and satisfaction as well as between satisfaction and word-of-mouth and return intention

2.7.11.1 IMPACT OF PRICE ON LOCATION: RESEARCH QUESTION TEN

As mentioned above, Chan and Wong (2006) state that aside from price, a hotel's location is the most important attribute associated with making a booking decision. Baum and Mezias (1992) state that, "The location and pricing of a hotel have substantive long-term consequences for the success of the establishment" (p. 585). Baum and Mezias

(1992) further state the case that there is a relationship between location and hotel room prices. Further, Lockyer (2005) analyzed how price and location (as well as cleanliness and facilities/amenities) affect the accommodation purchase decision.

Research Question 10: Does price have an effect on the location chosen by business travelers?

This research question is converted into the following hypothesis:

H10: Price has an effect on the location chosen by business travelers.

2.7.11.2 IMPACT OF PERSONAL SAFETY ON LOCATION: RESEARCH QUESTION ELEVEN

Although the study by Amblee (2015) targets hostels, the results nonetheless establish a theoretical framework for how safety can impact the location of an accommodation night's stay. In addition, she relates cleanliness as well to safety and location. Further, Kim, Vogt, and Knutson (2016) also relates Safety with location—as well as amenities. Similarly, Radder and Wang (2006) based their study on the interaction of factors including safety and location and even found a strong correlation did not exist between the two, even though hotel managers suspected there would be a significant relationship between the two factors of safety and location.

Research Question 11: Does personal safety have an effect on the location chosen by business travelers?

This research question is converted into the following hypothesis:

H11: Personal safety has an effect on the location chosen by business travelers.

2.7.11.3 IMPACT OF PERSONAL SAFETY ON AMENITIES: RESEARCH QUESTION TWELVE

Similarly, Radder and Wang (2006) based their study on the interaction of factors including safety and amenities and even found a strong correlation did not exist between

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the two, even though hotel managers suspected there would be a significant relationship between the two factors of safety and amenities. Further, Kim, Vogt, and Knutson (2016) also relates safety with amenities.

Research Question 12: Does personal safety have an effect on the amenities chosen by business travelers?

This research question is converted into the following hypothesis:

H12: Personal safety has an effect on the amenities chosen by business travelers.

2.7.11.4 IMPACT OF LOCATION ON AMENITIES: RESEARCH QUESTION THIRTEEN

Kim, Vogt, and Knutson (2016) submitted location as well as amenities into their study to determine hotel guests' satisfaction and specifically to measure brand loyalty. Further, Lockyer (2005) analyzed how location and facilities/amenities (as well as price and cleanliness) affect the accommodation purchase decision.

Research Question 13: Does location have an effect on the amenities chosen by business travelers?

This research question is converted into the following hypothesis:

H13: Location has an effect on the amenities chosen by business travelers.

2.7.11.5 IMPACT OF PRICE ON AMENITIES: RESEARCH QUESTION FOURTEEN

Business travelers are not as price sensitive when they are spending 'other people's money' like when their company purchases their room accommodations (Noone & McGuire, 2016). Therefore, they are looking for more amenities for their stay. Further, Lockyer (2005) analyzed how price and facilities/amenities (as well as location and cleanliness) affect the accommodation purchase decision.

Research Question 14: Does price have an effect on the amenities chosen by business travelers?

This research question is converted into the following hypothesis:

H14: Price has an effect on the amenities chosen by business travelers.

2.7.11.6 IMPACT OF PRICE ON CLEANLINESS: RESEARCH QUESTION FIFTEEN

Radder and Wang (2006) make a direct correlation between the part price plays on quality, as partially manifested in cleanliness. Also, Prasad, Wirtz, and Yu (2014) make a less direct correlation between price and cleanliness, but they link the two nonetheless. Further, Lockyer (2005) analyzed how price and cleanliness (as well as location and facilities/amenities) affect the accommodation purchase decision.

Research Question 15: Does price have an effect on cleanliness experienced by business travelers?

This research question is converted into the following hypothesis:

H15: Price has an effect on the cleanliness experienced by business travelers.

2.8 MODERATORS

Certain variables may act as a moderator to certain independent variables. These possible moderators include: Gender, Generation, and Accommodation type (hotel versus LSE). Each of these three moderators were explored to determine if they had an effect on results.

2.8.1 GENDER MODERATION: RESEARCH QUESTION SIXTEEN

Chiang and Jogaratnam (2006) found price to be the major motivation for lone female travelers they surveyed. They also found women stayed in hostels and ate the local cuisine and emulated Airbnb's commercial to not visit a place, but instead live there ("Airbnb opening video," 2017). Younger women look for a more adventurous travel experience whereas older women, specifically 'university educated women' who travel alone prefer to "relax, socialize, get together with family, shop, and take part in physical

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activities as they took vacations" (Chiang & Jogaratnam, 2006, p. 61). Chan and Wong (2006) found that women valued cleanliness much more than did men and that the top three amenities business women desired in their study included a minibar, brand-name bath products, and spa services. McCleary, Weaver, and Lan (1994) found that women business travelers prefer the following: personal safety; a lower-priced room; personal services; and room service, which is related to personal since it precludes a traveler from having to leave the safety of a hotel room. This emphasis women business travelers place on safety may be an indicator that women will prefer hotels over an LSE property.

Sammons, Moreo, Benson, and Demicco (1999) found women value as most important the cleanliness their accommodation. They also value comfort when they travel including comfortable pillows and thick, plush towels. A convenient location is also very important to women travelers. This study explored the moderating factor gender plays on business accommodation choices. For the reasons addressed in this section, the following hypotheses are proposed:

H16a: Business travelers perceive that gender moderates the effect of price on satisfaction.

H16b: Business travelers perceive that gender moderates the effect that financial security has on satisfaction.

H16c: Business travelers perceive that gender moderates the effect of personal safety on satisfaction.

H16d: Business travelers perceive that gender moderates the effect of location on satisfaction.

H16e: Business travelers perceive that gender moderates the effect of empathy on satisfaction.

H16f: Business travelers perceive that gender moderates the effect of amenities on satisfaction.

H16g: Business travelers perceive that gender moderates the effect of cleanliness on satisfaction.

2.8.2 GENERATION MODERATION: RESEARCH QUESTION SEVENTEEN

Survey results explored how a traveler's age affects a prospective guest's purchase decision. Literature describes various buying behaviors for each generation. This study's generations of interest included Baby Boomers (born roughly 1928 - 1964), Generation X (born roughly 1965 - 1981), and Generation Y—Millennials (born roughly 1982 - 1994). Specifically, Sacks (2011) discusses Millennial behavior and Ferguson and Brohaugh (2010) discuss the generational differences between Baby Boomers and other generations and how they affect purchasing decisions.

Literature suggests the greatest participants of the LSE are Millennials. Sacks (2011) finds that Millennials are disenchanted with many aspects of the existing economy and that after bank failures and other disappointment, they are favorably inclined to try something new, such as a new economy with new rules. Further, Machado (2014) mentions that Millennials are 23% more interested in travel than older generations. In his Time Magazine article, Stein (2013) mentions that narcissism is three times more like to be present with twenty-year-olds than other ages. He separates this from being a Millennial trait and identifies it as more a function of the age group; however, for the purposes of this study, this trait of narcissism can be paired with Millennials as a descriptor because this study represents a moment in time. Of course, it is noted that Generation Z (the generation following Millenials--born since 1985 1928 - 1964) will inherit this stigma once they grow into it, age-wise.

Geron (2013) states that, "Millennials, the ascendant economic force in America, have been culturally programmed to borrow, rent and share" (p. 62). Contrary to baby

boomers' tendency to make purchases, Millennials are more likely to embrace the shared economy (Ferguson & Brohaugh, 2010). Nelson (2013) notes that many Millennials are questioning the value of owning vehicles and other assets instead of just borrowing them. Belk (2014a) notes that we are shifting from an economy characterized by former wisdom that suggested, "'You are what you own' and converting to a new wisdom, 'You are what you share,' indicates that we just may be entering the post-ownership economy" (p. 1599).

Although Millennials are a part of the new LSE guests, some experts classify those who stay in an LSE property (including Millennials) as a 'risk-taking extrovert' and characterize those who stay in hotels as 'conservative introverts' (Johnston, 2014). This study explored these overarching stereotypes to determine what characteristics LSE guests, as well as hotel guests, possess.

eMarketer (2014) made the following assessment regarding Millennials, "The impact of Airbnb is limited today because the service is often used as an inexpensive lodging alternative by younger travelers. Longer term, the threat could be substantial if these young leisure travelers continue to tap Airbnb once they become regular business travelers" (p. 1). This dissertation analyzes whether this is occurring.

Ferguson and Brohaugh (2010) observed that Baby Boomers (Boomers) are overall more loyal to a brand than younger generations. This is positive for hotels for Boomers, but the fact that the up-and-coming Millennials are not as brand loyal works against conventional hotels' outlook. Millennials have watched Boomers and Generation X overspend and get into debt and as a result, have an aversion to following the same pattern. As mentioned previously, this is one reason Millennials are more predisposed to

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using the shared economy. Chan and Wong (2006) found that, apparently, price is the greatest issue for mature as well as younger (and leisure) travelers.

Table 2.11 lists years associated with five generational population segments. While there is consensus between other authors and the U.S. Census Bureau ("Millennials outnumber baby boomers," 2015), there is less consensus in the more recent years associated with Generations Y and Z. The last row in Table 2.11 lists the years that were used to designate survey respondents' generational designations. The Silent Generation was identified as being born between 1928 and 1945. Even though the range of end dates only spanned three years from 1942-1945, the year 1945 was used since it was also deemed the appropriate end date by the following three studies: Li, Li, and Hudson (2013); Williams, Page, Petrosky, and Hernandez (2010); and Pew Research Center (2016).

The designation of years to identify Baby Boomers was not difficult since six out of seven studies utilized the same timeframe of 1946-1964. The beginning date for Generation X was chosen based on the ending of the Baby Boomers. The end date for Generation X varies by one year except for Williams, et al. (2010). 1981 was utilized as the best year to designate the ending birthdate for Generation X respondents—from 1965-1981. Perhaps the most controversial year split was determining where Generation Y ends and Generation Z begins.

During a Ted Talk, Jason Dorsey (2015) mentions that while many people extend Millennial years to include 2000, he vehemently disagrees mainly because of the effect of the September 11, 2001 terrorist attacks on the United States. He reasons that if you were old enough to be impacted by these attacks, your world view is substantially different

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TABLE 2.11: GENERATION PERIOD ASSIGNMENT

Study:	Silent Gen.	Baby Boomers	Gen X	Gen Y Millennials	Gen Z
Li, Li, & Hudson (2013)	-1945	1946-64	1965-80	1981-90	N/A
Pendergast (2009)	1925-42	1943-60	1961-81	1982-02	2002-24
Williams, Page, Petrosky, & Hernandez (2010)	1930-45	1946-64	1965-77	1977-94	1995-
Ferguson, et al., (2010)		1946-64			
U.S. Census Bureau (2015)	-1943	1946-64	1965-81	1982-00	2001-
Pew Research Center (2016)	1928-45	1946-64	1965-80	1981-97	N/A
Strauss & Howe (1991)	1925-43	1944-64	1965-81	1982-	N/A
Years chosen for dissertation study	**1928-45**	**1946-64**	**1965-81**	**1982-1994**	**1995-**

than that of someone who will only view that traumatic event as history. He uses 1995 as

his dividing year in his work with The Center for Generational Kinetics. This dividing

year of 1995 was therefore utilized because it makes more sense to make this division

based on this historic event. Generation Y was therefore identified as people who were

born between 1982 and 1994. Further, Generation Z is designated by people who were

born during or after the year 1995. For the reasons addressed in this section, the

following hypotheses are proposed:

H17a: Business travelers perceive that generation moderates the effect of price on
satisfaction.

H17b: Business travelers perceive that generation moderates the effect that financial
security has on satisfaction.

H17c: Business travelers perceive that generation moderates the effect of personal safety
on satisfaction.

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H17d: Business travelers perceive that generation moderates the effect of location on satisfaction.

H17e: Business travelers perceive that generation moderates the effect of empathy on satisfaction.

H17f: Business travelers perceive that generation moderates the effect of amenities on satisfaction.

H17g: Business travelers perceive that generation moderates the effect of cleanliness on satisfaction.

2.8.3 ACCOMMODATION TYPE MODERATION: RESEARCH QUESTION EIGHTEEN

Currently, the clear majority of business travelers stay at conventional hotels. Most hoteliers are not overly concerned about losing these customers to the LSE, but while it may have been true in the past, the tide appears to be changing. According to Chan and Wang (2006), business travelers in hotels were most concerned with service quality, image and security. Further, Chan, et al. (2006) also noted that business travelers place more weight on their previous stays (at a given hotel) and the consistency of the product. Levere (2016) reports that some business travelers prefer renting a private LSE property over a conventional hotel room. Hudson (2008) records that unlike leisure travelers, many business travelers are not excited about travel, but instead view it as a necessary evil (p. 58).

Taylor (2016) identifies where Airbnb is negotiating deals with the following companies to increase business traveler market share: American Express Global Business Travel, BCD Travel as well as Carlson and Wagonlit Travel to increase business travelers from its current 10% level (ten percent of Airbnb stays are from business travelers). Taylor further mentions that currently, Airbnb does business with more than 50,000 businesses (for business travelers) and has over two million homes around the world in

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which business travelers can stay in. More companies are expected to allow (and encourage) their traveling employees to use LSE properties, like how Google motivates their employees by giving frugal business travelers the choice of donating to the charity of their choice or using funds to improve their next trip such as a flight upgrade (Economist, 2014).

Most guests who frequent an LSE property are traveling for pleasure (leisure) and they are typically seeking the following:

- "To experience new and different surroundings
- To experience other cultures
- To rest and relax
- To visit friends and family
- To view or participate in sporting/recreational activities"
  (Walker, 2012, p. 54)

Traditionally, LSE providers have focused most of their attention on leisure travelers, who according to Kim (2013) most value cleanliness, price and location. However, LSE providers are branching out to include business travelers. Staying in LSE properties has become very popular with leisure travelers and some business travelers, but little is known about the actual competitive impact of business travelers staying in LSE properties.

H18a: Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of price on satisfaction.

H18b: Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect that financial security has on satisfaction.

H18c: Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of personal safety on satisfaction.

H18d: Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of location on satisfaction.

H18e: Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of empathy on satisfaction.

H18f: Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of amenities on satisfaction.

H18g: Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of cleanliness on satisfaction.

2.9 THEORETICAL FRAMEWORK

There are many psychological theories that help to explain why guests make purchase choices such as the decision to stay at a hotel versus an LSE property; however, even when consumers are presented with the same information, they do not all make the same decision (Chan & Wong, 2006). There are other factors at work that factor into accommodation renters' purchase decisions than merely hard facts and benefits of amenities. This study focuses on the following four theories and seeks to interweave these theories to produce a facsimile of the likely thought process utilized by consumers when choosing a hotel or LSE accommodation. These selected theories include: Expected Theory, Prospect Theory, Bounded Rationality Theory, and Perceived Risk Theory. The Expected Utility Theory states that consumers will make choices that make logical sense and maximize benefits and minimize costs. Prospect Theory highlights guests' disproportional aversion to loss as well as their propensity to choose a positive, certain outcome, even if it does not make rational sense (as specified in Utility Theory). Bounded Rationality Theory contributes by describing how the complexity of decision factors can produce an information overload such that consumers may not make a fully informed choice merely because of the enormity of the components in each option. Each of these theories provides a different perspective into possible reasons consumers choose a hotel room or an LSE property. Perceived Risk Theory contributes to these other three theories

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by contributing information about how the emotions of fear and pleasure affect purchase decisions.

2.9.1 EXPECTED UTILITY THEORY

It is important to understand Expected Utility Theory (EUT) in order to better comprehend Prospect Theory in a proper context. Therefore, there needs to be a short discussion about EUT, which for decades was the dominant theory about how people make decisions. Daniel Bernoulli posited in 1738 (the citation of 1954 refers to a recent English translation reprint) that consumers will make purchase decisions based on rational thinking. His EUT essentially states people's decisions will be identical to the value they expect to receive/lose multiplied times the probability of the reward/penalty occurring (Bernoulli, 1954). If given the choice between a 50% chance of receiving $1000 or receiving a certain amount of $400, Bernoulli would expect a consumer to choose the first option because the utility of the first option is $1000 * 50% = 500, which is larger than the utility of the second option ($1000 * 100% = $400). EUT suggests that a person will be equally pleased over winning $100 at a game of chance as they would be displeased by losing $100 at that same game of chance.

Figure 2.3 illustrates Mongin's (1997) approach to gains and losses, as he discussed how EUT is only feasible if people have a similar scale for gains and losses. In his article, Mongin (1997) further states, "Hence, it might be submitted that every attempt at constructing a general economic methodology would have to be submitted to the test of whether or not it is applicable to EUT" (p. 10). EUT essentially assumes people are risk neutral (Mongin, 1997; Hey, & Orme, 1994; Rabin, 2000), which is not the case with most people. This is a critical point that the remaining theories challenge.

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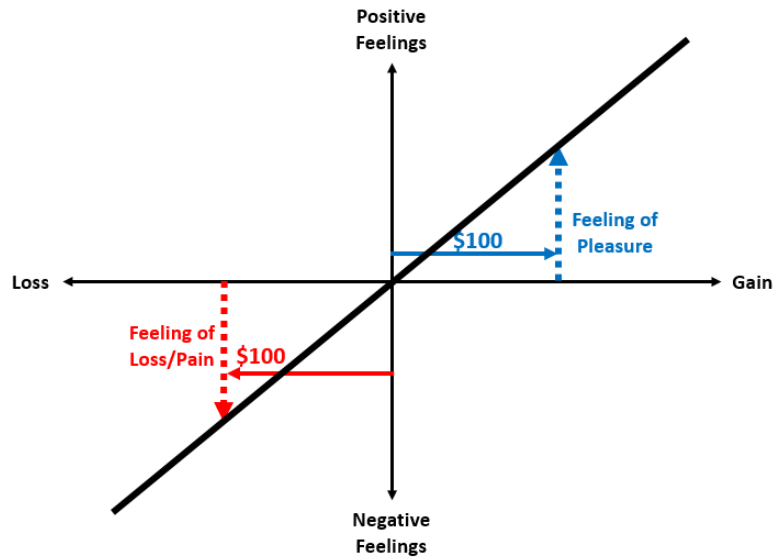
Figure 2.3: Expected Utility Theory

In his article about EUT, Rabin (2000) discusses a tangential topic related to EUT (but is more closely associated with Prospect Theory) when he addresses how people might turn down a single bet where they could gain or lose money—specifically a bet where they have an equal chance of winning $200 or losing $100—but they would probably accept that same bet if all results were netted together. Not only does this behavior negate the EUT, but it also introduces the topic of loss aversion, which Kahneman and Tversky (1979) introduced in the context of Prospect Theory (see next section). Staying in a hotel or LSE property is like this single bet in that a possible/potential bad experience is like the loss of $100. EUT would suggest that a lower priced LSE property would be the obvious choice (over a higher priced hotel room); however, other factors are important in the decision-making process including personal safety, financial security, and consistency (getting what was expected).

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The EUT is only valid if consumers have all the information they need and have the tools and knowledge to determine the best outcomes for each possible purchase choice. Also needed is a proportional perception scale where a given stimulus (either positive or negative) produce a proportional amount of benefit as loss. For example, for EUT to be valid, a $5 gain should produce the same level of positive benefit as a $5 loss produces a perceived loss. Because these requirements are not typically the actual case, the EUT breaks down and requires other theories to explain why consumers react as they do.

The EUT was generally accepted for over 200 years until some researchers began intensive experiments on real consumers. This theory would prevail if people analyzed decisions such as the $100 loss/$200 gain in the absence of emotion. However, this does not appear to be the case. People assign additional weights to gains and losses that are not captured in Bernoulli's Expected Utility Theory. This brings this discussion to the 1970s when a different theory was proposed: Prospect Theory.

2.9.2 PROSPECT THEORY

Kahneman and Tversky (1979) developed a theory about how people emotionally evaluate gains and losses. This was a departure from the strictly mathematical approach taken with the Expected Utility Theory, which assumed people perceived gains and losses with the same degree of pleasure and pain and made completely rational decisions. The Prospect Theory suggests consumers perceive a loss (e.g., a loss of money) to have a much greater amount of negative emotion (pain or remorse) than that same person would receive in a positive emotion (joy or happiness) from gaining the same quantity (e.g., a gain of money).

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Figure 2.4 illustrates this phenomenon which is based on a figure listed in "Behavioural Economics" (2013). Kahneman (2003) states that "The core idea of Prospect Theory, that the normal carriers of utility are gains and losses, invoked the general principle that changes are relatively more accessible than absolute values" (p. 716). Absolute values are less noticeable, but changes are much more easily detected and that is on what the Prospect Theory capitalizes. This is on what Prospect Theory focuses—changes as gains and losses, especially the direction of the change. A small loss may have the same impact on a consumer as a large gain.
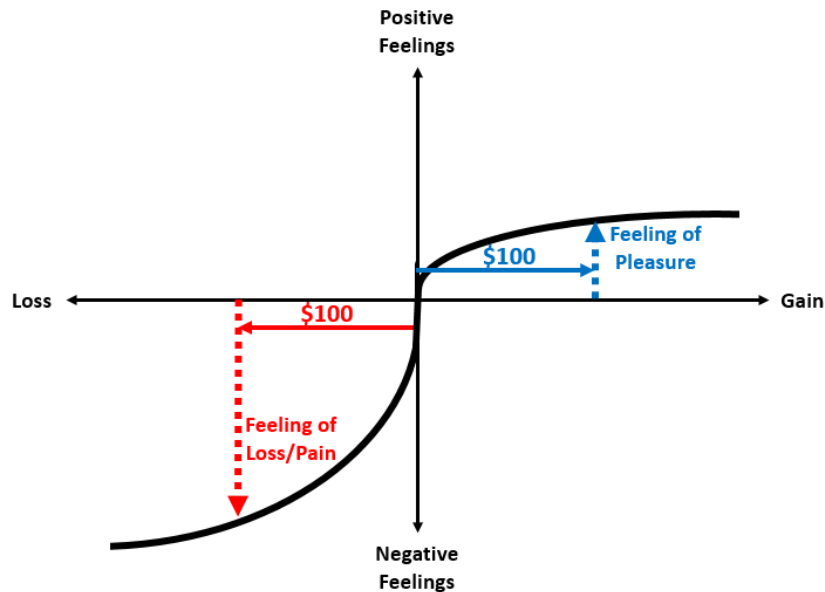
Figure 2.4: Prospect Theory Gains and Losses

A loss of 'A' (the area represented to the left of the Y-axis) represents a substantially deeper level of negative value (sense of loss) than the same gain of 'A.' Stated differently while still referring to Figure 2.4, a consumer who loses $5.00 (represented by 'A' in the graph) will feel a more intense negative emotion than the same person would feel a positive emotion by gaining $5.00. This was perhaps the greatest

finding and it represented a departure from the EUT, which would predict an equal level of emotions from an equal gain as from a loss of the same exact amount.

Kahneman and Tversky (1979) further posit that consumers view a compilation of gains and losses to have a lesser impact than the individual gains or losses would have if presented separately. A consumer would place greater positive emotion on receiving individual benefits versus bundled benefits. For example, if multiple guest benefits (e.g., a room upgrade, a complementary cocktail, a free entrée, etc.) were presented separately throughout a guest's stay versus all at once (e.g., at check-in), the guest would perceive them as having greater value than if they received them all at one time. Alternatively, if the benefits were presented as one bundle (as opposed to individual gifts), the guest would not experience as much positive emotion—even though the benefits received are the same exact benefits. Thaler and Johnson (1990) explore how various gains and losses can affect consumers' behavior—especially their risky behaviors.

Consistent with Kahneman and Tversky (1979), Thaler et al. (1990) describe the cumulative effect of gains and losses on consumer spending behaviors. They set up a scenario of a Las Vegas, Nevada gambling trip where a consumer's buying (gambling) behavior is positively affected by making $100 on a slot machine after a minimal investment versus how that same consumer might be affected by suffering a financial setback prior to his trip. Personal factors such as these add to the complexity of behavior choices and make difficult the task of identifying non-spurious relationships regarding consumer purchasing behavior. Many of these decision factors are similar to the gambler's fallacy, whereby gamblers incorrectly assume that when a roulette wheel ball falls into a black or red slot a large number of times in a row, the odds are much better

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that the ball will fall into the other color. For example, if the ball falls into a red slot eight times in a row, the gambler's fallacy predicts the next spin will produce a black result (Inglis-Arkell, 2014). Interestingly, Inglis-Arkell records where the roulette wheel produced twenty-six (26) black results in a row before the ball fell into a red slot—and many people lost a lot of money. Consumer purchasing behavior is rife with such irrationality.

Prospect Theory helps to explain an aversion to losing something as opposed to a certain outcome or a 'sure thing.' In this case, the LSE is an unknown quantity for those who have not yet stayed in a specific LSE location, but have stayed in a different LSE property before. The unknown quantity (and fear of a negative outcome) is even greater for those prospective guests who have never stayed in an LSE unit of any kind. Alternatively, for most travelers, staying in a hotel is much more of a 'sure thing' and known quantity—one better knows what to expect from a hotel (vs. an LSE property) based on the particular hotel's consistency in branding. The Prospect Theory is a departure from expected utility theory, which essentially proposed that consumers will act rationally using probability to determine benefits or losses as if they were perfect robots in their calculations and logic regarding lodging options. The Prospect Theory introduced the psychology behind consumer choices, which incorporated irrational behavior.

Kahneman and Tversky (1979) created an experiment where participants were offered a 50% chance of receiving $1,000 (along with a 50% chance of receiving nothing, which has a utility value of $500 = $1,000 * 50%) or definitely receiving $450 (sure thing). Most people chose the lesser utility value choice of $450 because it was a 'sure

thing.' The Prospect Theory helps to explain why most participants chose to take the certain $450 rather than taking a 50/50 gamble on receiving $1,000. The perceived risk of getting nothing motivated most subjects to go for the sure thing, even though it had a lesser utility. This same thought process could affect the accommodation decision of whether to stay in a 'sure thing' hotel versus taking one's chances in a more risky LSE property. This study addresses this topic.

2.9.3 BOUNDED RATIONALITY THEORY

The Bounded Rationality Theory (BRT) seeks to understand how a given group of people (such as a society in general) will behave based on how individuals behave. This theory assumes consumers act mostly rationally, but also that they have three constraints in making a perfect, utilitarian decision: limited information, limited time, and limited cognitive ability to fully compare options (Simon, 1985). Like Prospect Theory, March (1978) found that BRT also accommodates individuals' embracing irrational factors in decision making either through omission or, alternatively, inclusion of only some of the total information. Although March states that, "Rational choice involves two guesses, a guess about uncertain future consequences and a guess about uncertain future preference" (p. 587), BRT addresses how people choose among decisions under the constraints listed above (limited information, limited time and limited cognitive abilities). Perplexing to researchers is the fact that individuals do not make decisions that would be expected by a rational, intelligent human being, but instead incorporate other factors related to the guesses (and in some cases, fears) about 'future consequences.'

Kahneman (2003) further contrasts the interplay of the concepts of intuition and reasoning as they affect an individual's decision-making processes. Kahneman discusses

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the types of information as well as implications of that information as it relates to BRT within his framework that includes two 'systems' as follows:

> The operations of System 1 [Intuition] are typically fast, automatic, effortless, associative, implicit (not available to introspection), and often emotionally charged; they are also governed by habit and are therefore difficult to control or modify. The operations of System 2 [Reasoning] are slower, serial, effortful, more likely to be consciously monitored and deliberately controlled; they are also relatively flexible and potentially rule governed. The effect of concurrent cognitive tasks provides the most useful indication of whether a given mental process belongs to System 1 or System 2 (Kahneman, 2003, p. 298).

Intuition is especially difficult to predict in respondents since it is based on a lifetime of experiences of decision making and information retrieval regarding the multi-faceted aspects of decisions such as where to stay while away from home. This adds an additional level of complexity to the three BRT constraints present in making perfect, utilitarian decisions.

Comparing an LSE stay with a hotel stay involves much information about each option, even though typically there is more historical information about hotels than LSEs. In researching this topic, this researcher has had a substantial amount of time to compare the similarities and differences that would be necessary to make a fully informed decision regarding the pros and cons of each option. A substantial effort also would be required for a prospective guest to make such a room purchase decision between a hotel and an LSE property. Most guests will not exert this much effort into such a decision but will instead make their choice based on partial information collected

in a relatively short timeframe. Additionally, even if a potential guest did have perfect information and a large amount of time, he would not be able to mentally keep track of the myriad of options (amenities, terms, price, etc.). In this sense, consumers' decisions are 'bounded' by information, time, and mental processing limitations. Conlisk (1996) references a consumer study where consumers chose low priced appliances with high energy ratings to save money in the short term, however, their choice was irrational because over the long run, they will spend more money than if they had paid more money now for a more efficient energy rated appliance.

Additionally, Conlisk (1996) discusses irrationalities associated with consumers' purchases of earthquake and flood insurance. Because of their limited information, consumers made decisions that were not rational (they make decisions that were contrary to the Expected Utility Theory). Closely related to the lack of information available, as characterized by the Bounded Rationality Theory is Perceived Risk Theory, which deals with not a lack of information, but instead about consumers' perception of possible risks associated with a given path of choices.

2.9.4 PERCEIVED RISK THEORY

Perceived Risk Theory deals with a person's perception of possible risks associated with a given choice, such as choosing to stay in an LSE property and perceiving the risks of being taken advantage of in any number of ways, e.g., financial risk, bodily harm risk, the risk of unsatisfactory delivery of product/service, etc. In their article, Jacoby and Kaplan (1972) mentioned that while many authors may use different words to describe the Perceived Risk Theory, they all describe the same event where a

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consumer has reservations about a purchase because of a perception that something negative may occur as a result of them booking through the particular web site/URL.

Mitchell (1999) dissects the definitions and meanings behind the terms risk and uncertainty, but for the purposes of this dissertation these terms of risk and uncertainty are utilized interchangeably: these terms will indicate any characteristic of an accommodation stay that could present harm in some way. Jacoby et al. (1972) listed five types of risks as, "financial, performance, physical, psychological, and social risk" (p. 383) and referenced a sixth risk of 'time loss' as contributed by Roselius (1971). As mentioned above, Park and Tussyadiah (2016) identified perceived financial risk associated with the use of smartphones to make reservations and payments to accommodation web sites (e.g., hotels and LSE sites). Even as recently as the past two years, people still have reservations about the security of using smartphones to make financial transactions.

Florea (2015) describes Perceived Risk Theory further by explaining how previous poor purchasing decisions can have a dampening effect on future purchases. He further stresses how many purchasing traps consumers can fall into and how those bad experiences can prevent future purchases due to the halo effect of not wanting to repeat bad experiences. Chan and Wang (2006) explained that business hotel travelers particularly were most concerned with service quality, image, and security and that they place more weight on their previous stays (at a given hotel) and the consistency of the product when they determine whether to stay in the same place on their next trip.

Roselius (1971) describes eleven methods to reduce risk in purchases of unfamiliar products and services including: endorsements, brand loyalty, major brand

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image, private testing, store image, free sample, money-back guarantee, government testing, (comparative) shopping, expensive model, and word-of-mouth.

2.9.5 SOCIAL EXCHANGE THEORY

The Social Exchange Theory posits that people will tolerate inconveniences if they perceive they will benefit from it. Tyrell and Spaulding (1984) mention that some communities tolerate short-term room rentals because they have an overall economic benefit. Huete (2008) found residents who were not familiar with the positive impact tourism has on an area were less in favor of developing further developments; therefore, the education of the uninformed should boost goodwill in a given area (Huete, 2008; Mazón, Huete, & Mantecón, 2009). For example, if Airbnb host's neighbors understand the benefits of Airbnb, they will be more supportive of LSE activity. The marketing staff at Airbnb repeatedly emphasize this strain of the Social Exchange Theory on their web site in order to communicate that Airbnb hosting is good for communities (Badger, 2014; "Airbnb, 2016; Geron, 2012; Hall, 2013; Yeung, 2012; "Mayock, 2015; "The Airbnb Community's Economic Impact on New York City." n. d.).

2.10 THE CONCEPTUAL MODEL

Keetels (2013) tested for significance based on gender, age, education level, and experience level (has the respondent previously stayed in an LSE property). This study uses some of the framework from Keetels' model and speculates on moderators from the four variables of gender, age, education level, and experience level. Below is the conceptual model to be addressed in this study (Figure 2.5). It represents constructs on the left that are related in some way to the two constructs in the middle, which relate to

the final purchase decision (the construct on the right) of whether a guest will stay in a

traditional hotel or an LSE property.
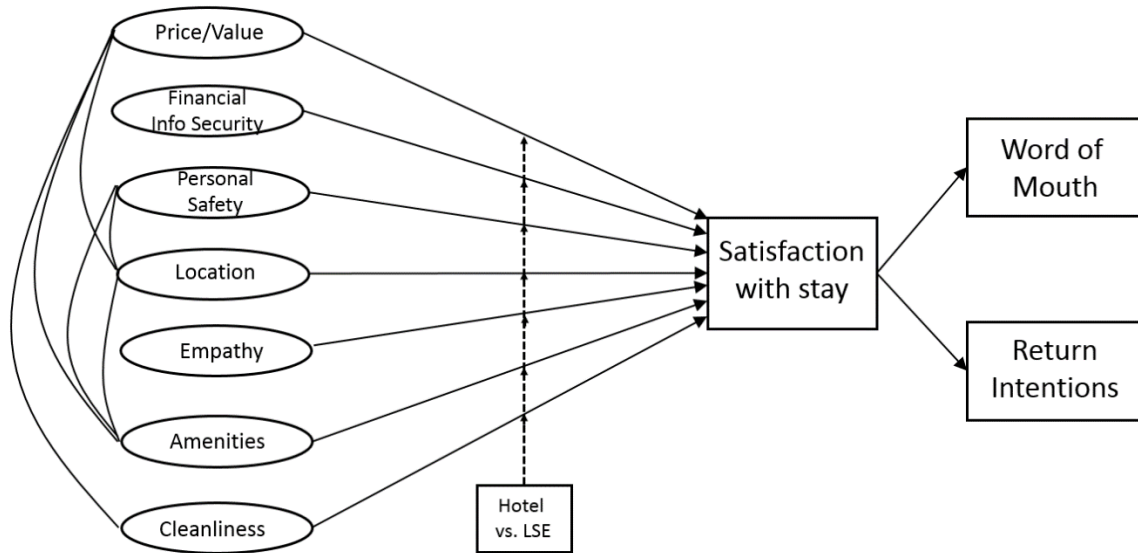
Figure 2.5: Conceptual Model

Seven independent variables (Price/Value; Financial Security; Personal Safety;

Reliability; Empathy; Amenities; and Ambiance) influence a consumer's decision to

purchase a stay away from home either in a conventional hotel or an LSE property.

2.10.1 MODEL WITH HYPOTHESES

Figure 2.6 shows how the eighteen hypotheses fit graphically into the model.

Each numbered hypothesis is designated with an H (for hypothesis). Please note that

there is not a hypothesis sixteen (16) or seventeen (17). These hypotheses were added

later in the study development process and are discussed and analyzed below in this

dissertation.
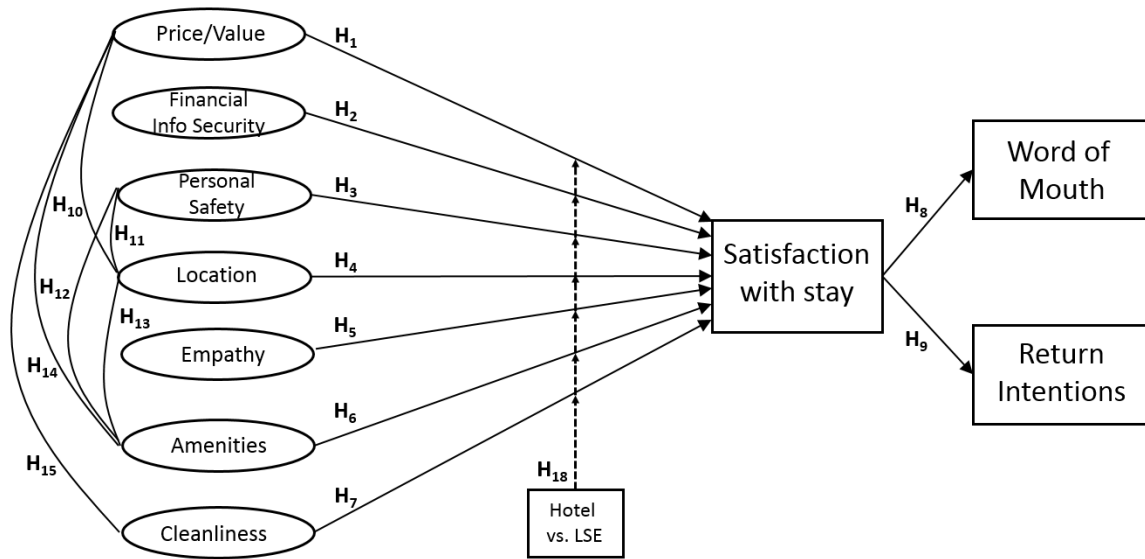
Figure 2.6: Conceptual Model with Hypotheses

2.11 CHAPTER SUMMARY

The shared economy represents a change in many people's view of ownership, specifically the Millennial generation, who also place greater importance on sustainability. Unlike the Baby Boomer generation, who place great importance on ownership, Gen-Xers and Millennials prefer sharing if it will give them more of what they really want. For example, using a car-sharing service might allow a Millennial to take an extra nice vacation to somewhere and have a much better experience. An additional benefit of sharing is that it is a sustainable practice. Sharing reduces the need for consumers to own something they may only use once a year. While this may not have a positive effect on manufacturing because it decreases the demand for products, it nonetheless has a positive effect on resources and is a very sustainable practice. Other trust issues have also been alleviated, including: consumers getting over their fear of making financial transactions online and trusting strangers to follow through as promised.

www.manaraa.com

Technological breakthroughs in GPS technology and accuracy of digital street maps have also assisted with the shared economy's success and acceptance.

Legal issues and operational practices such as taxation are appearing to have more of an impact on the perception on LSEs and the shared economy in total. This new economic model has been allowed to thrive so far, but increasingly municipalities are getting vigilant in protecting traditional businesses either for taxation reasons or to avoid public nuisance charges. Accommodation taxes are typically collected from hotels to help promote the given city or town and to draw more guests to the area. LSE properties pay these accommodation taxes only in a few cities, such as New York City and San Francisco.

Theories that are relevant to this study include the Prospect Theory, which postulates that consumers feel more pain when losing something (e.g., money) than the amount of joy felt when they gain something (e.g., money). The Prospect Theory theorizes that consumers will make illogical choices to avoid losses. The Bounded Rationale Theory postulates that consumers have three constraints that prevent them from making a perfect, utilitarian decision: limited information, limited time, and limited cognitive ability to fully compare options (Simon, 1985). Perceived Risk Theory was presented as a barrier to new customers staying in LSE properties. The Social Exchange Theory was used to explain why neighbors might not mind having LSE guests stay in their neighborhoods because these neighbors realize LSE guests help the overall economy and indirectly benefit them (the neighbor him/herself).

CHAPTER 3: METHODOLOGY

The overall goals of this study are to identify and analyze components of a business-travel-related lodging stay that motivate a willingness to purchase a room in either a hotel or an LSE property. Additionally, this study will quantify the value assessed to each component that contributes to this decision. Specifically, the focus will be on what attracts and repels business travelers to/from booking an LSE for a business trip and what are the underlying motivations behind those decisions. Results from the trial study are discussed as well as changes made to the survey instrument based on the trial study.

3.1 SURVEY RESEARCH

Survey research was conducted that included an initial pilot study in order to address the stated research questions. Survey design is utilized in the social sciences to isolate dependent variable outcomes. By doing so, Survey design indicates the effects independent variables have on those dependent variables while holding external factors constant. This allows for better identification of relationships as well as causality. Specifically, Survey design allows researchers to decrease the number of variables being tested so causality can be identified.

3.2 SURVEY PROCEDURE

The full study's survey procedure will include an online survey using Mechanical Turk (MTurk), which is an Amazon product set up as a peer-to-peer environment. Appropriately, this dissertation about peer-to-peer transactions will use a peer-to-peer

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application to evaluate the LSE, which is itself a peer-to-peer process. MTurk links researchers seeking respondents with a large potential list of participants, from which surveys can be conducted for a nominal cost. Buhrmester, Kwang, and Gosling (2011) provide a description of this service as an online companion help guide, which explains how to use MTurk as well as its reliability as mentioned on page one of the online supplemental guide. Additionally, Buhrmester, et al. (2011) explain the results among three compensation amounts derived outcomes that were within $1/110^{th}$ of a point. This suggests participants are not merely filling out the surveys strictly to make money, but may have other, more altruistic motives and will provide results that have a high level of validity. Joe Miele, a Lead Designer for the MTurk Data company assisted with qualifying participants and submitting surveys in a manner that maximized the number of responses with the desired attributes (Mturk Data, 2016). MTurk Data company's expertise in qualifying respondents was well worth the extra expense because it meant every final survey that was offered, was exactly what this dissertation author sought.

3.3 INSTRUMENT DEVELOPMENT

Survey data was used to analyze the stated research questions. Taking this survey poses minimal risk to the participant. Respondents are asked questions related to what they value when staying in an accommodation such as a hotel or Airbnb-type property. Respondents are free to exit the survey instrument if for some reason, they feel at risk or are uncomfortable. There is a slight financial drawback for MTurk respondents in that if they do not complete the survey, they will not receive the stipend of one dollar, which is the compensation respondents receive for their survey participation. Presumably, this

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small amount of remuneration is not sufficient to force respondents to endure any discomfort.

Confidentiality is guaranteed in the introductory statement of the survey instrument (Appendix A) and was implemented rigorously. All respondent data was treated as Confidential and was strictly protected. Qualtrics is a reputable survey collection application with established confidentiality controls. These data (including downloads from Qualtrics) were treated as top secret data such that each respondent's data is secure and confidential. Personal names (or MTurk user names/codes) will not be associated with the anonymized identifier assigned to each record except for in the translation file, which links respondents to this anonymous code. This insures data files will not contain a means to identify individual identities. The data themselves were aggregated to further ensure respondent's personal and demographic data remain anonymous. An Institutional Review Board (IRB) document was submitted and approved to ensure respondents' safety and privacy were addressed (See Appendix Z).

3.4 SURVEY SCALES

Survey scales were adapted from the following studies, as described in detail in this section. The reference textbook by Gursoy, Uysal, Sirakaya-Turk, Ekinci, and Baloglu (2014) was utilized to identify the appropriate scales listed below as directed through the extensive literature search. Each of the seven scales utilized on this survey instrument have been peer-reviewed already through their respective articles listed in each section. These existing, established scales add great credibility and validity to this dissertation's survey instrument. The changes from the original questions are minimal to maintain the integrity of each previous scale, which has already been peer-reviewed.

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Several survey questions were reverse-coded to detect unreliable answers from respondents who may not be paying attention to the questions, but who instead are merely choosing the same answer (all '7' values) in order to finish the survey quickly and receive their stipend. These responses containing erroneous data were deleted from the final analyses and surprisingly represent a miniscule percentage of the total population (see Data Cleansing section in Chapter 4).

Price/Value Scale (Contextual Cues):

Karande and Magnini (2010) developed their Contextual Cue scale to measure the level of knowledge of competing offerings based on the type of reservation tool utilized. Specifically, they sought to compare results from third party companies (e.g., Expedia) to proprietary companies such as a brand's web site (www.Hilton.com). This scale is appropriately used in this dissertation's context since the comparison is between established brand web sites versus web sites to determine the competitive price awareness of consumers to competitive offerings. This scale further seeks to determine consumers' brand preference.

Karande and Magnini (2010) use a 7-point Likert scale where 1 indicates 'strongly disagree' to 7, which indicates 'strongly agree' to capture price comparisons among competitive offerings. These questions have been incorporated into this current study to capture respondents' knowledge of competitive pricing. The researcher used this scale because it was peer-reviewed with one exception. The second item was reverse-coded to read, "I did not shop the competition before making the purchase." The questions include the following:

At the time of purchase, I had a good picture of what the competition was

    charging.

I thoroughly shopped the competition before making the purchase.

My assessment of value was influenced by price information that I gathered when

    I shopped the competition.

At the time of purchase, I could have quoted the prices of one or two competitors

    with reasonable accuracy.

My judgement of whether the price was a 'good deal' or a 'rip-off' was largely

    influenced by what the competition was charging.

Temporal Cues:

    Karande & Magnini (2010) also developed this scale to determine the effect similar past transactions had on consumers and how much they remembered past rates they paid, which were presumably used as reference points in current willingness to purchase/reserve an accommodation. Karande & Magnini (2010) use a 7-point Likert scale where 1 indicates 'strongly disagree' to 7, which indicates 'strongly agree' to capture previous purchase price as stored in consumers' memories. These temporal cues from respondents simulate possible effects of prior purchases on current and future purchases. Specifically, does the previous price paid for an accommodation stay set an expectation for future purchases? The researcher used this scale because it was peer-reviewed. These questions are as follows:

I compared the price paid with past prices paid.

My assessment of value was influenced by past prices stored in my memory.

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At the time of purchase, I could have quoted the past price paid with reasonable

accuracy.

My judgment of whether the price was a 'good deal' or a 'rip-off' was largely

influenced by past price information stored in my memory.

Financial Security

Tsang, Lai, and Law (2010) use a 7-point Likert scale where 1 indicates 'strongly agree' to 7, which indicates 'strongly disagree.' These researchers explored how financially secure travelers felt using an online travel agent to book their travel. Specifically, this scale focuses on how safe potential guests felt their input personal data were, including their payment method used (e.g., their credit card information). Financial security is the main factor being evaluated in this scale. The researcher used this scale because it was peer-reviewed with the following exceptions. On the first question, the reference to an 'online travel agent' was replaced with 'accommodation company' to read as follows, "I trust the *accommodation company* will not misuse my personal information." The questions include the following:

I trust online travel agencies will not misuse my personal information.

Online travel agencies have adequate security features.

I trust online travel agencies will not give my information to other sites without

my permission.

I feel like me privacy is protected at online travel agencies.

I feel safe in my transactions with online travel agencies.

Personal Safety

Mangan & Collins (2002) use a 7-point Likert scale where 1 indicates 'strongly agree' to 7, which indicates 'strongly disagree.' Based on perceived risk theory literature, this scale captures respondents' perception of feeling safe (their personal and property safety) while staying in a given accommodation. The researcher used this scale because it was peer-reviewed with the following exceptions. To better match the way other questions in the survey instrument were asked, the questions were altered slightly to make the questions more personal. For instance, on the first question, instead of saying "You felt safe during your stay," the researcher altered it to read, "I felt safe during my stay." The questions include the following:

You felt safe during your stay.

You and your property were treated with respect.

You felt that your luggage was safe during your stay.

Car parking facilities were safe.

Location

Mair and Thompson (2009) use a 7-point scale where 1 indicates 'extremely unimportant' and 5 indicates 'extremely important' as the questions refer to the location of a property. The researcher used this scale because it was peer-reviewed. The researcher altered some verbiage to be more applicable to a business context. The questions include the following:

Convenient location of property.

Proximity to downtown.

Proximity to business location.

Proximity to airport.

Proximity to entertainment (surrounding area).

Empathy

Mangan & Collins (2002) use a 7-point Likert scale where 1 indicates 'strongly agree' to 7, which indicates 'strongly disagree.' Although their research was aimed at brand loyalty, their empathy scale effectively captures employee attributes that reflect a higher quality experience through attentive, responsive employees. The researcher used this scale because it was peer-reviewed with the following exceptions. The reference to 'employees of the B&B' was replaced with 'employees/hosts' to accommodate LSE property hosts. The third item was reverse-coded to read, "Employees/hosts were <u>not</u> approachable." The questions include the following:

Employees of the B&B were always willing to help.

Employees of the B&B were friendly and welcoming.

Employees of the B&B were approachable.

Employees of the B&B were always ready to help.

Employees of the B&B were responsive to your complaints.

Employees of the B&B were responsive to your specific requirements.

You received individual attention from employees.

You felt that your needs and wants were understood.

Employees of the B&B were polite.

Amenities

Radder & Wang (2006) used a 7-point Likert scale where 1 indicates 'Totally unimportant' to 7, which indicates 'Extremely important' to quantify those amenities

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preferred by business travelers. They compared business travelers' amenity preferences with what they thought the innkeepers thought guests would prefer. The questions include the following:

Availability of business facilities on the premises.

Availability of dining room facilities.

Availability of self-catering facilities.

Availability of business center facilities in the room.

Place to meet for discussion with colleagues.

Up-to-date and modern amenities.

The researcher used this scale because it was peer-reviewed.

Cleanliness

Literature repeatedly mentions how guests value cleanliness (Radder & Wang, 2006; Sammons et al., 1999; McCleary, Weaver, & Lan, 1994). Albacete-Saez, Fuentes-Fuentes, and Lloréns-Montes (2007) developed a 7-point Likert scale where 1 indicates 'Totally unimportant' to 7, which indicates 'Totally important.' Using confirmatory factor analysis, they confirmed the validity of five dimensions to evaluate the service quality of a given accommodation property. Barber and Scarcelli (2010) were also consulted in altering survey instrument questions because even though their purpose was to develop a scale specifically for restaurants, this scale was nonetheless beneficial in crafting questions for the survey instrument, which read as follows:

Cleanliness of room

Cleanliness of bathroom

Cleanliness of lobby area

Cleanliness of parking lot

Cleanliness of grounds

3.5 COMMENSURATE UNITS FOR LSE ROOMS

Current literature does not have a clear definition of a commensurable (apples-to-apples) unit of accommodation comparison between a hotel room and an LSE property. In one of the seminal articles about LSE's entry into the market, Zervas, Proserpio, and Byers (2015) made no distinction between a hotel room and the three categories of Airbnb accommodation types (shared room, private room, and whole house/apartment). Their study determined the introduction of Airbnb into the state of Texas had a direct negative effect on hotel ADR (by using all three categories of Airbnb accommodation types including: shared rooms, private rooms, and whole house/apartment/condo segmentation).

On the other end of the spectrum, Smith Travel Research, Inc. (2017) chose to exclude shared and private rooms (and larger capacity properties like castles) in comparing hotel rooms to Airbnb listings. They "removed shared bedrooms and private rooms with shared living space, because it is unlikely a typical hotel guest would view such a space as a viable alternative to a hotel room" (p. 7). Further, they removed any listings that accommodate more than seven guests reasoning that "groups of this size are unlikely to stay in hotel rooms" (p. 7). Li, Moreno, and Zhang, (2015) compared the profitability of LSE hosts who used property management companies versus those who did not use a property management company. Like Smith Travel Research, Inc, they also chose to exclude all LSE offerings except for whole house/apartment properties.

One other indicator that perhaps a whole house/apartment/condominium is the best commensurable produce for a hotel room, is the fact that Airbnb itself is targeting only this segment of whole house/apartments in their offerings. Further, Airbnb also advertises the following for businesses: extended stays, off-sites and retreats, and group trips (Airbnb Business Listing, 2017).

So, while Zervas, Proserpio, and Byers, (2015) use all three categories of Airbnb accommodation types (shared room, private room, and whole house/apartment) to estimate the impact on hotel rooms, Smith Travel Research, Inc. and Li, Moreno, and Zhang, (2015) consider only a whole house/apartment/condominium to be a comparable unit to a hotel room. This segmentation of LSE properties appears to be an issue that has not yet been resolved by literature, but there is also ambiguity about the segmentation of hotel rooms into categories to better compare different LSE segments—specifically what are commensurable hotel accommodations (based on stars, diamonds, or scale), which align with the various LSE segmentation? Once again, literature is not definitive in defining these comparisons.

Lehr (2015) quotes Mark Woodworth, PKF president as claiming "7 of 10 hotel rooms being built will be in the upper/upper upscale end of the market for the next three years" (p. 9). This comment was in the context of LSEs as competition to hotels to indicate that hotels think their upper/upper upscale customers are less likely to switch to an LSE property. Woodworth's forecast implies that business travelers who frequent upper/upper upscale hotel rooms are not interested in staying in an LSE and perhaps these guests are less likely to stay in an LSE property for business, but all that can be

interpreted from Woodworth's claim is that hotels feel these specified guests are unwilling to try an LSE.

One other segment of the market to which LSEs could appeal are those business guests who stay in an extended-stay hotel, which will typically be ranked as a mid-scale hotel with perhaps 1-2 stars. Literature (both academic and non-academic) indicate that business travelers who have switched to staying in an LSE are mostly from economy and lower scale hotels; however, no definitive studies have been done to date that would validate this belief. Instead literature appears to be quite vague on proof as to where these LSE business travelers traditionally stayed prior to their switch to LSE properties. Therefore, there is not an exact method to compare a hotel room to an LSE room in an 'apples to apples' comparison because the switching behavior may not necessarily be based on trading from one similar room to another similar room, but instead, by its very nature, this switch is from one product (a hotel room) to a very different product (an LSE property).

In summary, there is a lack of established literature on established commensurable units between hotels and LSE properties. This dissertation is an exploratory effort to better explain what business travelers value in an LSE property in the midst of minimal proven demographics about LSE business travelers (as provided by literature). Perhaps the question is not, "what is a comparable room in each environment," but perhaps a better question is, "What are the factors that lead a hotel guest to try an LSE property?" This question focuses on the differences between someone who has switched to using an LSE for business travel and someone who does not stay in an LSE during business travel. Based on these facts, the following

methodology is proposed (which focuses on the switching behavior as a mean of creating the experimental and control group). This alteration in the qualification criteria establishes the control group as someone who has <u>never stayed at an LSE property</u>.

3.6 INSTRUMENT PRE-TEST AND PILOT STUDY

This section is broken into four sub-sections, which follow this section. The first section discusses the demographics of the trial study respondents. The second section addresses the trial study regarding how reliable and valid results were—as specified by Hair, Ringle, and Sarstedt (2011). The third section addresses the convergent and discriminant validity or 'goodness of fit' for the model—how well the actual results fit the model. Lastly, discoveries are discussed regarding what changes were made for the final study; specifically, how trial results led to alterations in the items and the overall length of the survey instrument. Additionally, the trial study led to the creation of two almost identical survey instruments which address either a hotel stay or an LSE stay. This was done for clarity's sake and to minimize verbiage on the surveys.

In order to ensure content validity, the initial survey instrument was reviewed by cohorts and colleagues in order to verify its face validity and content validity. Edits and suggestions were incorporated into the pilot study. Although the seven scales have already been peer-reviewed and branded as valid and reliable for their specific purpose, a trial study was conducted to further verify the reliability and validity of the survey instrument as a whole—with all seven scales combined into one instrument.

Survey research was conducted that included an initial pilot study, which utilized a combination of a hard copy survey instrument and an online survey instrument composed of a convenience sample of undergraduate college students (approximately

90% students) along with an assortment of other respondents, including working adults currently engaged in their career. Prior to administering this pilot study, the survey instrument was distributed to several of the researcher's peers and several faculty members to ensure face validity and to ensure the effectiveness of the survey instrument.

The research design for this pilot study utilized Qualtrics, an online survey creation software application. Participants received an email or a personal invitation request to participate (convenience sample). The data collection, therefore, occurred both online (friends and family) and in person (students). Most trial study respondents were students, as is reflected in the demographics section below. The online respondents entered their responses directly to the Qualtrics application and the in-person respondents' responses were completed by hand (on paper) and then were manually input into Qualtrics by this dissertation author. Friends and colleagues received the satisfaction of helping a friend and the college students had the benefit of helping a doctoral candidate.

Data were analyzed using Qualtrics (for demographic analyses) and responses were further analyzed using the Structured Equation Modeling (SEM) software SmartPLS (Partial Least Squares) version 3.2.6 (Ringle, Wende, & Becker, 2015).

Confidentiality was promised in the introductory statement and was maintained throughout the trial (please refer to Appendix A). Qualtrics is a reputable survey-collection application with established confidentiality controls. These data (including downloads from Qualtrics) were treated with the utmost confidential measures. This study captured no personal information that would identify a respondent; therefore, trial study respondents were insured complete confidentiality. No compensation was given to

respondents for participating in the trial study and respondents were instructed they could withdraw from the trial at any time without any negative repercussions. Since there was no compensation given for completing this survey, there was limited room for bias based on a respondent feeling coerced to complete the survey other than what is mentioned in chapter five under the limitations section, which includes the fact that roughly one-half of the students were current students of this dissertation author—the other half were from a colleague's group of students.

3.6.1 DEMOGRAPHICS

A total of 121 surveys were collected in the trial study from February 2 – 11, 2017. Twenty-three (23) of those surveys were abandoned. Further, eleven (11) more surveys were excluded based on respondents' positive response to the question, "I have never traveled in my life." Although students may not have ever traveled in their lives, it was coded in a manner that indicated respondent's lack of attention. Interestingly, the reverse-coded questions were not as useful in identifying a respondent's attention to questions as this 'Bogus Items Screening Method' as detailed by Meade and Craig (2011) in their paper about how to ensure respondents are paying attention to survey instrument questions. This brought the number of useable records to 87. Missing values were manually replaced using the median value of each applicable construct.

Respondents' gender composition was as follows: 51% males, 49% females, and 2% not declared. The current employment status was as follows: full-time, 10%; part-time, 28%; and student, 62%. Also, the household income status of trial study respondents was as follows: <$20K, 52%; $20K-$40K, 9%; $50K-$100K, 22%; $100K-$200K, 13%, and >$200K, 4%. These last two demographics highlight the composition

of most respondents, which were students—a large percentage of part-time and students as well as almost half of them declaring a salary below $20,000.

3.6.2 SEM—RELIABILITY AND VALIDITY

Reliability refers to data that is free from error. The developed survey instrument relied on existing scales, which have been tested and validated for reliability and validity through not only the researchers who developed them, but also those who have utilized these scales for their own studies' specific purposes. This dissertation utilizes each of these scales within the range each scale was designed.

Trial study data were analyzed using the Structural Equation Modeling software package SmartPLS 3.2.6 to test the reliability and validity of trial study responses. Factor analysis was conducted on the trial study to produce Table 3.1.

Cronbach's Alpha was used to ensure consistent data among various split-halves of the data set; specifically, Cronbach's Alpha was used to ensure construct internal reliability. All ten factors had satisfactory Cronbach values (see Table 3.1) in the trial study data set, which range from 0.724 to 0.928. Bagozzi and Kimmel (1995) suggest Cronbach alpha values should be greater than 0.7. Each of the constructs' Cronbach's Alpha score was acceptable based on the greater than 0.7 cutoff (Schmitt, 1996). Additionally, Bagozzi and Kimmel (1995) state that levels above 0.6 are acceptable, and show acceptable composite reliability, but they suggest 0.7 as a better cutoff level. Trial study Cronbach's Alpha values range from 0.724 – 0.928, which is well above the suggested level of 0.7.

Internal consistency was evaluated through structural equation modeling Confirmatory Factor Analysis (CFA). Each factor that had a composite reliability value

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Table 3.1 Trial Study Reliability and Validity

	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Expected (AVE)
Amenities	0.843	0.863	0.885	0.607
Cleanliness	0.928	0.935	0.950	0.827
Empathy	0.847	0.852	0.897	0.685
Fin_Info	0.928	0.942	0.945	0.776
Location	0.858	0.867	0.903	0.700
Price	0.724	1.130	0.811	0.595
RI	0.798	0.829	0.880	0.711
Safety	0.879	0.911	0.915	0.731
Satisfaction	0.787	0.798	0.862	0.610
WOM	0.871	0.893	0.912	0.723

greater than 0.6 were considered reliable per Bagozzi and Kimmel (1995). The composite

reliability values for these data range from 0.811 to 0.950. This value was used to

determine which factors in the final study met this reliability criterion (final study results

appear in chapter 4).

Several items (questions) that measure the same scale were compared to each

other to determine if the values were consistent with one another. Additionally, the

relationships of the other variables were evaluated to determine if the literature-based

model achieved consistent results and verified the literature-based relationships.

Validity measures how accurately each scale represents the construct to which it

belongs. In other words, how accurate the measure is at capturing what it is supposed to

measure. Face Validity refers to the accuracy of the result in measuring exactly what the

researcher wants to measure—the instrument measures what it is supposed to measure.

There were at least three items for each construct to ensure construct validity.

Convergent validity describes how much correlation there is between measures that

describe the same construct.

Kline (2011) describes that variables that have moderate values demonstrate intercorrelation among themselves. To be considered a moderate value, Hung and Petrick (2012) suggest all factor loadings must be greater than 0.5. Convergent validity for the final study is detailed in chapter 4.

Alternatively, variables that are modeled to measure different constructs should have construct correlation values less than 0.9 to ensure they are not intercorrelated between constructs (Kline, 2011). If their values are less than 0.9, each construct demonstrates discriminant validity.

Internal validity evaluates causality of relationships in a given model. External validity refers to how well results in one study can be generalized to a broader pool. For example, external validity measures how well results from this dissertation, which analyzes business travelers within the United States, can be generalized to a broader population such as Chinese business travelers.

In assessing convergent validity (which measures how well two variables that should be correlated with each other actually are correlated), all constructs appear to correlate well with the other constructs, as indicated by Rho_A values > .7 (Toklu & Kucuk, 2016). The Rho_A trial study values in Table 3.1 range from 0.798 to 1.130, which indicates that each of the pairs of variables are correlated with each other.

Bagozzi and Kimmel (1995) state that Average Variance Extracted (AVE) is a good measure of convergent and discriminant validity. AVE calculates each constructs' convergent discriminant and should be above 0.5 to be satisfactory. As Table 3.1 indicates, each of the trial data values' Average (AVE) were indeed above the 0.5 level

(0.595-0.827), which indicates the model has satisfactory convergent and discriminant

validity.

This trial study shows in Table 3.2 the statistically significant impacts of the

independent variable on the dependent variables. In the trial study, there were only five

paths that were statistically significant at the .05 level (95% confidence level). They were

Empathy to Satisfaction ($p<0.000$); Financial Information to Satisfaction ($p<0.966$);

Safety to Satisfaction ($p=0.001$); Satisfaction to WOM ($p<0.000$); and Satisfaction to RI

($p<0.000$).

Table 3.2 Mean, Standard Deviation, T Statistics, & Probability Values

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	p Values
Amenities→Satisfaction	0.101	0.117	0.085	1.181	0.238
Cleanliness→Satisfaction	.069	0.082	0.095	0.725	0.468
Empathy→Satisfaction	0.432	0.393	0.117	3.679	**0.000**
Fin_Info→Satisfaction	-0.004	0.005	0.082	0.043	**0.966**
Location→Satisfaction	0.010	0.035	0.080	0.127	0.899
Price→Satisfaction	0.079	0.076	0.085	0.932	0.352
Safety→Satisfaction	0.333	0.312	0.096	3.463	**0.001**
Satisfaction→RI	0.743	0.747	0.060	12.308	**0.000**
Satisfaction→WOM	0.817	0.825	0.032	25.917	**0.000**

Table 3.3 shows at least three items for each construct that are above the level of

0.70—except for Price, which has only two values above 0.70. As mentioned above,

since approximately 90% of the trial respondents were students, there is a good

possibility they based their travel on a family trip where their parents paid for the hotel,

which would make price/value less important to them personally. Therefore, their

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answers to the Price construct are suspect and not valid. Based on this, these items were

not removed from the Price construct from the survey instrument for the final study.

Table 3.3 Cross Loadings Table

	Price	Empathy	FinInfo	Safety	Locatn	Amenities	Clean	Satisf	WOM	RI
Q1_1	0.938									
Q1_4	0.643									
Q1_5	0.702									
Q2_1		0.871								
Q2_2		0.807								
Q2_4		0.807								
Q2_5		0.825								
Q3_1			0.799							
Q3_2			0.87							
Q3_3			0.927							
Q3_4			0.914							
Q3_5			0.889							
Q4_1				0.879						
Q4_2				0.911						
Q4_3				0.859						
Q4_5				0.762						
Q5_1					0.859					
Q5_2					0.798					
Q5_3					0.848					
Q5_5					0.841					
Q6_1						0.755				
Q6_2						0.8				
Q6_3						0.751				
Q6_4						0.817				
Q6_5						0.772				
Q7_1							0.96			
Q7_2							0.962			
Q7_3							0.803			
Q7_5							0.904			
Q8_1								0.729		
Q8_2								0.824		
Q8_3								0.83		
Q8_4								0.736		
Q9_1									0.857	
Q9_2									0.88	
Q9_3									0.917	
Q9_4									0.736	
Q10_2										0.759
Q10_3										0.876
Q10_4										0.888

3.6.3 GOODNESS OF FIT

Henseler et al., (2014) developed the measure of Standardized Root Mean Square Residual (SRMR) as a goodness-of-fit measure that evades model misspecification and is defined as, "the difference between the observed correlation and the model implied correlation matrix" (p. 192). The SmartPLS software website (2016) states the SRMR value should be below 0.1, but ideally below 0.08. The trial study SRMR Saturated Model value is 0.086, which is below 0.1 (see Table 3.4) and indicates the model is a good fit. The SmartPLS software website (2016) explains the Estimated Model is still relatively new and is not as established as the Saturated Model (Henseler et al., 2014). In any case, the SRMR Estimated Model value of 0.094 is still below the 0.1 cutoff value. Based on these SRMR values, the model appears to be a good fit.

Table 3.4 Trial Study Goodness of Fit Values

	Saturated Model	**Estimated Model**
SRMR	0.086	0.094
d_ULS	6.087	7.196
d_G	4.958	5.132
Chi-Square	1,403.671	1,434.334
NFI	0.595	0.586

The moderating effect of a respondent commenting about a hotel versus an LSE property was not tested for the trial study, but has been completed in the final study in Chapter Four. Because trial study subjects were not prequalified into two different groups of hotel and LSE respondents, it was not possible to test this moderating effect for the trial study.

A total of 87 rows of data were imported into the SmartPLS software and configured using the following model (see Figure 3.1). All items with a loading value less

than 0.70 were deleted except for item Q1_4 in the Price construct, which had a value of 0.643. It was kept only because deleting it would have depleted Price items to only two, which is not acceptable.
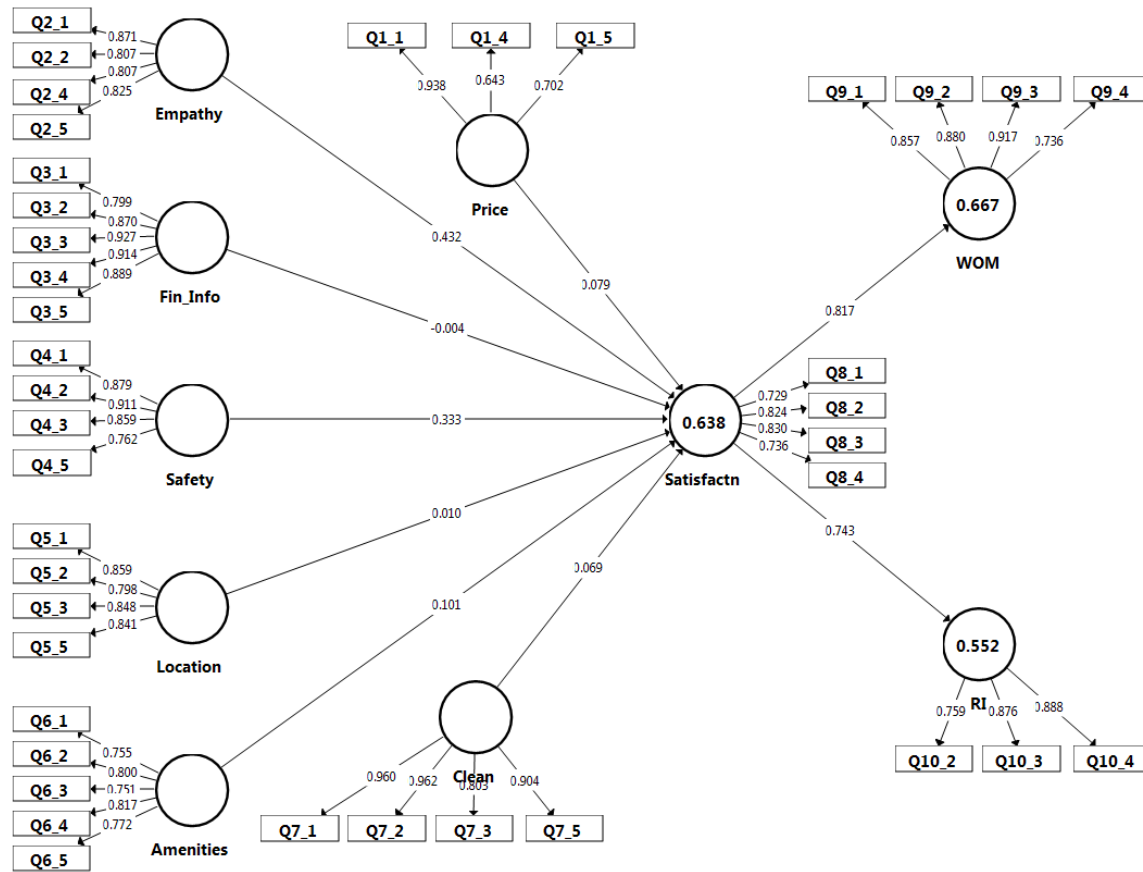
Figure 3.1: Results of Structural Model

The values between the independent variables and the dependent variables are standardized regression rates or 'effects.' The values closest to the items are factor loadings and the white numbers within the dependent variables are the R^2 values (the percent of variance explained by the explanatory variables). For example, 63.8% of Satisfaction variance is explained by the seven independent variables. Although the

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loadings will be explained in further detail, it is noteworthy that all variables (except for price as mention above) have at least three loadings above the cutoff value of 0.7 as Bagozzi and Kimmel (1995) suggest. This suggests the items are correlated with each other or 'hang together' within each construct.

Several items were deleted if they did not meet the above listed criteria. They were deleted to increase the fit of the items to the construct. Table 3.5 shows items that were used/kept.

Table 3.5: Items Included in CFA

Construct:	Included Items:
Price	1, 4, 5
Empathy	1, 2, 4, 5
Financial Information	1-5
Safety	1, 2, 3, 5
Location	1, 2, 3, 5
Amenities	1-5
Cleanliness	1, 2, 3, 5

The effect of each construct is shown in Table 3.6. These values are the standardized regression weights or effects of independent variable constructs on dependent variable constructs. These effects also appear in Figure 3.1 as numbers listed on the arrows between variables. For example, the value of 0.101 (Amenities to Satisfaction) in Table 3.1 (the first value in the top middle column of the table under the word 'Satisfaction') is the same number that appears in Figure 3.1 on the arrow that connects Amenities with Satisfaction. The Total Effect equals the Direct Effect plus the Indirect Effect.

Table 3.6: Total Effects

	RI	Satisfaction	WOM
Amenities	0.075	0.101	0.082
Cleanliness	0.051	0.069	0.056
Empathy	0.321	0.432	0.353
Fin_Info	-0.003	-0.004	-0.003
Location	0.008	0.010	0.008
Price	0.059	0.079	0.065
Safety	0.247	0.333	0.272
Satisfaction	0.743	N/A	0.817

This model was rerun using bootstrapping (Figure 3.2) to determine *p*-values
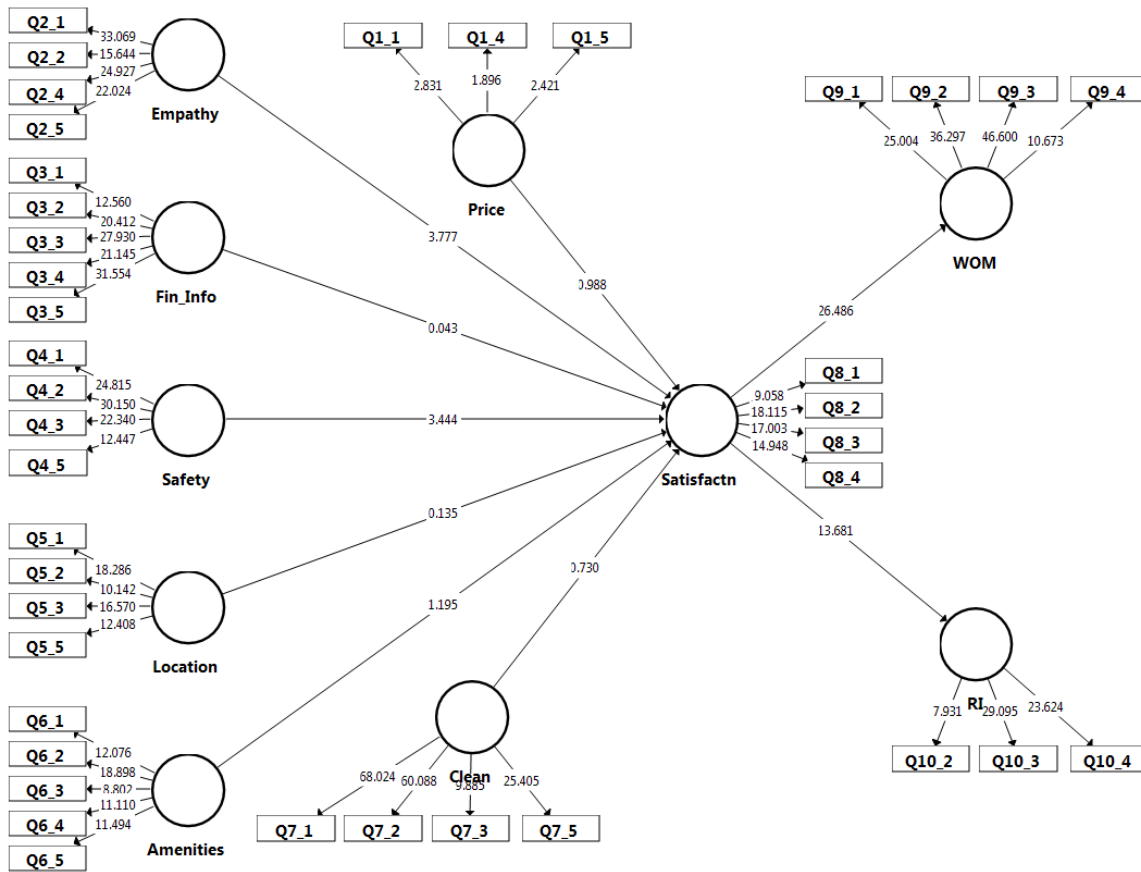
Figure 3.2: Bootstrapping Statistical Significance Results

confidence level. If a value is greater than 1.96 in Figure 3.2, then we reject the null and

specifically to identify those values which are statistically significant at the 95%

hypothesis and conclude there is a significant relationship between the variables.

The only significant relationships (above 1.96) Include: Satisfaction; Safety to

Satisfaction; Satisfaction to Word-of-mouth (WOM); and Satisfaction to Return

Intention (RI). The strongest relationship ($p = 25.660$) is between Satisfaction and

Word-of-mouth, which implies the more satisfied a customer is, the more likely he is to

tell others about his experience. Similarly, the more satisfied a customer is, the more

likely he is to return to the same accommodation ($p = 13.089$). The more empathy

shown to a customer, the greater his satisfaction level ($p = 3.784$) and the safer a

customer feels, the greater their level of satisfaction will be ($p = 3.435$).

The following five independent variables were not statistically significant: Price,

Financial Information, Location, amenities, and cleanliness. As mentioned previously,

since most respondents were students, they probably did not pay for their most recent

accommodation stay, which suggests they would not care about the price or protection

of their financial information since it was neither their money nor their financial

information. Since they presumably did not pay for the accommodations (their parents

probably did), they also did not likely have much input into amenities or the location of

the accommodation. For a similar reason, cleanliness may have not been important to

students merely because it is an expected condition.

3.6.4 TRIAL STUDY ADJUSTMENTS

Based on the results of the trial study, the survey instrument was adjusted to better

collect valid results. Because of the long length of the study, many changes were made

from the trial study survey instrument to the final instruments. One major change included a streamlining of the introduction page. Also, the trial survey instrument was split into two separate instruments to simplify the wording and the sheer volume of verbiage. There are now two survey instruments: one for hotels and the other for LSE stays. This simplified each survey by only having to refer to a hotel or an 'alterative accommodation' (LSE) stay. Items with a low Cronbach Alpha loading score (< 0.70) were reworded to be clearer and to ensure more reliable results. Two of these low scoring items were reverse-coded. Granted, students might not have been as careful reading the survey questions as the final respondents will be, but to insure better results, these questions were re-worked.

The item questioning the importance of the lodging location to an airport also did not have an adequate loading so the location construct items were re-designed to capture less specific location targets. The new construct asks questions that relate to a more generalized business trip than specific types of trips. For example, if a respondent attended a conference at an airport hotel, the hotel's proximity to an airport will necessarily be more important than a business traveler who travels to a branch office or a client's location. Overall the questions were streamlined and reworded so the original survey that took an average of ten minutes to answer now only takes six to seven minutes to complete.

A further improvement on the survey instrument was that each question must be answered to continue. This simple change should increase the number of completed studies and minimize missing data, since each respondent will not be able to leave an item unanswered, regardless of whether it is purposeful or merely by oversight.

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The Self-Reported Single Item Indicators (Meade & Craig, 2011) were excluded from the final study since they did not appear to identify respondents' non-attention to the survey. Additionally, these questions were excluded in order to shorten the survey. The write-in question—also suggested by Meade and Craig (2011)—was also excluded from the final survey instrument. The major indicators of a respondent's attention to the questions appeared to be the bogus question (I have never stayed at a hotel/alternative accommodation), the reverse-coded questions, and the amount of time each respondent used to complete the survey. Therefore, these major indicators were included in the final study.

3.7 FINAL STUDY SAMPLE SIZE

For the final study, data collection used purposeful sampling techniques to survey respondents who have stayed overnight for business in the previous year in either a hotel or an LSE property. To compare responses between LSE patrons and hotel patrons, 246 responses were received for business travelers who stayed at an LSE property and 422 were collected for those who stayed at a hotel during their business trip. Additional questions ask various other questions such as how many nights during the past year they have stayed for business and leisure. Also, both survey versions ask whether the respondent belongs to a hotel loyalty program and if they have used it during the previous year. Collecting enough respondents with these specific experiences would require a huge sample if merely using a random sample methodology and even with an enormous sample size, the LSE results still may not be sufficient. Therefore, filtering respondents through an MTurk qualification survey was utilized to target responses from

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subjects who have traveled for business over the past year staying in either a hotel or an LSE property.

This was accomplished in MTurk through a qualification process. Specific qualifications were set to filter out only those users who met specific criteria (Amazon Mechanical Turk, 2011). This qualification survey contained Buhrmester, Kwang, and Gosling (2011) found the demographic cross section of participants on MTurk to be superior to what can be found on a college campus, where many such studies are conducted. Additionally, college students do not typically have a lot of business travel experience, which also suggests MTurk will produce better results than merely using college students as survey respondents.

Arbaugh, et al. (2008) mention some authors using a specific number sample size to cover any population. They cite 'absolute sample sizes' of 200 and 300 as being 'fair' to 'good,' respectively.

Dolnicar, Grün, Leisch, and Schmidt (2013) proposes 70 times the number of independent variables, which is a very conservative sample size. For this final study, this would translate into 10 variables multiplied by 70 which equals a sample size of 700. Tabachnick and Fidell (1989) detail a weak sample size of five respondents per variable. For this final study, this would translate into 10 variables multiplied by 5 which equals 50, which is a substantially smaller sample than the 700 required based on the formula by Dolnicar, et al. (2013). Chin (1997) suggests a formula for determining sample size that is between the two extremes mentions. His paper mentions a 'rule of thumb' of using the larger of the two choices including: "Sample size can be smaller, with a strong rule of thumb suggesting that it be equal to the larger of the following: (1) ten times the scale

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with the largest number of formative (i.e., causal) indicators (note that scales for constructs designated with reflective indicators can be ignored), or (2) ten times the largest number of structural paths directed at a particular construct in the structural model" (p. Chin, 1997, p. 1). For this final study, this translates into 10 variables multiplied by 10 which equals a sample size of 100. Specifically referring to an SEM sample, Kline (2011) suggests a 20:1 ratio, but mentions this may not be large enough depending on other factors such as the complexity of the model or dealing with missing data.

Other authors suggest using a formula based on the number of items. Specifically, Kass and Tinsley (1979) recommend 5 to 10 respondents per item. The final study has 39 items, which would translate to 195 to 390 items, respectively. Nunnally (1978) recommends at least 10 participants per item. Sapnas and Zeller (2002) acknowledge that, "Traditional psychometrics advise[s] that there should be 10 respondents per item" (p. 135). Kass and Tinsley's (1979) recommend 5 to 10 participants per item. Therefore, the smallest sample size that was considered for the final study was ten participants per study, which translates into a total sample size of 390.

3.8 FINAL STUDY DATA COLLECTION

Perhaps the most difficult part of this process was finding a large enough sample of travelers who have stayed in an LSE for business travel in the past year. Although this is a growing demographic as described in previous chapter, it is nonetheless a small percentage of the overall population. A qualification process was implemented to be able to query a large number of MTurk workers to determine if they fit the LSE criterion. Figure 3.3 illustrates the survey instrument used to qualify MTurk respondents who are

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U.S. citizens, have traveled for business in the past year, and have stayed in either a hotel or LSE property (for business purposes).

Figure 3.3: Qualification Survey Instrument

The beauty of the qualification survey instrument was that it identified both LSE and Hotel business travelers as well as whether they consider the United States as home. Additionally, this short survey also gathered employment information.

Table 3.7 illustrates how customers were chosen using the following questions related to the past year's business travel.

Further findings from the hotel and LSE surveys provided information about who these travelers are and what are their characteristics. Specifically, prospective hotel respondents were asked what type of hotel (by listing groupings of hotel brands) they typically frequent when traveling for business. Alternatively, prospective LSE

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respondents were asked in which type of alternative accommodations they stayed while

traveling for business (e.g., whole house/apartment/condo, private room, shared room).

TABLE 3.7 Qualifying Questions

Most recently stayed in a Hotel	Most recently Stayed in an LSE	Have you ever stayed in an LSE?	Survey Determination
Yes	No	No	Selected for Hotel Survey Instrument
No	**Yes**	N/A	Selected for LSE Survey Instrument
No	No	N/A	**Excluded from Study**

The initial strategy was to try to get the desired number of respondents to meet

an adequate sample size by offering this qualifying survey to 4,000 MTurk workers

(although this number was increased to 6,487 to screen more LSE qualified

respondents). Each of the 6,487 MTurk workers who took this very short survey were

given $0.07—a standard process for MTurk workers (Amazon Mechanical Turk, 2011).

Once the respective hotel and LSE qualified workers were identified, an email request

was submitted to Amazon to invite the qualified workers to complete the final survey

instrument. If the qualified worker was identified as having the necessary LSE

credentials, they were invited to participate in the final survey and were given $1.00 for

their participation. Specifically, the qualified participants from the qualification survey

were assigned a qualification score so that only they can participate.

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The same list is then sent a request to the participant via email. According to Amazon's terms of service (Amazon Mechanical Turk, 2011) no one can know the email address of participants; however, by using the Amazon application (API), an email was sent to the participant's Worker ID from mturk-noreply@amazon.com which contained the appropriate Qualtrics URL for either the Hotel or LSE Survey. Each MTurk Worker ID number was tracked to ensure no respondent took either survey more than once— even if they took the LSE survey, they were prohibited from also taking the hotel survey to uphold the integrity of the sample.

The amount of \$1.00 per survey was chosen because it represents an average of \$9.00 an hour, which is a suitable rate for completing MTurk surveys. It was estimated the survey would take about six to seven minutes to complete. Assuming a respondent could continuously complete 9 surveys in an hour, they would need to complete each survey in under 6.6666 minutes because 60 minutes / 9 = 6.6666 minutes.

3.9 CHAPTER SUMMARY

To assess and evaluate business travelers' preferences regarding staying in an accommodation (either a hotel or an LSE property), this study evaluated respondents' attitudes toward seven independent variables. The constructs include: Price/Value, Financial Security, Personal Safety, Location, Empathy, Amenities, and Cleanliness. These constructs affect the dependent variable of *Satisfaction*. Survey design using a survey instrument produced data that was analyzed using a variety of statistical tools and SEM. The results of the pilot study indicated the survey instrument is valid and reliable and was changed to increase its effectiveness. Any discrepancies found were corrected before the final survey instrument was served to the final sample of respondents.

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Chapter 4 will discuss the results and findings from the final study, while Chapter

Five discusses the ramifications of the results and findings of the study as well as

conclusions and practical implications for industry.

CHAPTER 4: RESULTS AND FINDINGS

This chapter presents the process of cleaning raw data from the final study, which was conducted in Qualtrics. Microsoft Excel Office 365 was used to clean and recode data. Cleaned data were then imported into the Structured Equation Modeling (SEM) software SmartPLS (Partial Least Squares) version 3.2.6 as well as SPSS version 24 statistical software for various analyses. Demographic characteristics were also grouped and analyzed to further explore results and possible interesting relationships.

This chapter describes the cleansing of separate data sets: hotel data and LSE data. These two sets of data were aggregated into two separate 'total' files: one for an orthogonal design and another for a non-orthogonal design. The orthogonal design (n=448) was used only for analyzing the moderating effect of the accommodation type responders. The non-orthogonal design (n=614) was used for all other analyses. In addition, as an additional check, this larger file of 614 samples was also used to rerun the accommodation type moderator as validation of the orthogonal approach.

The most interesting results and findings were that while there were some differences, the findings were more homogenous across sub-groups than expected.

4.1 DATA CLEANSING

There were 6487 total participants who were screened to find qualified work travelers for either survey. Although each survey asked the same questions, each had verbiage that was specific to a hotel or LSE stay. The MTurk respondents who qualified to take either survey (and fully completed the survey) are as follow: 422 workers took the

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Hotel version of the survey and 265 took the LSE version. Each of these data sets was downloaded from the Qualtrics web server and uploaded into Microsoft Excel Office 365 for processing. Excel was used because of the author's familiarity with its many functions.

Some preliminary cleaning procedures were applied to both sets of data to make each file more useable including adding a leading zero (0) to those zip codes with only 4 digits). Many zip codes in the northeast United States begin with zero (0) including the following states: Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, Puerto Rico, Rhode Island, Vermont, Virgin Islands, Army Post Office Europe, Fleet Post Office Europe (SmartyStreets, 2017). Excel treats zip codes as *numbers* by default such that 1234 has the same numeric value as **0**1234, so when Excel pulled the zip code data into a *number* field, it deleted the leading zero since it was unnecessary as a number. This of course is a problem for a *text field* where a zip code of 1234 is different from 01234. To make these zip code data useable, they had to be transformed into a text field. Therefore, the zip code field was formatted to be a text field and a leading zero was added to the beginning of each 4-digit zip code.

Three constructs used 'Not Applicable' as an option—in addition to the seven-point Likert scale. Qualtrics assigned a value of one (1) to these responses since this was the first choice on the dropdown menu. These values of zero (0) were recoded to null values to avoid skewing SEM results for those items. These 'Not Applicable' choices were available on question number six on the hotel version of the survey instrument and construct numbers two and six on the LSE survey version. To be consistent with the rest of the survey, each value was decreased by 1 to ensure the same values for each Likert

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choice. In other words, because Qualtrics assigned the 'Not Applicable' choice, the value of 1, which normally would have been associated with the lowest Likert choice of 'Totally Unimportant.' In this case, however, 'Totally Unimportant' was assigned a value of 2, which is inconsistent with all other Likert questions without the 'Not Applicable' choice. Constructs without the 'Not Applicable' choice assigned 'Totally Unimportant' the value of 1; therefore, for these three 'Not Applicable' constructs each inflated number was decreased by one—the value of 2 was manually recoded to be 1.

A coding error occurred in construct six in both the hotel and LSE survey instruments. In addition to the extra value of eight (8) because of the 'Not Applicable' choice, the Qualtrics application apparently coded all values of six (6) as fourteen (14). Every other number was present in these four questions' responses except for the number six. Therefore, each occurrence of 14 was replaced with the number six (6). Similarly, in constructs five, eight, and ten, the number seven (7) was missing from the responses, but values of eight (8) were present. On the other 7-point Likert scale items there were only values of 1-7 present. All other values between and including one through six were populated, but it was missing any values of seven. Therefore, all occurrences of the number eight were replaced with the number seven. In each instance, these values were reviewed to validate that replacing the numbers was consistent with the other items in the construct. In each case, they appeared to be consistent. These odd values were concerning, but the data cleansing process appears to have corrected all erroneous entries without any negative impacts on the quality of the data.

The "Qualtrics support" (2017) page mentions that the internal coding of values can be altered if one reorders questions after data collection has begun. While this was

not the case, it is the closest explanation—although it is still not clear why these coding issues occurred. The fact that these anomalies occurred consistently within only a few constructs seems to point to a computer application issue with the ordering of the response choices.

Many fields were deleted since they had no useful value for this analysis. Examples of such fields include fields that were contained text such as the 'Demographics' column with no useable data contained therein. Other fields include the following: Name, email, external data reference, status, finished, Locational accuracy, and all fields that were merely placeholders for the questions themselves—they had no data contained within them.

An additional test of the data included reviewing the latitude and longitude location coordinates for each respondent. Although this study was aimed at only those who consider the United States as their primary home, there were ten latitude and longitude (lat/long) coordinates which are clearly outside of U.S. boundaries. For example, there was one entry for Japan (35.8333Lat/139.5833/Long) and another for Saint Lucia (14.0Lat/-61Long). These records were kept since the participant could have been out of the US for vacation or for business—especially considering this study was aimed a business travelers.

Based on these anomalies, each lat/long coordinate provided by Qualtrics was input into Environmental Systems Research Institute's Geographic Information Systems (GIS) software ArcMap version 10.4.1 to create the map below in Figure 4.1 (ESRI, 2016), which revealed twenty respondents outside of the United States. Qualtrics captures each respondent's location (lat/long) based on the geographic location associated with

their computer's IP address. Granted some of the twenty locations that occur outside of the United States could very well have been completed by American business people while traveling.
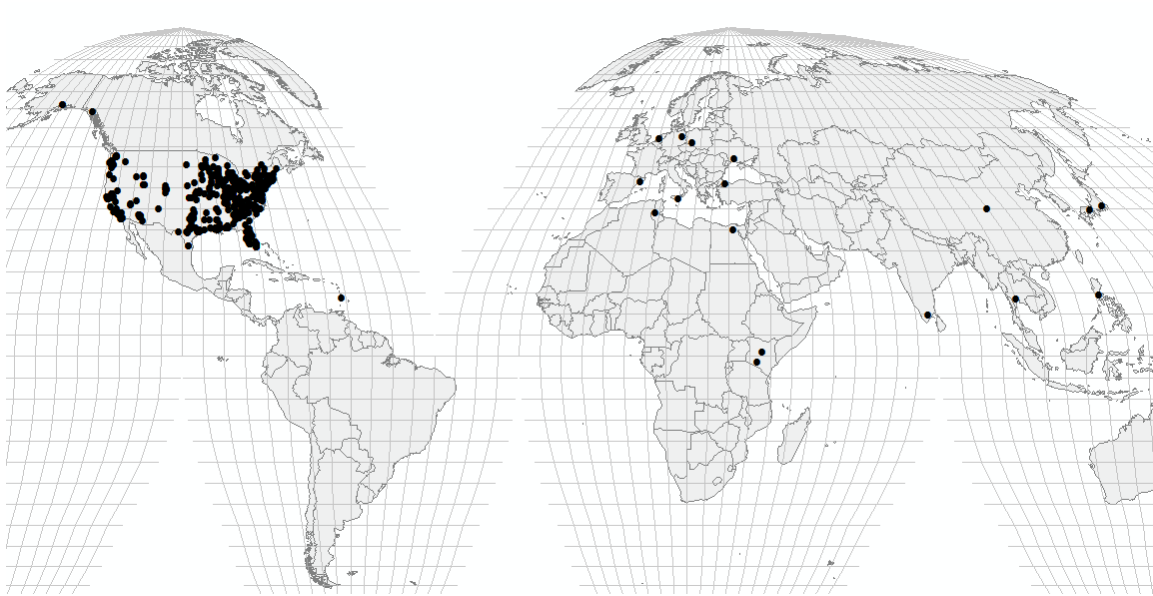
Figure 4.1: Geocoded Respondents across the world

Figure 4.2 shows the respondents as their Qualtrics location identifies them, which is surprisingly not only well distributed across the nation, but also well distributed based on population.

Table 4.1 shows the number of responses received from each state. As might be expected from sheer population counts, those states with greater population such as California, New York, Florida, Texas, and Illinois had the most responses; whereas, the lesser populated states such as South Dakota, New Mexico, Hawaii, Delaware, and Arkansas had the fewest responses. Although not part of the methodological blueprint, the geographic dispersion of responses that resulted randomly helps to ensure that the results were not biased by being in just a few states or part of the country. Interestingly, the responses loosely resemble the electoral votes each state is assigned.

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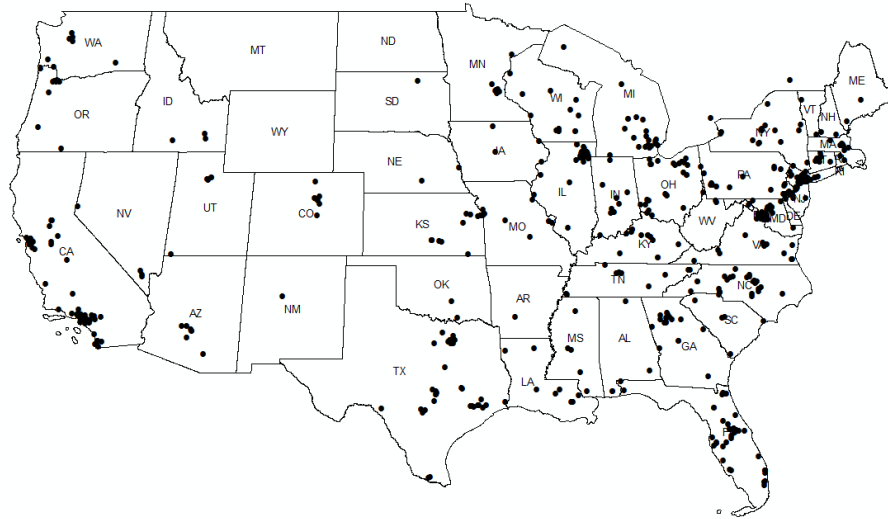
Figure 4.2: Geocoded Respondents Across the Continental United States

The birth year field was coded as follows based on the years listed in Table 2.11. For example, someone born between the years of 1946 and 1964 was coded as Baby Boomers and anyone born between the years of 1982 and 1994 was coded as a Generation Y—Millennial.

4.1.1 HOTEL SURVEY DATA CLEANSING

The Qualtrics **hotel** survey results recorded 422 total respondents. The scale for the three reverse-coded questions was reversed using the Vertical Lookup (V-Lookup) formula in Excel. This transformed a value of 1 into 7 and a value of 5 into a 3 so the values reflected the same 'scale' as the rest of the items in each construct. There were 16 abandoned respondents and 4 invalid MTurk worker identification numbers, which brought the total to 402. One respondent said he indeed had never spent a night in a hotel, which contradicts the information they input in order to be considered for the study and indicates careless responses (Meade and Craig, 2011). His response was therefore deleted from the study, which brought the total down to 401.

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Table 4.1: Number of responses per state

State	Count	State	Count
California	56	Arizona	7
New York	45	Colorado	7
Florida	44	Utah	7
Texas	33	Connecticut	6
Illinois	30	D. C.	6
New Jersey	30	South Carolina	6
North Carolina	28	Mississippi	5
Ohio	25	Alabama	4
Virginia	25	Iowa	4
Pennsylvania	24	Nevada	4
Michigan	21	West Virginia	4
Outside US	20	Alaska	3
Georgia	17	Idaho	3
Maryland	17	Maine	2
Kentucky	14	Nebraska	2
Kansas	13	New Hampshire	2
Wisconsin	13	Oklahoma	2
Minnesota	12	Rhode Island	2
Tennessee	11	Vermont	2
Oregon	10	Arkansas	1
Indiana	9	Delaware	1
Massachusetts	9	Hawaii	1
Missouri	9	New Mexico	1
Louisiana	8	South Dakota	1
Washington	8		

The following formula was used in Microsoft Excel Office 365 to calculate the

amount of time each respondent spent completing the survey:

=TEXT(D2-C2, "h:mm:ss") … where cell D2 was the survey completion time and cell

C2 was the starting time for each respondent beginning the survey. This new cell showed

how many minutes and seconds it took each respondent to take the survey—or at least

how long they had the application open before they completed the study. The range of the

durations to complete the survey was from 2:02 to 45:46 minutes. The median time all

respondents (n = 390) took to complete the survey was five minutes and thirty-seven seconds (5:37). To ensure valid and reliable results, all respondents were scrutinized using the three reverse-code questions and a bogus question as a measure of participant attention; however, surveys with shorter completion times were subjected to further scrutiny.

Lavrakas (2008) discusses how using a bogus question can reveal information about a respondent. An example they use involves a teen survey on drugs where they ask respondents if they have heard of a given drug name which does not exist. In a similar manner, Meade and Craig (2011) suggest using a bogus question to identify how well a respondent is paying attention to the questions on the study. This process was followed in the cleaning of the data for both data sets. All eleven of those quick responses were deleted from the study because the values for their reverse-coded questions were not like the rest of the construct. This resulted in retaining only respondents who correctly answered the bogus question—those who scored a 1 or 2 on the question "I have never spent a night in a hotel," which indicates they Strongly Disagree (1) or Disagree (2) This brought the number of useable responses from people who stayed in a hotel during a business trip to 390.

4.1.2 LSE SURVEY DATA CLEANSING

The Qualtrics **LSE** survey results recorded 265 total respondents. The scale for the three reverse-coded questions was reversed using the V-Lookup formula in Excel. This transformed a value of 1 into 7 and a value of 5 into a 3 so the values are on the same 'scale' as the rest of the items in each construct. There were eleven (11) abandoned respondents and 2 invalid MTurk worker identification numbers, which brought the total

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to 252. Twenty-eight (28) respondents said they indeed had never spent a night in an alternative accommodation, which contradicts the information they input to be considered for the study. Their responses were therefore deleted from the study, which brought the total down to 224. There is a chance some of the 28 respondents did not equate staying at an LSE as the same as staying at an 'alternative accommodation,' but regardless, they were removed from the study. Reverse-coded items were also reviewed at this same time to determine careless answer assignment, but none were found that contradicted the overall values for its specific construct.

The median time all respondents (of these 224 responses) took to complete the survey was five minutes and thirty-seven seconds (7:08). Based on the two-minute minimum time criterion from the hotel final study data cleansing section, all respondents who completed the survey in less than two minutes would have been discarded; however, there were not any. However, the shortest response duration was two minutes and 31 seconds (2:31)—the longest response time was thirty-six minutes and forty-nine minutes (36:49). This left the number of useable responses from people who stayed in an LSE during a business trip at 224. Adding these 224 LSE responses to the 390 hotel responses generated a total sample size of 614. Although some analyses were run comparing separate data sets (e.g., hotel vs. LSE), a major moderating relationship is a major goal of this dissertation; therefore, there are certain further cleansing processes which need to occur to combine these two data sets for analyses to generate two samples with an equal number of samples.

4.1.3 COMBINED ORTHOGONAL SURVEY DATA CLEANSING

There were slight differences in the two survey instruments (hotel and LSE) that stemmed from the nature of the accommodation product. For example, the hotel survey asked respondents in which type of hotel scale they stayed (e.g., economy, mid-scale, luxury, etc) whereas the LSE survey queried what type of alternative accommodation product in which they stayed (e.g., whole house, private room, shared room). Also, the last question in the Amenities construct (item 6d) was removed from this combined analysis because it asked different things to each type of respondent. The hotel respondent was asked how important 'room service' was to them whereas the LSE respondent was asked how important having a 'kitchen' was to them.

While these descriptive data should be helpful in explaining travelers' preferences and practices, they cannot be usefully combined into either combined data set since they capture different information.

The full sample was created by summing 224 LSE responses with the 390 hotel responses. This full data sample of 614 was used for all analyses except for the accommodation type orthogonal analysis as explained in this section.

To be conservative in sample selection, an orthogonal design was chosen to ensure an equal number of respondents who stayed in a hotel or LSE. The disparity in number of respondents between hotel and LSE respondents was resolved by using the random sample selection function in SPSS. This effectively decreased the number of hotel samples from 390 to the LSE sample size of 224, the same size as the LSE sample, which allows for an orthogonal design. SPSS was utilized to select a representative sample of 224 from the 390 hotel responses. This data set was used for analyzing the

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moderating effects of accommodation type (hotel versus LSE responses). Descriptive data were compared from each file (the full 614 and abbreviated 448file) and was found to be a good representation except for perhaps the demographic data, which will be discussed later.

4.1.4 COMBINED NON-ORTHOGONAL SURVEY DATA CLEANSING

To take advantage of all validated responses, all of the 390 hotel records were combined with the 224 LSE records. This produced a sample size of 614, which was used for all combined analyses to validate the orthogonal results.

4.1.5 DEMOGRAPHIC VARIABLES

Table 4.2 illustrates the demographic components for each of the groupings of the response collections and compilations as well as how each data set differs from the overall average of the Full Hotel. The demographic proportions for the full hotel file (n=390) and the full LSE file (n=224) were summed and averaged to use as a guideline for analyzing sub-groups. The differences between each of the three files and the averages were then compared to identify anomalous sub-groupings.

The LSE file appears to have attracted younger respondents based on the LSE sample having fewer percentage point differences than the average for Baby Boomers (-2.9) and Generation X (-6.7) respondents and further with a larger percent of Generation Y (+8.9) respondents. In other words, LSE respondents were 2.9 percentage points below average for Baby Boomers and 6.7 points below average for Generation X, but he LSE sample did show 8.9 points above average for Generation Y, meaning they had more Generation Y respondents than the average. The LSE sample also appears to have more single people (+9.0) with fewer respondents who are married with kids (-5.0).

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The LSE sample also appears to have a larger percentage of people making less than $50,000 (+7.2) and fewer making between $100K-$200K (-4.7). Also, the LSE sample has a smaller percentage of those with a full-time job (-8.2) and more who are self-employed (+5.5). Therefore, the LSE sample has a larger percentage of younger, lesser-paid, single, self-employed respondents than the average.

Alternatively, the Hotel sample is almost the opposite of the LSE sample where they have fewer Generation Y (-6.0) respondents and more Generation X (+5.2) respondents and who have fewer singles (-3.3), but more respondents who are married with kids (+3.3) than the average. Additionally, the hotel respondents have fewer than the average number of those in the lowest income group of less than $50,000 (-3.6) and have a higher than average proportion of those who are employed full-time (+4.3).

One other interesting demographic of the LSE file was that 144 respondents (64.3%) claimed they stayed in a whole house/condo/apartment. However, 75 respondents (33.5%) said they stayed in a Private Room and 5 respondents (2.2%) stayed in a shared room environment, where they likely met their host(s) in person versus merely by email or web site.

4.2 CFA AND SEM RESULTS

This section discusses the model and path results for the full 614 sample file (nonorthogonal design). It is broken into three sub-sections, which follow this section. The first section discusses the demographic characteristics of this full sample (n=614). The second section addresses the study regarding how reliable and valid results were—as specified by Hair, Ringle, and Sarstedt (2011). The third section addresses the convergent

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and discriminant validity or 'goodness of fit' for the model—how well the results fit the

model.

Table 4.2: Demographics Averages and Differences by Sample

	Average	Hotel full	Hotel Sm	LSE File
Gender:				
Male	*60.2%*	0.3	**-4.4**	-0.3
Female	*39.8%*	-0.3	**4.4**	0.3
Generation:				
Silent Generation	*0.2%*	-0.2	-0.2	0.2
Baby Boomers	*6.9%*	2.9	**4.7**	-2.9
Gen X	*39.7%*	**6.7**	**4.5**	**-6.7**
Gen Y	*52.7%*	**-8.9**	**-8.5**	**8.9**
Gen Z	*0.4%*	-0.4	-0.4	0.4
Marital Status:				
Married, no kids	*16.2%*	-0.3	0.3	0.3
Married, with kids	*33.2%*	**5.0**	**5.2**	**-5.0**
Single	*42.5%*	**-6.1**	**-8.6**	**6.1**
Divorced/Sep/Widow	*8.1%*	1.4	**3.1**	-1.4
Education Level:				
High school	*3.9%*	-0.6	0.1	0.6
Some college	*20.2%*	1.0	-0.1	-1.0
Four-year college	*50.1%*	-2.6	**-3.6**	**2.6**
Master's	*19.9%*	0.7	1.1	-0.7
Terminal degree	*6.0%*	1.5	2.5	-1.5
HHI:				
Less than $50K	*25.4%*	**-5.4**	**-5.3**	**5.4**
$50K – $100K	*49.9%*	2.1	2.3	-2.1
$100K – $200K	*22.2%*	**3.4**	**3.7**	**-3.4**
More than $200K	*2.5%*	-0.2	-0.7	0.2
Employment Status:				
Full time	*92.0%*	**6.2%**	**5.8%**	**-6.2%**
Part time	*2.7%*	-2.2%	-2.3%	**2.2%**
Self employed	*5.3%*	-4.0%	**-4.4%**	**4.0%**

The research design for this final study utilized Qualtrics, an online survey creation software application. Participants were qualified to take either the hotel or LSE version of the survey (purposive sample) as mentioned in the Final Study Data Collection section in chapter 3.

4.2.1 SAMPLE STATISTICS AND DEMOGRAPHIC PROFILE

Data were analyzed using Qualtrics (for demographic analyses) and responses were further analyzed using the Structured Equation Modeling (SEM) software SmartPLS (Partial Least Squares) version 3.2.6 (Ringle, Wende, & Becker, 2015). Also, SPSS version 24 statistical software was used for quantifying and categorizing demographic data.

Confidentiality was promised in the IRB introductory statement and was maintained throughout the study (please refer to Appendix D). Qualtrics is a reputable survey-collection application with established confidentiality controls. These data (including downloads from Qualtrics) were treated using the utmost confidential measures. This study captured no personal information that would identify a respondent other than an MTurk worker ID; therefore, final study respondents were granted complete confidentiality. While an email was issued to those who qualified for either survey, neither the author of this dissertation nor the consultant ever had possession of any respondents email address or any other personal information about a respondent. The email messages were sent by submitting the appropriate lists of MTurk IDs to the MTurk application, which automatically sent a specified email to the email related to each MTurk worker identifier.

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There were 390 (63.5%) respondents who completed the hotel survey and 224 (36.5%) who completed the LSE survey. Males made up 60.6% (n=372) of the sample with 39.4% female participation (n=242). The generational makeup of the sample is as follows: Silent Generation 0.2% (n=1); Baby Boomers 7.7% (n=47); GenX 41.5% (n=255); GenY 50.3% (n=309); GenZ 0.3% (n=2). The clear majority of responses came from Generation X and Generation Y respondents, which combined account for 91.9% of respondents. Marital status percentages are as follows: Married with No Kids, 16.1% (n=99); Married with Kids, 34.5% (n=212); Single, never married, 40.9% (n=251); and Divorced / Separated / Widowed, 8.5% (n=52).

The education levels achieved by respondents are as follows: 3.7% (n=23) completed high school; 20.5% (n=126) completed some college or Associates degree; 49.3% (n=303) completed a four-year college degree; 20.0% (n=123) completed a Master's degree; and 6.4% (n=39) completed a terminal degree (Ph.D., MD, LLM, etc.). This is a well-educated sample with 75.7% (n=465) of them possessing a four-year college degree or better.

Almost all (97.6%) of the respondents make less than $200,000. More than half (50.5%) of respondents make between $50,000 and $100,000. The annual household income is as follows: 23.9% (n=147) make less than $50,000; 50.5% make between $50K and $100K (n=310); 23.1% make between $100K and $200K (n=142); 1.8% make between $200K and $300K (n=11); 0.2% make between $300K and $400K (n=1); 0.2% make between $400K and $500K (n=1); 0.3% make more than $500K (n=1).

Most of the respondents (93.6%) claimed they were full-time employees (n=575). The other categories chosen included: self-employed, 4.2% (n=26); and part-time

employees, 2.1% (n=13). The fact that over 97.9% claim to be full-time employees or self-employed is not by chance since one of the qualification questions asked about employment status. Self-employed workers probably consider themselves full-time workers. What is perhaps more interesting is that 100% of qualified respondents claimed they were full-time employees, but 2.1% conveyed in the final survey they were only employed as part-time employees, which means they allegedly answered differently on the qualification survey.

4.2.2 SEM—RELIABILITY AND VALIDITY: HYPOTHESES H1 THROUGH H13

Reliability refers to data that is free from error. The developed survey instrument relied on existing hospitality and marketing scales, which have been tested and validated for reliability and validity through not only the researchers who developed them, but also those who have utilized these scales for their own studies' specific purposes. This dissertation utilizes each of these scales within the range each scale was designed.

Final study data were analyzed using the Structural Equation Modeling software package SmartPLS 3.2.6 to test the reliability and validity of final study responses. SmartPLS follows a sequence of regressions using weight vectors. It uses a three-step process including the following stages. Stage 1 includes a four-step iterative process which continues until convergence is attained or the maximum number of iterations are completed. These steps include: A, approximating outer latent variable scores; B, estimating inner weights; C, approximating inner latent variable scores; and D, estimating outer weights.

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Stage 2 involves estimating outer weights (loadings) and path coefficients and Stage 3 includes estimating location parameters (Hair et al, 2017; Henseler et al., 2012; Ringle et al., 2015; Hair, Sarstedt, Ringle, & Mena, 2012).

Factor analysis was conducted on the final study to produce Table 4.3. Cronbach's Alpha was used to ensure consistent data among various split-halves of the data set; specifically, Cronbach's Alpha was used to ensure construct internal reliability. Amenities did not pass the Cronbach's test and was therefore dropped from further analysis. Amenities' Cronbach's Alpha value was -0.053, which is clearly below the criterion of being greater than 0.7. Each of the other nine factors had satisfactory Cronbach's values (see Table 4.3) in the final study data set, which range from 0.771 to 0.885. Bagozzi and Kimmel (1995) suggest Cronbach alpha values should be greater than 0.7. Each of the constructs' Cronbach's Alpha score was acceptable based on the greater than 0.7 cutoff established by Nunnally (1978). Additionally, Bagozzi and Kimmel (1995) state that levels above 0.6 are acceptable, and show acceptable composite

Table 4.3 Final Study Reliability and Validity: Initial Run

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Amenities	-0.053	-0.058	0.312	0.331
Clean	0.771	0.829	0.839	0.567
Empathy	0.791	0.802	0.866	0.621
Financial	0.748	0.801	0.848	0.596
Location	0.785	0.809	0.861	0.610
Price	0.878	0.925	0.915	0.729
RI	0.853	0.856	0.911	0.772
Safety	0.784	0.800	0.860	0.608
Satisfied	0.885	0.890	0.922	0.749
WOM	0.873	0.878	0.922	0.798

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reliability, but they suggest 0.7 as a better cutoff level. Final study Cronbach's Alpha values range from 0.771 to 0.885, which is well above the suggested level of 0.7.

Based on the statistics in Table 4.3, the variable of Amenities was removed from the model as well as those item's which had a loading below the stated criteria (more detail about this in the next section—Goodness of Fit). Table 4.4 represents the results with the exclusion of the Amenities variable and those items mentioned in the next section.

Table 4.4 Final Study Reliability and Validity: Adjusted Run

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Clean	0.693	0.738	0.818	0.602
Empathy	0.824	0.847	0.895	0.740
Financial	0.849	0.849	0.909	0.768
Location	0.791	0.793	0.878	0.705
Price	0.878	1.040	0.912	0.722
RI	0.853	0.856	0.911	0.772
Safety	0.784	0.801	0.860	0.608
Satisfied	0.885	0.891	0.922	0.749
WOM	0.873	0.878	0.922	0.798

The results of this adjusted run in Table 4.4 shows similar results to those in Table 4.3 with a few exceptions. The Cleanliness Cronbach's Alpha score dipped slightly below the .7 level to 0.693. This will be explained in further detail in the next section, but essentially one of the three loadings for Cleanliness was .683, but could not be excluded without excluding the whole variable—since excluding that item would leave only two items for Cleanliness. Final study Cronbach's Alpha values range from 0.693 to 0.885, which are all above the suggested level of 0.7 except for Cleanliness (Bagozzi & Kimmel, 1995).

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Internal consistency was evaluated through structural equation modeling Confirmatory Factor Analysis (CFA). Each factor that had a composite reliability value greater than 0.6 was considered reliable per Bagozzi and Kimmel (1995). The composite reliability values for these data range from 0.818 to 0.922. This value was used to determine which factors in the final study met this reliability criterion.

Table 4.3 illustrates how Amenities failed the composite reliability criterion as well with a value of 0.312, which is well below 0.6. Several items (questions) that measure the same scale were compared to each other to determine if the values were consistent with one another. Additionally, the relationships of the other variables were evaluated to determine if the literature-based model achieved consistent results and verified the literature-based relationships.

Validity measures how accurately each scale represents the construct to which it belongs. In other words, validity measures how accurate the technique is at capturing what it is supposed to measure. Face Validity refers to the accuracy of the result in measuring exactly what the researcher wants to measure—the instrument measures what it is supposed to measure. There were at least three items for each of the nine remaining constructs to ensure construct validity. Convergent validity describes how much correlation there is between measures that describe the same construct.

Internal validity evaluates causality of relationships in a given model. External validity refers to how well results in one study can be generalized to a broader pool. For example, external validity measures how well results from this dissertation, which analyzes business travelers within the United States, can be generalized to a broader population such as Chinese business travelers.

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In assessing convergent validity (which measures how well two variables that should be correlated with each other are correlated), all constructs appear to correlate well with the other constructs, as indicated by Rho_A values greater than 0.7. The Rho_A final study values in Table 4.4 range from 0.738 to 1.040, which indicates that each of the pairs of variables are correlated with each other.

Bagozzi and Kimmel (1995) state that Average Variance Extracted (AVE) is a good measure of convergent and discriminant validity. AVE calculates each construct's convergent discriminant and should be above 0.5 to be satisfactory. As Table 4.4 indicates, each of the final data values' Average (AVE) were indeed above the 0.5 level (0.602-0.798), which indicates the model has satisfactory convergent and discriminant validity.

Table 4.5 displays how each latent variable has a Cronbach's Alpha value greater than the 0.70 (except for Cleanliness [0.693], which is very close as specified by Bagozzi and Kimmel (1995). Each of the factor loadings is also greater than the 0.7 criterion as defined by Nunnally (1978).

This final study shows the statistically significant impacts of the independent variable on the dependent variables as represented in Table 4.6. In the final study, all paths except for two were statistically significant at the .05 level (95% confidence level). The paths that were not statistically significant were Price to location (p=0.606) and Price to Satisfaction (p=0.221), which indicates price does not have a direct effect on location and price apparently does not affect a traveler's feeling of satisfaction either. This translates into Hypotheses H1 and H10 being designated as not supported. Also, since Amenities were removed from the study, hypothesis H6 was also not supported. The

Table 4.5 Results of Confirmatory Factor Analysis and Descriptive Analysis

	Cronbach's Alpha	Factor Loadings	Mean	Standard Deviation
Price	0.878			
Q1a		0.915	5.223	1.556
Q1bR		0.799	4.700	2.065
Q1c		0.889	4.821	1.679
Q1d		0.788	4.702	1.731
Financial	0.849			
Q2a		0.900	5.511	1.094
Q2b		0.895	5.723	1.002
Q2d		0.834	5.475	1.072
Safety	0.784			
Q3a		0.735	5.202	1.198
Q3b		0.703	5.142	1.411
Q3c		0.870	5.386	1.165
Q3d		0.801	5.779	1.072
Location	0.791			
Q4a		0.823	6.363	0.706
Q4b		0.837	6.303	0.696
Q4c		0.859	6.174	0.768
Empathy	0.824			
Q5a		0.920	5.976	1.009
Q5bR		0.860	6.176	1.099
Q5c		0.796	6.024	1.079
Cleanliness	0.693			
Q7a		0.836	6.577	0.598
Q7b		0.673	6.550	0.661
Q7d		0.810	6.119	0.915
Satisfaction	0.885			
Q8a		0.908	6.207	0.729
Q8b		0.904	6.218	0.767
Q8c		0.734	4.94	1.349
Q8d		0.904	6.077	0.802
WOM	0.873			
Q9a		0.886	5.379	1.351
Q9b		0.929	5.489	1.295
Q9c		0.863	5.726	1.208
RI	0.853			
Q10a		0.881	5.684	1.153
Q10b		0.901	5.443	1.246
Q10c		0.854	5.259	1.279

removal of Amenities from the study also removed the following relationships associated with Amenities: Price to Amenities, H14; Personal Safety to Amenities, H12; and Location to Amenities, H13. As Table 4.6 displays, the following paths were statistically significant at the .05 level: Cleanliness to Satisfaction (p=0.000); Empathy to Satisfaction (p=0.001); Financial to Satisfaction (p=0.000); Location to Satisfaction (p=0.000); Price to Cleanliness (p=0.000); Safety to location (p=0.000); Safety to Satisfaction (p=0.002); Satisfaction to RI (p=0.000); and Satisfaction to WOM (p<0.000).

This translates into the following Hypotheses being designated as <u>supported</u>: H2, Financial Security; H3, Personal Safety, H4, Location; H5, Empathy; H7, Cleanliness. Also identified as <u>supported</u> are the relationships between Satisfaction to Word-of-mouth (H8) and Satisfaction to Return Intentions (H9). The correlation between Price and Cleanliness is also <u>supported</u> by the above information (H15) as is the relationship between Safety and Location (H11).

Table 4.6 Mean, Standard Deviation, T Statistics, & Probability Values

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	t Statistics (|O/STDEV|)	p Values
Clean -> Satisfied	0.108	0.109	0.030	3.548	0.000
Empathy -> Satisfied	0.150	0.150	0.044	3.387	0.001
Financial -> Satisfied	0.192	0.194	0.050	3.855	0.000
Location -> Satisfied	0.428	0.425	0.045	9.467	0.000
Price -> Clean	0.161	0.167	0.041	3.964	0.000
Price -> Location	-0.020	-0.018	0.038	0.516	0.606
Price -> Satisfied	0.047	0.047	0.038	1.227	0.221
Safety -> Location	0.408	0.409	0.041	9.941	0.000
Safety -> Satisfied	0.114	0.116	0.036	3.170	0.002
Satisfied -> RI	0.559	0.561	0.038	14.568	0.000
Satisfied -> WOM	0.706	0.708	0.023	30.116	0.000

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4.2.3 GOODNESS OF FIT

Henseler et al., (2014) developed the measure of Standardized Root Mean Square Residual (SRMR) as a goodness-of-fit measure that evades model misspecification and is defined as, "the difference between the observed correlation and the model implied correlation matrix" (p. 192). The SmartPLS software website (2016) states the SRMR value should be below 0.1, but ideally below 0.08. The final study SRMR Saturated Model value is 0.063, which is well below 0.1 (see Table 4.7) and indicates the model is a good fit. The SmartPLS software website (2016) explains the Estimated Model is still relatively new and is not as established as the Saturated Model (Henseler et al., 2014). The SRMR Estimated Model value of 0.102 is just above the 0.1 cutoff value, but not substantially higher. Therefore, based on these SRMR values, the model appears to be a good fit.

Table 4.7 Final Study Goodness of Fit Values

	Saturated Model	Estimated Model
SRMR	0.063	0.102
d_ULS	1.823	4.808
d_G	0.886	0.968
Chi-Square	2,245.09	2,432.41
NFI	0.79	0.773

Figure 4.3 shows the raw model loadings and the R^2 values for the dependent variables. Figure 4.3 illustrates the values closest to the items are factor loadings and the numbers within the dependent variables are the R^2 values (the percent of variance explained by the explanatory variables). The values between the independent variables and the dependent variables are standardized regression rates or 'effects.' The values closest to the items are

factor loadings and the numbers within the dependent variables (circles) are the R^2 values (the percent of variance explained by the explanatory variables). For example, 52.0% of Satisfaction variance is explained by the seven independent variables.
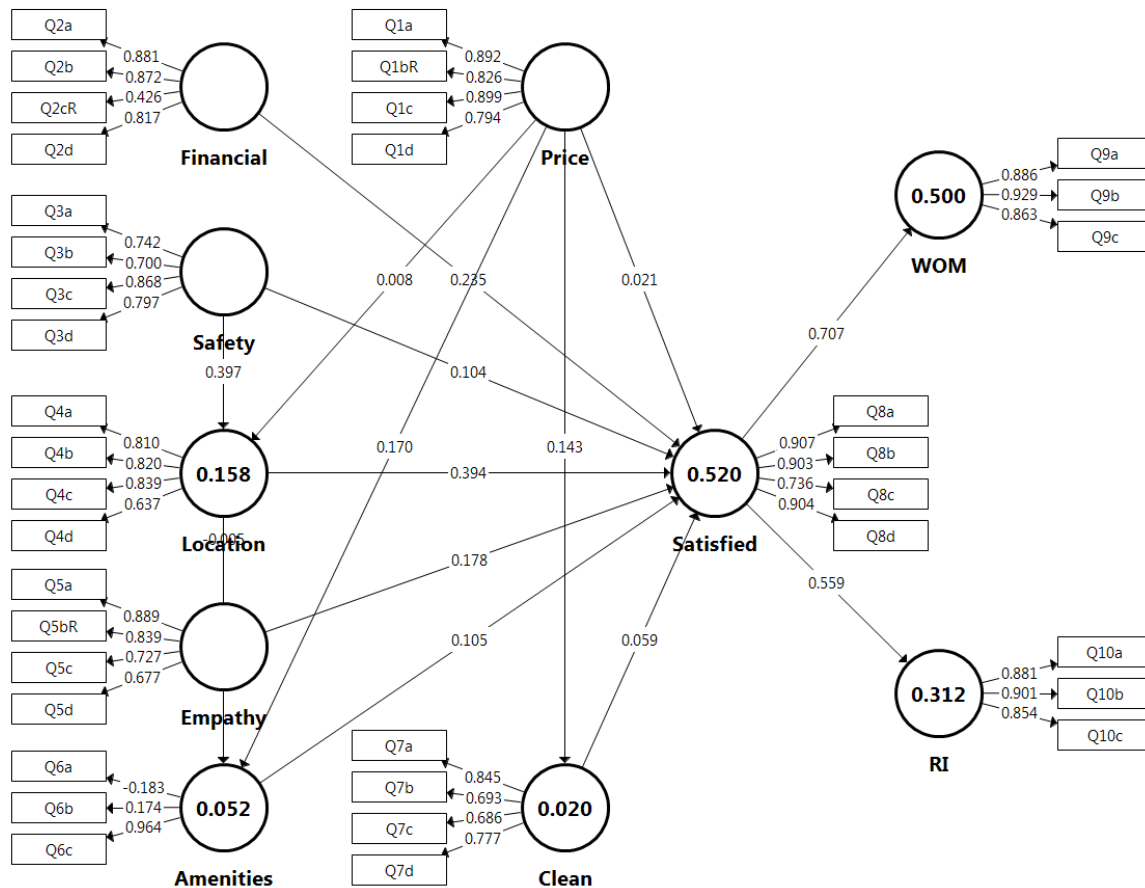
Figure 4.3: Results of Structural Model

The following variables were removed from the model because they did not have a loading above the cutoff value of 0.7 as Bagozzi and Kimmel (1995) suggest. The following are the deleted items along with their loading scores: 2cR, .426; 4d, .637; 5d, .677; 7c, .688. These items were deleted to increase the fit of the items to the construct. Also, the Amenities variable was deleted because it only had one item with a loading above 0.7. The amenities loadings were as follows: 6a, .191; 6b, .170 6c, .963. Although

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Cleanliness had one value slightly below the .7 cutoff value, the average loading score for all three items is well above .7 with the three values of .836, .810, and .673. The loadings average for Cleanliness is .772. Table 4.8 shows items that were used/kept.

Table 4.8: Items Included in CFA

Construct:	Included Items:
Price	a-d (all)
Empathy	a, b, c
Financial Information	a, b, d
Safety	a-d (all)
Location	a, b, c
Amenities	None (removed)
Cleanliness	a, c, d

Once the Amenity variable and these items were deleted, the PLS model was rerun to produce Figure 4.4. All loadings are above the cutoff value of .7 except for the one item for Cleanliness, which has a value of .673, which as mentioned above, is close to the .7 cutoff. Additionally, the average of the three loadings for Cleanliness is above .7, which is the criterion according to Nunnally (1978).

The effect of each construct is shown in Table 4.9. These values are the standardized regression weights or effects of independent variable constructs on dependent variable constructs. These effects also appear in Figure 4.4 as numbers listed on the arrows between variables. For example, the value of 0.108 (Cleanliness to Satisfaction) in Table 4.9 (the first value in the top middle column of the table under the word 'Satisfaction') is the same number that appears in Figure 4.1 on the arrow that connects Cleanliness with Satisfaction. Please note, the values between Figure 4.4 and Table 4.9 are different when there are cross-correlations, such as with Price to

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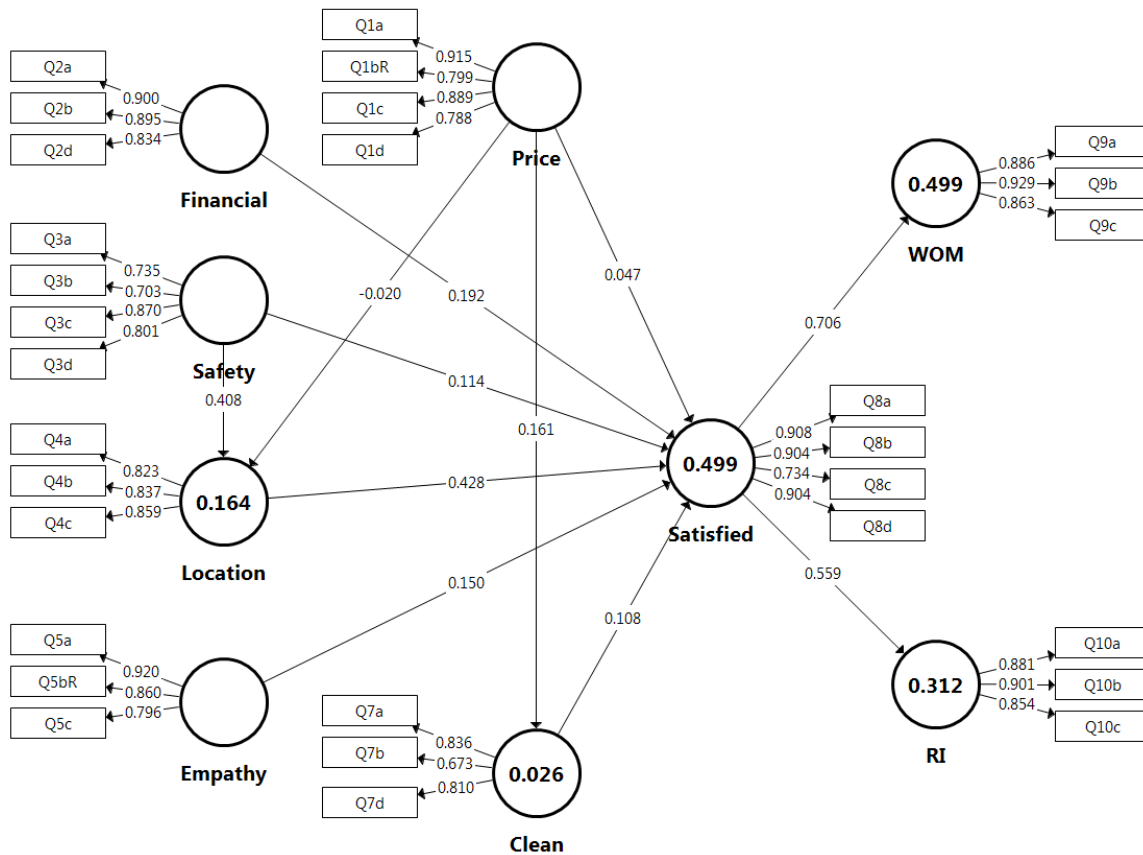
Figure 4.4: Results of Structural Model (Adjusted)

Satisfaction, which is .047 on Figure 4.4, but has a different reported effect on Table 4.9

of .056. The Total Effect equals the Direct Effect plus the Indirect Effect.

Table 4.9: Total Effects

	Clean	Location	RI	Satisfied	WOM
Clean			0.060	0.108	0.076
Empathy			0.084	0.150	0.106
Financial			0.107	0.192	0.136
Location			0.239	0.428	0.303
Price	0.161	-0.020	0.031	0.056	0.039
Safety		0.408	0.161	0.289	0.204
Satisfied			0.559		0.706

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SmartPLS uses a non-parametric bootstrap procedure (Davison & Hinkley, 1997; Efron & Tibshirani, 1986) to test the significance of path coefficients' results. These results show whether the relationships are statistically significant (Hair, Hult, Ringle, & Sarstedt, 2016). The original model was rerun using bootstrapping to create Figure 4.5, which determines *p*-values and specifically identifies those values which were statistically significant at the 95% confidence level. If a value is greater than 1.96 in Figure 4.5, then the null hypothesis was rejected, which indicated there is a significant relationship between the variables.
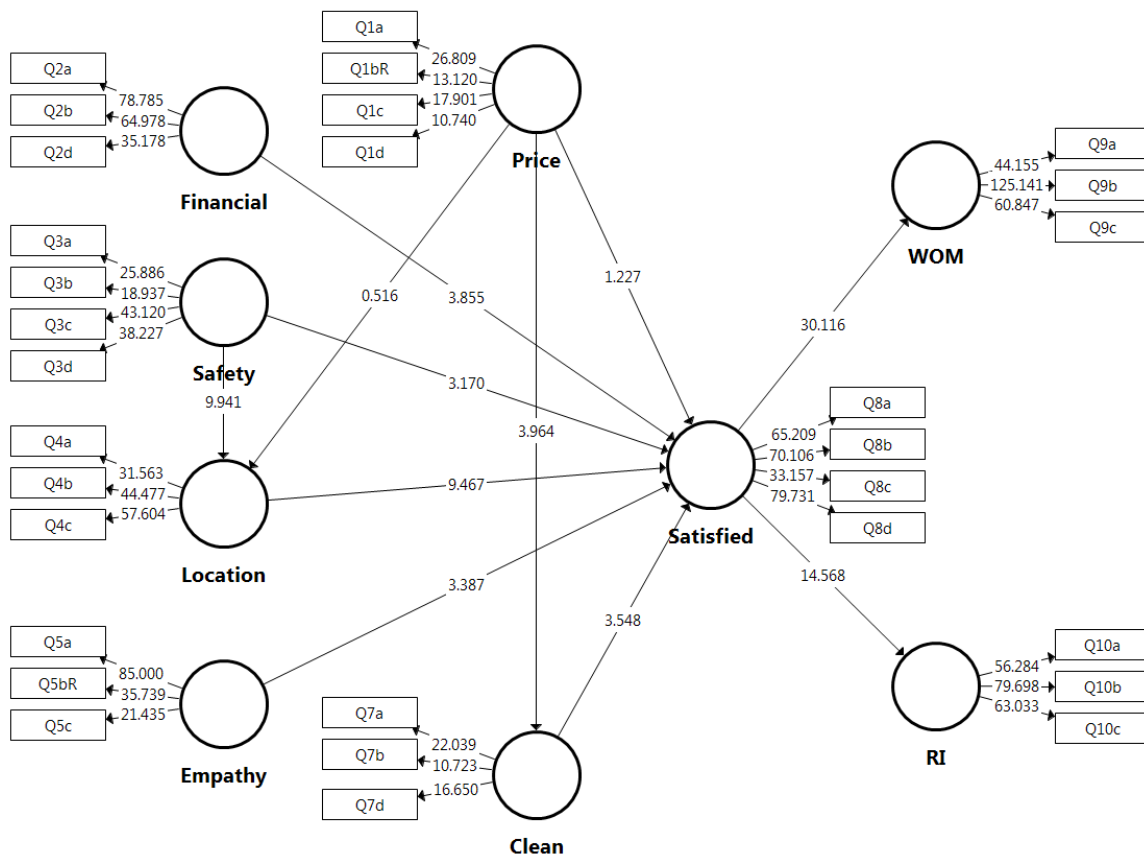
Figure 4.5: Bootstrapping Statistical Significance Results

The significant relationships (above 1.96) include the following in descending order of the strength of significance: Satisfaction to Word-of-mouth ($p = 30.116$); and Satisfaction to Return Intention—RI ($p = 14.568$); Safety to Location ($p = 9.941$); Location to Satisfaction ($p = 9.467$); Financial to Satisfaction ($p = 3.855$); Price to Cleanliness ($p = 3.964$); Cleanliness to Satisfaction ($p = 3.548$); Empathy to Satisfaction ($p = 3.387$); Safety to Satisfaction ($p = 3.170$). The strongest relationship ($p = 26.353$) is between Satisfaction and Word-of-mouth, which implies the more satisfied a customer is, the more likely he is to tell others about his experience. Similarly, the more satisfied a customer is, the more likely he is to return to the same accommodation ($p = 12.500$). The safer a customer feels, the greater their level of satisfaction will be ($p = 8.084$) and the more empathy shown to a customer, the greater his satisfaction level ($p = 3.630$). Lastly, the better the location, the greater a traveler's satisfaction level is ($p = 3.549$)

The following two relationships were not statistically significant: Price to Satisfaction ($p = 1.227$) and Price to Location ($p = 0.516$). This implies that there is no significant difference in how price affects Satisfaction and Location. Also, worth mentioning is any relationship involving Amenities, since it was removed from the study due to low factor loadings.

As a further test, separate univariate analyses of variance (ANOVA) processes were conducted utilizing SPSS statistical software as a check to the SEM analyses. This analysis showed six out of the seven as having a significant effect on Satisfaction (the seventh variable was Amenities); however, Price had a p-value of 0.04, which is acceptable, but very close to the 95% confidence boundary (the other five variables had a p-value less than 0.000).

4.3 ACCOMMODATION TYPE MODERATION—ORTHOGONAL

Campbell, Julious, & Altman (1995) state that, "For a given total sample size the maximum power is achieved by having equal numbers of subjects in the two groups" (p. 1145); however, Tabachnick, Fidell, and Osterlind (2001) mention that in the case of an uneven number of samples in two groups, artificially reducing the larger group can "distort the differences and lose generalizability" (p. 49). For this reason, the full nonorthogonal (full) sample was utilized for this study. This section is broken into three sub-sections, which follow this section. The first section discusses the demographic characteristics of this sample. The second section addresses the study regarding how reliable and valid results were—as specified by Hair, Ringle, and Sarstedt (2011). The third section addresses the convergent and discriminant validity or 'goodness of fit' for the model—how well the actual results fit the model.

The research design for this final study utilized Qualtrics, an online survey creation software application. Participants were qualified to take either the hotel or LSE version of the survey (convenience sample) as mentioned in the Final Study Data Collection section.

4.3.1 SEM—RELIABILITY AND VALIDITY

Reliability refers to data that is free from error. The developed survey instrument relied on existing hospitality and marketing scales, which have been tested and validated for reliability and validity through not only the researchers who developed them, but also those who have utilized these scales for their own studies' specific purposes. This dissertation utilizes each of these scales within the range each scale was designed.

Final study data were analyzed using the Structural Equation Modeling software package SmartPLS 3.2.6 to test the reliability and validity of final study responses. SmartPLS follows a sequence of regressions using weight vectors. It uses a three-step process including the following stages. Stage 1 includes a four-step iterative process which continues until convergence is attained or the maximum number of iterations are completed. These steps include: A, approximating outer latent variable scores; B, estimating inner weights; C, approximating inner latent variable scores; and D, estimating outer weights.

Stage 2 involves estimating outer weights (loadings) and path coefficients and Stage 3 includes estimating location parameters (Hair et al, 2017; Henseler et al., 2012; Ringle et al., 2015).

Factor analysis was conducted on the final study to produce Table 4.10. The Amenities variable was removed after the first PLS calculation because it had a low Cronbach's Alpha score (Bagozzi & Kimmel, 1995). Additionally, certain items were also deleted, like the process described in the previous section. Cronbach's Alpha was used to ensure consistent data among various split-halves of the data set; specifically, Cronbach's Alpha was used to ensure construct internal reliability. All nine factors had satisfactory Cronbach values (see Table 4.10) in the final study data set, which range from 0.756 to 0.886. Bagozzi and Kimmel (1995) as well as suggest Cronbach alpha values should be greater than 0.7. Each of the constructs' Cronbach's Alpha score was acceptable based on the greater than 0.7 criterion (Nunnally, 1978). Additionally, Bagozzi and Kimmel (1995) state that levels above 0.6 are acceptable, and show acceptable composite reliability, but they suggest 0.7 as a better cutoff level. Final study

Cronbach's Alpha values range from 0.756 – 0.886, which is well above the suggested level of 0.7.

Internal consistency was evaluated through structural equation modeling Confirmatory Factor Analysis (CFA). Each factor that had a composite reliability value greater than 0.6 were considered reliable per Bagozzi and Kimmel (1995). The composite

Table 4.10 Final Study Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Cleanliness	0.765	0.776	0.844	0.575
Empathy	0.854	0.856	0.912	0.775
FinSecure	0.756	0.758	0.860	0.673
Location	0.811	0.841	0.888	0.727
Price	0.882	1.183	0.909	0.716
RI	0.862	0.865	0.916	0.784
Safety	0.794	0.796	0.879	0.708
Satisfaction	0.886	0.891	0.923	0.750
WOM	0.877	0.883	0.924	0.803

reliability values for these data range from 0.844 to 0.924. This value was used to determine which factors in the final study met this reliability criterion and all remaining factors did, in fact, meet this criterion.

Several items (questions) that measure the same scale were compared to each other to determine if the values were consistent with one another. Additionally, the relationships of the other variables were evaluated to determine if the literature-based model achieved consistent results and verified the literature-based relationships.

Validity measures how accurately each scale represents the construct to which it belongs. In other words, how accurate the measure is at capturing what it is supposed to measure. Face Validity refers to the accuracy of the result in measuring exactly what the

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researcher wants to measure—the instrument measures what it is supposed to measure. There were at least three items for each construct to ensure construct validity. Convergent validity describes how much correlation there is between measures that describe the same construct.

Kline (2011) describes that variables that have moderate values demonstrate intercorrelation among themselves. To be considered a moderate value, Hung and Petrick (2012) suggest all factor loadings must be greater than 0.5. Convergent validity is illustrated in Table 4.11.

In assessing convergent validity (which measures how well two variables that should be correlated with each other are correlated), all constructs appear to correlate well with the other constructs, as indicated by Rho_A values > 0.7. The Rho_A final study values in Table 4.3 range from 0.758 to 1.183, which indicates that each of the pairs of variables are correlated with each other.

Bagozzi and Kimmel (1995) state that Average Variance Extracted (AVE) is a good measure of convergent and discriminant validity. AVE calculates each constructs' convergent discriminant and should be above 0.5 to be satisfactory. As Table 4.3 indicates, each of the final data AVE values were greater than the 0.5 level (0.575-0.803). This indicates the model has satisfactory convergent and discriminant validity.

This final study shows in Table 4.12 the statistically significant impacts of the independent variable on the dependent variables. In the final study, all paths were statistically significant at the .05 level (95% confidence level) except for price to Location (p=0.906) and Price to Satisfaction (p=0.237).

Table 4.11 Results of Confirmatory Factor Analysis and Descriptive Analysis

	Cronbach's Alpha	Factor Loadings	Mean	SD
Price	0.882			
Q1a		0.933	5.28	1.573
Q1bR		0.837	4.89	2.017
Q1c		0.864	4.92	1.703
Q1d		0.740	4.82	1.723
Empathy	0.854			
Q2a		0.898	5.37	1.136
Q2b		0.896	5.61	1.029
Q2d		0.846	5.37	1.071
Financial	0.756			
Q3a		0.788	5.21	1.218
Q3c		0.849	5.38	1.207
Q3d		0.823	5.75	1.075
Safety	0.794			
Q4a		0.835	6.38	0.694
Q4b		0.832	6.29	0.706
Q4c		0.857	6.17	0.789
Location	0.811			
Q5a		0.918	5.98	0.998
Q5bR		0.853	6.17	1.118
Q5c		0.780	6.02	1.035
Cleanliness	0.765			
Q7a		0.854	6.60	0.590
Q7b		0.741	6.51	0.698
Q7c		0.717	6.61	0.631
Q7d		0.714	6.24	0.884
Satisfaction	0.886			
Q8a		0.911	6.22	0.771
Q8b		0.902	6.21	0.805
Q8c		0.731	4.98	1.381
Q8d		0.908	6.09	0.832
WOM	0.877			
Q9a		0.886	5.39	1.385
Q9b		0.935	5.50	1.338
Q9c		0.866	5.72	1.258
RI	0.862			
Q10a		0.897	5.62	1.200
Q10b		0.899	5.37	1.295
Q10c		0.860	5.28	1.314

4.3.2 GOODNESS OF FIT

Henseler et al., (2014) developed the measure of Standardized Root Mean Square
Residual (SRMR) as a goodness-of-fit measure that evades model misspecification and is
defined as, "the difference between the observed correlation and the model implied

Table 4.12 Mean, Standard Deviation, T Statistics, & Probability Values

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	t Statistics (|O/STDEV|)	p Values
Clean_ -> Satisfact	0.096	0.098	0.036	2.669	0.008
Empathy -> Satisfact	0.205	0.204	0.056	3.655	0.000
FinSecure -> Satisfact	0.102	0.106	0.041	2.473	0.013
Location -> Satisfact	0.186	0.186	0.052	3.555	0.000
Price -> Clean_	0.196	0.204	0.052	3.768	0.000
Price -> Location	0.005	0.006	0.045	0.119	0.906
Price -> Satisfact	0.053	0.053	0.045	1.182	0.237
Safety -> Location	0.346	0.347	0.054	6.378	0.000
Safety -> Satisfact	0.404	0.402	0.054	7.487	0.000
Satisfact -> RI	0.555	0.555	0.044	12.579	0.000
Satisfact -> WOM	0.714	0.714	0.028	25.54	0.000

correlation matrix" (p. 192). The SmartPLS software website (2016) states the SRMR

value should be below 0.1, but ideally below 0.08. The final study SRMR Saturated

Model value is 0.066, which is well below 0.1 (see Table 4.13) and indicates the model is

a good fit. The SmartPLS software website (2016) explains the Estimated Model is still

relatively new and is not as established as the Saturated Model (Henseler et al., 2014). In

any case, the SRMR Estimated Model value of 0.075 is still well below the 0.1 cutoff

value. Based on these SRMR values, the model appears to be a good fit.

Figure 4.6 illustrates the effects or standardized regression rates as well as factor

loadings. The values between the independent variables and the dependent variables are

standardized regression rates or 'effects.' The values closest to the items are factor

Table 4.13 Final Study Goodness of Fit Values

	Saturated Model	Estimated Model
SRMR	0.066	0.075
d_ULS	2.017	2.611
d_G	0.981	1.03
Chi-Square	1,755.75	1,863.22
NFI	0.783	0.77

loadings and the numbers within the dependent variables (circles) are the R^2 values (the percent of variance explained by the explanatory variables). For example, 50.2% of
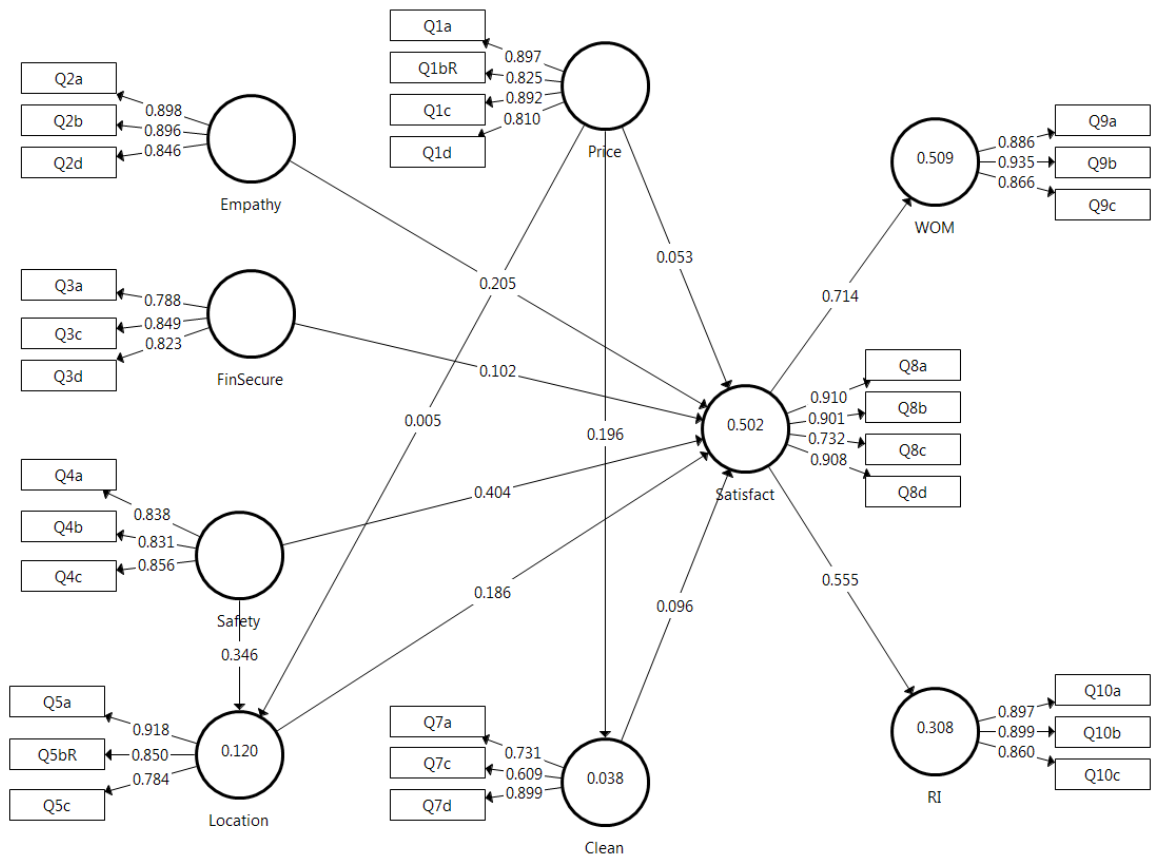
Figure 4.6: Results of Structural Model

Satisfaction variance is explained by the six remaining independent variables. Although the loadings will be explained in further detail, it is noteworthy that all variables have at least three loadings above the cutoff value of 0.7 as Bagozzi and Kimmel (1995) suggest. This suggests the items are correlated w or 'hang together' within each construct.

Several items were deleted if they did not meet the above factor loading criteria. They were deleted to increase the fit of the items to the construct. Table 4.14 shows items that were used/kept.

The effect of each construct is shown in Table 4.15. These values are the standardized regression weights or effects of independent variable constructs on dependent variable constructs. These effects also appear in Figure 4.6 as numbers listed on the arrows between variables. For example, the value of 0.096 (Cleanliness to Satisfaction) in Table 4.15 (the first value in the top next to last column from the right of the table under the word 'Satisfaction') is the same number that appears in Figure 4.1 on the arrow that connects Amenities with Satisfaction. The Total Effect equals the Direct Effect plus the Indirect Effect.

Table 4.15: Total Effects

	Clean	**Location**	**RI**	**Satisfied**	**WOM**
Cleanliness_			0.053	0.096	0.068
Empathy			0.114	0.205	0.147
FinSecure			0.056	0.102	0.073
Location			0.103	0.186	0.133
Price	0.196	0.005	0.041	0.073	0.052
Safety		0.346	0.260	0.468	0.334
Satisfied			0.555		0.714

SmartPLS uses a non-parametric bootstrap procedure (Davison & Hinkley, 1997; Efron & Tibshirani, 1986) to test the significance of path coefficients' results. These results show whether the relationships in the previous figure are statistically significant

(Hair, Hult, Ringle, & Sarstedt, 2016). The original model was rerun using bootstrapping

(Figure 4.7) to determine *p*-values and specifically to identify those values which are

statistically significant at the 95% confidence level. If a value is greater than 1.96 in

Figure 4.7, then the null hypothesis is rejected and the conclusion was made that there is

a significant relationship between the variables.
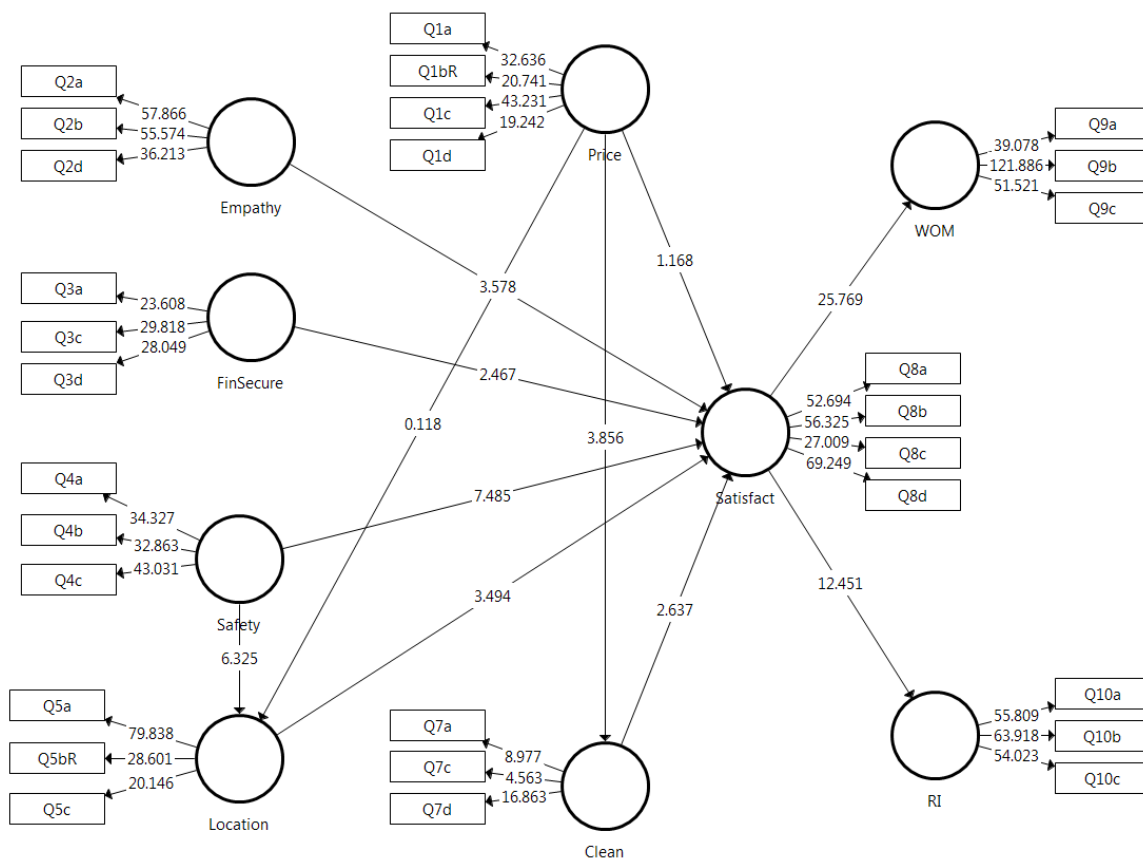
Figure 4.7: Bootstrapping Statistical Significance Results

The significant relationships (above 1.96) include the following in descending

order of the strength of significance: Satisfaction to Word-of-mouth (*p* = 25.769); and

Satisfaction to RI (*p* = 12.451); Safety to Satisfaction (*p* = 7.485); Empathy to

Satisfaction (p = 3.578); Location to Satisfaction (p = 3.494); Price to Cleanliness (z=3.856); Cleanliness to Satisfaction (z=2.637); and Financial to Satisfaction (z=2.467).

The strongest relationship (p = 26.353) is between Satisfaction and Word-of-mouth, which implies the more satisfied a customer is, the more likely he is to tell others about his experience. Similarly, the more satisfied a customer is, the more likely he is to return to the same accommodation (p = 12.451). The safer a customer feels, the greater their level of satisfaction will be (p = 7.485) and the more empathy shown to a customer, the greater his satisfaction level (p = 3.578). the better the location, the greater a traveler's satisfaction level is (p = 3.549) and price has a positive effect on Cleanliness (z=3.856), while Cleanliness leads to Satisfaction (z=2.637); and an assurance of financial transaction security also leads to satisfaction (z=2.467).

Price was found to not have a statistically significant effect on either Satisfaction (z=1.168) or location (z=0.118). This implies that there is no significant difference in the level of importance travelers assign price as it relates to satisfaction and location.

4.3.3 ACCOMMODATION TYPE MODERATOR TEST

This analysis is based on the orthogonal 448 responses with 224 hotel responses and 224 LSE responses. The demographics for this dataset may be seen in the Demographic Variables section above. A multi-group analysis (MGA) procedure was run on this data sample to determine if there were significant differences between the hotel group and the LSE group parameter estimates such as path coefficients, outer weights, and outer loadings. The SmartPLS software was developed as an extension of a study conducted by Henseler, Ringle, and Sinkovics (2009). Two of the available tests will be utilized to test the significant of group differences: Partial Least Squares Multi-Group Analysis (PLS-

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MGA) and Welch-Satterthwaite. PLS-MGA is a non-parametric test to identify

significant differences between group-specific results, built on PLS-SEM bootstrapping

results. If the *p*-value results are either below 0.05 or above 0.95, the result is statistically

significant (Sarstedt, Henseler, & Ringle 2011). The Welch-Satterthwaite method is a

parametric test to determine significant group-specific differences across groups—and it

assumes unequal variance across groups.

Table 4.16 shows those paths where there is a significant difference between how

hotel and LSE respondents replied. The first data column displays the response

differences between hotel and LSE responses and the second data column displays

whether those differences are statistically significant. Because these results are based on

a two-tailed test, values are significant if they are less than .05 or greater than .95. The

only relationships that significantly different included the following: Cleanliness to

Table 4.16: PLS Multigroup Analysis—Hotel vs. LSE

	Path Coefficients-diff (|Hotel - LSE|)	*p*-Value (Hotel vs LSE)
Clean_ -> Sasisfied	**0.116**	**0.035**
Empathy -> Sasisfied	0.039	0.355
FinSecure -> Sasisfied	0.062	0.215
Location -> Sasisfied	**0.157**	**0.953**
Price -> Cleanliness	0.043	0.342
Price -> Location	0.009	0.519
Price -> Sasisfied	0.130	0.926
Safety -> Location	**0.260**	**0.996**
Safety -> Sasisfied	0.039	0.360
Sasisfied -> RI	0.021	0.613
Sasisfied -> WOM	**0.188**	**1.000**

Satisfied, .035; Location to Satisfied, .953; Safety to Location, .996; and Satisfied to

WOM, 1.000. This gives support to hypotheses H18g and H18d, which indicate there is

a significant moderating effect between Cleanliness to Satisfaction and between

Location to Satisfaction. The other hypotheses associated with this moderator of

accommodation type were <u>not supported</u> including the following: H18a, Price; H18b,

Financial security; H18c, Safety; H18e, Empathy; and H18f, Amenities.

Another test that validates these results include the Welch-Satterthwaite test as displayed

in Table 4.17, which shows the *p*-value, like the Multi-Group Analysis. It does validate

two of the paths that were found to be significant above in the Multi-Group Analysis:

Safety to Location (p=0.006) and Satisfaction to WOM (p=0.001).

Table 4.17: Welch-Satterthwaite Test—Hotel vs. LSE

	Path Coefficients-diff (|Hotel - LSE|)	t-Value (Hotel vs LSE)	*p*-Value (Hotel vs LSE)
Clean_ -> Sasisfied	0.116	1.770	0.078
Empathy -> Sasisfied	0.039	0.374	0.709
FinSecure -> Sasisfied	0.062	0.796	0.427
Location -> Sasisfied	0.157	1.712	0.088
Price -> Clean_	0.043	0.292	0.771
Price -> Location	0.009	0.078	0.938
Price -> Sasisfied	0.130	1.471	0.143
Safety -> Location	**0.260**	**2.750**	**0.006**
Safety -> Sasisfied	0.039	0.359	0.720
Sasisfied -> RI	0.021	0.276	0.783
Sasisfied -> WOM	**0.188**	**3.320**	**0.001**

Although not part of this study, the Welch-Satterthwaite test found a significant

difference between the paths of Satisfaction to WOM and between Safety to Location.

4.4 ACCOMMODATION TYPE MODERATION—NON-ORTHOGONAL DESIGN:
    HYPOTHESIS H18

This section will seem repetitive to the previous section, but it is necessary to

ensure no assumptions are made based on using the reduced 448 sample file (as analyzed

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in the previous section). This analysis is based on the full 614 responses with 390 hotel responses and 224 LSE responses (63.5% and 36.5% of total, respectively). Because it is not an equal number of responses for each group, it is considered nonorthogonal. This analysis was conducted as a substantiation to the orthogonal design (in the previous section) for contrasting hotel and LSE responses. The demographics for this dataset may be seen in the Demographic Variables section above. A multi-group analysis (MGA) procedure was run on this data sample to determine if there were significant differences between the hotel group and the LSE group parameter estimates such as path coefficients, outer weights, and outer loadings. The SmartPLS software was developed as an extension of a study conducted by Henseler, Ringle, and Sinkovics (2009). Two of the available tests will be utilized to test the significant of group differences: Partial Least Squares Multi-Group Analysis (PLS-MGA) and Welch-Satterthwaite. PLS-MGA is a non-parametric test to identify significant differences between group-specific results, built on PLS-SEM bootstrapping results. If the *p*-value results are either below 0.05 or above 0.95, the result is statistically significant (Sarstedt, Henseler, & Ringle 2011). The Welch-Satterthwaite method is a parametric test to determine significant group-specific differences across groups—and it assumes unequal variance across groups.

Table 4.18 shows those paths where there is a significant difference between how hotel and LSE respondents replied. The first data column displays the response differences between hotel and LSE responses and the second data column displays whether those differences are statistically significant. Because these results are based on a two-tailed test, values are significant if they are less than .05 or greater than .95. The only

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relationships that significantly different included the following: Cleanliness to Satisfied,

.016; Empathy to Satisfied, .973; and Satisfied to WOM, .999.

Table 4.18: PLS Multigroup Analysis—Hotel vs. LSE

	Path Coefficients-diff (|Hotel - LSE|)	*p*-Value (Hotel vs LSE)
Clean -> Satisfied	**0.124**	**0.016**
Empathy -> Satisfied	**0.174**	**0.973**
Financial -> Satisfied	0.028	0.620
Location -> Satisfied	0.073	0.208
Price -> Clean	0.021	0.360
Price -> Location	0.047	0.305
Price -> Satisfied	0.108	0.901
Safety -> Location	0.064	0.784
Safety -> Satisfied	0.093	0.088
Satisfied -> RI	0.020	0.622
Satisfied -> WOM	**0.156**	**0.999**

Another test that validates these results include the Welch-Satterthwaite test as

displayed in Table 4.19, which shows the *p*-value, like the Multi-Group Analysis;

however, in this case the Financial to Satisfied path was just over the .05 limit. However,

it does validate the two paths that were also found to be significant. They are Cleanliness

to Satisfied and Satisfied to WOM and shows a borderline value for significance for

Empathy to Satisfied. This gives support to hypotheses H18e and H18d, which indicate

there is a significant moderating effect between Cleanliness to Satisfaction and between

Empathy to Satisfaction. The other hypotheses associated with this moderator of

accommodation type were not supported including the following: H18a, Price; H18b,

Financial security; H18c, Empathy; H18f, Amenities, and H18g, Cleanliness.

Table 4.19: Welch-Satterthwaite Test—Hotel vs. LSE

	Path Coefficients-diff (| Hotel - LSE |)	t-Value (Hotel vs LSE)	*p*-Value (Hotel vs LSE)
Clean -> Satisfied	**0.124**	**2.127**	**0.034**
Empathy -> Satisfied	*0.174*	*1.958*	*0.051*
Financial -> Satisfied	0.028	0.317	0.751
Location -> Satisfied	0.073	0.811	0.418
Price -> Clean	0.021	0.158	0.874
Price -> Location	0.047	0.509	0.611
Price -> Satisfied	0.108	1.314	0.190
Safety -> Location	0.064	0.780	0.436
Safety -> Satisfied	0.093	1.344	0.180
Satisfied -> RI	0.020	0.289	0.773
Satisfied -> WOM	**0.156**	**3.251**	**0.001**

The differences between the two PLS computations presented a dilemma, but after reviewing further literature and seeking advice from experts, the consensus is to use the non-orthogonal data set because it has a larger sample size and even though the hotel sample is larger than the number of LSE samples (hotel=390; LSE=224), SmartPLS takes this into account and deals with it accordingly (Ringle, Wende, & Becker, 2015).

Based on this, the study finds that Accommodation Type affects the relationship between Cleanliness and Satisfaction as well as the relationship between Empathy and Satisfaction.

4.5 THE MODERATING EFFECT OF GENDER: HYPOTHESIS H16

This non-orthogonal analysis is based on the full 614 responses with 390 hotel responses and 224 LSE responses. The demographics for this dataset may be seen in the Demographic Variables section above. A multi-group analysis (MGA) procedure was run on this data sample to determine if there were significant differences between the hotel group and the LSE group parameter estimates such as path coefficients, outer weights,

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and outer loadings. The SmartPLS software was developed as an extension of a study conducted by Henseler, Ringle, and Sinkovics (2009). Two of the available tests will be utilized to test the significant of group differences: Partial Least Squares Multi-Group Analysis (PLS-MGA) and Welch-Satterthwaite. PLS-MGA is a non-parametric test to identify significant differences between group-specific results, built on PLS-SEM bootstrapping results. If the *p*-value results are either below 0.05 or above 0.95, the result is statistically significant (Sarstedt, Henseler, & Ringle, 2011). The Welch-Satterthwaite method is a parametric test to determine significant group-specific differences across groups—and it assumes unequal variance across groups.

Table 4.20 shows those paths where there is a significant difference between how Male and Female respondents replied. The first data column displays the response differences between Male and Female responses and the second data column displays whether those differences are statistically significant. Because these results are based on a two-tailed test, values are significant if they are less than .05 or greater than .95. The only relationships that significantly different included the following: Empathy to Satisfied, .985; and Safety to Location, .986. This gives <u>support</u> to hypothesis H16e, which indicates there is a significant moderating effect of gender between Empathy to Satisfaction. The other hypotheses associated with this moderator of accommodation type were <u>not supported</u> including the following: H16a, Price; H16b, Financial security; H16c, Empathy; H16d, Location; H16f, Amenities, and H16g, Cleanliness.

Another test that validates these results include the Welch-Satterthwaite test as displayed in Table 4.21, which shows the *p*-value, like the Multi-Group Analysis and it

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Table 4.20: PLS Multigroup Analysis—Male vs. Female

	Path Coefficients-diff (| Male - Female|)	p-Value (Male vs Female)
Clean -> Satisfied	0.070	0.147
Empathy -> Satisfied	**0.183**	**0.985**
Financial -> Satisfied	0.002	0.511
Location -> Satisfied	0.109	0.104
Price -> Clean	0.012	0.612
Price -> Location	0.071	0.803
Price -> Satisfied	0.045	0.270
Safety -> Location	**0.157**	**0.986**
Safety -> Satisfied	0.063	0.211
Satisfied -> RI	0.075	0.833
Satisfied -> WOM	0.055	0.876

validates the same two paths that were also found to be significant in the Multi-Group

Analysis including: Empathy to Satisfied; and Safety to Location.

Table 4.21: Welch-Satterthwaite Test—Male vs. Female

	Path Coefficients-diff (|Male - Female|)	t-Value (Male vs Female)	p-Value (Male vs Female)
Clean -> Satisfied	0.070	1.020	0.309
Empathy -> Satisfied	**0.183**	**2.243**	**0.026**
Financial -> Satisfied	0.002	0.021	0.983
Location -> Satisfied	0.109	1.260	0.209
Price -> Clean	0.012	0.114	0.909
Price -> Location	0.071	0.844	0.399
Price -> Satisfied	0.045	0.610	0.543
Safety -> Location	**0.157**	**2.219**	**0.027**
Safety -> Satisfied	0.063	0.803	0.423
Satisfied -> RI	0.075	0.971	0.333
Satisfied -> WOM	0.055	1.154	0.249

4.6 THE MODERATING EFFECT OF GENERATION: HYPOTHESIS H17

This non-orthogonal analysis is based on the full 614 responses with 390 hotel responses and 224 LSE responses. The demographics for this dataset may be seen in the Demographic Variables section above. Displayed are three pairs of data: Boomers vs. Generation X; Boomers vs. GenY; and Generation X vs. Generation Y. A multi-group analysis (MGA) procedure was run on this data sample to determine if there were significant differences between the hotel group and the LSE group parameter estimates such as path coefficients, outer weights, and outer loadings. The SmartPLS software was developed as an extension of a study conducted by Henseler, Ringle, and Sinkovics (2009). Two of the available tests will be utilized to test the significant of group differences: Partial Least Squares Multi-Group Analysis (PLS-MGA) and Welch-Satterthwaite. PLS-MGA is a non-parametric test to identify significant differences between group-specific results, built on PLS-SEM bootstrapping results. If the *p*-value results are either below 0.05 or above 0.95, the result is statistically significant (Sarstedt, Henseler, & Ringle 2011). The Welch-Satterthwaite method is a parametric test to determine significant group-specific differences across groups—and it assumes unequal variance across groups.

4.6.1 BOOMERS VERSUS GENERATION X

Table 4.22 shows those paths where there is a significant difference between two separate generations: Baby Boomers versus Generation X. The first data column displays the response differences between hotel and LSE responses and the second data column displays whether those differences are statistically significant. Because these results are based on a two-tailed test, values are significant if they are less than .05 or greater than

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0.95. The only relationship that was significantly different was the effect Satisfaction had on WOM ($p = 0.964$).

Table 4.22: PLS Multigroup Analysis—Boomers vs. Generation X

	Path Coefficients-diff (**|Boomers - GenX|**)	*p*-**Value (Boomers vs GenX)**
Clean -> Satisfied	0.020	0.500
Empathy -> Satisfied	0.090	0.297
Financial -> Satisfied	0.143	0.803
Location -> Satisfied	0.107	0.700
Price -> Clean	0.242	0.806
Price -> Location	0.234	0.894
Price -> Satisfied	0.105	0.802
Safety -> Location	0.175	0.888
Safety -> Satisfied	0.070	0.291
Satisfied -> RI	0.026	0.584
Satisfied -> WOM	**0.165**	**0.964**

Another test that validates these results include the Welch-Satterthwaite test as displayed in Table 4.23, which shows the *p*-value, like the Multi-Group Analysis and it does not validate the same two paths that were also found to be significant in the Multi-Group Analysis including: Clean to Satisfied; and Satisfied to WOM.

4.6.2 BOOMERS VERSUS GENERATION Y

Table 4.24 shows those paths where there is a significant difference between two separate generations: Baby Boomers versus Generation Y. The first data column displays the response differences between hotel and LSE responses and the second data column displays whether those differences are statistically significant. Because these results are based on a two-tailed test, values are significant if they are less than 0.05 or greater than

Table 4.23: Welch-Satterthwaite Test—Boomers vs. GenX

	Path Coefficients-diff (|Boomers - GenX|)	t-Value (Boomers vs GenX)	p-Value (Boomers vs GenX)
Clean -> Satisfied	0.020	0.111	0.912
Empathy -> Satisfied	0.090	0.520	0.605
Financial -> Satisfied	0.143	0.850	0.399
Location -> Satisfied	0.107	0.554	0.582
Price -> Clean	0.242	0.942	0.350
Price -> Location	0.234	1.300	0.199
Price -> Satisfied	0.105	0.814	0.419
Safety -> Location	0.175	1.160	0.252
Safety -> Satisfied	0.070	0.540	0.592
Satisfied -> RI	0.026	0.247	0.806
Satisfied -> WOM	0.165	1.644	0.106

0.95. However, no relationships (paths) were significantly different between these two

groups.

Table 4.24: PLS Multigroup Analysis—Boomers vs. GenY

	Path Coefficients-diff (|Boomers - GenY|)	p-Value (Boomers vs GenY)
Clean -> Satisfied	0.011	0.466
Empathy -> Satisfied	0.067	0.347
Financial -> Satisfied	0.130	0.774
Location -> Satisfied	0.063	0.616
Price -> Clean	0.276	0.834
Price -> Location	0.222	0.891
Price -> Satisfied	0.159	0.878
Safety -> Location	0.167	0.870
Safety -> Satisfied	0.088	0.227
Satisfied -> RI	0.051	0.302
Satisfied -> WOM	0.126	0.903

Another test that validates these results include the Welch-Satterthwaite test as

displayed in Table 4.25, which shows the *p*-value, like the Multi-Group Analysis and it

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validates the results where no significant difference was evident between Baby Boomers and Generation Y.

Table 4.25: Welch-Satterthwaite Test

	Path Coefficients-diff (|Boomers - GenY|)	t-Value (Boomers vs GenY)	p-Value (Boomers vs GenY)
Clean -> Satisfied	0.011	0.064	0.949
Empathy -> Satisfied	0.067	0.384	0.702
Financial -> Satisfied	0.130	0.754	0.454
Location -> Satisfied	0.063	0.319	0.751
Price -> Clean	0.276	1.128	0.265
Price -> Location	0.222	1.286	0.204
Price -> Satisfied	0.159	1.126	0.265
Safety -> Location	0.167	1.068	0.290
Safety -> Satisfied	0.088	0.716	0.477
Satisfied -> RI	0.051	0.493	0.624
Satisfied -> WOM	0.126	1.233	0.223

4.6.3 GENERATION X VERSUS GENERATION Y

Table 4.26 shows those paths where there is a significant difference between two separate generations: Generation X versus Generation Y. The first data column displays the response differences between hotel and LSE responses and the second data column displays whether those differences are statistically significant. Because these results are based on a two-tailed test, values are significant if they are less than .05 or greater than .95. However, no relationships (paths) were significantly different between these two groups.

Another test that validates these results include the Welch-Satterthwaite test as displayed in Table 4.27, which shows the *p*-value, like the Multi-Group Analysis and it

Table 4.26: PLS Multigroup Analysis—Gen X vs. Gen Y

	Path Coefficients-diff (|GenX - GenY|)	*p*-Value (GenX vs GenY)
Clean -> Satisfied	0.009	0.448
Empathy -> Satisfied	0.023	0.602
Financial -> Satisfied	0.013	0.437
Location -> Satisfied	0.045	0.305
Price -> Clean	0.034	0.582
Price -> Location	0.012	0.428
Price -> Satisfied	0.053	0.750
Safety -> Location	0.008	0.461
Safety -> Satisfied	0.019	0.399
Satisfied -> RI	0.077	0.164
Satisfied -> WOM	0.039	0.210

validates the results where no significant difference was evident between Baby Boomers

and Generation Y.

Table 4.27: Welch-Satterthwaite Test

	Path Coefficients-diff (|GenX - GenY|)	t-Value (GenX vs GenY)	*p*-Value (GenX vs GenY)
Clean -> Satisfied	0.009	0.120	0.904
Empathy -> Satisfied	0.023	0.257	0.797
Financial -> Satisfied	0.013	0.143	0.887
Location -> Satisfied	0.045	0.513	0.608
Price -> Clean	0.034	0.292	0.770
Price -> Location	0.012	0.112	0.911
Price -> Satisfied	0.053	0.684	0.494
Safety -> Location	0.008	0.101	0.920
Safety -> Satisfied	0.019	0.242	0.809
Satisfied -> RI	0.077	0.982	0.327
Satisfied -> WOM	0.039	0.803	0.423

So, for all the comparisons between the three popular sets of generational groups,

the only significant difference occurred between Baby Boomers and Generation X groups

in how Satisfaction affects WOM. Therefore, all of the sub-hypotheses for 17 were <u>not</u> <u>supported</u> including the following: H17a, Price; H17b, Financial security; H17c, Safety; H17d, Location; H17e, Empathy; H17f, Amenities; and H17g, Cleanliness.

4.7 SUMMARY OF HYPOTHESES

Table 4.28 illustrates in one table the outcome of each hypothesis in this study.

Table 4.28: Hypotheses Results Summary H1—H18

	Hypothesis	Results	Analysis
H1	The price of an accommodation unit (hotel or LSE room) directly affects a business traveler's level of satisfaction.	**Not Supported**	SEM-PLS; Bootstrapping
H2	When business travelers purchase/reserve a room, they feel more satisfaction if they perceive their financial transaction is secure.	Supported	SEM-PLS; Bootstrapping
H3	The perceived safety of business travelers affects their level of satisfaction.	Supported	SEM-PLS; Bootstrapping
H4	An accommodation's location affects a business traveler's level of satisfaction.	Supported	SEM-PLS; Bootstrapping
H5	Empathy shown to business travelers affects their level of satisfaction.	Supported	SEM-PLS; Bootstrapping
H6	Amenities have a significant effect on how satisfied business travelers are with their accommodation stay.	**Not Supported**	SEM-PLS; Bootstrapping
H7	Cleanliness affects the level of satisfaction experienced by business travelers.	Supported	SEM-PLS; Bootstrapping
H8	Satisfaction influences the amount of Word-of-mouth shared by business travelers.	Supported	SEM-PLS; Bootstrapping
H9	Satisfaction has an effect on a business traveler's Return Intention.	Supported	SEM-PLS; Bootstrapping
H10	Price has an effect on the location chosen by business travelers.	**Not Supported**	SEM-PLS; Bootstrapping
H11	Personal safety has an effect on the location chosen by business travelers.	Supported	SEM-PLS; Bootstrapping
H12	Personal safety has an effect on the amenities chosen by business travelers.	**Not Supported**	SEM-PLS; Bootstrapping
H13	Location has an effect on the amenities chosen by business travelers.	**Not Supported**	SEM-PLS; Bootstrapping
H14	Price has an effect on the amenities chosen by business travelers.	**Not Supported**	SEM-PLS; Bootstrapping

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	Hypothesis	Results	Analysis
H15	Price has an effect on the cleanliness experienced by business travelers.	Supported	SEM-PLS; Bootstrapping
H16a	Business travelers perceive that gender moderates the effect of price on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H16b	Business travelers perceive that gender moderates the effect that financial security has on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H16c	Business travelers perceive that gender moderates the effect of personal safety on satisfaction.	Supported	Bootstrapping; MGA; & Welch-Satterthwaite
H16d	Business travelers perceive that gender moderates the effect of location on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H16e	Business travelers perceive that gender moderates the effect of empathy on satisfaction.	Supported	Bootstrapping; MGA; & Welch-Satterthwaite
H16f	Business travelers perceive that gender moderates the effect of amenities on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H16g	Business travelers perceive that gender moderates the effect of cleanliness on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H17a	Business travelers perceive that generation moderates the effect of price on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H17b	Business travelers perceive that generation moderates the effect that financial security has on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H17c	Business travelers perceive that generation moderates the effect of personal safety on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H17d	Business travelers perceive that generation moderates the effect of location on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H17e	Business travelers perceive that generation moderates the effect of empathy on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H17f	Business travelers perceive that generation moderates the effect of amenities on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite

	Hypothesis	Results	Analysis
H17g	Business travelers perceive that generation moderates the effect of cleanliness on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H18a	Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of price on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H18b	Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect that financial security has on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H18c	Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of personal safety on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H18d	Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of location on satisfaction.	*Mixed*	Bootstrapping; MGA; & Welch-Satterthwaite
H18e	Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of empathy on satisfaction.	*Mixed*	Bootstrapping; MGA; & Welch-Satterthwaite
H18f	Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of amenities on satisfaction.	**Not Supported**	Bootstrapping; MGA; & Welch-Satterthwaite
H18g	Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of cleanliness on satisfaction.	Supported	Bootstrapping; MGA; & Welch-Satterthwaite

4.8 CHAPTER SUMMARY

This study collected responses using a purposeful sample approach because of the necessary characteristics needed from respondents. Specifically, two groups were enticed: one group for people who stayed in a hotel for business and another group for LSE. Once these data were cleaned, two samples occurred with a hotel sample of 390 useable responses and 224 useable LSE responses. These two samples were combined to create a full file of 614 records. Additionally, the 390 hotel records were reduced to 224 records using SPSS software to produce a hotel sample size that was the same as the LSE

sample (n=224). This allowed for an orthogonal design comparing hotel responses to LSE responses. In addition to the orthogonal approach, this same moderated effect was also analyzed using the full 614 sample in a non-orthogonal approach.

The significant relationships identified through PLS included the following in descending order of the strength of significance: Satisfaction to Word-of-mouth; and Satisfaction to Return Intention (RI); Safety to Location; Location to Satisfaction; Financial/Price to Satisfaction; Price to Cleanliness; Cleanliness to Satisfaction; Empathy to Satisfaction; Safety to Satisfaction.

The moderated effect of accommodation type on the model using the orthogonal sample identified the following significant differences: Cleanliness to Satisfaction; Location to Satisfaction; Safety to Location; and Satisfaction to WOM. The non-orthogonal sample also identified two of the orthogonal differences of Cleanliness to Satisfaction and Satisfaction to WOM, but also identified a difference between groups for Empathy to Satisfaction.

The moderated effect of gender on the model revealed two differences between the genders: Empathy to Satisfaction and Safety to Location. Generational differences between groups revealed no significant differences between Baby Boomers and Generation Y or between Generation X and Generation Y. The only generational differences occurred between Baby Boomer and Generation X respondents in the two areas of Cleanliness to Satisfaction and Satisfaction to WOM.

CHAPTER 5: DISCUSSION AND CONCLUSION

This final chapter summarizes the study and discusses the overall study findings. It then explains in detail how each hypothesis was tested and whether it was supported or not supported. The implications of results from each hypothesis are also explored as well as overall implications of this study. Limitations of the study are listed and explained as well as future directions for research related to this study. This section ends with a conclusion.

5.1 STUDY SUMMARY

This study aimed to explore perceptions of business travelers—especially lesser researched LSE business travelers—toward their accommodations during a business trip. LSE business travel is a relatively new concept, and as such, does not have as large of a population as traditional hotel business travelers. Because of the novelty of LSE business travel and the difficulty in finding respondents who met this criterion, a purposeful sample was collected from as many LSE business travelers as was practical. All valid samples were used for analyses; however, a special orthogonal sample was created with equal hotel and LSE samples in order to decrease any possibilities of group bias and the results from the full sample and orthogonal sample were compared. The results were cleaned in Microsoft Excel and submitted to the SEM software, SmartPLS for analyses.

Each of the two models (orthogonal and non-orthogonal) were run using the partial least squares (PLS) regression algorithms. This illustrated at a glance those factor loadings which were acceptable and those which were not. The unacceptable loadings

were deleted one-at-a-time and the PLS program was rerun until the optimal results remained. The PLS program also computed calculated R^2 values for independent variables, which were also displayed as Cronbach's Alpha values in associated tables.

Rerunning the SmartPLS program using the bootstrapping algorithms revealed the significance of the effect each independent variable had on the relative dependent variable. This identified relationships or paths where the effect was statistically significant.

Three moderators were tested to determine if they had a statistically significant effect on the existing paths between the seven independent variables and Satisfaction (a dependent variable). Each of gender, generation, and accommodation type was tested in SmartPLS using Multi-Group Analysis (MGA), which determined if there was a statistically significant difference in how the split groups responded. For example, MGA was used to identify differences in responses between male and females. Additionally, MGA was used to identify generational differences and accommodation type (hotel vs. LSE) differences in Research Questions 17 and 18, respectively.

5.2 INDEPENDENT VARIABLE DISCUSSION: HYPOTHESES 1-7

Independent variables 1-7 were tested to determine whether they affect a business traveler's level of satisfaction. These variables include: Price, Financial Security, Personal Safety, Location, Empathy, Amenities, and Cleanliness. They are addressed individually below.

5.2.1 DISCUSSION AND IMPLICATION: HYPOTHESIS 1

Hypothesis 1: The price/value of an accommodation affects a consumer's level of satisfaction (**Not Supported).**

Price was one of two independent variables that was found to be not significant. Its bootstrapping value was $p = 1.227$, which is not greater than 1.96 and therefore is not considered to have enough of an effect on Satisfaction to be statistically significant. This was not the expected result. Literature leads researchers to believe LSE travelers are very price conscious; however, what is different about this large sample is that all the respondents were traveling for business, which means many of them were likely not paying for their own room and so, for this reason, this does make logical sense that travelers do not care that much about how much the room costs. Because business travelers are not financially affected by how much is paid for a room (presumably as long as it is below some per diem accommodation limit), he apparently does not care how much the room costs during business travel.

Although business travelers are not apparently concerned with the price paid for a room, they evidently still care about protecting their personal assets. Theoretical implications of this include that because respondents still found five other variables important to their satisfaction, they are still worried about losing other valuable possessions. The theoretical contribution is that Kahneman and Tversky's (1979) Prospect Theory model is as valid with intangible assets such as financial well-being or personal safety as it is for tangible possessions. The implication from this finding is that accommodation personnel should not highlight price, but instead should emphasize upgrades or other non-price-related amenities to the accommodation experience. Because price appears not to have a significant effect on a traveler's satisfaction, it should not be emphasized beyond merely marking the price point. To maximize the traveler's positive feelings, these upgrades and other additional perks should be presented over the course of

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the stay. This would enhance the traveler's positive feelings, as specified by Kahneman and Tversky (1979). Price should merely be mentioned once, but it should not be used as a marketing tool. Price is <u>not</u> supported as having a significant effect on Satisfaction.

5.2.2 DISCUSSION AND IMPLICATION: HYPOTHESIS 2

Hypothesis 2: When paying for or reserving a room, guests feel more satisfaction from the transaction when they perceive their transaction is secure (**Supported)**.

This study indicates there is a statistically significant relationship between financial security and traveler satisfaction. Specifically, it indicates the more secure a traveler perceives his transactions, the more satisfied he will be. The bootstrapping value for this path was $p = 3.855$, which is greater than the 1.96 criterion and therefore is considered statistically significant and that there is a relationship between Financial Security and Satisfaction. This indicates that the more secure a traveler perceives his transactions, the more satisfied he feels ($p = 3.855$).

Specifically, respondents indicated they were concerned about the security of their personal, financial information. As mentioned in Kahneman and Tversky (1979), the fear of losing funds or having their personal information stolen is a very real fear that the traveler will end up losing money or time required to correct any fraudulent financial activities. As mentioned above, the theoretical contribution is that Kahneman and Tversky's (1979) Prospect Theory model is as valid with intangible assets such as financial well-being as it is for tangible possessions.

Because financial security is apparently an important factor for business travelers, all accommodation companies should continue to maintain (or upgrade to) the strongest possible security available for private information protection. This finding suggests that if a company such as Airbnb or Hilton were to have a security breech, the business they

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receive from business travelers could significantly decrease. The importance of Cyber

security for any accommodation company should not be compromised since financial

security is apparently very important to business travelers.

An additional thing hotels and LSE properties can do to add to the positive effects

of secure financial transactions is to remind travelers about the high standards practiced

by the company in protecting all transactions. These reminders could be placed

physically on the property and/or included with receipts as a reminder of how safe their

transactions are. In addition, hotels could add this information to a guest's loyalty point

balance mailing. By having this reminder/reinforcement show up at a later time, than the

reservation or stay, the benefits are multiplied, which should give the traveler positive

feelings about their transaction as specified in Prospect Theory (Kahneman, & Tversky,

1979). Financial Security is therefore supported as having a significant impact on

Satisfaction.

5.2.3 DISCUSSION AND IMPLICATION: HYPOTHESIS 3

Hypothesis 3: The feeling of personal safety of business travelers during their stay affects
their level of satisfaction (**Supported**).

This study indicates there is a statistically significant relationship between Safety

and traveler Satisfaction. Specifically, it indicates the more personally safe a traveler

perceives he is, the more satisfied he will be. The bootstrapping value for this path was p

$= 3.170$, which is greater than the 1.96 criterion and therefore is considered statistically

significant and statistically indicates there is a relationship between Safety and

Satisfaction. Further, it indicates that the more personally safe a traveler feels during

her/his stay, the more satisfied he will feel.

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Respondents specified their personal safety during their stay had a significant impact on their satisfaction with the stay and was very important to them. As mentioned in Kahneman and Tversky (1979), the fear of personal harm is a very real fear that for travelers and as such, travelers are afraid of losing their life, health, or time associated with recovering from an injury. As mentioned above, the theoretical contribution is that Kahneman and Tversky's (1979) Prospect Theory model is as valid with intangible assets such as personal safety as it is for tangible possessions.

The implication of this finding is to continue employee awareness of issues that affect guest's safety such as the proper process to follow when a guest locks herself out of her room. Many hotels through the years have suffered bad press through employee carelessness; therefore, hotels and LSE need to not neglect employee education and awareness regarding guest's personal safety. Personal safety is a tricky variable. Hotels and LSE properties would do well to do all they can to prevent any negative publicity to them or their brand, but placards or signs saying perhaps 'Let us know if you see anything suspicious' would only draw attention to the negative aspects of safety and would ultimately not be beneficial. Personal safety is a better defensive strategy than an offensive one since the direct approach can backfire and introduce to travelers negative thoughts about risks about their own personal safety (Marshall, 1993; Sparks & Browning, 2011). Personal Safety was supported as having a significant effect on Satisfaction.

5.2.4 DISCUSSION AND IMPLICATION: HYPOTHESIS 4

Hypothesis 4: An accommodation's location affects a business traveler's level of satisfaction (**Supported**).

This study indicates there is a statistically significant relationship between an accommodation's location and how much Satisfaction a traveler feels. Specifically, it indicates the better or more convenient the location, the more satisfied the traveler will be. The bootstrapping value for this path was $p = 9.467$, which is greater than the 1.96 criterion and therefore is considered statistically significant and indicates there is a relationship between Location and Satisfaction. This indicates that the better the location or more convenient, the more satisfied the traveler will feel.

Respondents specified the location of their accommodation had a significant impact on their satisfaction with the stay and was very important to them. As mentioned in Kahneman and Tversky (1979), the fear of personal harm (which could occur at an unsafe location) is a very real fear that for travelers and as such, travelers are afraid of losing their life, health, or time associated with recovering from an injury. As mentioned above, the theoretical contribution is that Kahneman and Tversky's (1979) Prospect Theory model is as valid with intangible assets such as location as it is for tangible possessions.

This has implications for those accommodation locations located in desirous locations such as near central business districts or convention centers or near a corporate headquarters, which has many employees visit from satellite offices. The importance business travelers give to a convenient location combined with the fact that they do not care that much about the price paid for a room (Price did not have a significant effect on Satisfaction), presents a valuable opportunity for accommodations located in premium locations to offer their rooms at a premium. Other things hotels and LSE properties can do to capitalize on their location (if they are not already doing this) is to reinforce how

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convenient everything is by listing how close the property is to restaurants, entertainment, and night life. This acts as a further reminder to the guest of how good of a choice he made. This gives her an additional feeling of benefit by having this benefit presented after the initial packet by prolonging benefits as detailed in Kahneman and Tversky (1979). This study supports that the location of an accommodation has a significant effect on Satisfaction.

5.2.5 DISCUSSION AND IMPLICATION: HYPOTHESIS 5

Hypothesis 5: Empathy shown to business travelers affects their level of satisfaction
(**Supported**).

This study indicates there is a statistically significant relationship between how much Empathy is shown to a business traveler and how much Satisfaction he feels. Specifically, it indicates the better or more empathy shown, the more satisfied the traveler will be. The bootstrapping value for this path was $p = 3.387$, which is greater than the 1.96 criterion and therefore is considered statistically significant and indicates there is a relationship between Empathy and Satisfaction. This indicates that the better or more empathy shown, the more satisfied the traveler will feel.

Respondents specified that empathy shown to them by employees/hosts during their stay had a significant impact on their satisfaction with the stay and was very important to them. As with four of the other variables, this study makes a theoretical contribution is that Kahneman and Tversky's (1979) Prospect Theory model is as valid with intangible assets such as empathy as it is for tangible possessions.

This finding supports what literature says about business travelers expecting excellent service—even highly personalized service for frequent travelers. Literature highlighted that LSE travelers especially valued Empathy from their stay, but traditional

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literature also emphasizes how hotel business travelers expect excellent service and treatment. Therefore, it is not surprising that Empathy appears to have been important to both Hotel and LSE business travelers. However, the continued attention to a guest's needs has the same effect as spreading out gifts given to someone as specified by Kahneman and Tversky (1979). Not only does continued empathy make a guest feel important, but it also generates further feelings of satisfaction and as thus, Empathy was supported as having a significant effect on Satisfaction.

5.2.6 DISCUSSION AND IMPLICATION: HYPOTHESIS 6

Hypothesis 6: Amenities make a significant difference to business travelers as to how satisfied they are with their accommodation stay (**Not Supported**).

Unfortunately, the variable of Amenities was not able to be evaluated because while determining the factor loadings, there was only one item that had a valid value above the criterion of 0.7; therefore, this study was unable to find any evidence to support this relationship between Amenities affecting a business traveler's Satisfaction. Therefore, Amenities is not supported as having a significant effect on Satisfaction.

5.2.7 DISCUSSION AND IMPLICATION: HYPOTHESIS 7

Hypothesis 7: Cleanliness affects the level of satisfaction experienced by business travelers (**Supported**).

This study indicates there is a statistically significant relationship between the cleanliness of room/property with how much Satisfaction a traveler feels. Specifically, it indicates that cleanliness directly affects how satisfied a traveler will be with his accommodations experience. The bootstrapping value for this path was $p = 3.548$, which is greater than the 1.96 criterion and therefore is considered statistically significant and

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indicates there is a relationship between Cleanliness and Satisfaction. This indicates that the cleaner the room, the more satisfied the traveler will feel.

Respondents specified that the accommodation's Cleanliness had a significant impact on their satisfaction with the stay and was very important to them. As with four of the other variables, this study makes a theoretical contribution is that Kahneman and Tversky's (1979) Prospect Theory model is as valid with intangible assets such as Cleanliness as it is for tangible possessions.

Literature describes how business travelers expect nothing less than immaculately cleaned rooms and surrounding areas when they travel for business. While this is one of the most basic requirements for business travelers, cleanliness is nonetheless one of the most important aspects of an accommodation stay. Cleanliness is an assumed feature of an accommodation unit and is arguably the topic which receives the most number of complaints in social media. For this reason, hotels and LSE properties should continue to emphasize and train employees to focus on cleaning as well as is practical to ensure guests experience an extremely clean environment.

Another implication for hotels and LSE properties is to remind guests about the cleanliness of the room. Most guests will identify room cleanliness on their won and will draw their own conclusions, so of course, it is extremely important for housekeeping staff to have only the highest standards, but beyond cleanliness standards, one way to subtlety remind guests about how clean their room is (which they care about significantly), is to tout sustainable cleaning practices through placards or miniature signs around the room and/or property. This not only makes the guest feel good about what the hotel/LSE is doing for the environment, but also indirectly reminds guests about the good cleaning job

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housekeepers did on the room, which has the effect of spreading out benefits (Kahneman, & Tversky, 1979) while also combining good feelings of sustainability with good feelings of being in a clean room (Parsa, Lord, Putrevu, & Kreeger, 2015). Therefore, Cleanliness is supported as having a significant effect on Satisfaction.

5.3 DEPENDENT VARIABLE DISCUSSION: HYPOTHESES 8-9

Hypotheses 8 and 9 tested the effect satisfaction had on Word-of-mouth (WOM) and Return Intention (RI), respectively. Satisfaction significantly affected both WOM and RI, which means that the more satisfied business travelers were, the more they told others about their stay (WOM) and the more they planned to return to the same accommodation location (RI).

5.3.1 DISCUSSION AND IMPLICATION: HYPOTHESIS 8

Hypothesis 8: Satisfaction affects the level of Word-of-mouth shared by business travelers (**Supported**).

This study indicates there is a statistically significant relationship between how Satisfaction affects how much a business traveler will spread Word-of-mouth about his stay. Specifically, it indicates that satisfaction directly affects how much verbal and written acknowledgement a traveler will give (because of their stay). The bootstrapping value for this path was the strongest of all path coordinates at $p = 30.116$, which is much greater than the 1.96 criterion and therefore is considered statistically significant and indicates there is a relationship between Satisfaction and Word-of-mouth (WOM). This indicates that the more satisfied a guest is with their accommodation stay, the more word-of-mouth messages they will spread, either verbally or in writing. This study supports the relationship where Satisfaction has a significant effect on Word-of-mouth (WOM).

5.3.2 DISCUSSION AND IMPLICATION: HYPOTHESIS 9

Hypothesis 9: Satisfaction affects a business traveler's Return Intention (**Supported**).

This study indicates there is a statistically significant relationship between how Satisfaction affects how much a business traveler intends to return to the same place for a repeat stay. Specifically, it indicates that satisfaction directly affects how interested is the traveler to return to the same accommodation place because of their previous stay. The bootstrapping value for this path was strong at $p = 14.568$, which is much greater than the 1.96 criterion and therefore is considered statistically significant and indicates there is a relationship between Satisfaction and Return Intentions (RI). Relatedly, Worsfold, Fisher, McPhail, Francis, and Thomas (2016) found in their study that the physical attributes of a hotel had more effect on a guest's return intention than the service they received. This was a new finding and has implications for the importance of amenities in a hotel or LSE. This indicates that the more satisfied a guest is with their accommodation stay, the more likely he will be to desire to return to the same spot. This study supports the relationship where Satisfaction has a significant effect on Return Intention (RI).

5.4 DISCUSSION ABOUT OTHER PATHS: HYPOTHESES 10-15

Hypotheses 10 – 15 address those model relationships between independent variables as suggested by literature. These paths include: Price to Location; Safety to Location; Safety to Amenities; Location to Amenities; Price to Amenities; and Price to Cleanliness. Unfortunately, the variable of Amenities was not able to be evaluated because while determining the factor loadings, there was only one item that had a valid value above the criterion of 0.7; therefore, this study was unable to find any evidence to support any relationship with Amenities. Therefore, the relationship between Safety and

Amenities [Hypothesis 12] is not supported. Also, the relationships between Location and

Amenities [Hypothesis 13] as well as between Price and Amenities [Hypothesis 14] was

also not supported. Additionally, the relationship between Price to Location [Hypothesis

10] was also not supported. Only two of these relationships were supported: Safety to

Location [Hypothesis 11]; and Price to Cleanliness [Hypothesis 15].

5.4.1 DISCUSSION AND IMPLICATION: HYPOTHESIS 10

Hypothesis 10: Price affects the location chosen by business travelers (**Not Supported**).

The relationship between Price and Location was determined not to be statistically

significant ($p = 0.516$), which is not greater than the 1.96 criterion and therefore is not

statistically significant and indicates there is not a strong relationship between Price and

Location. This is consistent with Price not affecting Satisfaction (Hypothesis 1) such that

apparently, business travelers do not care about the cost of a room. Based on this line of

thought, it is logical that Price also does not have a significant effect on Location. This

implies there is no significant difference in how Price affects Location.

The opposite path direction for these two variables was also explored (and was

executed in a separate run) using PLS analysis; however, the path Location to Price was

not supported because of a low bootstrapping value ($p=.073$). Once again, this is

consistent with Price apparently not playing a significant role in this model. When

business travelers travel, they typically attend events at a specific location such as a

corporate headquarters, a convention center or some other specific location that makes

alternative locations inconvenient.

Therefore, as stated previously, those hotels and LSE properties who are located

in a premier location should not discount their daily rates to attract additional business

because business guests are price insensitive. If innkeepers or hosts discount their rates, they will merely be giving up additional profit and will receive nothing in exchange. Instead, hotels and LSE properties should stress their many other variables (and amenities) associated with the location of the hotel or LSE property. Neither construct (Price or Location) significantly affected the other; therefore, both were not supported.

5.4.2 DISCUSSION AND IMPLICATION: HYPOTHESIS 11

Hypothesis 11: Personal safety affects the location chosen by business travelers
         (**Supported**).

The bootstrapping value for this path between Safety and Location was a strong path coordinate at $p = 9.941$, which is much greater than the 1.96 criterion and therefore is considered statistically significant and indicates there is a strong relationship between Price and Location.

Respondents specified the location of their accommodation had a significant impact on their personal safety and was very important to them. As mentioned in Kahneman and Tversky (1979), the fear of personal harm (which could occur at an unsafe location) is a very real fear that for travelers and as such, travelers are afraid of losing their life, health, or time associated with recovering from an injury. As mentioned above, the theoretical contribution is that Kahneman and Tversky's (1979) Prospect Theory model is as valid with intangible assets such as location and safety as it is for tangible possessions.

The opposite path direction for these two variables was also explored (and was executed in a separate run) using PLS analysis. The path Safety to Location was also supported with a strong bootstrapping value (p=10.150). This result makes since because many people associate a given location with a level of safety. An accommodation in a

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downtown area would probably rate as a higher risk to personal safety than a hotel in a resort area. Therefore, it is not surprising that Location affects Safety and Safety affects Location. Either construct (Safety or Location) significantly affected the other; therefore, both directions were supported.

5.4.3 DISCUSSION AND IMPLICATION: HYPOTHESIS 12

Hypothesis 12: Personal safety affects the amenities chosen by business travelers (**Not Supported**).

Unfortunately, the variable of Amenities was not evaluated because while determining the factor loadings, there was only one item that had a valid value above the criterion of 0.7; therefore, this study was unable to find any evidence to support this relationship between Safety affecting Amenities. Therefore, the relationship between Safety and Amenities is <u>not</u> supported.

5.4.4 DISCUSSION AND IMPLICATION: HYPOTHESIS 13

Hypothesis 13: Location affects the amenities chosen by business travelers (**Not Supported**).

Unfortunately, the variable of Amenities was not able to be evaluated because while determining the factor loadings, there was only one item that had a valid value above the criterion of 0.7; therefore, this study was unable to find any evidence to support this relationship between an accommodation's Location and its Amenities. Therefore, Location and Amenities is <u>not</u> supported as having a relationship that is statistically significant.

5.4.5 DISCUSSION AND IMPLICATION: HYPOTHESIS 14

Hypothesis 14: Price affects the amenities chosen by business travelers (**Not Supported**).

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Unfortunately, the variable of Amenities was not able to be evaluated because while determining the factor loadings, there was only one item that had a valid value above the criterion of 0.7; therefore, this study was unable to find any evidence to support this relationship between Price and Amenities. Therefore, Price is <u>not</u> supported as having a significant effect on Amenities.

5.4.6 DISCUSSION AND IMPLICATION: HYPOTHESIS 15

Hypothesis 15: Price affects cleanliness experienced by business travelers (**Supported**).

The bootstrapping value for this path between Price and Cleanliness had strong path coordinates at $p = 3.964$, which is greater than the 1.96 criterion and therefore is considered statistically significant and therefore is statistically significant and indicates there is a strong relationship between Price and Cleanliness.

The opposite path direction for these two variables was also explored (and was executed in a separate run) using PLS analysis. The bootstrapping value for this path between Cleanliness to Price had strong path coordinates at $p = 3.680$, which is greater than the 1.96 criterion and therefore is considered statistically significant and therefore is statistically significant and indicates there is a relationship between Cleanliness to Price; however, Price only explains 2.6% of the variance ($R^2 = .026$) between Cleanliness and Satisfaction.

This result makes sense because the higher the price paid for a room, the more important cleanliness is to travelers. Conversely, if a room is immaculate, many travelers would expect to pay more money for it. Therefore, it is not surprising that Price affects Cleanliness and Cleanliness affects Price. Either construct (Price or Cleanliness) significantly affected the other; therefore, both directions were supported.

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5.5 DISCUSSION ABOUT MODERATORS: HYPOTHESES 16-18

Three moderators were identified from literature that may have an impact on the effect of each independent variable on guest satisfaction. These three moderators are gender, generation, and accommodation type. This dissertation tested the following conditions: whether females answered the survey differently than males; whether the age-group (generation) each respondent belonged to impacted how they answered questions; and lastly, whether hotel travelers answered survey questions differently than LSE travelers.

5.5.1 DISCUSSION AND IMPLICATION: HYPOTHESIS 16

Hypothesis 16: Business travelers perceive that gender moderates the effect of the seven independent variables on satisfaction (price, financial, safety, location, empathy, amenities, and cleanliness).

A Multi-Group Analysis (MGA) procedure was calculated to determine if there were significant differences between male and female responses. There were no significant differences in male and female responses with two exceptions. First, the variable of Amenities was not able to be analyzed since it was removed from the study. Second, the only statistically significant difference found between males and females was their responses about empathy affecting their level of satisfaction.

By looking at the raw responses for the Empathy construct, the major difference appears to be over the 'Totally Agree' responses. Because females composed about 40% of total responses, 40% of the 'Totally Agree' responses theoretically should have been from female respondents, which would be 81 responses. There were 91 actual female responses of 'Totally Agree' to item number Q5a: "Employees were always willing to help," which is ten more responses than would be proportional. Similarly, male

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responses, which comprised 60% of the sample showed 10 responses less than would be proportionally expected (111 actual responses instead of the expected 121).

The results were similar in how many respondents chose the 'Totally Agree' option for items Q5b: "Employees were friendly and welcoming" and Q5c: "I did not receive individual attention from employees" (this was reverse-coded so the responses were 'Totally Disagree,' but they were reverse-coded to be consistent with the numbering scheme). The number of females who responded with 'Totally Agree' was 120, which is 5 more than would be expected. Males responded 167 times with 'Totally Agree,' whereas 172 would have been the proportional number. Once again, Q5b responses were 5 more for females and 6 less for males. Similarly, females responded with 11 more responses than expected and males reported 11 fewer than would be proportional. This tends to suggest that females notice, and perhaps appreciate, empathic behavior more so than males. This analysis revealed that apparently, the moderator of Gender has little effect on the relationships between the independent variables and satisfaction, except for empathy, which is Hypothesis 16e.

While care should be taken to ensure all business travelers receive as good quality of empathy and excellent customer service, this study suggests empathy is even more important for hotels and LSE properties to demonstrate to female, business travelers. Fortunately, females are more aware of messages than their male counterparts so it is not necessary to craft detailed, verbose messages to inform females (Lee, & Kim, 2017).

One proactive strategy for accommodation companies is to advertise in women's business magazines and tout how one's hotel/LSE understand women and pampers them through EZ-check-in (or auto check-in as with Airbnb). Also, Amenities are still

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unknown. This means that Hypotheses 16a-16g are not supported except for Hypothesis 16e, which was supported.

5.5.2 DISCUSSION AND IMPLICATION: HYPOTHESIS 17

Hypothesis 17: Business travelers perceive that age (generational differences) moderates the effect of the seven independent variables on satisfaction (price, financial, safety, location, empathy, amenities, and cleanliness).

A Multi-Group Analysis (MGA) procedure was computed to determine if there were significant differences between generations (age groups). The only generations represented with enough responses included: Baby Boomers (47); Generation Y (255); and Generation Y (309). There was only 1 response from the Silent Generation and 2 responses from the Generation Z age group. Each of the three remaining groups were compared against each other. For example, Baby Boomers were compared to Generation X and in a separate analysis Baby Boomers were compared against Generation Y responses to check for group differences. The only difference identified because all pairs occurred between Baby Boomers and Generation X in how each group responded regarding construct number seven, cleanliness.

This analysis revealed that apparently, the moderator of Generation has little effect on the relationships between the independent variables and satisfaction, except for the difference in how Baby Boomers and Generation X groups view cleanliness. It is interesting that only one variable path was answered significantly differently by the three represented generations. There is a possibility that Baby Boomers sample (n=47) was not large enough to give valid results; however, Generation X (n=225) and Generation Y (n=309) had a sufficient sample size to derive a valid comparison—yet no answers apparently were answered in a significantly different manner. This could be a function of

the origin of the respondents since MTurk could attract similar types of individuals. Also, Amenities are still unknown. Since this study found little significant differences between Generation X and Generation Y, the implication is that hotels and LSE should spend less time and energy targeting only Generation Y (Millennials), and focus on the combined Generation X and Generation Y population. Because both Generations X & Y are more likely to utilize and LSE than older generations, LSE hosts especially should target this combined group (Tussyadiah, 2015). Contrary to the overwhelming marketing focus on Millennials, LSEs should focus even more on Generation X than Generation Y. This is because Tussyadiah (2015) found 32% of Generation X embraces the collaborative community (e.g., LSE) versus 24% Generation Y aged people (and only 15% of Baby Boomers). This suggests that Hypotheses 17a-17g are not supported with the exception of Hypothesis 17g, which is only supported between generations of Baby Boomers and Generation X.

The theoretical contribution of these findings appears to support and extend the findings of the Perceived Risk Theory—especially for Generations X and Y. Since these respondents' age groups typically utilize (and embrace) the LSE concept and companies such as Airbnb and VRBO (Tussyadiah, 2015), it is logical that they would be more familiar with the LSE and would have less perceived fear associated with the LSE based on their familiarity. Additionally, respondents in this study were likely even more familiar with the LSE because of their utilizing a peer-to-peer application (MTurk) to answer the survey. Although MTurk is not associated with the LSE, it is a part of the overall shared economy, which has many overlapping participants. Therefore, these findings support the Perceived Risk Theory in suggesting that people are fearful of what

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they don't understand; however, they are less fearful (they perceive less risk) when they are familiar with a given service or product. Further, the Perceived Risk Theory is valid even with younger generations.

5.5.3 DISCUSSION AND IMPLICATION: HYPOTHESIS 18

Hypothesis 18: Business travelers perceive that accommodation type (hotel versus LSE) moderates the effect of the seven independent variables on satisfaction (price, financial, safety, location, empathy, amenities, and cleanliness).

A Multi-Group Analysis (MGA) procedure was calculated to determine if there were significant differences between responses from business travelers with different preferred accommodation types (hotels versus LSE). Accommodation Type appears to have a significant impact on how travelers view cleanliness as well as empathy (empathy was borderline significant at $p = 0.051$). Whether a traveler stays in a hotel or an LSE property has a significant effect on how they answer questions about cleanliness and empathy by employees/hosts. One factor that could have contributed to this difference between groups is the over 35% of LSE travelers who stayed in either a private room (33.5%) or shared room (2.2%). The chances of these travelers coming into contact with their host(s) are very high, which could alter their responses or at least make them less homogenous with other LSE respondents who stayed in a whole house/condo/apartment.

One way hotels can capitalize on the issue of cleanliness is to reinforce their brand and their adherence to franchise procedures. They could advertise that when you check into one of their hotels, you know what you're going to get with no unpleasant surprises. Alternatively, LSE properties can advertise in business journals and increase awareness of the heightened standards for LSE rentals specified for business use, which includes a more standard experience for businesses. This analysis revealed that

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apparently, the moderator of Accommodation Type has little effect on the relationships between the independent variables and satisfaction, except for the difference in how guests view cleanliness and empathy; therefore, Hypotheses 18a – 18d and 18f are not supported, but Hypotheses 18e and 18g are both supported.

An additional theoretical contribution emerged from this study. Although literature implied there would be more risk associated with LSEs, this current study has shown that familiarity has apparently decreased respondents' fear associated with the relatively recent introduction of LSE properties. This is an extension of both Prospect and Perceived Risk Theories, which state most people fear the unknown or possibility of suffering a loss. This study indicates that this level of fear and risk associated with LSE has apparently been lessened through familiarity. This is consistent with what Kahneman (2011) describes in his discussion about "Availability, Emotion, and Risk" (p. 137). Since most respondents were either Generation X or Y, they have likely been exposed to LSE experiences either personally or through peers, who have stayed in one. Therefore the level of risk associated with the newcomer, LSE, has been evidently decreased significantly through familiarity. This indicates an extension of the Prospect and Perceived Risk Theories.

5.6 OVERALL IMPLICATIONS FOR PRACTITIONERS

Perhaps the most overarching suggestion for hotels is to stress their brand and the strength and consistency represented by its franchise. Americans are very familiar with how companies must stand behind their franchises; therefore, hotels should capitalize on this. LSE properties on the other hand are not as well-known and require more work to enable potential business travelers to become more familiar and comfortable with the

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LSE. Roselius (1971) lists ways for unfamiliar products to overcome their lack of familiarity, like what LSE properties encounter. The most effective ways LSE companies can allay the lack of familiarity with their business traveler standards would be to advertise their heightened requirements for business travelers (in the case of Airbnb) in business journals and make a brand distinction between leisure and business LSE properties. Endorsement is another suggestion by Roselius (1971), which would also assist in making LSE seem more 'mainstream' for business travelers. For example, if a well know businessperson endorsed Airbnb, this would make LSE business travel seem more 'normal.' An additional suggestion by Roselius (1971) would be to offer a money-back guarantee for LSE stays. An augmentation on this idea might include a money back refund on the first night's stay in cash. Because a company typically pays for the room, a one-night refund in cash would put money directly into the pocket of the traveler, which would motivate her much more than merely getting a refund for her company. This money-back guarantee might encourage more travelers to give LSE business travel a try. The key would be to find which method(s) best allay guests' perceived risk fears. Implementing one of these methods could increase revenues for LSE hosts by assuaging guests' fears about staying in an LSE property and increase numbers of business travelers who use an LSE.

Additional implications for lodging providers (both hotels and LSE properties) include lessons learned from the Prospect theory regarding bundling and unbundling guest benefits/losses. As mentioned in chapter 2, consumers evaluate the goodness/badness of benefits/losses based on whether they are bundled or not. Since consumers discount the 'goodness' of incremental benefits, lodging providers should

seek out ways to introduce benefits separately as opposed to combining all benefits into one package. An example is to present a benefit such as a complementary cocktail upon check in and perhaps the next day provide a different benefit such as a complementary entree (with the purchase of an entree) and further offer a third benefit on the third day. This spreads out the benefits and maximizes consumers' positive emotions according to Prospect Theory (Kahneman, & Tversky, 1979). Similarly, all negative items should be presented to guests at one time in order to minimize negative emotions. An example of this would be to mention at check-in the charge for parking, check-out time, and anything else that may produce a negative emotional effect. By presenting it all at once, the feeling of loss will be minimized.

Based on this work, hotels may consider how they can provide more of a feeling of community and belonging to address the importance of empathy. Although not directly addressed in this study, hoteliers may consider choosing (and advertising) sustainable (green) practices, many of which have a positive return on Investment. Not only would hoteliers save money, but they would also attract green-conscious guests.

5.7 LIMITATIONS

Because this research topic of the shared economy is relatively new, there is not a plethora of scholarly research done in this area. There is even less research information available for travelers utilizing LSE accommodations for business travel. Therefore, many references are not scholarly, peer-reviewed articles; instead, the pool of data represents the most current information regarding the LSE. Further, as mentioned above, there is even less literature written about the likelihood of business travelers to patronize

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an LSE property, which makes this study even more valuable in adding to the current body of knowledge.

5.7.1 PILOT STUDY LIMITATIONS

The pilot study used a convenience sample made up largely from college-aged students. In fact, about 90% of trial study respondents were undergraduate students. Further, roughly one-half of these respondents were students of this dissertation author so they may have felt additional motivation to complete the survey to assist his doctoral efforts. The results therefore may be skewed and will not necessarily represent a cross section of business travelers, as the final study better determined. Even though the students were not offered any compensation for participating in this survey, they may have answered questions to please the researcher or answered as they thought they should versus giving honest feedback. This type of skewing of the data could also have happened with friends or family of the researcher, who also may have wanted to 'help' the research along and therefore answered questions in a manner they thought was expected. The geographic boundaries were also not representative of a cross section of the United States since most respondents came from one of two disparate geographic areas of Columbia, South Carolina or Denver, Colorado. These limitations were corrected in the final study using MTurk, which allowed filtering respondents based on their having some type of business travel within the past two years. As a non-orchestrated bonus, the responses were well spread across the United States and loosely mirrored state population proportions.

The pilot study was conducted using a convenience sample in order to test the readability and usefulness of the survey instrument. Also, the number of participants in

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the pilot study was not significant enough to establish solid statistical power; however, the final study used a large sample which represents adequate statistical power. An additional limitation was the choice to use Mechanical Turk (MTurk), which some researchers claim provides less than optimal results. This objection, however, is addressed in the Methodology section of this study, where the validity of MTurk is supported by literature as having as meaningful of responses as from a randomly selected sample from the public (Buhrmester, Kwang, & Gosling, 2011). In fact, Buhrmester et al., state the comparative scores are at least as good as those received from using a typical Internet survey or traditional methods.

As mentioned before, even though there was no compensation given for completing the trial survey, roughly one-half of the students were current students of this dissertation author—the other half were students from a colleague's class. There could have been some students who completed the survey in a manner they thought would help their instructor's dissertation study.

5.7.2 FINAL STUDY LIMITATIONS

Perhaps the greatest limitation of this methodology relates to how reliable the respondents were of correctly designating themselves as being hotel or LSE business travelers as well as how representative they were of the greater business traveler population. The literature suggests that users of MTurk are more predisposed to stay at an LSE property instead of a traditional hotel since generally they are technologically more advanced and younger than many hotel guests. Therefore, the use of MTurk as the collection medium may have skewed generational differences toward younger generations—Millennials and Generation X, which is one of the results that was found in

the final sample. There is the possibility that the self-identified sample of business travelers who use hotels are not representative of most business travelers. This is because many busy, business travelers would not take the time to complete an MTurk survey for one dollar or they may not make time to take surveys on MTurk—or alternatively, they may not even know about MTurk. However, MTurk may have captured a very good representation of LSE travelers and perhaps a less representative sample for business travelers.

Another limitation is the absence of a designation about branded hotels versus independent hotels; however, this was captured partially through the loyalty program question, "Do you belong to a hotel loyalty program?" Granted, even this question does not necessarily denote the use of loyal to brands versus independent hotels since independent hotels could also participate in a loyalty program.

Also, absent from literature is a clear correlation between what is an equivalent comparison between a hotel room and an LSE property. Because this is an exploratory research project, this distinction was noted and explored in the Results and Findings section, but the initial approach was to have an equal number of respondents from hotel guests and LSE guests (400 of each accommodation type was the initial target) who stayed in a private accommodation. However, because of the narrow focus of respondent criteria, 400 LSE responses were not feasible. As mentioned in the Methodology section, there are many methods to try to establish commensurate units, but neither literature nor industry has clearly defined these parameters.

Another limitation is that there appears to be a disconnect between respondents who identified themselves as an LSE business traveler which is different than the

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definition Airbnb established such as only whole properties are available for business rentals (as well as other features like self-check-in). Based on Airbnb's business whole-house/condo/apartment criterion, only 64.3% of the LSE responses should have been counted (according to Airbnb's business property definition) since this is the number of respondents who claimed they stayed in a whole-house/condo/apartment. There were 33.5% of LSE respondents who stayed in a Private Room and 2.2% who stayed in a Shared Room. A related issue is the empathy/personal attention of LSE business travel. Even though the respondents who stayed in a Private or Shared Room during business travel, there may be vast differences between travelers who stay in a whole house/condo/apartment versus someone who stays in a Private room because someone in a whole house does not typically meet the host, but with a private room, guests chat and share common areas with the host(s).

Some of the question items were used in their original peer-reviewed format as they appeared in their original journal articles, but others were slightly altered for consistency and clarity. These slight alterations could have introduced error into the scales not experienced by the original item/scale developers. Also, the combination of scales could also have introduced error and bias into the survey instrument through bias from respondents through a leading effect. Further, all items in each construct were grouped together, which could have led to bias in how respondents answered these grouped questions. This could have contributed to the lack of heterogeneity of answers between moderators.

One other limitation involved the direction of the path directions between the following variables: Price to Location; Price to Amenities; Location to Amenities; Safety

to Amenities; Safety to Location; and Cleanliness to Price. The opposite path direction for these paths were not originally explored (and had to be run in a separate run), so PLS analysis was rerun with the following paths reversed as follows: Location to Price; Location to Safety; and Cleanliness to Price. It was not possible to rerun any of the paths that included Amenities, since the construct of Amenities was removed from the study. As mentioned above in each respective implication section, the results of this revised PLS run produced the following: Location to Price was <u>not</u> supported (p=.073); but the path of Location to Safety was supported (p=10.150); and Cleanliness to Price was also supported (p=3.680).

The LSE survey instrument had a 'Not Applicable' choice for one of the reverse-coded questions and many respondents chose that option, which weakened the purpose of including that 'paying attention' check of the reverse-coded question. It would have been stronger if 'Not Applicable' was not a choice. In fact, overall, the 'Not Applicable' choice appears to have weakened the analyses since it allowed respondents to not have to choose an option from the Likert scale. Further, it likely played a major role in the variable of Amenities being disqualified from analysis because it diluted the results of the responses by giving respondents the option of 'opting out' by choosing 'Not Applicable.'

Even though the items of Location and Amenities were strengthened, as was altered based on the trial data results, these two variables of Location and Amenities perhaps still need to be more cohesive and less focused on specific amenities. This is like what was done in the trial study regarding locations. The trial study asked respondents how important specific location-based areas were to their trip; however, the importance of the location was dependent upon the purpose of their trip. For example, if a traveler

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attended a convention at an airport hotel and/or convention center, then they would probably rate higher the importance of location to the airport. Specific location questions were altered in the final study and appear to have received a more overall view of locational importance rather than which location areas respondents found useful for their specific trip. This same type of change would assist in getting more valid results.

One thing that would have helped this study is if the Location and Amenities constructs did not have an option for 'Not Applicable' in addition to the normal 7-point Likert scale choices. The number of respondents who chose 'Not Applicable' to item 6a was 135 (out of a total of 448 respondents), which is just over 30.1% of respondents. Item 6a asked travelers how important to them meeting rooms were. By having 'Not Applicable' as an option, respondents were able to avoid answering this question. The answer of 'Not Applicable' does not make logical sense unless it was interpreted that since they did not use a meeting room, it was not applicable. Without the 'Not Applicable' option, the respondent would have had to decide how important a meeting room would have been to their trip. The next survey instrument used by this author will not utilize a designation of 'Not Applicable' unless it is absolutely unavoidable because it apparently contributed to invalidating the whole amenities construct. Interestingly, it did not adversely affect the Location construct to the same degree. The manner in which SmartPLS treated these null, missing values was to use mean replacement, in which each null value was replaced with the mean for that variable, which did not alter the mean of existing variables; however, this could have changed the variance of those variables as well as the estimated path coefficients (Hair, Hult, Ringle, and Sarstedt, 2016). Presumably, this mean replacement inflated the overall scores because as mentioned

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above, if respondents did not use the 'Not Applicable' option, they likely would have chosen an option at the lower importance side of the scale, which is also at the lower end of the number line (e.g., 1, 2, or 3).

Further, the Amenities variable question/item 6d asked hotel respondents how important 'room service' was to them whereas the LSE respondents were asked how important having a 'kitchen' was to them. Because these two questions did not ask the same amenity, the question could neither be considered in the final analysis not could it contribute to the overall R^2 value for the variable of Amenities. Instead, because this question was thrown out, it left the construct with only three possible items and only one of the three questions/items had a factor loading with a value greater than 0.7. This was not enough to boost the overall loading for the Amenities construct to exceed the specified 0.7 criterion. Therefore, the variable of Amenities was excluded from further analyses.

After analyzing the data, an additional limitation was that the Likert Scale itself may have led respondents to submit similar responses. Perhaps a conjoint analysis approach might have generated more specific responses among the various sub-groups of respondents. For example, a response that required a choice between safety or price might have generated more group specific answers instead of the Likert scale questions that asked about the importance of each of these constructs.

5.8 FUTURE RESEARCH OPPORTUNITIES

Further studies can help to offer more of an explanation of why people participant in the LSE (as well as the shared economy in general) such as Ozanne and Ballantine (2010), who explored in their study which segmented participants into four segments

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with differing motivations including "Socialites, Market Avoiders, Quiet Anti-Consumers and Passive Members" (p. 485). Perhaps in the future when LSE business travel becomes more popular, this type of detailed segmentation may become more practical. Also, future studies on generational differences can be conducted whereby respondents are from a more diverse background than the MTurk community. This could possibly uncover differences among generations.

As mentioned in the Limitations section, a conjoint analysis would likely generate results that more specifically target travelers' preferences in detail. For example, instead of merely answering similar questions about how much someone agrees/disagrees with a statement about an element related to an accommodation stay, the respondent would need to rate which attributes and features are more important than others. Because of the more specific focus of these questions, conjoint analysis could identify more differences between various groupings of respondents. Clearly, there is a substantial difference between asking someone about the importance of location or safety versus asking them to choose which is more important to them—location or safety. This introduces a deeper level of probing into travelers' preferences and would likely uncover traveler groupings or segmentations.

The whole construct of Amenities was not evaluated in this study due to poor factor loading values. Because literature mentions the importance of amenities to an accommodation decision, this is an area that should be further investigated. By using conjoint analysis, respondents could rank their preferences for amenities regardless of whether they were traditionally hotel amenities or LSE amenities.

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As business travelers become more familiar with using LSE properties for business travel, there will likely become at least two distinct types of LSE business travelers: one group that uses LSE as a budget option and another which only utilizes the whole house/condo/apartment option. Once there is more information available, it would be very interesting to compare these two LSE business traveler sub-groups.

5.9 CONCLUSION

This study aimed to explore perceptions of business travelers—especially lesser researched LSE business travelers—toward their accommodations during a business trip. Staying at an LSE property during business travel is a relatively new phenomenon, as mentioned in a previous chapter, and as such, does not represent as large of a population as exists with traditional hotel business travelers.

Seven independent variables were included in a model to determine how much effect they each had on the traveler's satisfaction. They were Price, Financial Security, Personal Safety, Location, Empathy, Amenities, and Cleanliness. Further, the traveler's satisfaction was measured to see how much of an effect it had on travelers telling others about their stay (WOM) and their desire to return to the same accommodation location.

Five out of seven independent variables were found to have a statistically significant effect on satisfaction: financial security; personal safety; location; and empathy; and cleanliness. Only price was found to not be statistically significant. This implies that there is no significant difference in the level of importance travelers assign to price. Because most business travelers do not typically pay for their own room they likely do not really pay that much attention to the price of the room (presumably as long as it is below some per diem accommodation amount). Also, Amenities were dropped from the

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analysis because of poor factor loading scores. Those five independent variables which affected satisfaction in a statistically significant manner and were therefore supported by this study include: Financial Security; Personal Safety; Location; Empathy; and Cleanliness. The two variables that were found not to significantly affect satisfaction and were therefore not supported include: Price and Amenities.

Satisfaction was found to have a statistically significant effect on word-of-mouth (WOM) such that the more satisfied a customer was with her stay, the more likely he is to tell others about it. Similarly, Satisfaction had a statistically significant effect on Return Intentions (RI), meaning that the more satisfied a traveler, the more likely he is to return to the same place.

Three moderators were tested to determine if they had a statistically significant effect on the existing paths between the seven independent variables and Satisfaction. Each of gender, generation, and accommodation type was tested in SmartPLS using Multi-Group Analysis (MGA), which determined if there was a statistically significant difference in how each group responded. For example, MGA was used to identify differences between male and females. Additionally, MGA was used to identify generational differences and accommodation type (hotel vs. LSE) differences in Research Questions 17 and 18, respectively.

Gender appeared to only have a moderating effect on the effect of empathy on satisfaction. Apparently, except for empathy, men and women business travelers have similar views on the other five variables. Age also appears to not be a moderating factor between Baby Boomers, Generation X, and Generation Y age groups. The only exception was the view of Baby Boomers versus Generation X groups about cleanliness.

Accommodation Type also had few differences between hotel and LSE responses. There was a moderating effect on how cleanliness and empathy separately affect satisfaction.

Although LSE's like Airbnb have disrupted the hotel model to some degree, Varma, Stock and McCarthy (2012) sum up very well in saying that, "What is clear is that innovative ideas like Airbnb have the potential to change the very way any industry operates, and the success of Airbnb confirms that once the change is initiated, it is highly unlikely that the industry would revert to the old model" (p. 235).

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APPENDIX A: TRIAL STUDY SURVEY INSTRUMENT

SHARED ECONOMY HOTEL PURCHASE DECISIONS
IN TOURISM AND HOSPITALITY

Explanation of Research:

You have been asked to take part in this research study because you have traveled for business purposes in the past two years Your participation is completely your own choice.

What you should know about a research study:
- This survey is intended to explore consumer's attitudes towards factors associated with overnight stays.
- This study will be used to provide practical information to identify what attributes attract business travelers to hotels and non-traditional accommodations.
- This survey should take less than 10 minutes to complete.
- This study is anonymous. That means that no one, not even members of the research team, will know that the information you provided came from you.
- Participation in this survey is voluntary and you may stop at any time.
- You must be 18 years of age or older to be included in the research study.

Thank You so much for your contribution to this research!!

Study contact for questions about the study or to report a problem:

Jeff Kreeger, Doctoral Student
University of South Carolina
School of Hotel, Restaurant & Tourism Management
701 Assembly Street, Room 1016-F
Columbia, SC 29201 USA
(803) 777-6806 jkreeger@email.sc.edu

-- or --

Scott J. Smith, Ph.D.
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Office of Research Compliance (ORC)
1600 Hampton Street, Suite 414
Columbia, SC 29208
Office: 803-777-7095 Fax: 803-576-5589

This study seeks to understand what is important for each segment of travelers. These next questions help determine which segment you consider yourself to be a part.

During the past two (2) years, how many nights did you stay in the following types of accommodation?

Hotel Room
- o   0 nights
- o   1-2 nights
- o   3-4 nights
- o   5-6 nights
- o   7-8 nights
- o   > 8 nights

Hotel Suite
- o   0 nights
- o   1-2 nights
- o   3-4 nights
- o   5-6 nights
- o   7-8 nights
- o   > 8 nights

S/E Whole house/condo (occupying a **whole** house or condominium e.g., from Airbnb or VRBO)
- o   0 nights
- o   1-2 nights
- o   3-4 nights
- o   5-6 nights
- o   7-8 nights
- o   > 8 nights

S/E Private Room (staying in a stranger's house where you had your own **private** room e.g., from Airbnb or VRBO)
- o   0 nights
- o   1-2 nights
- o   3-4 nights
- o   5-6 nights
- o   7-8 nights
- o   > 8 nights

During the past two (2) years, how many trips have you taken for the following reasons?

Business
- o   0 trips
- o   1-2 trips
- o   3-4 trips
- o   5-6 trips
- o   > 6 trips

Leisure

- o   0 trips
- o   1-2 trips
- o   3-4 trips
- o   5-6 trips
- o   > 6 trips

Business and Leisure (business trips combined with Leisure trips or vice versa)
- o   0 trips
- o   1-2 trips
- o   3-4 trips
- o   5-6 trips
- o   > 6 trips

There are about 45 more questions (excluding demographic questions) which are separated into 7 sections.

Please refer to the progress bar to view your completion percentage after each section.

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1. **Please think back to booking a night away from home [for business] in the past two years as you answer these questions about pricing and value.**

Please tell us how much you agree or disagree with each statement. (1=Strongly Disagree, 2=Disagree, 3=Disagree Somewhat, 4=Neutral, 5=Agree Somewhat 6=Agree, 7=Strongly Agree).

		Strongly Disagree						Strongly Agree
a.	At the time of purchase, I had a good picture of what the competition was charging.	1	2	3	4	5	6	7
b.	I did not shop the competition before making the purchase (Reverse coded)	1	2	3	4	5	6	7
c.	My assessment of value was influenced by price information that I gathered when I shopped the competition	1	2	3	4	5	6	7
d.	At the time of purchase, I could have quoted the prices of one or two competitors with reasonable accuracy	1	2	3	4	5	6	7
e.	My judgement of whether the price was a 'good deal' or a 'rip-off' was largely influenced by what the competition was charging.	1	2	3	4	5	6	7
f.	I compared the price paid with past prices paid	1	2	3	4	5	6	7
g.	My assessment of value was influenced by past prices stored in my memory.	1	2	3	4	5	6	7
h.	At the time of purchase, I could have quoted the past price paid with reasonable accuracy.	1	2	3	4	5	6	7
i.	My judgment of whether the price was a "good deal" or a "rip-off" was largely influenced by past price information stored in my memory.	1	2	3	4	5	6	7

2. **Please think back to your accommodation experiences in the past two years [during a business trip] as you answer these questions about the empathy of your accommodations.**

Please tell us how much you agree or disagree with each statement. (1=Strongly Disagree, 2=Disagree, 3=Disagree Somewhat, 4=Neutral, 5=Agree Somewhat 6=Agree, 7=Strongly Agree).

		Strongly Disagree						Strongly Agree
a.	Employees/hosts were always willing to help	1	2	3	4	5	6	7
b.	Employees/hosts were friendly and welcoming	1	2	3	4	5	6	7
c.	Employees/hosts were not approachable (Reverse coded)	1	2	3	4	5	6	7
d.	Employees/hosts were always ready to help	1	2	3	4	5	6	7
e.	Employees/hosts were responsive to my complaints	1	2	3	4	5	6	7
f.	Employees/hosts were responsive to my specific requirements	1	2	3	4	5	6	7
g.	You received individual attention from employees/hosts.	1	2	3	4	5	6	7
h.	I felt that my needs and wants were understood.	1	2	3	4	5	6	7
i.	Employees/hosts were polite.	1	2	3	4	5	6	7

3. **Please think back to paying for your accommodations in the past two years as you answer these questions about how financially secure you felt about how your personal data were handled.**

Please tell us how much you agree or disagree with each statement. (1=Strongly Disagree, 2=Disagree, 3=Disagree Somewhat, 4=Neutral, 5=Agree Somewhat 6=Agree, 7=Strongly Agree).

		Strongly Disagree	Strongly Agree
a.	I trust the accommodation company will not misuse my personal information.	1 2 3 4 5 6 7	
b.	The accommodation company has adequate security features.	1 2 3 4 5 6 7	
c.	I trust the accommodation company will not give my information to other sites without my permission.	1 2 3 4 5 6 7	
d.	I feel like my privacy is protected by the accommodation company.	1 2 3 4 5 6 7	
e.	I feel safe in my transactions with the accommodation company.	1 2 3 4 5 6 7	

4. **Please think back to your accommodations in the past two years [during your business trip] as you answer these questions about how physically/personally safe you felt during your stay.**

Please tell us how much you agree or disagree with each statement. (1=Strongly Disagree, 2=Disagree, 3=Disagree Somewhat, 4=Neutral, 5=Agree Somewhat 6=Agree, 7=Strongly Agree).

		Strongly Disagree	Strongly Agree
a.	I felt save during my stay.	1 2 3 4 5 6 7	
b.	Personally I, as well as my property, was treated with respect.	1 2 3 4 5 6 7	
c.	I felt that my luggage was safe during my stay.	1 2 3 4 5 6 7	
d.	Car parking facilities were safe.	1 2 3 4 5 6 7	

5. **Please think back to your accommodation experiences in the past two years [during your business trip] as you answer these questions about the reliability of your stay.**

Please tell us how much you agree or disagree with each statement. (1=Strongly Disagree, 2=Disagree, 3=Disagree Somewhat, 4=Neutral, 5=Agree Somewhat 6=Agree, 7=Strongly Agree).

		Strongly Disagree	Strongly Agree
a.	Employees/hosts provided prompt service.	1 2 3 4 5 6 7	
b.	Employees/hosts provided the services at promised times.	1 2 3 4 5 6 7	
c.	Employees/hosts performed services right the first time.	1 2 3 4 5 6 7	
d.	Employees/hosts did not provide the services they promised. (Reverse coded)	1 2 3 4 5 6 7	
e.	Employees/hosts were always available when needed.	1 2 3 4 5 6 7	
f.	There was consistency in services received. (my experience)	1 2 3 4 5 6 7	
g.	Employees/hosts were always willing to serve.	1 2 3 4 5 6 7	

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6. **Please think back to the amenities available at your accommodation experiences in the past two years [during your business trip] as you answer these questions.**

Please tell us to what degree of importance the following items had on your stay. (1=Very Low, 2=Low, 3=Somewhat Low, 4=Neutral, 5=Somewhat high, 6=High, 7=Very High).

		Very Low	Very High
a.	Availability of business facilities on the premises	1 2 3 4 5 6 7	
b.	Availability of dining room-facilities	1 2 3 4 5 6 7	
c.	Availability of self-catering facilities	1 2 3 4 5 6 7	
d.	Availability of business center facilities in the room	1 2 3 4 5 6 7	
e.	Place to meet for discussion with colleagues	1 2 3 4 5 6 7	
f.	Up-to-date and modern amenities	1 2 3 4 5 6 7	

7. **Please think back to the ambiance you experienced during your accommodation experiences in the past two years [during your business trip] as you answer these questions.**

Please tell us how important each of the following items were to you during your stay. (1=Totally Unimportant, 2=Unimportant, 3=Somewhat Unimportant, 4=Neutral, 5=Somewhat Important, 6=Important, 7=Totally Important).

		Totally Unimportant	Totally Important
a.	Home-away-from-home atmosphere	1 2 3 4 5 6 7	
b.	Attractive décor, furnishings of room/lobby	1 2 3 4 5 6 7	
c.	Availability of secure parking	1 2 3 4 5 6 7	
d.	Convenient location of property	1 2 3 4 5 6 7	
e.	Convenient location of room on the property	1 2 3 4 5 6 7	

(if they've never stayed in an LSE [the sum of the last three questions is 0] then they will see these questions):

Please tell us how much you agree or disagree with each statement. (1=Strongly Disagree, 2=Disagree, 3=Disagree Somewhat, 4=Neutral, 5=Agree Somewhat 6=Agree, 7=Strongly Agree).

		Strongly Disagree	Strongly Agree
a.	I will probably stay in an LSE property in the next two years for **leisure** purposes.	1 2 3 4 5 6 7	
b.	I will probably stay in an LSE property in the next two years for **business** purposes.	1 2 3 4 5 6 7	
c.	I will probably stay in an LSE property in the next two years for **business combined with leisure** purposes.	1 2 3 4 5 6 7	

DEMOGRAPHICS

1. Please indicate your current residency zip code: _____(number)
2. What is your gender?
    o   Male
    o   Female

3. Year you were born: _____(number)
4. What is your marital Status?
    o   Single (never married)
    o   Married
    o   Widowed/Divorced/Separated

5. What is your race/ethnicity?
    o   Caucasian
    o   African-American
    o   Hispanic
    o   Asian
    o   Native American
    o   Other

6. What is the highest level of education you have completed? Please mark only one.
    o   High school degree or lower
    o   Some college or Associate degree
    o   Bachelor's degree
    o   Master's/Doctorate degree

7. Total annual household income:
    o   Less than $20,000
    o $20,000-$40,000
    o $40,001-$60,000
    o $60,001-80,000
    o $80,001-$100,000
    o $100,001-$150,000
    o $150,001 - $200,000
    o $200,001 - $300,000
    o $300,001 or above

8. What is your current employment status?
    o   Employed full-time
    o   Employed part-time
    o   Domestic Engineer – "Homemaker"
    o   Retired
    o   Student
    o   Unemployed

Thank you for completing the survey!

APPENDIX B: HOTEL FINAL STUDY SURVEY INSTRUMENT

UNIVERSITY OF
SOUTHCAROLINA

This study focuses on **business travelers'** perceptions of **hotels.**

This survey should take <u>less than 10 minutes</u> to complete.
There are 10 sets of questions and a demographics section.

All results are <u>confidential.</u>

Thank you so much for your contribution to this research!

Contact::

Jeff Kreeger, Doctoral Student | University of South Carolina | School of Hotel, Restaurant & Tourism Management

701 Assembly Street, Room 1016-F | Columbia, SC 29201 | jkreeger@email.sc.edu

-- or --

Scott J. Smith, Ph.D. | University of South Carolina | School of Hotel, Restaurant & Tourism Management

701 Assembly Street, Room 1024-D | Columbia, SC 29201 ssmith1@hrsm.sc.edu

IRB contact about your rights in the study or to report a complaint:

Office of Research Compliance (ORC) | 803-777-7095

In the past year, how many nights did you stay away from home while traveling for leisure?

- ○ 0 nights
- ○ 1-2 nights
- ○ 3-4 nights
- ○ 5-6 nights
- ○ > 6 nights

In the past year, how many nights did you spend away from home while traveling for business?

- ○ 0 nights
- ○ 1-2 nights
- ○ 3-4 nights
- ○ 5-6 nights
- ○ > 6 nights

>>

In the past year, while traveling for business, how many nights did you stay in a hotel?

- 🔴 0 nights
- ○ 1-2 nights
- ○ 3-4 nights
- ○ 5-6 nights
- ○ 7-8 nights
- ○ > 8 nights

In the past year, while traveling for business, how many nights did you stay at an **Airbnb** or **VRBO** (Vacation Rental by Owner) type of lodging?

- ○ 0 nights
- ○ 1-2 nights
- ○ 3-4 nights
- ○ 5-6 nights
- ○ 7-8 nights
- ○ > 8 nights

>>

Do you belong to a hotel loyalty program?

- 🔴 Yes
- ○ No

>>

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Have you used a hotel loyalty program in the past year?

○ Yes

○ No

My last business trip was '*paid-for*' by:

○ A company (e.g., my company)

○ My personal business (e.g., sole proprietor)

○ Me personally (from my personal funds)

○ Other [   ]

My last business trip was *arranged* ('reserved') by:

○ A travel agent

○ Office staff

○ Me (myself)

○ Other [   ]

During my last business trip, I stayed at the following class of hotel:

○ ECONOMY (e.g., Motel 6, Days Inn, Travelodge, etc.)

○ MIDSCALE (e.g., Ramada, Quality Inn, La Quinta, etc.)

○ UPPER MIDSCALE (e.g., Holiday Inn, Hampton Inn, Comfort Suites, etc.)

○ UPSCALE (e.g., Radisson, Residence Inn, Hilton Garden Inn, etc.)

○ UPPER UPSCALE (e.g., Hilton, Marriott, Sheraton, Westin, etc.)

○ LUXURY (e.g., Ritz-Carlton, Four Seasons, Loews, etc.)

Please answer all remaining questions based on your **most recent hotel stay** while on a **business trip**.

>>

1. Please think back to _reserving_ your hotel room.

Please tell us how much you agree or disagree with each of the following statements:

I had a good picture of what the competition was charging.	▼
I did not shop the competition before making my hotel purchase.	▼
My assessment of value was influenced by price information that I gathered when I shopped the competition.	▼
My judgement of whether the price was a 'good deal' or a 'rip-off' was largely influenced by what the competition was charging.	▼

>>

2. Please think back to the _attention_ hotel employees gave you during your stay.

Please tell us how much you agree or disagree with each of the following statements:

Employees were always willing to help.	▼
Employees were friendly and welcoming.	▼
I did not receive individual attention from employees.	▼
I felt that my needs and wants were understood.	▼

>>

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3. Please think back to <u>paying for</u> your hotel visit.

Please tell us how much you agree or disagree with each of the following statements:

The hotel has adequate data security features in place.	▼
I believe the hotel did NOT share my information with other sites.	▼
I felt like my privacy was protected by the hotel.	▼
I felt safe making financial transactions with the hotel.	▼

`>>`

4. Please think back to how <u>safe</u> you felt during your stay.

Please tell us how much you agree or disagree with each of the following statements:

I felt safe during my stay.	▼
Personally I was treated with respect.	▼
I felt that my luggage was safe.	▼
Parking facilities were safe.	▼
I have never stayed at a hotel.	▼

`>>`

5. Please think back to the <u>location</u> of the hotel.

Please tell us how much you agree or disagree with each of the following statements.

The hotel was located in a convenient location.	▼
The hotel was close to the location of my business travel purpose (e.g., near the convention, near a company branch location, etc.).	▼
The hotel was located in close proximity to entertainment.	▼
The hotel was NOT located in a convenient location.	▼

`>>`

6. Please think back to how important the following <u>amenities</u> were to you.

    Please tell us how important each item was to you during your stay.

Meeting Rooms	▼
High-Speed WIFI connection	▼
Restaurants nearby	▼
Room service	▼

>>

6. Please think back to how important the following <u>amenities</u> were to you.

    Please tell us how important each item was to you during your stay.

Meeting Rooms	▼
High-Speed WIFI connection	▼
Restaurants nearby	▼
Room service	▼

>>

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7. Please think back to how important the hotel's <u>cleanliness</u> was to you.

Please tell us how important the following items were during your stay:

Cleanliness of ROOM	▼
Cleanliness of BATHROOM	▼
Cleanliness of TOWELS and LINENS	▼
Cleanliness of LOBBY and PUBLIC AREAS	▼

Almost done. Question 7 out of 10.

`>>`

8. Please think back to how <u>satisfied</u> you were with the hotel.

Please tell us how much you agree or disagree with each of the following statements:

I was pleased with my stay.	▼
I was satisfied with my hotel accommodations.	▼
My hotel experience was above-and-beyond what I expected.	▼
My hotel provided a good experience.	▼

`>>`

9. Please think back to how much you wanted to <u>tell others</u> about your stay.

Please tell us how likely you are to do any of the following tasks.

How likely were you to tell others about this hotel?	▼
How likely were you to recommend this hotel to your friends and family?	▼
If you were to write an online review, how likely would you be to recommend this hotel to others?	▼

>>

10. Please think back to how much you wanted to <u>return to this hotel</u> for another stay.

Please tell us how much you agree or disagree with each of the following statements:

This hotel will be my first choice for my next business trip.	▼
I intend to stay at this type of hotel on a future business trip.	▼
I am likely to stay at a similar type of hotel during my next business trip.	▼

>>

Demographics

Please indicate your current residency zip code (number):

[   ]

What is your gender?

○ Male

○ Female

In what year were you born?

[   ]

What is the highest level of education you have completed?

○ High school diploma (or GED)
○ Some college or Associate degree
○ Four Year College Degree (BS, BA etc.)
○ Master's Degree (MS, MA, MFA etc.)
○ Professional Degree (PhD, MD, LLM etc.)

What is your total annual household income?

○ Less than $50,000
○ $50,001-$100,000
○ $100,001-$200,000
○ $200,001-$300,000
○ $300,001-$400,000
○ $400,001-$500,000
○ Over $500,000

What is your current employment status?

○ Employed full-time
○ Employed part-time
○ Self-employed
○ Stay-at-home mom/dad
○ Retired
○ Unemployed
○ Other

What best describes your employment position?

- ○ Senior Executive
- ○ Mid-level manager
- ○ Entry-level manager
- ○ Supervisor
- ○ Self employed
- ○ Other [   ]

MTurk Worker ID

[   ]

>>

We thank you for your time spent taking this survey.
Your response has been recorded.

Your MTurk completion code is:
33482013

0%   Survey Completion   100%

250

APPENDIX C: LSE FINAL STUDY SURVEY INSTRUMENT

UNIVERSITY OF SOUTH CAROLINA

*This study focuses on **business travelers'** perceptions of **alternative accommodations**.*

*'**Alternative accommodation**' refers to lodging options such as*
***Airbnb** or Vacation Rental by Owner (**VRBO**).*

This survey should take <u>less than 10 minutes</u> to complete.
There are 10 sets of questions and a demographics section.

All results are <u>confidential</u>.

Thank you so much for your contribution to this research!

Contact:

Jeff Kreeger, Doctoral Student | University of South Carolina | School of Hotel, Restaurant & Tourism Management

701 Assembly Street, Room 1016-F | Columbia, SC 29201 | jkreeger@email.sc.edu

-- or --

Scott J. Smith, Ph.D. | University of South Carolina | School of Hotel, Restaurant & Tourism Management

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IRB contact about your rights in the study or to report a complaint:

Office of Research Compliance (ORC) | 803-777-7095

In the past year, how many nights did you stay away from home while traveling for leisure?

- ○ 0 nights
- ○ 1-2 nights
- ○ 3-4 nights
- ○ 5-6 nights
- ○ > 6 nights

In the past year, how many nights did you spend away from home while traveling for business?

- ○ 0 nights
- ○ 1-2 nights
- ○ 3-4 nights
- ○ 5-6 nights
- ○ > 6 nights

>>

In the past year, while traveling for business, how many nights did you stay in a hotel?

○ 0 nights
○ 1-2 nights
○ 3-4 nights
○ 5-6 nights
○ 7-8 nights
○ > 8 nights

In the past year, while traveling for business, how many nights did you stay at an **Airbnb** or **VRBO** (Vacation Rental by Owner) type of lodging?

○ 0 nights
○ 1-2 nights
○ 3-4 nights
○ 5-6 nights
○ 7-8 nights
○ > 8 nights

>>

Do you belong to a hotel loyalty program?

○ Yes
○ No

>>

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Have you used a hotel loyalty program in the past year?

○ Yes

○ No

My last business trip was *'paid-for'* by:

○ A company (e.g., my company)

○ My personal business (e.g., sole proprietor)

○ Me personally (from my personal funds)

○ Other [   ]

My last business trip was *arranged* ('reserved') by:

○ A travel agent

○ Office staff

○ Me (myself)

○ Other [   ]

During my last **business trip** at an *alternative accommodation* (e.g., Airbnb, VRBO, etc.), I stayed at the following:

○ Whole house or apartment or condominium

○ Private room (where you shared a host's home, but had your own private room)

○ Shared room (where you shared a host's home and slept in a shared location like a living room)

>>

Please answer all remaining questions based on your **most recent stay** at an **alternative accommodation** (e.g., Airbnb, VRBO, etc.) while on a **business trip**.

1. Please think back to <u>reserving</u> your alternative accommodation.

Please tell us how much you agree or disagree with each of the following statements:

I had a good picture of what the competition was charging.	▼
I did not shop the competition before making my lodging purchase.	▼
My assessment of value was influenced by price information that I gathered when I shopped the competition.	▼
My judgement of whether the price was a 'good deal' or a 'rip-off' was largely influenced by what the competition was charging.	▼

>>

2. Please think back to the <u>attention</u> the host(s) gave during your stay.

Please tell us how much you agree or disagree with each of the following statements:

My host was always willing to help.	▼
My host was friendly and welcoming.	▼
I did not receive individual attention from my host.	▼
I felt that my needs and wants were understood.	▼

>>

3. Please think back to _paying for_ your lodging.

Please tell us how much you agree or disagree with each of the following statements:

The alternative accommodation company has adequate data security features in place.	▼
I believe the alternative accommodation company did NOT share my information with other sites.	▼
I felt like my privacy was protected by the alternative accommodation company.	▼
I felt safe making financial transactions with the alternative accommodation company.	▼

>>

4. Please think back to how _safe_ you felt during your stay.

Please tell us how much you agree or disagree with each of the following statements:

I felt safe during my stay.	▼
Personally I was treated with respect.	▼
I felt that my luggage was safe.	▼
Parking facilities were safe.	▼
I have never stayed at an alternative accommodation.	▼

>>

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5. Please think back to the <u>location</u> of the alternative accommodation.

Please tell us how much you agree or disagree with each of the following statements.

The alternative accommodation was located in a convenient location.	▼
The alternative accommodation was close to the location of my business travel purpose (e.g., near the convention, near a company branch location, etc.).	▼
The alternative accommodation was located in close proximity to entertainment.	▼
The alternative accommodation was NOT located in a convenient location.	▼

>>

6. Please think back to how important the following <u>amenities</u> were to you.

Please tell us how important each item was to you during your stay.

Meeting rooms	▼
Hi-Speed WIFI connection	▼
Restaurants nearby	▼
Kitchen	▼

>>

7. Please think back to how important <u>cleanliness</u> was to you.

Please tell us how important the following items were during your stay:

Cleanliness of ROOM	▼
Cleanliness of BATHROOM	▼
Cleanliness of TOWELS and LINEN	▼
Cleanliness of the HOME	▼

Almost done. Question 7 out of 10.

>>

8. Please think back to how <u>satisfied</u> you were with your stay.

Please tell us how much you agree or disagree with each of the following statements:

I was pleased with my stay.	▼
I was satisfied with my alternative accommodation.	▼
My experience was above-and-beyond what I expected.	▼
My alternative accommodation provided a good experience.	▼

>>

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9. Please think back to how much you wanted to <u>tell others</u> about your stay.

Please tell us how likely you are to do any of the following tasks.

How likely were you to tell others about this alternative accommodation?	▼
How likely were you to recommend this alternative accommodation to your friends and family?	▼
If you were to write an online review, how likely would you be to recommend this alternative accommodation to others?	▼

>>

10. Please think back to your intentions to <u>return to</u> this type of alternative accommodation for another stay.

Please tell us how much you agree or disagree with each of the following statements:

This type of alternative accommodation will be my first choice for future business travel.	▼
I am likely to stay in a similar type of alternative accommodation during my next business trip.	▼
I intend to stay at this type of alternative accommodation on a future business trip.	▼

>>

Demographics

Please indicate your current residency zip code (number):

[   ]

What is your gender?

○ Male

○ Female

In what year were you born?

[   ]

What is your marital status?

○ Married with No Children

○ Married with Children

○ Single (never married)

○ Divorced or Separated or Widowed

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What is the highest level of education you have completed?

○ High school diploma (or GED)
○ Some college or Associate degree
○ Four Year College Degree (BS, BA etc.)
○ Master's Degree (MS, MA, MFA etc.)
○ Professional Degree (PhD, MD, LLM etc.)

What is your total annual household income?

○ Less than $50,000
○ $50,001-$100,000
○ $100,001-$200,000
○ $200,001-$300,000
○ $300,001-$400,000
○ $400,001-$500,000
○ Over $500,000

What is your current employment status?

○ Employed full-time
○ Employed part-time
○ Self-employed
○ Stay-at-home mom/dad
○ Retired
○ Unemployed
○ Other [_____]

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What best describes your employment position?

- ○ Senior Executive
- ○ Mid-level manager
- ○ Entry-level manager
- ○ Supervisor
- ○ Self employed
- ○ Other [   ]

MTurk Worker ID

[   ]

>>

We thank you for your time spent taking this survey.
Your response has been recorded.

Your MTurk completion code is:
87096086

0%   Survey Completion   100%

APPENDIX D – IRB FORM

Study Title: SHARED ECONOMY HOTEL PURCHASE DECISIONS IN TOURISM
AND HOSPITALITY

Principal Investigator Name: Scott J. Smith, Ph.D. for Jeffery C. Kreeger, Doctoral
Candidate

Faculty Mentor Name (if applicable): Scott J. Smith, Ph.D.

Abstract: The Lodging Shared Economy (LSE) has introduced a new business model for
accommodations. The LSE enables homeowners and tenants, where legal, to rent out an
extra room or full house/apartment either while they share the residence or while the host
is off the premises. This new accommodation arrangement has become very popular with
leisure travelers and some business travelers, but there is little know about the actual
impact of business travelers staying in LSE properties. This dissertation focuses on
business travelers' motivations and preferences for travel while away from home on
business.

A. SPECIFIC AIMS

The purpose of this study is to evaluate the impact of the LSE on traditional hotel
revenues and room rates and evaluate how much of a competitive force the LSE
presents. Specifically, this study will explore how willing business travelers are to book
an LSE property and to identify those attributes that attract business travelers to either a
hotel or LSE property. The overarching research questions are as follows (please see
Appendix A for a full list of hypotheses):

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Research Question 1: How important is an LSE's price/value for business travelers? Additionally, do business travelers expect to get a better price/value package from an LSE property than a hotel?

Research Question 2: How financially secure do business travelers feel when paying for an LSE stay? Also, do business travelers think that paying for a hotel (through the hotel's website) is more financially safe/secure than paying for an LSE stay by using the LSE's website?

Research Question 3: How safe do business travelers feel when staying at an LSE property? Also, do business travelers feel safer at a hotel than at an LSE property?

Research Question 4: How important is a property's location to business travelers? Specifically do guests expect to find better business locations at a hotel than at an LSE property?

Research Question 5: How important is empathy to business travelers? Do guests expect LSE hosts to have more compassion (empathy) than hotels?

Research Question 6: How important are amenities to business travelers Do guests perceive hotels have more (and better) amenities than LSE properties?

Research Question 7: How important is cleanliness to business travelers Do guests perceive hotels have higher cleanliness standards than LSE properties?

B. BACKGROUND AND SIGNIFICANCE

Currently there is a gap in the literature regarding the shared economy's impact on hotels, specifically related to business travelers. Many hoteliers understand the threat of LSE hosts to their leisure business, but there is little published about the proposed impact of the LSE's. This information is relevant to hoteliers so they can alter their marketing strategies if necessary to keep their business customers from deserting to LSE properties.

C. PRELIMINARY STUDIES

This IRB covers both the trial study and my dissertation "real" study.

D. RESEARCH DESIGN AND METHODS AND DATA ANALYSIS

The research design for this pilot study will utilize a questionnaire presented online. Participants will either receive an email request to participate (convenience

sample) or a personal invitation from the investigators. The data collection therefore will

occur online and data collection will be handled through the Qualtrics application. Data

will be analyzed using Qualtrics (for demographic analyses) and the responses will be

analyzed using SEM technology using SPSS Amos.

- This Survey utilizes scales for different types of travelers including: Price/Value, Financial Security, Personal Safety, Reliability, Empathy, Amenities, and Ambiance.
- **Survey Instrument:** See Appendix B.
- Exploratory Factor Analysis (EFA) will be used to analyze the non-demographic responses
- Timeline: See Appendix C

E. PROTECTION OF HUMAN SUBJECTS
1. TARGET POPULATION:
This survey will use Mturk and pay respondents $1.00 to participate.

2. RECRUITMENT PLANS:
This study will collect data using a consultant who will qualify MTurk

respondents into two sets of business travelers: 400 respondents who have stayed at a

hotel in the past 6 months and 400 respondents who have stayed at an LSE property in

the past 6 months.

3. EXISTING DATA/SAMPLES:
N/A

4. CONSENT/ASSENT:
The survey's introductory paragraph establishes participants' consent/assent
(refer to Appendix B).

5. POTENTIAL RISKS:
Taking this survey poses minimal risk to the participant. They are merely asking

questions related to staying in an accommodation such as a hotel or Airbnb type property.

6. POTENTIAL BENEFITS:
Respondents will receive $1.00 as compensation.

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7. CONFIDENTIALITY

- Confidentiality is promised in the introductory statement (refer to Appendix B). Qualtrics is an established survey collection application with established confidentiality controls. These data (including downloads from Qualtrics) will be treated as top secret data such that each respondent's data is secure and confidential. This study will only pair participant identification numbers with the survey data to preserve respondent confidentiality.

8. COMPENSATION:

- $1.00 will be awarded to each respondent in this study.

9. WITHDRAWAL:

- The introductory statement in the survey (refer to Appendix B) instructs the respondent that if they choose to exit the survey, there will be no negative repercussions (although they may forfeit the stipend for taking the study--$1.00).