

Don't shop for travel at work, study says

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It is probably not a good idea to shop for leisure travel from the office during business hours, according to a new study from Rice University and Iowa State University.

Using data from a major online [hotel](#) reservation site, the study examined the quality of the hotel that consumers chose for their vacations and subsequently how satisfied they were with their stay. They found that consumers who traveled farther and made reservations during business hours were more likely to select higher quality hotels but were less satisfied after their stay. More than 35 percent of those studied made purchases during business hours.

"We were interested in understanding when people make more expensive purchases and their satisfaction afterward," said Ajay Kalra, the Herbert S. Autrey Professor of Marketing at Rice's Jones Graduate School of Business. He co-authored the paper with Wei Zhang, an assistant professor of marketing at Iowa State's College of Business. The paper will be published in the *Journal of Marketing Research*.

The study is timely as Americans begin planning for summer vacation travel and important because of the magnitude of the United States' leisure travel industry, the paper's authors said. According to the U.S. Travel Association, the industry in 2012 generated direct spending of \$597 billion and an estimated economic output of \$2 trillion.

In their study, the researchers identified three circumstantial variables at the time of purchase that were likely to impact both the hotel choice as well as postpurchase satisfaction: the time between purchase and the hotel stay; the distance between the city from where the reservation was made and the city where the hotel is located; and time of purchase (business or nonbusiness hours). They then incorporated these three circumstantial variables into an econometric model.

The study consisted of a random sample of 4,582 consumers who made hotel reservations between January 2008 and October 2009. All the consumers who were studied paid for their hotel stay at the time of reservation.

The researchers found that consumers who traveled farther and made reservations during business hours were more likely to select higher quality hotels but were less satisfied than those people who stayed at the same hotel, but traveled less, and people who booked during nonbusiness hours.

"We speculate that occurs because people are either more fatigued at

work and tend to buy more expensive items or that vacations seem more appealing while people are at work," Kalra said. "This kind of preliminary data indicates that people should not be making purchases when they are working."

The authors also found that consumers who book and pay earlier are more likely to select higher quality hotels and are more satisfied than those who wait till the last minute.

"So the reasoning, not originally ours, is that if you pay earlier, the 'pain-of-paying'—which is the pain you feel when paying for something—diminishes with time, leaving people happier during their vacation," Kalra said. "This tells us that people will enjoy the vacation more if they pay before."

In addition, if the service in the hotel is bad, then the pain felt at the point of purchasing probably comes back, making people less satisfied, the authors found.

"Our findings suggest that looking at such circumstantial variables is very useful for product managers to understand and predict choices and satisfaction assessments," Kalra said. "These variables should help firms to increase their understanding of consumer decision-making and develop better marketing strategies."

The findings should also help [consumers](#) by understanding the factors that impact their decisions, like the timing of purchase, he said.

More information: "A Joint Examination of Quality Choice and Satisfaction: The Impact of Circumstantial Variables," *Journal of Marketing Research*, 2014.

Provided by Rice University

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