

International study shows staycations are likely here to stay

September 22 2023, by Paul Schattenberg



In a pioneering study involving Texas A&M University's Department of Hospitality, Hotel Management and Tourism, experts explored customer preferences and opportunities within the staycation market. Credit: Texas A&M AgriLife photo by Sam Craft

An international study by tourism and hospitality experts in the U.S. and China has determined the "staycation phenomenon," which reached prominence during the COVID-19 pandemic, is still going strong and is most likely here to stay as part of a new industry normal.

The study, "[Customer Preferences for Staycation Package Attributes](#)," is available online in the *International Journal of Contemporary Hospitality Management*. It examines customer segments and documents the local staycation preferences of Chinese tourists, along with providing staycation-related data from the U.S., Netherlands and Indonesia.

The post-pandemic definition of staycation as "a hotel stay within one's city of residence, combined with dining and/or activities" is used for the study. Its authors say the findings can encourage and assist hotel sector leaders to capitalize on local market developments to achieve a more resilient hospitality business model.

"This is a pioneering study on preferences based on the customer perspective, with a focus on staycation markets," said Brian King, Ph.D., head of the Department of Hospitality, Hotel Management and Tourism in the Texas A&M College of Agriculture and Life Sciences, Bryan-College Station. King co-authored the study with Mei Fung "Candy" Tang, an instructional professor in the department.

Other study contributors included Richard Qiu, Hospitality and Tourism Research Center, School of Hotel and Tourism Management, Hong Kong Polytechnic University, and Tina Fan, Department of Integrated Resort and Tourism Management, University of Macau.

The rise of the staycation

During the peak of the COVID-19 pandemic, consumers worldwide were confined closer to home with diminished travel opportunities. In

the face of constraints and restrictions, leisure travel became a much scarcer luxury.

"The pandemic profoundly impacted hospitality and tourism, with international visitor flows collapsing from previous highs," King said.

As a result, "staycationing" emerged as one of the most popular domestic tourism products, notably in city destinations across Asia such as Hong Kong, Macao and Singapore. And a recent survey of Chinese tourists, conducted after strict travel bans were lifted, revealed there is still a large amount of interest in staycations.

"The staycation also provides a potential solution for the traveler with more limited financial means as well as the urban resident who points to 'time poverty' as a reason for not taking a vacation," King said.

King said several attributes associated with staycations—accessibility, affordability and slow pace—also align with the perspective of various social movements focused on sustainability and enhanced welfare.

"Staycation packages are suited to the new normal of tourism while also boosting tourism recovery," he said. "There is also the psychological benefit and personal satisfaction that comes with taking a low-pressure and restorative staycation."

Analyzing the staycation phenomenon

"Scholarly analyses of the staycation phenomenon have emphasized its social and economic impacts rather than understanding the market itself, despite its critical importance for designing sustainable products and managing revenues," Tang said.

In this study, the authors used a random utility approach and discrete

choice framework to examine customer staycation package preferences.

They analyzed 121 staycation packages covering all market offerings during March 2021 from four- and five-star hotels in Asia. Customer preferences for staycation package attributes were elicited using a stated choice experiment where segmentation was based on customer preferences.

Customers were classified into [market segments](#) based on their preferences and profiles of these segments were bolstered by documenting customer characteristics and consumption styles. Eleven categories were identified from the various staycation promotions—eight related to the package, two related to the hotel and one related to extra benefits.

The two prominent hotel attributes were star rating and location. The extra benefits attribute related to promotions or coupons for other restaurants or theme parks for the customers' future enjoyment.

The eight package attributes—staycation theming, activities within the package, meal options, choice of dining location, duration of stay, parking options, whether pets were allowed in staycation rooms and package pricing—constituted the perks offered to customers during their stay. Those eight package attributes were further segmented into 12 variables, including:

- Romantic theme.
- Foreign exotic theme.
- Spiritual and health activity.
- Culinary and arts activity.
- Afternoon tea offering.
- Lunch offering.
- In-room dining.

- Normal duration of stay.
- Extended stay.
- Complementary parking.
- Allowing dogs in room.
- Package price.

How staycation study findings can benefit the industry

The study also incorporated consumption styles into the staycation market segment profiles so tourism-related businesses might better customize promotions and [marketing strategies](#) based on consumption patterns of each segment, Tang said.

"It goes beyond traditional methods of calculation and analysis to directly extract proposed segments from respondent behaviors, representing a methodological advancement," she said.

"It also helps establish a demand or 'choice' framework that could facilitate further investigation of staycation markets."

Study authors said the findings will help expand the emerging staycation academic literature and help introduce a more holistic understanding of staycation package design and promotion.

"Confronted by growing market awareness about sustainability, industry operators can promote staycationing as a more environmentally friendly option," King said.

The study also states hospitality-related businesses can benefit from an enhanced capacity to understand their markets, which, in turn, will lead to enhanced customer satisfaction and a longer-term competitive

advantage.

"The information in this study can facilitate policy settings for destination management organizations and convention and visitor bureaus focused on co-creating value across hotels, travel agencies and the local community," King said. "This will help enhance local identity within regional and global tourism markets."

He said analyzing the study's data can also inform hospitality stakeholders seeking to develop and reposition their industry activities to embrace the post-pandemic new normal.

"Stakeholders can benefit from additional marketing research by analyzing the penetration and potential of market segments and directing resources to those that are the most profitable," he said. "And market efficiency can be improved by designing the most preferred products and delivering them to target customer groups."

King said because the survey used to develop much of the study data was conducted in Hong Kong, this may somewhat limit its applicability beyond the East Asian context and its associated cultural aspects.

However, he said, the [survey results](#) and supporting data from studies in other countries make it possible to conclude the pandemic gave rise to a "step-change" in tourism, providing hotels and travel operators with opportunities to engage more actively with local customers about local products.

More information: Richard T.R. Qiu et al, Customer preferences for staycation package attributes, *International Journal of Contemporary Hospitality Management* (2023). [DOI: 10.1108/IJCHM-10-2022-1287](https://doi.org/10.1108/IJCHM-10-2022-1287)

Provided by Texas A&M University

Citation: International study shows staycations are likely here to stay (2023, September 22)
retrieved 27 April 2024 from <https://phys.org/news/2023-09-international-staycations-stay.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.