

Feeling free: the effect of a hotel self-perceived gay-friendliness on its intention to escape from online travel booking agents

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Cite as:

Visentin Marco, Tuan Annamaria (2020), Feeling free: the effect of a hotel self-perceived gay-friendliness on its intention to escape from online travel booking agents. *Proceedings of the European Marketing Academy*, 49th, (63197)

Paper from the 49th Annual EMAC Conference, Budapest, May 26-29, 2020.



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Abstract

The goal of this study is to determine the effect of a hotel management's involvement in the gay-friendly cause on its intention to escape from big online travel booking agents. Since extant literature does not provide a scale to measure the self-perceived gay-friendliness of a business, we develop an original measurement scale of the self-perceived gay-friendliness, including the three dimensions of gay-friendly involvement, participation in the gay-friendly network, and gay-friendly welcome. Since traditionally the B2B literature focuses on the intention to continue or to strengthen the relationship, we investigate the unexpected possibility that non-economic beliefs, such as the perceived gay-friendliness of the business, may determine the decision of hotels to quit the relationship with online travel platforms. Our findings are supported by a unique set of more than two-hundred observations collected by interviewing hotels management.

Keywords: *gay-friendly, B2B, online travel booking agents*

Track: Tourism Marketing

1. Introduction

In the context of online tourism platform, most of the literature focuses on analyzing the relationship between consumers and web resources. The hospitality and tourism realm have indeed witnessed a proliferation of the presence on big online travel booking agents (hereafter OTAs), in a sort of a duopoly governed by Expedia Group and Booking Holdings (e.g. Elmas, 2018). Consumers can go online to connect with one another, share their consumption opinions (Li, Cui and Peng, 2017) and find information about accommodation, destinations, and other services (Filieri and McLeay, 2014). From a business perspective, anecdotal evidences cast some doubts on the traditional assumption that a hotel must be online to maximize profitability by exploiting the opportunity to reach potential customers. Two major drawbacks of being on an OTA are known. First, OTAs' commissions policies erode a hotel profitability with penalizing fares up to 20%. Second, and more important from a marketing perspective, using OTAs a hotel loses the long-term data equity of the customer. However, some hotels decide to restrict their presence on big online travel platforms for exclusivity strategies as in the case of luxury hotels or for niche strategies as in the case of hotels with a specific target customer base such as bikers. Moreover, if a customer direct search an hotel on Google, he/she likely obtains first and second ranking results for some booking.com or expedia.com owned OTAs, and being offline may decrease up to 60% of the business overnight for small local hotels (Elmas, 2018). Surprisingly, while focusing on monetary motivations or on the final customer perspective, academic literature has completely overlooked the motivations of a hotel to drop from OTAs.

Given the complexity of the travel industry, a luxury and/or a niche strategy is not enough to explain the decision to escape OTAs. As a relevant example, in fact, the so-called gay-friendly hotels, may target both luxury and lower segments, niche and larger segments and increasingly display partial or complete isolation from online travel platforms. When it comes to analyse gay-friendly hotels, in fact, practical evidence suggests a mixed on-line strategy. Some hotels disclose the gay-friendliness only on their website, others on a community website but usually they appear on big online travel platform without any gay-oriented details. Interestingly, on the one hand, some gay-friendly hotels do not appear on big online travel platforms (i.e. Booking.com) but just on gay-related travel site (e.g. Quirky.com). On the other hand, there are lots of local gay site listing friendly hotels which can be adopted by gay travellers for their travelling decision instead of big-online platforms.

Gay tourism is increasingly seen as a powerful and profitable market segment (Jensen-Campbell, 2004; Melián-González, Moreno-Gil and Arana, 2011; World Tourism

Organization 2017). Extant research and practical evidence point out that gay travellers have become recognized as a segment that travels with greater frequency and that have gradually become more visible and more easily targeted as a consumer segment (e.g. Tebje, 2006; Ersoy, Ozer and Tuzunkan, 2012). In addition, they are brand loyal, support businesses that are ‘gay-friendly’ and are responsive to advertising that acknowledges their preferences. Nevertheless, some hotels “*just want to get their hands on a piece of what they see as the lucrative gay travel market*” (Dahir, 2003; cf., e.g.: Ersoy et al., 2012) but trying to list the business as gay-friendly is not enough to be truly gay-friendly because being gay-friendly requires an extra commitment in the values of the community (Poria, 2006; Melian-Gonzales et al., 2011). Gay sites, in fact, usually require signing a gay-friendly ethical statement or written policy to enlist a hotel as a part of their business network (Melian-Gonzales et al., 2011; Ersoy et al., 2012), such as non-discrimination in hiring and in hosting customers, bed configuration with no attitudes, welcoming flyers and ads related to the local gay community/network.

However, it is worth noting that OTAs do not provide gay travelers personalized filters and there is no mention of some details about the gay-friendly policies of the hotel in the description. From a corporate perspective, the term gay-friendly would suggest that company is proactive in respecting and addressing the needs of LGBT consumers and employees (Tuten 2006). Even though hotel gay-friendliness is a concept that is addressed widely from a consumer perspective (e.g.: Poria, 2006; Berezan, Frow, Varey and Payne, 2015; Melian-Gonzales et al., 2011; Ersoy et al., 2012), scientific literature has completely overlooked the hotel management perspective, i.e. what does it mean for the hotel management self-perceiving as a gay-friendly business and its consequences on business conduct. Related, management and entrepreneur theories display only some exceptions (Rumens and Ozturk, 2019; Marlow, Greene and Coad, 2018; King, Mohr, Peddie, Jones and Kendra, 2017). This paper aims to contribute to the travel management literature by analyzing the impact of a hotel self-perceived gay-friendliness on its intention to escape from OTAs. Related, we develop a scale to measure a hotel self-perceived gay friendliness. We support our findings with data collected with more than two-hundred questionnaires administered to hotels management.

2. Theoretical background and hypotheses

The B2B literature traditionally focuses on the importance of building and maintaining relationships to obtain benefits that otherwise cannot be created. The mainstream view holds

that the relationship maintenance is based on different features such as trust (McEvily, Perrone and Zaheer, 2003), interdependence, goal-congruence between the parties (Jap and Anderson, 2007), long-term orientation (Lusch, Vargo and Tanniru, 2009). Moreover, an important role is related to the cognitive alignment between the parties that lead to the development of harmony with customers' value expectations (Lusch et al., 2009; Ballantyne, Frow, Varey and Payne, 2011). Literature suggests that an alignment of actors' market views is vital to success and it facilitates communication, increases the predictability of behavior, fostering trust and reciprocity (Corsaro and Snehota, 2011). Then, when there is a misalignment between the two parties the relationship may terminate and it becomes important to understand the sources of dissonance between customers and suppliers to relationship survival (Medlin, 2004).

In the case of gay-friendly hospitality, given the importance of the commitment in the values of the community (Poria, 2006; Melian-Gonzales et al., 2011), we assume that the alignment between the hotel self-perceived gay friendliness and the OTAs gay-friendly values might be a major determinant of the relationship duration. Unfortunately, OTAs do not take a stand towards the gay-cause so far. Indeed, gay-filters or disclosure possibilities for hotels are not available in these platforms. Therefore, we can advance the hypothesis that the more hotels are engaged in the gay-friendly cause, and therefore have a higher level of self-perceived gay-friendliness, the more they would like to dismiss the relationship with online travel platforms, which are not aligned with the same values. Formally:

H1: The higher the hotel self-perceived gay-friendliness the more likely is the decision of a hotel to dismiss from big online platforms.

We also advance that the intention to disclose the hotel gay-friendliness mediates the path from self-perceived gay-friendliness and the decision to escape from OTAs. Some research in consumer behaviour highlights that online platforms may undermine individuals' sense of autonomy and the perception of being in control of their choices, and threat to one's identity (André et al., 2017; Mende et al., 2018). Others noted how incongruences between how one currently perceives oneself and how one desires to view oneself may drive different choices (Mandel, Rucker, Levav and Galinsky, 2017). Translated to a B2B context, as the self-perception of gay-friendliness includes how a hotel considers itself as a part of a community and its propensity to disclose its identity to guests (Dahir, 2003; Melian-Gonzales, 2011; Ro and Olson, 2020), we may argue that the self-perceived gay-friendliness also reflects the will

to exercise one's authenticity. Thus, we can expect that excluding the possibility to express its own authentic self-perceived gay-friendliness may motivate a hotel to quit the relationship with an OTA. Therefore:

H2: The intention to disclose a hotel self-perceived gay-friendliness moderates the path from the hotel self-perceived gay friendliness to the decision to dismiss from big online platforms

3. Methodology

3.1. Independent variables - Gay-friendliness scale development

Given the lack of scales measuring hotel self-perceived gay-friendliness, we relied on previous literature (e.g.: Larsen, Reed and Hoffman, 1980; Dahir, 2003; Davies, 2004; Binnie and Klesse, 2011; Melian-Gonzales et al., 2011; Ersoy et al., 2012; Ro and Olson, 2020) and on hotels' online statements disclosure to provide an initial pool of items. 28 specific gay-friendly statements (e.g.: hotel is located near gay-friendly bars; during the check-in the hotel respect clients without any type of discrimination towards the clients' sexual orientation) were incorporated into a questionnaire and were measured using a 7-point rating scale (1= strongly disagree; 7= strongly agree). Data gathering was conducted via face-to-face interviews with hotel managers of hotels key informants located in different cities in Italy, from September to October 2019. We collected 234 questionnaires (12% 1-2 stars hotels; 44% 3 stars hotels, 44% 4-5 stars hotels).

EFA resulted in a three-factor solution, which account for 48,5% of total variance. We retained 14 items defining the *Welcome*, *Network* and *Involvement* constructs. *Welcome* includes items related to the attention of hotels towards gay-friendly customers during the check-in (e.g. questions related to bed configuration) and their stay, including employees' awareness. *Network* includes items related to the locations near the hotel that allow gay travellers to enjoy better their vacation (e.g. presence of gay-friendly bars). *Involvement* includes items related to the hotel engagement in supporting gay-communities or gay-events (e.g. Gay-pride). The results of confirmatory factor analysis (LISREL 8.80; Jöreskog and Sörbrom, 2003) show an excellent fit ($\chi^2 = 162.78$, $df = 74$; RMSEA = 0.072, $p(\text{RMSEA} < 0.05) = 0.01$; NFI = 0.91; NNFI = 0.94; CFI, IFI = 0.95; SRMR = 0.06; GFI = 0.91; AGFI = 0.87). Table 1 reports survey items, factor loadings and Cronbach's alphas.

| | Factor1 | Factor2 | Factor3 | Factor (Cronbach's Alpha) |
|-------|---------|---------|---------|------------------------------|
| IND2 | | | 0.608 | |
| IND5 | | | 0.634 | |
| IND7 | | | 0.613 | Welcome |
| IND11 | | | 0.609 | (0.737) |
| IND18 | | | 0.538 | |
| IND22 | | | 0.437 | |
| IND12 | | 0.809 | | |
| IND14 | | 0.900 | | Network |
| IND15 | | 0.762 | | (0.888) |
| IND36 | 0.666 | | | |
| IND37 | 0.689 | | | |
| IND39 | 0.671 | | | Involvement |
| IND40 | 0.762 | | | (0.817) |
| IND42 | 0.577 | | | |

Table 1. EFA Independent variables

3.2. Dependent variables

We also investigated a hotel's intention to dismiss the relationship with OTAs. We adapted existing scales to develop items (*long-term orientation* from Yang, Zhou and Jiang, 2011; and *expectation of continuity* from Heide and John 1990). We also included questions related to the decision to disclose or not hotels' gay-friendliness on online big platforms, by adapting a self-disclosure scale from Cho (2006). EFA results in a two-factor solution, accounting for 61,5% of total variance. Confirmatory factor analysis (LISREL 8.80) displays an excellent fit ($\chi^2 = 16.92$, $df = 8$; $RMSEA = 0.086$, $p(RMSEA < 0.05) = 0.13$; $NFI, NNFI, CFI, IFI > .95$; $SRMR = 0.05$; $GFI = 0.96$; $AGFI = 0.91$). Table 2 reports survey items, factor loadings and Cronbach's alphas.

| Items | Factor1 | Factor2 | Construct | Inter-item correlation (minimum – maximum) | Cronbach's alpha |
|-------|---------|---------|-----------|--|------------------|
| D1 | | 0.884 | Disclose | 0.89 – 1.00 | 0.941 |
| D2 | | 0.995 | | | |
| D3 | 0.499 | | Dismiss | 0.36 – 0.42 | 0.765 |
| D4 | 0.690 | | | | |
| D5 | 0.884 | | | | |
| D6 | 0.593 | | | | |

Table 2. EFA Dependent variables

3.3. Model and Results

As factor analyzing the set of gay-friendliness items resulted in three factors, we articulated further the path from self-perceived gay-friendliness to the intention to dismiss from OTAs. In particular, consistent to Hypothesis H1, we argue that the formation of self-perceived gay-friendliness is the outcome of a path starting from a hotel involvement in the gay community that translates into its engagement in the network that, in turn, reflects the practice of welcoming guests. Accordingly, we conducted a sequential mediation analysis with three mediators by using the Process macro for SPSS (Model 6; see Hayes 2018) to evaluate the causal sequence: involvement → network → welcome → disclosure → dismiss.

Involvement was found to exert a significant and positive impact on *Network* ($\beta = 0.561$, $t = 5.3168$; $p = 0.000$; CI: 0.3525 to 0.7695). This suggest that the more a hotel is engaged in supporting gay-friendly causes, the more it is embedded in the network of gay-related activities. *Network*, in turn, was found to significantly and positively affect the *Welcome* dimension ($\beta = 0.1233$, $t = 2.6891$; $p = 0.080$; CI: 0.3527 to 0.2139) which in turn determines higher levels of *Disclosure* ($\beta = 0.524$, $t = 2.993$; $p = 0.0032$; CI: 0.1785 to 0.8723). As expected, we found a positive and significant effect of *Disclosure* on *Dismiss* ($\beta = 0.137$, $t = 2.1534$; $p = 0.0329$; CI: 0.0113 to 0.2645). In other words, a hotel self-perceived gay friendliness exerts an influence on its disclosure that, in turn, translates in the intention to abandon big online platforms. Figure 1 summarizes the hypothesized mediation model.

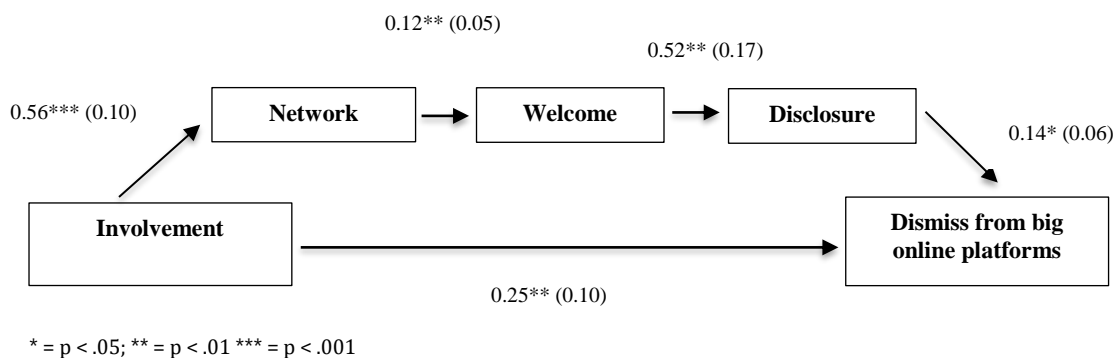


Figure 1. Mediation model results (total effect: $\beta = 0.254$, $t = 2,518$; $p = 0.0128$; CI: 0.0548 to 0.4544; direct effect: $\beta = 0.2877$, $t = 2,5243$; $p = 0.0127$; CI: 0.0625 to 0.5129).

4. Conclusion

In a world where consumers and companies are pushed to go online, our research aims to contribute in shading light on the motivations to leave online platforms in the context of gay-

friendly hotels. Our results support that a hotel self-perceived gay-friendliness, as the combination of how it welcomes customers, how it engages in the community and how it support gay-friendly causes, influence the level of hotels disclosure online that, in turn determines the intention to dismiss from OTAs. Overall, the hotels with a strong self-perceived gay-friendliness appear to be threatened in their opportunity to self-express on OTAs, and consequently turn to local websites or to their own-managed website.

The contributions of this study are threefold: first, we propose a new scale of hotel self-perceived gay-friendliness which can be used in future studies; second, we contribute to the recent calls for unexpected consequences of the digital world by supporting the intention to escape from OTAs; third we contribute to the travel research unfolding non-economic motivations in the B2B relationships between hotels and OTAs.

From a managerial perspective, our study supports the warnings on the OTAs, multiple suggested by the practice. We also suggest that OTAs might include information on a hotel gay-friendliness in their recommendations or in their filters. Furthermore, our results suggest that a hotel should be consistent in their communication improving the congruency between what they think to be and what they want to disclose in the gay-friendly realm to develop a consistent positioning strategy.

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