

**An exploration of price and service quality of backpackers' accommodation**

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**Abstract**

With the development of Internet technology, travelers can order all the items of the tour, including: reservation, ticket purchase, meal selection and other services. These self-ordered items by travelers, they are easily to search accessible on the Internet and to compare the price of these items.

The research adopts the questionnaires to backpackers and the analysis method is use the path analysis by the AMOS software. Research results to found the price had significantly and positive to affect its word to mouth. The service quality also had significantly and positive to affect its word to mouth. Two research hypotheses received the empirical support.

**Keywords:** backpackers, price, service quality

**\* Corresponding Author****Motivation**

Generally speaking, backpackers refer to younger and more frequent travellers who have complete autonomy over the design of the journey. They have a clear preference for budget accommodation and emphasize the communication and communication with other travelers during the tour. Rather than just a simple, short-term holiday outing experience (Laurie and Philip, (1995).

After the 1990s, backpackers became the one of mainstream of the travel market (O'Reilly, 2006). In conjunction with the development of Internet technology, many accommodations can be easily searched on the website and can be booked. Tourists can immediately compare the reservations with the services and price provided by the accommodation on the website. This is also one of the most popular ways for backpackers to book.

Obviously, the price and services quality are important factors for backpackers' choose in their advance book the accommodation. Therefore, it is an important reference factor for tourists to look at the website accommodation evaluation and word of mouth before booking.

### **Literatures and Hypotheses**

Anderson and Vincze (2000) pointed out the price is the monetary sum that the buyer is willing to pay for a product or service. From the consumer's point of view, the price is the price that the buyer must abandon or sacrifice in order to obtain the product to obtain the desired product and service (Zeithaml, 1988). Because the price is substitutable, in terms of accommodation, passengers can compare the domestic and foreign accommodation prices, and can also compare the prices of foreign accommodations (Song and Witt, 2000).

The concept of service quality is used in the theory of accommodation and is considered to be a feeling of whether it is reasonable to pay and actual acquisition. Knutson's (1988) study in the US accommodation industry market, addresses that priority first decision factor is clean and comfortable rooms for the recurring travellers; and it is the most of important factor when the tourists to choose a hotel or to re-stay.

Firth and Hing (1999) argued that, the factors that travelers consider when choosing to stay in a youth hostel are price, location, facilities, and finally to consider the environmental protection issues.

The evaluation of services is an attitude generated after consumption and is the result of evaluation after use. Word to mouth of the evaluation, it will affect the choice of passengers and others for the choice of the post-network accommodation and whether to revisit. Therefore, this study proposed two hypotheses as following:

H1: The price will be significantly to affect backpackers' word-to-mouth.

H2: The service quality will be significantly to affect backpackers' word-to-mouth.

### **Research analysis and results**

This study to test the research hypotheses is use tool AMOS software to process path analysis. According to the step is to delete the item 3 of word of mouth concept. Analysis results shown that all of indicators are reached acceptable level, and also shown this mode is an acceptable mode (Table 1).

Table 1 Indicators value of model

<b>indicators</b>	<b><math>\chi^2</math> /df</b>	<b>CFI</b>	<b>GFI</b>	<b>AGFI</b>	<b>RMR</b>	<b>RMSEA</b>
value	1.950	0.983	0.981	0.964	0.021	0.042

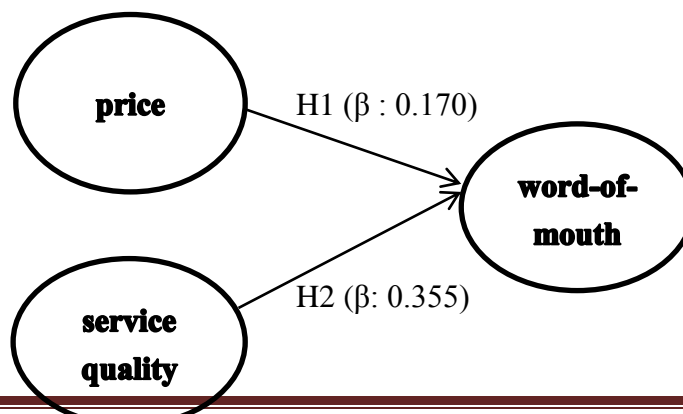
Further, the reliability and validity are to verification in model of this study. As shown in Table 2, in terms of values of CR are: 0.760, 0.767, and 0.806 for price,

service word of mouth. And the AVE value are: 0.501 、 0.514 、 0.635, separately, that are reached reliability and validity level.

Table2: The reliability and validity of research model

Construct	CR	AVE
price	0.760	0.515
service quality	0.767	0.526
word of mouth	0.806	0.676

The study further is to test the research hypotheses and process the H1 and H2. As shown in Figure 1, the H1 was tested. The convenience of transportation had a positively and significant on the behavior intention ( $\beta = 0.170$ ,  $p=0.000$ ). The H1 was accepted. To test the H2, whether the convenience of accommodation location had a positively and significant on the behavior intention by path analysis, also was reached the verified ( $\beta = 0.355$ ,  $p=0.000$ ). The empirical results of research hypotheses are as flowing Figure 1.



**Figure 1 The results of path of hypotheses analysis****Conclusion**

The aims of this study to empirical the backpackers to consider choosing the accommodation, whether had a percept difference with the price and service quality with the word-of-mouth. The results of research pointed that both factors of the price and service quality for accommodation are affect the word-of -mouth.

From the results, the service quality is more affect the word-of-mouth of backpackers than price for accommodation. Suggest that accommodation can provide difference services for backpackers, such as provide the electric motor not only bicycle, if the backpacker is lazy, or if the tour is a little far away. It can even provide a half-day tour guide for the backpackers. These way of increase the service quality, can get good reputation and word-to-mouth from backpackers and increase the probability of re-stay.

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