The Influence of Hotel Customer Demographics Differences on Customer Perceptions

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Abstract
The aim of this research was to build a conceptual model by analyzing the influence of customer demographics (age, gender, status, culture and profession) on guest perceptions (customer perceived value, perceived fairness, willingness to pay) of hotel room prices during the COVID-19 pandemic. The respondents of the study were the guests who had stayed twice at a budget hotel in Indonesia in the last twelve months. The study used a purposive sampling technique, and SPSS ANOVA was used in order to analyze the descriptive statistics on customer demographics and PLS-SEM. The study findings reveal that customer demographics (gender, profession, and culture) significantly affect all three aspects of customer perceptions. Customer age is found to greatly impact the perceived fairness and willingness to pay (hypothesis is accepted). The relationship between customer age and customer perceived value is statistically insignificant and, in relation to customer status, does not have a significant affect on customer perceived value, perceived fairness, and willingness to pay (hypothesis is rejected). These findings can contribute towards future research on customer perceived value, fairness and willingness to pay and they also provide insight for more effective hotel pricing and marketing strategies.

Keywords: Customer demographics, customer perceived value, perceived fairness, willingness to pay

Introduction
Indonesia confirmed its first case of COVID-19 infection in early March, 2020. Since then, the government has made various efforts to reduce the impact of the COVID-19 pandemic in multiple sectors of the economy. Beyond health, the economic sector is one of the most seriously impacted by the coronavirus pandemic. Fabiyani, Sudiri, Moko and Soeltan (2021)
argues that restrictions on community activities affect business activities which then consequently impact the economy. In Indonesia, the escalating, COVID-19 pandemic has the potential to cause a contraction in economic growth and an increase in unemployment on a large scale. The pandemic has significantly impacted the accommodation sector as well as hotel service business. Large-scale social gathering restrictions, related to the spread of the coronavirus, have led to a decrease in hotel-room-occupancy rates. In addition, tourist travel has also seen a significant decline since the government imposed social and travel restrictions and this has certainly contributed towards the low occupancy rates in hotels. The data released by Central Bureau Statistics, Indonesia, indicate that the hotel-room-occupancy rate reached a high of about 60.19% in November 2018 and decreased to its lowest at 12.67% in April 2020. In May 2021, the hotel-room-occupancy rate was reported at 31.97% and during 2020 and 2021, the hotel-room-occupancy rate in Indonesia has never exceeded 40% (Hubner, Carina, Stefanie, Natalia & Juliana, 2021).

This present situation is most discouraging for tourism. Tourism as a form of people traveling from their place of origin to other places to discover new destination or new things is however believed to be a fundamental human need. In line with the implementation of vaccination programs around the world, it is expected that herd-immunity will be achieved which will result in the re-emergence of tourism. Tourism travel is expected to remain the primary route for economic recovery and to improve family relations (Rudyanto, Pramono & Juliana, 2021). When people travel, hotels are one of the most important facilities to accommodate people at their destination (Hubner et al., 2021). As the vaccinated population increases, some places have re-opened their tourist attraction and hotels whilst implementing health protocols. In Indonesia, hotels are only allowed to receive guests if they are located in zones without COVID-19 cases or if they are in green and yellow zones (zones of low case numbers). Hotels should be declared safe before reopening and hotels need to apply health protocols and disinfect rooms and common areas before and after hotel rooms are used by guests.

Nguyen (2021) argues that the hospitality sector has been in decline over the past two decades owing to the revolution in revenue management strategies, with increased competition and customer power driving significant advancements (Abrate & Viglia, 2016; Poutier & Fyall, 2013; Noone, 2016). At the same time, large hotel companies have shifted to organizational models that support contract management. This has resulted in money being spent on developing sophisticated revenue management systems which make brands more attractive to potential customers and management owners by demonstrating communication and decision-making skills and the achievement of reliable, accurate, and profitable income (Mauri, 2013). Pramezwary, Salim, Juliana, Pramono and Situmorang (2021) explain that the application of the ‘new normal’ era of travel during the time of COVID-19 has a positive and significant affect on the room prices of five-star hotels. Customers have been studied as antecedents of their behaviour in many academic studies (Choi, Hwang & McMillan, 2008; McKechnie & Zhou, 2003; Shiu & Dawson, 2002). Customers’ decision-making processes regarding brands have been found to be increasingly influenced by demographic characteristics (Allenby & Rossi, 1991; Gupta & Chintagunta, 1994). Understanding the role of demographic characteristics therefore offers invaluable information to service providers.

It has been established that there is a link between customer perceived value and demographic variables (e.g. gender, age, income, and marital status) and a relationship between customer behaviour and demographic factors has also been found (Han & Ryu, 2006; Mittal & Kamakura, 2001). Researchers have highlighted that age is an essential component in customers’ decision-making processes (Yoon, Cole & Lee, 2009). In the restaurant environment, Namkung and Jang (2009) argue that age has a moderating affect on the
relationship between service experience, satisfaction, and behavioural intention. Gender is also an important personal variable in post-purchase behaviour (Evanschitzky & Wunderlich, 2006; Kwun, 2011). In the restaurant context, Jin, Line and Goh (2013) suggest that gender plays a moderating role in the link between experiential value, relationship quality, attitudinal loyalty, and behavioural loyalty. Female customers place a higher priority on service excellence and return on investment (ROI) than male customers, who are more concerned with a restaurant's aesthetic value.

Another key factor to consider when analysing customer behaviour is household income (Ahn, 2019). Customers with a high income, for example, have been found to be more likely to acquire genuine luxury goods, whereas customers with a low income are more concerned with status value (Han, Nunes & Dreze, 2010). According to previous study, the utility of services influences high-income customers more than low-income customers during the decision-making process (Hernandez & Mazzon, 2007). Customer behaviour is influenced by marital status as well, according to the study of Bodkin, Peters and Thomas (2016). Within the disciplines of marketing and customer behaviour, the concept of perceived value has been extensively studied (Hu, Parsa & Self, 2010; In the applied marketing literature, consumer perceived value has received a lot of attention as a key indicator of customer’s decision-making processes. Customer’s post-purchase behaviour is linked to their perceived values. Customers who have a high perceived value are more likely to be satisfied with services, according to Satisfaction is linked to perceived worth. Customers who place a high value on a brand (e.g., economic, social, hedonic, and altruistic) are more likely to feel satisfied, trusting, and committed to it.

Researchers have found that perceived fairness can also considerably influence customer satisfaction, behaviour, and loyalty toward a company (Lindenmeier & Tschueulin, 2008; Oliver & Swan, 1989; Shoemaker, 2003). Consumers typically recognise that they are entitled to a reasonable price, while businesses are also entitled to a reasonable profit, according to the dual entitlement principle (Akman & Garrod, 2011; Kahneman, Knetsch & Thaler, 1986; Kimes & Wirtz, 2016; Xia, Monroe & Cox, 2004). Consumers compare internal and external reference prices to determine whether or not a price is appropriate (Iglesias & Guillem, 2002; Kimes & Wirtz, 2016). On the one hand, consumers believe it is acceptable for a company to raise prices in order to retain profits when they can recognise cost increases, according to the dual entitlement concept (Chung & Petrick, 2013). On the other hand, consumers will generally consider it unfair for a corporation to raise prices without an identified cost rise (i.e. at the expense of customer’s rights) particularly if the increase is due to a lack of competition (Akman & Garrod, 2011).

Customer demographics can considerably influence perceived fairness of dynamic pricing techniques, according to previous revenue management studies in other service industries, such as hotels (Beldona & Namasivayam, 2006; Heo & Lee, 2011). Findings indicate that guests who are younger and have a higher level of education are more likely to think revenue management strategies are fair, but income levels may only play a small role in fairness judgments (Heo & Lee, 2011). Females have been found to consider revenue management procedures less fair than men, and this also affects perceptions of fairness when it comes to dynamic pricing of hotel rooms (Beldona & Namasivayam, 2006). An additional way to examine consumers’ behavioral intentions is to assess their willingness to pay for a product or service. Consumer’s willingness to pay (WTP) is defined as “the maximum price a buyer is willing to pay” (Didier & Lucie, 2008; Voelckner, 2006; Wertenbroch & Skiera, 2002). It is understood that, for hotel rooms, prices are related to the presence or absence of items from a hotel. This means that the presence of certain goods (and lack thereof) will affect the willingness of customers to pay. Mustafa (2021) explains that in the hospitality industry,
revenue management is the art and science of predicting consumer behavior dedicated to achieving optimal gross revenue performance by balancing supply and demand (Ivanov, 2014). Although much research has been conducted around the issue of pricing in hospitality, most research has been focused on cost, brand, facilities, demand and occupancy, and there are limited studies that consider hotel room prices, from the perspectives of guests in relation to their demographic profiles (Denizci Guillet & Mohammed, 2015; Erdemand & Jiang, 2016; Masiero, Heo & Pan, 2015).

Understanding hotel guest’s perceptions on hotel room prices by considering different demographics is important and relevant for pricing strategies. Within the context of tourism in COVID-19, this study analyzes the influence of hotel guests’ demographics on guest perceptions of hotel room prices, either perceived value, perceived fairness, or willingness to pay. The research problem formulation considers the following three questions. Firstly, is there a significant influence of hotel guest demographics on hotel guest value perceptions regarding hotel room prices during the COVID-19 pandemic? Secondly, is there a significant influence of hotel guest demographics on hotel guests' perceptions of fairness regarding hotel-room prices during the COVID-19 pandemic? Finally, is there a significant influence of hotel guest demographics on willingness to pay regarding hotel-room prices during the COVID-19 pandemic? The ultimate goal of this research is to use the results of this dynamic pricing strategy research in order to offer insight to hotel professionals on how to set prices that could maximize revenue while maintaining favorable perceptions of the prices that the guests pay.

Literature review
In general, hotel managers apply revenue management practices by balancing supply and demand in order to improve hotel performance to achieve goals and maximize potential company revenue (Tanpanuwat, 2011). Due to the diversity of hotel types and operations, revenue management practices in the hotel industry cover many variations in terms of demand forecasting, market segmentation, overbooking, inventory control and pricing. In recent decades, revenue management in the hotel industry has seen an increase in adopting dynamic pricing policies (Aziz, Saleh, Rasmy & ElShishiny, 2011). Previous research has shown that dynamic pricing positively affects revenue, and hoteliers should therefore apply dynamic price variability extensively in order to achieve maximum revenue (Abrate, Nicolau & Viglia, 2019). Changes to hotel-room prices foster customer price perceptions and affect hotel booking intentions (Schwartz & Chen, 2010). Therefore, understanding customer price perception is essential for hotel revenue management. Prior research has indicated that approaches to understanding customer price evaluation involve perceived value, perceived fairness, and willingness to pay (Ashton, Scott, Solnet & Breakey, 2010; El Haddad, Hallak & Assaker, 2015; Masiero et al., 2015; Škare & Gospić, 2015). According to Goeltom, Kristiana, Juliana, Pramono & Purwanto (2019), intrinsic factors and consumer’s behavior affect the intention to stay at budget hotel, while extrinsic factors do not affect it.

Hotel guest demographic and customer value perception
There is a lack of literature on the relationship between customer price perceptions and customer demographics. Therefore, it is necessary to conduct research into the influence of hotel customer demographics on perceived value, perception of fairness, and willingness to pay for hotel-room prices. It has been found that there is a negative influence between perceived value and demographic characteristics when it comes to willingness to buy services (Maina, 2014). In addition, by using component analysis, marital status and perceived value have been found to show a significant relationship, with widowed, married and single status having different value perceptions (Cacciolatti, Garcia & Kalantzakis, 2015). Jamal and Sharifuddin
(2015) state that culture and religion also have a significant influence on customer value perceptions (culture is a demographic that is rarely studied). Although there are various studies showing the influence of demographics on customer value perceptions in other industries, research within the context of hotels is rare. We therefore hypothesise thus:

H1: Hotel guest demographics, consisting of age, gender, status, profession and culture, have a significant affect on customer value perceptions regarding hotel-room prices during the COVID-19 pandemic.

Hotel guest demographic and customer fairness perception

Past research on revenue management in other service industries such as hotels have shown that customer demographics significantly influence perceptions of fairness (Heo & Lee, 2011). Malc, Mumel and Pisnik (2016), examining the affect of income on perceptions of price fairness, reveal that respondents with below-average incomes demonstrate lower perceptions of fairness in pricing than respondents with average or above-average incomes. Research on the relationship between customer perceptions of fairness and demographics is usually found in the hospitality industry. Several studies on culture, analyzed using ANOVA, have come to the conclusion that culture does indeed influence perceptions of fairness (Bolton, Keh & Alba, 2010). Oliver (1997) states that gender is a prominent and significant influence on perceptions of fairness in hotel-room reservations. In line with this notion, Sanghavi (2005) suggests that women tend to perceive injustice more often than men when hotel-room prices fluctuate and that a younger age group is more price-sensitive and dissatisfied with paying higher prices. Beldona and Namasivayam (2006), using a multivariate regression model analysis, argue that men are more fair when determining the price based on demand than women. Heo and Lee (2011), using logistic regression, found that, overall, age is the most dominant demographic factor in determining the perception of fairness - younger guests perceive hotel prices to be fairer; and gender is not significant to the perceptions of fairness. As such, we hypothesise thus:

H2: The demographics of hotel guests consisting of age, gender, status, profession and culture significantly affect perceptions of fairness regarding hotel-room prices during the COVID-19 pandemic.

Hotel guest demographic and customer willingness to pay

Research by Hu et al. (2010) which examines the willingness to pay of Taiwanese consumers to eat at green restaurants found that there are groups of consumers who are willing to pay and groups who are not willing to pay which related to the type of menu and lifestyle related to food. Jang, Kim and Bonn (2011) argue that research on willingness to pay in the hospitality industry has rarely been studied regarding customer demographic variables. Linear regression analysis and ANOVA conducted by Wong and Kim (2012) has shown that age and culture together have a significant influence on willingness to pay if they view that the hotel room is different and better than other hotel rooms. However, the marital status, gender, profession and education were found to have no significant affect. Through the ANOVA test, customers in China are more price-sensitive and willing to pay less than customers in the United States (Nguyen & Shi, 2018). As such, we hypothesise thus:
H3: Hotel guest demographics consisting of age, gender, status, profession and culture have a significant affect on willingness to pay hotel-room prices during the COVID-19 pandemic.

Contradictory results have been found regarding the affect of age, gender, marital status, profession and cultural background on the dependent variables of perception of value, perception of fairness, and willingness to pay. In this study, customer demographics were further investigated in order to determine whether and to what extent customer demographics influenced perceived value, perceived fairness, and willingness to pay hotel-room prices. With the development of economic globalization, cultural differences and professions which seem to be increasingly important in this research, culture and careers were also introduced as the focus of this research.

Conceptual framework

![Conceptual framework diagram]

Figure 1: Conceptual framework

Research method

This study uses quantitative methods with a focus on hotel guest research and sampling by distributing questionnaires using online google forms through a purposive sampling technique. The population in this study refers to all customers who travelled for vacation and business and booked a budget hotel room twice in the last 12 months. The research sample was obtained from the number of indicators multiplied by 10 to produce 140 respondents; the researcher distributed a questionnaire to 200 respondents (Sekaran & Bougie, 2016). The measurement scale used in this study was a Likert scale in order to reveal the attitudes, opinions, and perceptions of people about social phenomena. In the Likert scale, the variables to be measured were translated into variable indicators. Then, the indicators were used as a starting point for compiling instrument items which could be in the form of statements or questions. The answers to each instrument item using a Likert scale had a gradation from very positive to negative (Sekaran & Bougie, 2016). To measure the above variables, the Likert scale of six levels was used as follows: from one indicating strongly disagree to six indicating strongly agree.
Based on the literature review, age, gender, and marital status significantly affected the customer value perceptions, perceptions of fairness, and willingness to pay. However, the results regarding the direction of this significance for several variables are still contradictory - for example, some studies reveal that younger customers display a greater willingness to pay a high price for a product, while others indicate that older customers are in fact more willing to pay a higher price for a product (Balcombe, Fraser & Harris, 2009). As exposed in the literature review, culture and profession have not been thoroughly investigated therefore, culture and profession were made independent variables in this study in order to address this lack of depth. In this study, the independent variables of hotel customer demographics consisted of age, gender, marital status, culture and profession. The age groups ranged from 18–25 years, 26–35 years, 36–45 years, 46–55 years, 56–65 years, and over 66 years. Gender was categorized as either male and female. Marital status was categorized as widow, single, married and divorced. Culture was classified in terms of Indonesian cultures consisting of Chinese, Sundanese, Betawi, Batak and Javanese. Professions were categorized as lecturers, entrepreneurs, professionals, employees and civil servants. The demographics studied were based on the variables of background, age, gender, marital status, culture, and profession measured through direct questions to respondents. Perceived value denotes an overall assessment of the usefulness of a product based on perceptions of what is received and what is given (Rondan-Cataluña & Rosa-Diaz, 2014). The statement indicators used to assess perceived value were as follows: hotel room prices were affordable, hotel facilities were satisfactory, the hotel provided good breakfast, guests received service according to their expectations considering the price they pay. Perceived fairness is a consumer's assessment of whether the difference between the seller's price and the other party's comparative price is reasonable, acceptable and/or justifiable (Sanghavi, 2005). The indicators used differed and depended on the purpose of the guest's visit. The willingness to pay denotes the highest price someone would be willing to pay for goods and services (Fathi, Zailani, Irmamanesh & Kanapathy, 2016). Indicators to assess guests' willingness to pay instructed guests to judge the following: whether the hotel had good facilities, was comfortable, had clean hotel rooms, whether hotel rooms had an atmospheric servicescape, had a good and interesting layout, whether the hotel had good lighting, and if the hotel implemented and obided by the CHSE health protocol. According to Ghozali and Latan (2015), PLS is an alternative approach that shifts from a covariance-based SEM approach to a variant-based system. Based on Kim (2021) and the formulation of the problem that has been determined, this study uses a quantitative method to test the hypothesis through various tests and data processing.

The validity test is carried out using construct validity which measures the extent to which the measuring instrument is used; in this case, the questionnaire must be able to measure the understanding of the concept. The validity test involves content validity and criterion validity. A content validity test is used to evaluate the extent to which the questionnaire can measure the content of a variable to be measured. Because the variables used in this study were obtained from internationally recognized journals, they were valid to use. Criteria validity was used to strengthen it by looking at the correlation between one variable and another. The method used was a convergent validity test, wherein the loading factor value of each question indicator must be greater than 0.60 (Ghozali, 2015). Thus, all observed variables, which were entered through each question in the questionnaire, could accurately measure the latent variables. Based on the results of this calculation, the variables in the questionnaire were considered valid and could therefore be used for data processing. The reliability test in this study used the Cronbach's Alpha method. A result is considered reliable if it has a Cronbach's Alpha value of more than 0.6 and a composite reliability value greater than 0.6 - 0.7 for exploratory research (Ghozali, 2015). If all variables have a coefficient of alpha and composite
reliability is greater than 0.6, it means that the questionnaire used in this study is considered reliable because it shows good consistency and accuracy.

The data analysis technique used in this study was the SEM (Structural Equation Model) analysis technique. SEM is a statistical technique that can analyze the pattern of relationships between latent constructs and their indicators, latent constructs with each other, and direct measurement errors. SEM is a family of multivariate dependent statistics; SEM allows for direct analysis between several dependent and independent variables (Hair, Wolfinbarger, Money, Samouel & Page, 2015). The covariance base of the SEM model should be developed based on a solid theory and aims to confirm the model with its empirical data, while the variant-based one focuses more on the prediction model such that theoretical solid support is not as important (Ghozali, 2015).

Results and discussion

Descriptive Statistics

There were 200 respondents in this study - hotel guests that have booked a budget hotel room twice in the last 12 months (during the COVID-19 pandemic). Hotel customer demographics consisted of age, gender, marital status, culture and profession. The respondents’ demographic information is presented in Table 1.

Table 1: Respondents’ demographic profile

<table>
<thead>
<tr>
<th>Variables</th>
<th>Categories</th>
<th>Frequency</th>
<th>Percent %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>18-25 yrs</td>
<td>135</td>
<td>67.5</td>
</tr>
<tr>
<td></td>
<td>26-35 yrs</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>36-45 yrs</td>
<td>51</td>
<td>25.5</td>
</tr>
<tr>
<td></td>
<td>46-55 yrs</td>
<td>3</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>56-65 yrs</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>50</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>150</td>
<td>75</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Single</td>
<td>151</td>
<td>75.5</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>49</td>
<td>24.5</td>
</tr>
<tr>
<td>Culture</td>
<td>Chinese</td>
<td>180</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>Javanese</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Sumatra</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sundanese</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Mixed</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td>Profession</td>
<td>Entrepreneurs</td>
<td>66</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Civil Servants</td>
<td>3</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>Private Employees</td>
<td>24</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Housewives</td>
<td>39</td>
<td>19.5</td>
</tr>
<tr>
<td></td>
<td>Professionals</td>
<td>25</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td>Students</td>
<td>42</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Lecturer</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100</td>
</tr>
</tbody>
</table>

Validity and reliability of research indicators

Based on the PLS model's estimation findings, as illustrated in Figure 2, all indicators have a loading factor value greater than 0.5, indicating that the model meets the convergent validity requirements. Convergent validity was tested using the AVE value of each concept in addition to the loading factor value of each indicator (see Figure 2).
The AVE value for each construct in this study is greater than 0.5, indicating that the research model's convergent validity meets the standards. Table 2 below shows the value of loadings, Cronbach's alpha, composite dependability, and AVE for each construct.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach's Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>(AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Customer perceived value</td>
<td>0.887</td>
<td>0.894</td>
<td>0.917</td>
<td>0.689</td>
</tr>
<tr>
<td>Gender</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Perceived Fairness</td>
<td>0.907</td>
<td>0.923</td>
<td>0.925</td>
<td>0.640</td>
</tr>
<tr>
<td>Profession</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Willingness To Pay</td>
<td>0.942</td>
<td>0.956</td>
<td>0.856</td>
<td>0.812</td>
</tr>
<tr>
<td>Culture</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Status</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
</tbody>
</table>

**Construct reliability testing**

Construct reliability can be assessed from the Cronbach's alpha value and the composite reliability of each construct. The recommended composite reliability and Cronbach's alpha value is more than 0.7. The reliability test results in Table 2 above show that all constructs have composite reliability and Cronbach's alpha values greater than 0.7 (> 0.7). Consequently, it can be confirmed that all constructs have met the required reliability. Discriminant validity was...
undertaken in order to ensure that each concept of each latent variable was different from other latent variables. The model has good discriminant validity if the AVE square value of each exogenous construct (the weight on the diagonal) exceeds the correlation between this construct and other constructs (values below the diagonal). The results of discriminant validity testing using the AVE square value, namely by looking at the Fornell-Larcker Criterion Value, are obtained as follows:

Table 3: Discriminant validity (matrics fornell lacker) hmt ratio

<table>
<thead>
<tr>
<th></th>
<th>Age</th>
<th>CPV</th>
<th>Gender</th>
<th>PFA</th>
<th>Profession</th>
<th>WTP</th>
<th>Culture</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td>0.170</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CPV</td>
<td>0.170</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>0.064</td>
<td>0.225</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PFA</td>
<td>0.208</td>
<td>0.858</td>
<td>0.219</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profession</td>
<td>0.142</td>
<td>0.251</td>
<td>0.066</td>
<td>0.342</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WTP</td>
<td>0.185</td>
<td>0.812</td>
<td>0.210</td>
<td>0.788</td>
<td>0.235</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>0.004</td>
<td>0.321</td>
<td>0.142</td>
<td>0.445</td>
<td>0.193</td>
<td>0.261</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status</td>
<td>0.032</td>
<td>0.068</td>
<td>0.060</td>
<td>0.139</td>
<td>0.033</td>
<td>0.016</td>
<td>0.021</td>
<td></td>
</tr>
</tbody>
</table>

The results of the discriminant validity test in Table 3 above show that all constructs have a square root value of AVE above the correlation value with other latent constructs (through the Fornell-Larcker criteria). Therefore, it can be concluded that the model has met discriminant validity. The results show that the indicators are well discriminated against, for conceptually similar constructs: HTMT < 0.90. >0,9 indicates Discriminant Validity problem (Henseler, Ringle & Sarstedt, 2015)

**Hypothesis Testing**

Hypothesis testing in PLS is also known as the inner model test. This test includes a significance test for direct and indirect affects and a measurement of the magnitude of the influence of exogenous variables on endogenous variables. The affect test was performed using the t-statistic test in the partial least squared (PLS) analysis model using the SmartPLS 3.0 software. With the bootstrapping technique, the R Squared value and the significance test value were obtained, as displayed in Table 4 below.

Table 4: R Square (R²) and Q Square (Q²)

<table>
<thead>
<tr>
<th></th>
<th>R Squared</th>
<th>R Squared Adjusted</th>
<th>RMSE</th>
<th>Q Squared Predict</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Perceived Value</td>
<td>0.173</td>
<td>0.152</td>
<td>0.945</td>
<td>0.125</td>
</tr>
<tr>
<td>Perceived Fairness</td>
<td>0.312</td>
<td>0.294</td>
<td>0.858</td>
<td>0.274</td>
</tr>
<tr>
<td>Willingness to Pay</td>
<td>0.151</td>
<td>0.129</td>
<td>0.960</td>
<td>0.100</td>
</tr>
</tbody>
</table>

The meaning of the R² values are as follows: R² values 0.25 = weak, R² values 0.50 = moderate and R² values 0.75= substantial (Chin, 2010). The results show that the R Squared values for customer perceived value are 0.173 = weak, while the R Squared values for perceived fairness are 0.312 = weak, and the R Square values for willingness to pay are 0.151 = weak. The criterion of Q Squared are as follows: Q Squared >0-0.25 = low predictive, Q Squared between 0.25-0.50 = medium predictive, Q Squared < 0.50 = great predictive (Shmueli, Ray, Velasquez Estrada & Chatla, 2016). The results show that a low predictive value is obtained because the Q Squared result for customer perceived value is 0.125. The results also show that a medium...
predictive value was recorded because the Q Squared result for perceived fairness is 0.274. The low predictive value is achieved because the Q Squared result for willingness to pay is 0.100.

Table 5: Hypotheses testing direct affect

<table>
<thead>
<tr>
<th></th>
<th>Original Sample</th>
<th>Sample Mean</th>
<th>Standard Deviation</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender → PFA</td>
<td>0.147</td>
<td>0.147</td>
<td>0.058</td>
<td>2.527</td>
<td>0.012</td>
</tr>
<tr>
<td>Gender → WTP</td>
<td>0.162</td>
<td>0.162</td>
<td>0.069</td>
<td>2.307</td>
<td>0.021</td>
</tr>
<tr>
<td>Gender → CPV</td>
<td>0.165</td>
<td>0.170</td>
<td>0.066</td>
<td>2.520</td>
<td>0.013</td>
</tr>
<tr>
<td>Profession → CPV</td>
<td>0.157</td>
<td>0.161</td>
<td>0.069</td>
<td>2.281</td>
<td>0.023</td>
</tr>
<tr>
<td>Profession → PFA</td>
<td>0.233</td>
<td>0.235</td>
<td>0.063</td>
<td>3.708</td>
<td>0.000</td>
</tr>
<tr>
<td>Profession → WTP</td>
<td>0.161</td>
<td>0.162</td>
<td>0.070</td>
<td>2.304</td>
<td>0.021</td>
</tr>
<tr>
<td>Culture → CPV</td>
<td>0.252</td>
<td>0.251</td>
<td>0.058</td>
<td>4.379</td>
<td>0.000</td>
</tr>
<tr>
<td>Culture → PFA</td>
<td>0.368</td>
<td>0.367</td>
<td>0.050</td>
<td>7.381</td>
<td>0.000</td>
</tr>
<tr>
<td>Culture → WTP</td>
<td>0.202</td>
<td>0.204</td>
<td>0.057</td>
<td>3.564</td>
<td>0.000</td>
</tr>
<tr>
<td>Status → CPV</td>
<td>-0.0062</td>
<td>-0.063</td>
<td>0.065</td>
<td>0.953</td>
<td>0.341</td>
</tr>
<tr>
<td>Status → PFA</td>
<td>-0.0097</td>
<td>-0.098</td>
<td>0.060</td>
<td>1.632</td>
<td>0.103</td>
</tr>
<tr>
<td>Status → WTP</td>
<td>-0.00</td>
<td>0.002</td>
<td>0.068</td>
<td>0.001</td>
<td>0.999</td>
</tr>
<tr>
<td>Age → CPV</td>
<td>0.125</td>
<td>0.127</td>
<td>0.068</td>
<td>1.825</td>
<td>0.068</td>
</tr>
<tr>
<td>Age → PFA</td>
<td>0.157</td>
<td>0.159</td>
<td>0.061</td>
<td>2.553</td>
<td>0.011</td>
</tr>
<tr>
<td>Age → WTP</td>
<td>0.150</td>
<td>0.153</td>
<td>0.067</td>
<td>2.227</td>
<td>0.026</td>
</tr>
</tbody>
</table>

Based on the regression test results, the p-value is significant with a p-value of 0.000 < 0.050, which means that customer demographics consisting of gender, profession and culture have a significant affect on perceived fairness, willingness to pay, and customer perceived value. The customer demographics consisting of age have a significant impact on perceived fairness and willingness to pay, meaning that the hypothesis is accepted. In addition, it is found that the customer demographics consisting of age have no significant affect on customer perceived value and the customer demographics consisting of status does not significantly affect customer perceived value, perceived fairness and willingness to pay, which means that the hypothesis is rejected.

H1: The demographics of hotel guests consisting of age, gender, status, profession and culture have a significant affect on customer perceived value regarding hotel-room prices during the COVID-19 pandemic. Based on the analysis results it is found that the demographics of hotel guests, namely gender, profession, and culture, have a significant affect on customer perceived value regarding hotel-room prices during the pandemic. The p-value between 0.000 < 0.050 supports this notion: gender has a p-value of 0.012; the profession has a p-value of 0.023; and culture has a p-value of 0.000. Meanwhile, status and age are shown to have no significant affect on customer perceived value, with p-values of 0.341 and 0.068, respectively.

H2: The demographics of hotel guests consisting of age, gender, status, profession and culture have a significant affect on perceived fairness regarding hotel-room prices during the COVID-19 pandemic. From the p-value obtained from the analysis, the demographics of the hotel guests’ gender, profession, culture, and age were found to significantly affect perceived fairness with values of 0.012, 0.000, 0.000, and 0.011 respectively. The hotel guests’ status was found to have no significant impact on perceived fairness with a p-value of 0.103. Revenue management research on hotels reveal that customer demographics can significantly influence the perceived fairness of dynamic pricing practices (Beldona & Namasivayam, 2006; Heo & Lee, 2011).

In terms of age, guests who are younger and have higher levels of education are more likely to rate revenue management practices as fair, while income level demographics may play a marginal role in the perceptions of fairness (Heo & Lee, 2011). Gender was found to influence perceptions of justice related to the dynamic pricing of hotel rooms because it was found that...
women have a tendency to perceive income management practices as less fair than men (Beldona & Namasiyayam, 2006). H3: The demographics of hotel guests consisting of age, gender, status, profession and culture have a significant affect on willingness to pay for hotel-room prices during the COVID-19 pandemic. Based on the results of the p-value analysis, the demographics of hotel guests, namely gender, profession, culture and age were found to have a significant affect on willingness to pay for hotel-room prices during the COVID-19 pandemic. The p-value for gender is 0.019, profession is 0.021, culture is 0.000, and age is 0.026. Hotel guests’ status was found to have no significant affect on willingness to pay with a p-value of 0.999.

Some literature explains the influence of gender-based demographic variables on differences between men and women in the way that they process information (Meyers-Levy, 1989; Perez & Rodriguez del Bosque, 2015) or in the importance they assign values (Dietz, Kalof & Stern, 2002) or even, according to social theory (Tajfel & Turner, 1986) because they behave in different ways in society (Saad & Gill, 2000). However, the findings differ among studies. Some studies show that women are more willing to pay more for green initiatives (green-hotel) (Tajfel & Turner, 1986), but other studies indicate that men are more willing to pay more whilst some studies report an insignificant relationship (Blocker, & Eckberg, 1997).

Furthermore, customers’ cognitive processes may change throughout their lifetime (Morris & Venkatesh, 2020). Some research results demonstrate that information processing abilities differ depending on age and may imply that younger people have greater access to different information about sustainability issues (Aina, Jalil, Fikry & Zainuddin, 2016).

However, research conducted by Turley and Cabaniss (1995) does not demonstrate that gender and age significantly affect price awareness. Similarly, the study conducted by Kuchinka, Balazs, Gavritea and Djokic (2018) shows no difference in attitudes towards sustainability among consumers depending on age or gender, whereas studies conducted by Aina et al. (2016) and Namkung and Jang (2007) only reveal differences in terms of age. Cultural differences between countries or cultural distance are other variables that have been included in tourist studies analyzing attitudes and intentions regarding sustainability. However, nationality as a proxy for culture is not free from criticism (Peterson & Smith, 2008). Several studies have revealed differences among tourists from different countries. Kang and Moscardo (2006) show differences in attitudes regarding responsible behavior. Cordano, Welcomer, Scherer, Pradenas and Parada (2010) and Hudson and Ritchie (2001) also demonstrate differences in pro-environmental or sustainable attitudes and behaviours across countries; however, studies conducted by Kuchinka et al. (2018) and Takayama, Petrova, Matsushima, Furuya, Ueda, Mironov, Petrova and Aoki (2015) do not find these differences across countries/cultures.

Conclusion
The regression test results reveal that customer demographics consisting of gender, profession and culture do have a significant affect on perceived fairness, willingness to pay, and customer perceived value; the customer’s age demographic has a significant impact on perceived fairness and willingness to pay, meaning that the hypothesis is accepted. Meanwhile, the customer’s age demographic was found to have no significant affect on customer perceived value. Customer demographics related to status were also found to have an insignificant affect on customer perceived value, perceived fairness, and willingness to pay, meaning that the hypothesis is rejected. This study provides some practical information for hotel managers especially for budget hotels. This study can therefore serve managers in hotel firms to properly align their pricing strategies with current customer perceptions as the study findings reveal.
Thus, the attention of hotel service providers should be directed towards ensuring that the state of the physical facilities are as promised and therefore correlate to the price charged for them. This study has certain limitations. One such limitation is that there is an unequal distribution of respondents across subgroups for several demographic factors therefore, the results may be slightly skewed. Several demographic groups are also underrepresented in this study: the elderly, less educated people, other cultures, some high-income subject groups, and unemployed subjects. The results may also be biased due to the low survey response rate.

In addition, limitations are evident in several methodological aspects. This study used mail surveys, but researchers criticize mail surveys as a means to collect data because responses are potentially not representative of the target population. Moreover, respondents who completed the survey were more likely to have strong opinions about survey topics, which often does not accurately represent the general population. Furthermore, although the researchers omitted outliers regardless of the responses across the set of items, data may be biased because closed questions tend to obtain socially or systematically desirable answer selections. The response set for each item was not a complete collective (i.e. options included to accurately capture all possible answers) and many items with missing answers did not include, "n/a" or "not sure" in the response set. For example, gender should include response options, such as “other”, for transgender and intersex individuals. These limitations should provide useful recommendations for the direction of future studies on the affects of demographics on perceived value, perceived fairness, and willingness to pay. Future studies should improve the steps used in order to enter complete answer options, collect more data from budget hotels or luxury hotels, and assess demographic differences in individual aspects of perceived value, perceived fairness and willingness to pay.

Acknowledgements

I thank Universitas Pelita Harapan that providing me the opportunity to conduct this research and fund this research with the research number given by Institution for Research and Community Engagement of Universitas Pelita Harapan, namely (Proposal No P-09-K/FPar/V/2021).

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