

# The value of personalization of guest experience in upscale hotels

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**Undergraduate thesis / Završni rad**

**2021**

*Degree Grantor / Ustanova koja je dodijelila akademski / stručni stupanj:* **RIT Croatia / RIT Croatia**

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The value of personalization of guest experience in upscale hotels

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May 3<sup>rd</sup>, 2021.

### **Abstract**

This research project aspired to establish whether Dubrovnik upmarket hotels delight their guests, and their rates are affected with that type of offer. TripAdvisor profiles of 15 Dubrovnik hotels were examined delight parameters and hotel rates. The descriptive statistics and linlog regression analysis showed that the observed hotels provide guest satisfaction, but fall short of delighting their guests. Personalization of guest experiences and guest delight should be more in the focus of the hotels because it would inspire repeated business and improve revenues. This is particularly important during the Covid-19 pandemic characterized by the diminishing demand and rates.

**Keywords:** guest delight, hotel pricing, price determinants, experience personalization,

Dubrovnik

In today's economy, since all value has been extracted from services, companies must focus on experiences for extractable value (Pine & Gilmore, 1998). Hotel industry, which by definition, depends on guest experience, must be particularly mindful of the gap between the expected and the received experience (Padma & Jiseon, 2020). The gap is not just characteristic of the budget segment, since it has been observed that even the highest-rated hotels often fall short of delivering their value proposition to the guests (Semler, 2015). A study of guest experiences conducted by ultra-luxury Dorchester Collection in London and Paris established that there is very limited differentiation in the mind of the guest between their hotels and Four Seasons, Ritz Carlton and other luxury establishments (Brant, Luxury Guest Experience Innovation, 2020). The lack of differentiation implies limited personalization, which turns experience into a commodity and reduces it to the level of service (Pine & Gilmore, 1999). Furthermore, when standardization is followed, there is actually a counter-effect to personalization (Harkison, 2018). Since service without additional enchantment is an ordinary commodity (Brant, 2020), this becomes both pricing and occupancy issue.

#### *What is personalization*

Personalization is defined as tailoring a specific service for the individual's needs or customizing service by recognizing what a guest wants and delivering such a tailored service. (Vesanen, 2007). The main focus should be on delivering value to guests and, once it is delivered, it should be continuously improved and innovated with different services (Nasution & Mavondo, 2007). Personalization, being specific to the customer, must happen in a particular context that will produce an additional spark (Brant, 2020). Therefore, hotels should not be based simply on technical operating standards; the intention is to add a functional component of transforming service into an experience. Observing guests leads to personalization at a higher level. To accomplish the required personalization and authenticity, the employee must

discover something unique regarding the guest, engage in communication and build a relationship (Weinstein, 2017).

Companies must also allow customers to design, participate in the creation of service and 'experiment' through their experiences, stories and memories. This way guests will feel connected and emotionally engaged, which will encourage them to stay loyal and come again (Fu, Lehto, & Torres, 2014). Emphatic and reliable employees play a crucial role in creating emotional connections and, if the guest does not receive the expected emotional experience before, during and after their stay, the guest is likely to be dissatisfied (Wu & Yuhui, Understanding emotional customer experience and co-creation behaviour in luxury hotels, 2019).

#### *What is customer experience?*

Customer experience cannot be separated from personalization and can be defined as dynamic, individual, and proactive relationship between the employee and the customer (Harkison, 2018). Guests develop their experience by the impression the hotel leaves throughout their stay while stimulating the senses; intellectually, physically, emotionally, and spiritually. Furthermore, customer experience is considered an assessed process that takes place directly and indirectly with the hotel, during which a customer receives value (Ada & Au Young, 2020). The purpose is to create authenticity, the impression that the service is not 'fake', but rather the opposite, that it is natural by unleashing creativity, including interaction with other guests which creates value (Harkison, 2018).

#### *Co-creation*

A very common problem with guest experience today is that the guest engages only in exchanged services, without any added hotel experiences. When guests become involved in the process, they have additional knowledge and awareness of the value they get (Prahalad &

Ramaswamy, 2004) and this co-creation is a type of partnership of hotel staff and guests whereby they create unique customer value (Harkison, 2018). Therefore, for the value-creation process it is essential to involve the guests in service design (Sjodin, 2012) in which process hotel staff and systems must seamlessly guide the guest through the path of co-creation (Wu & Yuhui, 2019). When guests are involved in co-creation, they expect to benefit from that experience on multiple levels. First is hedonic benefit, a belief they would be gaining an enjoyable and unforgettable experience. Second is cognitive benefit, because guests want to have information and knowledge of the created experience. Third is social benefit through engagement with different people. Fourth is personal through obtaining a more reliable recognition and fifth is pragmatic benefit through avoiding inappropriate services. Sixth is economic benefit since they expect to be recognized for their effort in the process of co-creation. Once these six dimensions are recognized and realized, the expected experience would turn into a positive relationship with the hotel (Verleye, 2015).

#### *Expectation/Perception Gap*

The expected experience consists of guest's past experiences, as well as various information obtained about the service. While the perception is the guest's opinion about the service received and the impression created about the hotel during the time of use (Barrett & Baldry, 2003). Additionally, the perception consists of the expected service, the wishes and the needs of the guest (Fu, Lehto, & Torres, 2014). It is important to know how to balance expectations and perception, because otherwise if a gap is created and the service is worse than expected, dissatisfaction will be created in the guest (Verleye, 2015). The overall experience will reduce the value to the guests if the promised expected service is not realized (Fu, Lehto, & Torres, 2014). It has a significant impact on the assessment, whether the perceived service is as obtained as expected (Torres & Kline, 2006).

### *The importance of employee empowerment*

Empowering employees is a priority for personalizing experiences, because solving guests' problems is seen satisfying in the eyes of the guest. By training employees, hotel is creating knowledge on how to first recognize a problem and then proceed with an inventive solution. Creating an environment where employees are empowered to make decisions will create additional customer value (Padma & Jiseon, 2020). Staff agility is emphasized because spotting and solving customer problem, if possible during first contact, will results in increased guest loyalty through service recovery. The organization therefore must recognize their share of responsibility, i.e., motivation and constant investment in the employees with constant training, education and development (Torres & Kline, 2006). To successfully perform at this level of sophistication, hotel staff must be emphatic, creative, enterprising, competent, helpful and qualified. Employee's hygiene also makes a difference and, among other things, benefits include fair pay, clean environment and good collegial relationship (Torres & Kline, 2013).

### *Customer Delight*

As hotels are no longer seen just as places to sleep over, it is important to focus on additional and unique customer value or, on other words, customer delight. Customer delight is a factor of exceeding customer experience resulting in emotions combined with joy, thrill and surprise, which has a strong association with customer loyalty (Torres & Kline, 2013). To create customer delight, hotel must be aware that guests also want to feel safe, have justice and self-esteem. In addition to fulfilling these basic human needs, their emotions must be inspired in the interplay of surprise and joy (Fu, Lehto, & Torres, 2014).

According to Torres' and Kline's (2013) study in which they researched 105 guest letters explaining important attributes during their hotel stay, the most commonly mentioned were taking care of customer's needs, exceptional friendliness, staff's professionalism, the employee

going an extra mile for delivering a service, problem-solving skills and exceptional food and beverage. Amenities, such as great lobby facilities, superior pool and entertaining facilities, employee use of the guest's name, culture permeates desire to delight, and creativity at delivering service, were ranked lower on the guest priority lists. This would imply that intangibility comes before tangibility attributes or at least that that tangible attributes are now seen as standard and expected. Further in their study, authors came up with five types of delight: problem solution delight, professional delight, comparative delight, charismatic delight and fulfilment delight

***Table 1: Customer Delight Typology***

<b><i>Problem resolution delight</i></b>	One of the most important aspects is solving the problem as quickly as possible. It does not have to be a hotel-related problem; if an employee solves a problem that is outside the hotel, the guest will be extra pleased, because this is expected. For instance, guest's luggage did not arrive, so an employee lent her clean shirt. In addition, during an ice storm; an employee cleaned the window from the ice of the guest's car. The essential part is to train and empower employees to think out of the box.
<b><i>Professional delight</i></b>	Training staff to be more knowledgeable and well prepared for their job duties. This includes a positive attitude of an employee, investing in employee skill development and as well "soft" skills, supporting employees and motivating them. Some of the examples mentioned were can-do attitude and non-intrusive handling of guests needs.
<b><i>Comparative delight</i></b>	It is important not to forget about the competition. Guests are always aware of other hotels, and they always compare one with another. That way they can understand if they got the superior service or not. This is mostly observed in the post-purchase evaluating phase. Hotel needs to know the strengths and weaknesses of their competition.
<b><i>Charismatic delight</i></b>	Employees need to be personable and friendly. This delight relies mostly on the employees and their traits. That is why recruiting, training and taking a personality tests is essential. Employee attitude has a significantly positive effect on the finished experience.
<b><i>Fulfilment delight</i></b>	One should dedicate time in finding information. It needs to be understood how guests work, their needs and desires. Guests feel special and individualized when certain services are completed and they appreciate the value. It is necessary to support the self-esteem of the guests, as best as possible.



### *Pricing*

Although many authors like Torres & Kline (2013) and Fu, Lehto & Torres (2014) have researched customer delight in hotels from different aspects. To our knowledge, no one has explored the connection between customer delights and hotel rates which is exactly what we intend to do. Today, there are significant changes in differentiation between prices. Currently, the traditional pricing model is overlooked, where productions are produced with a profit margin. Now, many other attributes have been introduced that are included in the price, which are changing the value of the services (Kasavana & Singh, 2001). Pricing depends on many factors it can be very flexible and adaptable. Factors that can significantly influence customer decision are the destination, hotel star rating, the overall content (Wei-Ting, Jui-Kou, & Fei-Ching, 2010) and brand recognition can also play a significant role (Su & Reynolds, 2017).

### *Research Goal*

The secondary research showed that personalization is defined as adapting a particular service to the needs and desires of guests, with an emphasis on achieving the value that the guest seeks. Furthermore, customer experience depends on the impression the hotel leaves on them during their stay, whether the service promised to them (expectations) has been delivered (perception). In the primary research, we want to verify to what extent is personalization present in the Dubrovnik area upscale hotels and to check whether his has a discernable relation with hotel rated. Thereby, the goal is to assess the attributes of customer delight in the guest TripAdvisor reviews and thus measure the extent of personalization in the customers' perception, and evaluate their impact on hotel rates.

## **METHOD**

The data was collected for 15 upscale hotels, using 15 selected reviews from each hotel, which gave us a total of 225 reviews. We collected the data on TripAdvisor because it is the largest

online travel platform. The reviews were randomly selected; every fifteenth review was evaluated, and in case the hotel does not have enough reviews then we took every fifth review, and they were rated based on the attributes listed in Table 2 below. We selected hotels based on location (Dubrovnik area) and their market place (upscale hotels). The hotels chosen for data comparison were stated in hotel codes: H1, H2, H3, H4, H5, H6, H7, H8, H9, H10, H11, H12, H13, H14 and H15.

Guests' reviews were analyzed for positive and negative comments for personalization. More precisely, guests' comments were examined for five types of customer delight based on Torres and Kline (2013) research; problem-solution delight, professional delight, comparative delight, charismatic delight and fulfilment delight. In addition, from the same research we took one more, which is surprise. Furthermore, we wanted to see how many guests recommend the hotel they stayed at on TripAdvisor. The hotel ranking was also evaluated and compared to the TripAdvisor ranking. The category with 25 upscale hotels in Dubrovnik has been taken, because the category of 75 hotels is much wider and does not only contain upscale hotels.

The detailed observation was conducted through an Excel spreadsheet where all data were entered. The following attributes were mentioned in the excel spreadsheet: hotel name, country, city, price, problem-solution delight, professional delight, comparative delight, charismatic delight, fulfilment delight, surprise and recommendation. Furthermore, we evaluated them based upon guest reviews. If the guest left a positive feedback for a particular attribute, then number two 2 was entered, in case it was a negative review then 0, and if it is not mentioned at all then we entered 1 in the spreadsheet. After collecting the raw data, we checked which attributes were most mentioned. Additionally, we wanted to find out which attributes are most pronounced in hotels and which least.

The first method used was descriptive statistical analysis, calculating mean and standard deviations for seven attributes listed above. The second method was to determine the relationship between variables of customer delight with price using the relational linear-logarithmic regression analysis. Regression analysis was used to analyze the relationship between the seven attributes and prices, evaluating do attributes affect the price determination. Mathematical tools were used by the recommendation of Rosen (1974). We wanted to find out what is the relationship between the mentioned attributes and prices, also was the price comparison before and after the COVID pandemic.

***Table 2: Questions for data collection***

<i>Problem-Solution Delight</i>
<ul style="list-style-type: none"> <li>• Can employees solve guests' problem as quickly as possible?</li> <li>• Do employees think out of the box in solving guests' problems?</li> </ul>
<i>Professional Delight</i>
<ul style="list-style-type: none"> <li>• Are the employees knowledgeable?</li> <li>• Are the employees well prepared?</li> <li>• Do employees have a positive attitude?</li> <li>• Do employees have a can-do attitude?</li> <li>• Are employees intrusive in handling of guests needs?</li> </ul>
<i>Comparative Delight</i>
<ul style="list-style-type: none"> <li>• Do guests compare one hotel with another?</li> <li>• Was the service superior?</li> </ul>
<i>Charismatic Delight</i>
<ul style="list-style-type: none"> <li>• Were the employees personal and friendly?</li> </ul>
<i>Fulfilment Delight</i>
<ul style="list-style-type: none"> <li>• Did employees fulfill guests needs and desires?</li> </ul>
<i>Recommendation</i>
<ul style="list-style-type: none"> <li>• Did the guest recommend the hotel?</li> </ul>
<i>Surprise</i>
<ul style="list-style-type: none"> <li>• Did employees surprise guests in any way?</li> </ul>

Linlog regression analysis was used. Regression is a usual model of analysis, although there is no general agreement on the regression type. For example, when measuring the connection of price, occupancy and guest satisfaction (Matilla & O'Neill, 2003) used the linear regression

model. Meanwhile, (Chen, Yang, Li & Liu, 2015) quadratic regression in their study of guest satisfaction and occupancy.

## RESULTS

### *Descriptive Analysis and Average for attributes*

Descriptive analysis in Table 3 shows the mean (first row) and standard deviation (second row) for 15 Dubrovnik hotels. The table contains problem-solution (P-S), professional (Pro.), comparative (Com.), charismatic/empathic (Cha.), fulfilment (Ful.), recommendation (Rec.) and surprise (Sup.). It shows us the average of whether a particular attribute was positive, negative or neutral. A distance of 1 in direction of 0 or 2 indicates the intensity of the guests' delight in a negative or positive direction. Furthermore, we entered the average (Attribute Composite Mean) for every hotel separately.

**Table 3: *Descriptive Analysis of Means and Standard Deviations***

<b>Hotel Code</b>	<b>P-S.</b>	<b>Pro.</b>	<b>Com.</b>	<b>Cha.</b>	<b>Ful.</b>	<b>Rec.</b>	<b>Sur.</b>	<b>ACM</b>
H1	0,93	1,46	1,2	1,33	1,26	1,33	1,13	<b>1,23</b>
	0,45	0,63	0,56	0,48	0,45	0,48	0,35	
H2	1	1,33	1	1,33	1,2	1,2	1,06	<b>1,16</b>
	0,37	0,61	0,37	0,61	0,56	0,41	0,25	
H3	0,86	1,46	1	1,53	1,13	1,33	1,2	<b>1,22</b>
	0,51	0,74	0	0,63	0,51	0,48	0,41	
H4	1	1,73	1,2	1,53	1,13	1,26	1	<b>1,26</b>
	0	0,45	0,41	0,51	0,35	0,45	0	
H5	0,93	0,8	1,06	1,4	1	1,2	1	<b>1,06</b>
	0,25	0,56	0,25	0,63	0,37	0,41	0	
H6	1,2	1,33	1	1,4	1,33	1	1,06	<b>1,19</b>
	0,41	0,72	0,37	0,5	0,61	0,37	0,25	
H7	1	1,4	1	1,26	1,13	1,33	1,13	<b>1,18</b>
	0,37	0,73	0,37	0,59	0,51	0,48	0,35	
H8	1,06	1,53	1,06	1,6	1,13	1,2	1	<b>1,23</b>
	0,45	0,74	0,25	0,63	0,51	0,56	0	
H9	1,06	1,8	1,2	1,46	1,26	1,13	1,06	<b>1,28</b>
	0,25	0,41	0,41	0,51	0,45	0,35	0,25	
H10	1	1,4	1	1,6	1,2	1,33	1	<b>1,22</b>
	0	0,5	0,37	0,5	0,41	0,48	0	

H11	1	1,73	1,06	1,4	1,33	1,46	1	<b>1,28</b>
	0	0,45	0,25	0,5	0,48	0,51	0	
H12	1	1,46	1	1,53	1,26	1,6	1,13	<b>1,28</b>
	0	0,63	0	0,51	0,45	0,5	0,35	
H13	1	1,66	1	1,46	1,13	1,06	1	<b>1,19</b>
	0	0,48	0	0,51	0,35	0,25	0	
H14	1	1,4	1,06	1,46	1,13	1,26	1	<b>1,19</b>
	0	0,73	0,25	0,51	0,35	0,45	0	
H15	1,06	1,4	1,13	1,46	1	1,26	1,06	<b>1,20</b>
	0,25	0,73	0,35	0,51	0	0,45	0,25	
<b>ALL HOTELS</b>	<b>1,01</b>	<b>1,46</b>	<b>1,06</b>	<b>1,45</b>	<b>1,17</b>	<b>1,26</b>	<b>1,26</b>	<b>1,21</b>
	<b>0,29</b>	<b>0,64</b>	<b>0,32</b>	<b>0,51</b>	<b>0,44</b>	<b>0,46</b>	<b>0,46</b>	

In the end, we calculated the mean of all means = 1.21 in order to give us a global view into the guest delight in Dubrovnik upscale hotels.

#### *Pricing strategies*

Prices for before and after COVID-19 are presented in Table 4. We can see that average for after prices are \$227.87 while the median is \$150.00 Furthermore, before COVID-19 average price is \$306.23 while the median is \$238.00. Besides, average price difference expressed in percentage before and during Covid-19 is 29% while the median is 27%. Additionally, the table presents the ranking that we have evaluated based upon our analysis shown in the fourth column and then in the last column TripAdvisor ranking for all hotels except two, H7 and H10 which are not in Dubrovnik proper but in the adjacent region. TripAdvisor ranking was taken from 25 Dubrovnik upscale hotels.

**Table 4: Average upscale hotels prices in DBK pre & during Covid-19 crisis according to delight ranking**

Hotel Code	Post-Covid-19	Pre Covid-19	%	Delight Ranking	TA Ranking
H11	115,00	247,00	-53%	1	1
H9	886,00	987,00	-10%	1	25
H12	183,00	/	/	1	14

H1	150,00	283,00	-47%	2	4
H4	491,00	556,00	-12%	3	6
H8	127,00	175,00	-27%	4	12
H10	253,00	/	/	5	Not ranked
H3	143,00	182,00	-21%	5	16
H15	160,00	238,00	-33%	6	13
H6	159,00	274,00	-42%	7	5
H13	128,00	221,00	-42%	7	11
H14	137,00	180,00	-24%	7	9
H7	113,00	127,00	-11%	8	Not ranked
H2	118,00	215,00	-45%	9	7
H5	255,00	296,00	-14	10	3
<b>AVERAGE</b>	<b>227,87</b>	<b>306,23</b>	<b>-29%</b>		
<b>MEDIAN</b>	<b>150,00</b>	<b>238,00</b>	<b>-27%</b>		

*Regression analysis for after and before COVID-19 prices*

Table 6 shows the regression analysis relationship between the 7 mentioned attributes and prices, so does the personalization affect the price. Furthermore, we evaluated the difference between prices before and after COVID-19.

**Table 5: Description of variables used in delight regression**

Variable	Description of variable
<i>Dependent variables</i>	
<b>Price</b>	Rate per night in \$ from 2021.
<b>LOGPRICE</b>	Price, logged
<i>Explanatory variable</i>	
<b>Problem- Solution</b>	Solving problems as quick as possible and efficiently
<b>Professional</b>	Employee should be knowledgeable, well prepared and positive attitude
<b>Comparative</b>	Did guests get superior service?
<b>Charismatic</b>	Employee attitude
<b>Fulfilment</b>	Guests needs and desires
<b>Surprise</b>	Exceeding guests' expectation by surprising them
<b>Recommended</b>	Did guests recommend the hotel?

**Table 6: Delight price linlog analysis for Dubrovnik hotels before Covid.19**

Attribute	Coefficient	Std. Error	tStat	P-value
Prob.- Solution	-2,135265328	1.942720006	-1.099111205	0,321803196
Professional	0,299263171	0.685609997	0.436491843	0,68068486

Comparative	5,098247295	1.625757041	3.135922015	0,025784614
Charismatic	-0,268522535	1.262374509	-0.21271226	0,839951713
Fulfilment	0,949872926	1.82481506	0.520531065	0,624913483
Surprise	-1,127208969	1.556119178	-0.724371877	0,501301648
Recommended	-2,268692723	1.286870784	-1.762953011	0,138196543
<b>Adj. R-squared</b>	0.222118789	<b>Significance F</b>	0.225674133	

**Table 7: Delight price linlog analysis for Dubrovnik hotels after Covid-19**

Attribute	Coefficient	Std. Error	tStat	P-value
Prob.- Solution	-2,284538281	3.057842213	-0.747107967	0,479336397
Professional	0,013481295	1.024216914	0.013162539	0,989865404
Comparative	3,613646182	2.225663724	1.623626311	0,148484507
Charismatic	1,204328586	1.685234099	0.714635781	0,497967406
Fulfilment	0,766450216	2.703325223	0.283521276	0,784979376
Surprise	-1,891285546	2.250009311	-0.840567875	0,428364492
Recommended	-1,084161309	1.74831318	-0.620118479	0,55482185
<b>Adj. R-squared</b>	-0.323120018	<b>Significance F</b>	0.691519466	

**Table 8: TA ranking price linlog analysis for Dubrovnik hotels before Covid-19**

Ind. Variable	Coefficient	Std. Error	tStat	P-value
TA Ranking	-6.608189856	2.18297081	-3.027154475	0.016380169
<b>Adj. R-squared</b>	0.475636444	<b>Significance F</b>	0.016380169	

Spearman's correlation between the Delight Ranking and TA Rankings = -0.043039668, which means that there is almost no correlation between the two.

## DISCUSSION

The research aimed to find out whether personalization/guest delight is present in upscale hotels in Dubrovnik and whether it affects the price. We observed that guests notice staff professionalism and empathy the most (=1.45), but, whether this is owed to Dubrovnik tradition in tourism, local mentality or company policies and/or training is debatable and was not determined by this research. Recommendations (=1.26) Fulfilling (=1.17) and are less present, whereas the delight factors directly related to staff empowerment, such as problem-solving and

creating surprises are almost completely lacking (=1.05). Therefore, it is not surprising that guests see very little differentiation in Dubrovnik upscale hotels (=1.06). The mean of all means of guest delight (= 1.21) leaning more to “neutral” (1) than “delighted” (2) leads us to conclude that Dubrovnik upscale hotels provide solid service, but still lack the “wow effect” which would delight the guests. In other words, the experiential personalized components are not very much present in the hotel offer. Therefore, the observed Dubrovnik hotels, regardless of their facilities, do not qualify for the rank of luxury, because, in the luxury segment, service without context is nothing (Mason, 2021). It would appear that Dubrovnik upscale hotels provide very little of their own context outside of the context of the destination.

On that account, it was important to check whether this relative lack of delight and differentiation affects the hotel rates in the area in relation to each other. We established that these factors are not connected to differences in hotel rates. This in turn tells us that some other unobserved factors have a significant impact, and those might be location, interior design, F&B offer, cleanliness, functionality, satisfaction with the destination, psychological influences of natural beauty, historic heritage, destination reputation (brand), etc. In order to corroborate this interpretation with an additional argument, we also established that the TripAdvisor ranking of hotels which includes many parameters other than customer delight, showed a strong connection to price. We also established that our Delight Ranking is not correlated with the TripAdvisor ranking, which further underlines our finding that there are many other deciding factors determining overall guest satisfaction and hotel rates other than guest delight.

In our opinion, it would appear that, in the pre-Covid-19 situation, the strong demand generated by the sending marketing with a relatively large spending power and supported by the strong Dubrovnik brand and relatively good infrastructure, Dubrovnik upscale hotels did not have to focus very much on guest delight in order to reap healthy profits. Since the hotel rates post



Covid-19 dropped 29% on average and there still was no discernable connection of price to customer delight in the situation of diminished occupancy, the probable strongest effect was demand based on the power of the Dubrovnik brand and (un)favorable socio-economic conditions at the sending markets. It would appear that, before Covid-19, the strong demand had a positive effect on hotels rates in Dubrovnik and, during Covid-19, the diminished demand (popularity of destination) has a strong negative effect. Therefore, we would strongly encourage upscale hotels in Dubrovnik to work on the experiential components of their offer in order to strengthen the differentiation and generate additional demand, because current strategies lacking guest delight are not sustainable and probably affect hotel rates in Dubrovnik negatively even during the strong demand periods.

The contribution of this research is that, although many authors to date researched the guest delight, no one to our knowledge did try to establish its connection to hotel rates.

This research also had its limitation. Firstly, we had a limited number of reviews because we picked them randomly, which prevented us from seeing absolutely every comment from guests and having a more specific conclusion. Furthermore, guests sometimes do not mention what the service was truly like. In most cases, they always mention when the service was negative, i.e., if they were dissatisfied, and if everything went well, they simply do not discuss it. Which also reduces or increases our actual average personalization in hotels. Additionally, during the research of the prices before the COVID pandemic, we could find 13 hotels prices compared to 15 of them.

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