

Abstract

The subject of perceived fairness of Revenue Management in the hospitality industry is increasingly being examined by various research studies. When different prices are allocated to the same product, hospitality businesses that apply dynamic pricing strategies are at risk of being perceived as unfair by customers. This study investigates whether price fairness perceptions are determined by the inequality situation, familiarity with the pricing practice and stage of the purchase phase. Within the framework of this study, a conceptual model is presented, in which these three dimensions are assumed to be the building blocks of perceived fairness of Revenue Management.

The given research problem is initially approached by presenting fundamental conceptualizations on the subject of perceived price fairness. Subsequently, findings on the three building blocks of inequality, familiarity and purchase phase are illustrated. These dimensions were measured by issuing a survey questionnaire, which followed a scenario approach, to 101 students at Modul University, Vienna. The aim of the survey was to detect whether the presented variables are significant in the creation of fairness perceptions about Revenue Management and whether further patterns in the given context can be identified. The data was processed using SPSS.

In this study, both familiarity and purchase phase are found to be non-determining factors of perceived fairness. Interesting findings about fairness perceptions for individual pricing practices and their resulting inequalities are also derived. Booking time and arrival time-related price inequalities, which have been incorporated in the questionnaires' scenarios, are largely evaluated to be fair, if they follow perceived procedural standards. The perceived fairness of price discrepancies resulting from the use of a different booking channel is assumed to be based on transaction utility and thus is at higher risk of being perceived as unfair. The findings suggest that a hotel's pricing strategies should follow perceived norms and, where no clear norms exist in the mind of the average customer, other actions should be implemented in order to ensure that the hotel is perceived as fair and to avoid the negative effects associated with unfairness perceptions.