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# Exploring the relationship between hostel service quality and guests' satisfaction: a comparison between younger and older guests

The hostel began as a type of accommodation chosen mainly by young travelers who appreciate staying in a place that allows them to meet other people and share information and experiences at a low price. Nowadays hostel clients are diverse and may include families, business tourists, and less young travelers. Despite the heterogeneity in the profile of hostel guests, research on the impact of service quality on hostel guests' satisfaction has not considered that diversity. The purpose of this paper is to compare hostel preferences of young and older guests. We take data from a survey conducted with 223 hostel guests in Lisbon. The outcomes reveal that the main drivers of older guests' overall satisfaction are cleanliness and price whereas for younger guests it is primarily the staff's competence and friendliness.

Key words: hostel industry, Lisbon, service quality dimensions

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## Introduction

Satisfaction and service quality are the focus of much research in the hospitality sector and various studies have tried to identify the attributes of service quality that most account for guests' satisfaction. The cleanliness of the establishment is often the most important (Brochado & Gameiro 2013, Callan & Bowman 2000, Lockyer 2002), but the comfort of beds and rooms are also highly ranked (Choi & Chu 2001). Staff initiative and courtesy (Choi & Chu 2001, Lockyer 2002, Owusu-Frimpong et al. 2013, Shi & Su 2007), safety and security (Lockyer 2002) and facilities and equipment (Nadiri & Hussain 2005, Shafiq et al. 2013) are other determinants of overall satisfaction.

Hostels are budget-oriented, shared-room accommodation with communal areas and facilities, such as living room, lounge, shower, kitchen, for individuals or groups of travelers making short-term stays. Most people staying in hostels are young tourists traveling independently, and whose trip includes at least one overnight stay (WYSE 2008). Initially, price was the main reason for travelers to choose hostels and the price had to be lower than that of hotels or bed & breakfasts, but over the years the type of guest in hostels has changed. Presently, factors such as the presence of self-catering facilities and equipment (Hecht & Martin 2006, Mohsin & Ryan 2003, Nash et al. 2006) and of restaurants and bars nearby, group activities organized by the hostel, the possibility of renting certain equipment such as bicycles or surfboards (Cave et al. 2008 cited by Saraiva 2013), as well as the cleanliness of the rooms, the location, personal service and security (Amblee 2015, Brochado & Gameiro 2013, Musa & Thirumoorthi 2011, Nash et al. 2006) are mostly appreciated by those who choose hostels to stay.

The change in the profile of hostel guests has been driven by technology and by increased purchasing power but the communal nature of hostel facilities continues to be an important reason to stay in hostels. The social atmosphere, the common areas and the



informal ambiance have been identified by several authors as the core service dimensions crucial to create a sense of overall satisfaction among hostel guests (Borovskaya & Dedova 2014, Brochado et al. 2015, Bunda 2014, Godfrey 2011, Moisă 2010, Pearce 2009, O'Regan 2010, Rodríguez 2011, Silva 2014, Vaals 2013). Social networks such as Facebook are increasingly part of the social experience of a stay in a hostel (Berger & Paris 2013).

Although young tourists are the main clients (approximately 45%), hostels also receive individual guests (20%), family guests (18%), couples (12%) and business tourists (5%) (Douglass 2013). Hostels are also able to attract older clients, e.g., aged 30 years or more (NTDA 2013) and even the over 50s (Nash et al. 2006), and diverse people in terms of socio-economics and motivations (Musa & Thirumoorthi 2011). Presently, hostels not only serve the typical short stay tourists but also host non-tourists (Butler & Hannam 2013) and long-stay guests (Butler 2010). Despite the heterogeneity in the profile of hostel guests, research on the impact of service quality on the satisfaction of hostel guests has focused mainly on the youth segment neglecting other segments. Due to this gap in the literature, the objectives of our study are to:

- a) identify which service quality dimensions have an impact on the satisfaction of younger guests
- b) identify which service quality dimensions have an impact on the satisfaction of older guests

The result of this research will further hostel owners' knowledge of guests' perceptions about the services offered and enable them to improve service delivery and design new alternatives for guests. If there are differences between what determines the satisfaction of younger and older guests, hostels must develop customized marketing strategies aimed to satisfy all guests.



## **Research methods**

A survey was conducted in Lisbon, Portugal, in November/December 2014. A total of 223 guests, distributed across 14 hostels, participated in the survey. Hostels were selected to guarantee a broad geographical coverage of Lisbon city; in each hostel, convenience sampling was used to select the guests since probability sampling could only be used if the hostels provided us with the lists of guests hosted (Malhotra et al. 2012) (which was unviable because it would breach guests' rights to privacy). Guests were approached during breakfast and asked to cooperate. If they agreed, they were invited to complete a paper questionnaire.

The questionnaire took approximately 10 minutes to complete and included questions about the guest's: (a) stay, (b) satisfaction with the hostel's service and (c) demographics. To measure satisfaction, respondents were asked to rate their agreement with 27 items on the hostel's attributes based on their experience in the hostel where they were staying by means of a seven-point Likert-type scale (1-strongly disagree to 7-strongly agree); additionally, respondents rated their overall level of satisfaction with the hostel on a seven-point rating scale from 1-totally dissatisfied to 7-fully satisfied. The items included in the Likert-scale were selected from the literature on service quality in the hospitality sector (HOLSERV scale) and adapted to the specific attributes of hostels (e.g. Al Khattab & Aldehayyat 2011, Nadiri & Hussain 2005, Parasuraman et al. 1988, Shafiq et al. 2013, Wilkins et al. 2007, Wong et al. 1999).

A Principal Component Analysis was performed to reduce data dimensionality, and a Multiple Linear Regression using Ordinary Least Squares estimation was used to assess the determinants of overall satisfaction in each group of respondents – younger guests and older guests. We chose the World Youth Student and Educational Travel Confederation definition to set the groups: "the Youth Travel Sector reflects a particular aspect of tourism (...) undertaken by travelers between 15 and 29 years" (UNWTO 2008). Thus, the group of



younger guests includes those under 30 years old, and that of older guests includes all others (aged 30 or older).

Significance tests are performed to assess differences between the groups but, due to the non-probabilistic nature of the sample, the p-values are not to be interpreted literally; they are merely standard values that state how large the difference between the realities under comparison needs to be so we can take note of it.

## **Results**

## Respondents' characteristics

Most of the respondents were female (56%), 68% were younger guests and 32% were older guests. There were 39 different nationalities, but most respondents (70%) were European. Nearly 28% of the respondents were solo travelers (n=62), 55% were traveling with friends (n=123) and 17% were traveling with a significant other or family members (n=38). For 62% of the guests, their stay was shorter than 4 days and only 6% mentioned a stay of one week or more.

Table 1: Main purpose(s) of the stay by age group

Purpose (†)	Younger guests (n=153)	Older guests (n=70)
Sightseeing	107(69.9%)	47(67.1%)
Relaxation	43(28.1%)	16(22.9%)
Study or business	10(6.5%)	6(8.6%)
Sports event	5(3.3%)	5(7.1%)
Exploring a different culture	52(34.0%)	17(24.3%)
Fun and entertainment	47(30.7%)	13(18.6%)
Visit to friends or relatives	5(3.3%)	2(2.9%)
Music or cultural event	5(3.3%)	4(5.7%)
Meeting people and making friends	17(11.1%)	7(10.0%)

<sup>(†)</sup> More than one purpose could be chosen.



Table 1 shows that Lisbon sightseeing, i.e., visiting the city's most emblematic places and major tourist attractions, was the main purpose of the stay for both groups of guests (69.9% and 67.1%, respectively). Exploring a different culture and fun/entertainment were more frequently mentioned by the younger guests (34% and 30.7%, respectively) than by the older guests (24.3% and 18.6%, respectively).

## Service quality: perceptions and dimensions

The mean level of agreement with the service quality attributes is high, ranging from 4.61 for the item "The hostel offers leisure facilities" to 6.38 for the items "The staff are respectful, kind and friendly" and "The common areas are clean" (Table A.1), which reflects the guests' positive perception of service quality. A comparison between younger and older guests reveals significant differences (p<0.05) in only 5 of the 27 items. Specifically, younger guests expressed stronger agreement with the items "The hostel design and decor are appealing" and "The hostel organizes group activities", while their agreement was lower for the items "The hostel is near public transport", "The staff are always available to assist guests" and "The staff are willing to meet specific needs" (Table A.2).

The Principal Components Analysis performed with the 27 items on hostel service allowed seven new dimensions to be identified. Table 2 presents the dimensions and the items most strongly correlated with each dimension. The seven components together account for 75% of the initial variance (KMO=0.922; Bartlett test p-value=0.000). Scales were sufficiently reliable with Cronbach's alpha above 0.6 (Hair et al. 2010).

A comparison between younger and older guests in the 7 dimensions reveals significant differences (p<0.05) only in the Staff dimension (Table A.3). Specifically, older guests have a more positive perception about the hostel staff than the younger age group.



Table 2: Service quality dimensions and factor loadings

Components and items	<b>Loadings</b> <sup>a</sup>	% Variance Explained	Cronbach's Alpha	Communality
Component 1: Staff		22%	0.957	
The staff are willing to meet specific				
needs	+0.857			0.861
The staff are always available to assist				
guests	+0.815			0.829
The staff are attentive to the problems of				
guests and try to resolve them	+0.778			0.781
The staff are respectful, kind and friendly	+0.777			0.824
The staff transmit confidence and security				
to guests	+0.774			0.824
The staff are well-groomed	+0.752			0.789
The staff are reliable and ensure an	10.752			0.707
efficient and timely service	+0.737			0.775
Component 2: Cleanliness	10.757	14%	0.910	0.775
The bathrooms are clean	+0.842	1470	0.710	0.765
The kitchen is clean	+0.787			0.703
The common areas are clean	+0.760			0.825
Rooms / dorms are clean	+0.760			0.823
	+0.008	110/	0.045	0.807
Component 3: Ambiance & design	. 0.762	11%	0.845	0.711
The hostel organizes group activities	+0.763			0.711
The hostel enables guests to meet new	0.725			0.724
people	+0.725			0.734
The hostel provides a good breakfast	0 7 10			0.524
service	+0.543			0.634
The hostel is cozy, home-like and				
comfortable	+0.522			0.768
The hostel design and decor are appealing	+0.511			0.632
The hostel provides computers with free				
internet access	+0.423			0.609
Component 4: Location		10%	0.772	
The hostel is near monuments and				
museums	+0.812			0.662
The hostel is near				
restaurants/bars/commerce	+0.789			0.734
The hostel is near public transport	+0.737			0.710
The hostel is in a safe neighborhood	+0.416			0.548
Component 5: Price		9%	0.933	
The price charged by the hostel is adjusted				
to the service offered	+0.832			0.866
The hostel ensures a good quality/price				0.000
ratio	+0.823			0.891
Component 6: Facilities & services	10.023	6%	0.612	0.071
The hostel has good laundry facilities	+0.849	070	0.012	0.791
The hostel offers leisure facilities	+0.518			0.791
	+0.316	5%	0.671	0.093
Component 7: Security  The heatel provides a 24 hour recention		3%	0.671	
The hostel provides a 24-hour reception	.0.700			0.622
service	+0.788			0.633
The hostel has good security mechanisms	+0.489			0.791

<sup>&</sup>lt;sup>a</sup> After Varimax Rotation; Loadings less than 0.4 were omitted.



## Determinants of satisfaction

Guests expressed a positive overall feeling about their stay at the hostel -81.2% of the respondents rated overall satisfaction as 6 or higher. On average, the overall satisfaction rate was 6.06, more specifically, 6.1 for the younger group and 6.0 for the older group. The outcomes of the multiple regression linear models are presented in Table 3.

Table 3: Estimates of the model explaining guests' overall satisfaction by age group<sup>†</sup>

	Younger guests		Older guests			
Service quality dimensions	Standardised $\hat{\beta}$	SE	p- value	Standardised $\hat{\beta}$	SE	p- value
Staff	+0.491	0.043	0.000	+0.339	0.078	0.000
Cleanliness	+0.378	0.044	0.000	+0.553	0.068	0.000
Ambiance & Design	+0.328	0.045	0.000	+0.378	0.064	0.000
Location	+0.189	0.042	0.000	+0.180	0.077	0.025
Price	+0.317	0.045	0.000	+0.466	0.066	0.000
Facilities & Services	+0.194	0.043	0.000	+0.160	0.074	0.044
Security	+0.071	0.048	0.089	-0.060	0.060	0.435

<sup>&</sup>lt;sup>†</sup> Dependent variable: overall satisfaction with the hostel.

The results show a strong and positive association between service quality dimensions and overall satisfaction in both the older group (adjusted  $R^2$ =0.654; model p-value<0.001) and the younger group of guests (adjusted  $R^2$ =0.750; model p-value<0.001). In both groups, all the dimensions of service quality have a significant impact on overall satisfaction except for Security (p-value >0.05). Whereas Cleanliness ( $\hat{\beta}$ =+0.553, p<0.001) is the strongest determinant of satisfaction for older guests, the Staff is most important for the younger age group ( $\hat{\beta}$ =0.491, p<0.001). Price comes only in fourth place for younger guests ( $\hat{\beta}$ =+0.317, p<0.001) but it is the second most important driver of satisfaction ( $\hat{\beta}$ =+0.466, p<0.001) for older guests.



## **Conclusions and practical implications**

Guests have positive perceptions of the service provided by hostels (mean>6 in 16 of the 27 items of service quality). Seven dimensions representing service quality in hostels were identified: Staff, Cleanliness, Ambience & Design, Location, Price, Facilities & Services, and Security. There is a significant difference in the perception held by younger guests and older guests about Staff; older guests have a more positive perception of hostel Staff than younger guests (mean=+0.286 vs. mean=-0.127). All dimensions except for Security proved to be relevant to explain the level of guests' satisfaction with the hostels. In both groups of guests, satisfaction increases with a positive perception of the Staff, Cleanliness, Price, Location, Ambiance & Design and Facilities & Services. However, the attribute that most accounts for older guests' satisfaction is Cleanliness ( $\hat{\beta}$ =+0.553) followed by Price ( $\hat{\beta}$ =+0.466), while the strongest determinant of satisfaction for younger guests is the Staff ( $\hat{\beta}$ =+0.491).

The satisfaction profile of older guests fits perfectly with the classic positioning of hostels — "a clean, good-value accommodation, which offers a good night's sleep at an affordable price" (Bhatia 2002, Taskov et al. 2014). This shows that there are still people who are satisfied with hostels' simplicity, i.e., the hostel is a place to leave their luggage while they explore a new city and return at the end of the day to take a bath and sleep; the amenities and ambiance provided by the hostel are of less importance to these people. On the other hand, the profile of younger guests reveals a group for whom the satisfaction with hostels is less influenced by the Price and more dependent on other attributes such as the staff's availability to respond to guests' needs, their kindness and friendliness and their ability to resolve guests' problems efficiently. Younger guests are therefore a group that appreciates quality when staying in a hostel, namely in the performance of human resources. We have no information on whether these guests based their decision to stay in the hostel because of the



competence and courtesy of the staff, but we do know that their experience improved because of that competence. This alerts hostel managers to the importance of having well-trained staff who can understand guests' needs and meet their requests effectively. The informal and party ambiance which is typical in hostels (Moisă 2010, O'Regan 2010, Brochado et al. 2015) must not be confused with sloppiness or unprofessionalism. On the contrary, guests value a job that is done well and by attentive, friendly and respectful people.

Although our study is based on a non-probabilistic convenience sample, several factors account positively for the validity of the findings. The sample includes guests from 14 hostels and of different nationalities, which contributes to sample variability and thus enhances sample representativeness. Additionally, the main reasons for traveling mentioned by our respondents are in line with other studies on hostel quality: sightseeing, getting to know different places and experiencing different cultures (Brenner & Fricke 2007, Mohsin & Ryan 2003, Musa & Thirumoorthi 2011).

Having a clear understanding of what guests look for in a hostel and deciding on the market positioning accordingly is the best way to penetrate new segments and increase guest satisfaction. Our results show that hostel guests are not a homogenous group and indicate the relevance of exploring satisfaction among subgroups of travelers. Future research can explore differences between short-stay vs. long-stay guests, business guests vs. leisure/vacation guests or comparisons based on different motivations (Paris & Teye 2010) for traveling.

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## **Appendix**

Table A.1: Descriptive statistics of hostels' attributes

Items <sup>a</sup>	Mean	Std. Dev.
The staff are respectful, kind and friendly	6.38	1.071
The common areas are clean	6.38	1.053
The hostel is near public transport	6.32	1.104
The hostel is near restaurants/bars/commerce	6.28	1.070
Rooms / dorms are clean	6.27	1.083
The staff are reliable and ensure an efficient and timely service	6.25	1.073
The hostel provides computers with free internet access	6.23	1.211
The hostel provides a 24-hour reception service	6.23	1.350
The staff are always available to assist guests	6.22	1.096
The kitchen is clean	6.22	1.248
The staff are well-groomed	6.21	1.150
The staff transmit confidence and security to guests	6.19	1.092
The price charged by the hostel is adjusted to the service offered	6.12	1.145
The hostel ensures a good quality/price ratio	6.11	1.172
The bathrooms are clean	6.07	1.172
The staff are attentive to the problems of guests and try to resolve them	6.05	1.226
The staff are willing to meet specific needs	5.99	1.245
The hostel is cozy, home-like and comfortable	5.97	1.255
The hostel enables guests to meet new people	5.87	1.230
The hostel has good security mechanisms	5.84	1.427
The hostel design and decor are appealing	5.75	1.272
The hostel provides a good breakfast service	5.74	1.235
The hostel is in a safe neighborhood	5.69	1.178
The hostel is near monuments and museums	5.65	1.286
The hostel organizes group activities	5.28	1.682
The hostel has good laundry facilities	4.66	1.735
The hostel offers leisure facilities	4.61	1.883

<sup>&</sup>lt;sup>a</sup> Rated on a scale from 1-strongly disagree to 7- strongly agree.



Table A.2: Mean agreement with hostels' attributes by age group

Items <sup>a</sup>	Younger guests	Older guests	p-value
The staff are respectful, kind and friendly	6.35	6.46	0.475
The common areas are clean	6.39	6.34	0.746
The hostel is near public transport	6.22	6.54	0.029
The hostel is near restaurants/bars/commerce	6.22	6.43	0.158
Rooms / dorms are clean	6.23	6.39	0.296
The staff are reliable and ensure an efficient and timely			
service	6.18	6.39	0.191
The hostel provides computers with free internet access	6.25	6.19	0.721
The hostel provides a 24-hour reception service	6.29	6.09	0.343
The staff are always available to assist guests	6.14	6.41	0.049
The kitchen is clean	6.23	6.19	0.812
The staff are well-groomed	6.14	6.36	0.188
The staff transmit confidence and security to guests	6.16	6.26	0.553
The price charged by the hostel is adjusted to the service			
offered	6.13	6.10	0.849
The hostel ensures a good quality/price ratio	6.11	6.10	0.944
The bathrooms are clean	6.13	5.94	0.268
The staff are attentive to the problems of guests and try to			
resolve them	5.99	6.21	0.222
The staff are willing to meet specific needs	5.88	6.22	0.037
The hostel is cozy, home-like and comfortable	6.06	5.79	0.132
The hostel enables guests to meet new people	5.86	5.87	0.961
The hostel has good security mechanisms	5.91	5.69	0.320
The hostel design and decor are appealing	5.88	5.49	0.033
The hostel provides a good breakfast service	5.80	5.61	0.288
The hostel is in a safe neighborhood	5.75	5.56	0.270
The hostel is near monuments and museums	5.59	5.76	0.383
The hostel organizes group activities	5.44	4.94	0.042
The hostel has good laundry facilities	4.72	4.51	0.420
The hostel offers leisure facilities	4.72	4.37	0.196

<sup>&</sup>lt;sup>a</sup> Rated on a scale from 1-strongly disagree to 7- strongly agree.



Table A.3: Mean values of service quality dimensions by age group

Service quality dimensions <sup>†</sup>	Younger guests	Older guests	p-value
Staff	-0.127	+0.286	0.005
Cleanliness	+0.049	-0.110	0.278
Ambiance & design	+0.081	-0.182	0.073
Location	-0.054	+0.120	0.239
Price	+0.050	-0.111	0.273
Facilities & services	+0.059	-0.133	0.191
Security	+0.043	-0.097	0.386

<sup>&</sup>lt;sup>†</sup> The dimensions are standardized variables with overall mean 0 and variance 1.