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You Look Like You've Seen a Ghost: A Preliminary Exploration in Price and Customer Satisfaction Differences at Haunted Hotel Properties

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INTRODUCTION

Recently, reality television shows such ‘Ghost Hunters’ on the SyFy channel and ‘Ghost Adventures’ on the Travel Channel have spurred an interest in paranormal destinations (Mathe-Soulek et al., in press). Nearly 75% of Americans believe in some form of paranormal activity and approximately 37% of Americans believe that a structure, like a house or a hotel, can be haunted (Gallup, 2005). Within the tourism industry, using ghosts and hauntings as a marketing tool for exploitation can be a common practice (Holloway, 2010). Just as some hotels can use third party awards and ratings to develop a brand image perceived by customers (Nicolau and Sellers, 2010), properties can also utilize a haunting to attract specific customers to a destination.

Many theories ranging from a psychological perspective (Pinker, 1999) to a religious perspective (Rice, 2003), exist about the formation of belief in the paranormal. Regardless of how beliefs about paranormal agents are formed, tourist destinations and hotels can utilize these customer-held beliefs to potentially increase occupancy rates, revenues, and customer satisfaction. In one of the few studies on tourism and the paranormal, Rittichainuwat (2011) examined how ghosts can be a travel barrier to tourism recovery, but no study to date has examined differences in price and customer satisfaction between haunted and non-haunted properties. Examining these differences can provide insight into the way hotels market themselves to consumers. Even more specifically, by examining hotel chains versus non-chains and also inns versus hotels, hoteliers, general managers and others in decision making positions can tailor marketing plans based on the history and experiences guests have on the property. Therefore, this paper seeks to explore how price and customer satisfaction vary with the haunting of a property, while also considering the property type (inn vs. hotel) and ownership type (large chain vs. small chain/independent).

LITERATURE REVIEW

In the travel and tourism industry, people are primarily seeking enjoyment and memorable experiences (Kim and Ritchie, 2014) which can be attained by fulfilling needs through hedonically motivated tourist experiences (Kim et al., 2012). Hedonic motivation can be defined as the benefits or emotions that result from seeking thrill, indulgment, enjoyment, and excitement (Changet al., 2011; Merriam-Webster.com, 2016). Like adventure tourism (Reynolds and Hirtz, 2012), paranormal experiences can provide excitement for those who seek stimulation and sensation (Pekela et al., 1992) and therefore, some tourists may be highly motivated to seek haunted properties or destinations to fulfill hedonic needs. Prior research has found that customers who are high in sensation seeking and who are open to experience tend to have a greater belief in the paranormal (Smith et al., 2009). Moreover, individuals with external locus of control and

sensation seeking traits, are more risk-seeking to achieve immediate emotional excitement (Zaleskiewicz, 2001).

Individuals with intuitive thinking, high emotional instability, negative life events, affective attention, and attitudes of peers and parents reactions towards paranormal are also all positively related to the belief of paranormal agents (Lindeman and Aarnio, 2006). Negative life events and psychological distress can also increase belief in the paranormal (Linderman and Aarnio, 2006) because people often rely on the belief that an external factor such as a ghost, or another paranormal agent, is influencing these negative life events (Irwin, 2000; Lindermann and Aarnio, 2006). After the occurrence of a negative life event, individuals could use hedonic motivation and paranormal adventures to create a distraction, to generate optimism, to stimulate self-restoration, and to initiate personal transformation, as leisure and adventure activities are related to adjustment and coping (Kleiber et al., 2002).

When an individual occupies a haunted lodging destination, the thrill, enjoyment, and excitement can be experienced with a paranormal encounter. These feelings are highly sought after as the desire for strangeness and novelty that is counter to daily life helps to meet an individual's need to experience removal from daily life while engaging in leisure (Cohen, 1979; Uriely, 2005). Even if a paranormal encounter is not experienced, the anticipation of an encounter or emotional branding created by the organization can also elicit hedonic emotions. As Weiss (2011) explains, a visit to a haunted house provides an adrenaline rush equivalent to the excitement one can achieve from skydiving: the ability to feel 'alive.'

As Barsky and Nash (2002) claim, customers experience many emotions in a lodging experience such as entertained, excited, inspired, pampered, relaxed, and sophisticated; and within each segment (economy, luxury, etc.) some emotions are more important than others. Han and Back (2007) found that a cluster of excitement factors, that could theoretically, potentially be experienced in a haunted lodging experience (enthusiastic, thrilled, excited, joyful), was positively related to customer satisfaction. For haunted establishments and those seeking hedonic emotions, it can be assumed that ensuring these hedonic emotions are generated by haunted destination will in turn lead to customer satisfaction and loyalty (Han and Back, 2007).

This logic leads to the overarching question: collectively, are haunted properties experiencing greater satisfaction? Theoretically, as discussed, the thrill, enjoyment, and excitement that could be experienced at a haunted property would lead to greater customer satisfaction than at a destination that is not haunted. A non-haunted property may not be able to boast these attributes through the aforementioned customer experiences and therefore, collectively, would have lower customer satisfaction. Ergo, the following hypothesis is proposed:

Hypothesis 1: Haunted properties will have greater customer satisfaction than non-haunted properties

Many factors contribute to the satisfaction of a hotel visit including the price, housekeeping, food and beverage, reception, among others (Kandampully and Suhartanto, 2000). In the lodging environment atmospherical elements such as style, colors, and lighting can affect overall consumer impressions (Siguaw andENZ, 1999). Similarly, it can also be assumed that hotels that brand themselves as haunted can manipulate atmospherical elements that can help to develop an environment in which paranormal encounters may be expected. For example, at the Stone Lion Inn, a haunted inn in the Midwest, an embalming table exists as the residence was a formal funeral home (Mathe-Soulek et al., in press). This type of atmospherical element can help to generate emotions and expectations of the potentially haunted stay may encounter.

The relationship between price and customer satisfaction is continuous in the lodging industry, as most hotels are always open. Customer satisfaction and price can vary with every reservation. Because the process is continuous it is important to ensure that every room reservation is at a price that grows profits and builds loyalty (Lippman, 2003). Choi and Mattila (2004) state, “firms need to make the duration of customers’ use of their product or service more predictable and pricing more variable” (p.304). For the lodging industry, this can mean that by delivering a consistent experience, pricing can fluctuate more based on demand, in turn creating greater profits.

When lodging establishments brands themselves as haunted they attempt to eliminate substitutability that occurs in the lodging industry, such that a haunted lodging stay is clearly distinguished from an overnight lodging experience that could be found in any non-haunted property. As Lee and Jang (2012) state, when products are substitutable and within the same proximal location, the lower price will typically win the customer over. But while no two hotels in a location are exactly identical, factors like a property being haunted may provide an additional experience that customers would be willing (or not willing) to pay for.

Specifically, many studies have supported the notion that customers have a preference and are more willing to pay a premium for differentiated, unique services. We know that in the lodging industry customers are willing to pay more for an environmentally friendly, green, hotel (Kuminoff et al., 2010; Millar and Baloglu, 2011); being haunted can be just as such considered a differentiating factor. As Dev and Hubbard (1989) state, hotels that “offer a diversity of products to exploit niches in a given market will prosper” (p.22.).Using this logic, the uniqueness factor that can be involved in a haunted property presents revenue- and hotel-managers a unique opportunity to leverage brand equity in an industry

that is highly price competitive (Anselmsson et al., 2007). Other studies support the findings that products or services that are highly unique, like that of being haunted, have the ability to charge premium prices (Aaker, 1997). Therefore, it is expected that a haunted property will charge premium prices for a stay in their establishment based on the differentiation/ unique factors it holds.

Hypothesis 2: Haunted properties will have higher average prices than non-haunted properties.

METHODS

To collect data on what properties across the United States are haunted, the website hauntedrooms.com was utilized. A total of 103 properties were listed with at least one property in each state. Then after compiling the list of haunted properties TripAdvisor was consulted on the variables of interest: price and customer satisfaction. Of the 103 properties from hauntedrooms.com, 88 had some information available on TripAdvisor. Because some properties may have greater demand and, therefore, potentially higher prices in certain months, the average price for one week in June and one week in December was included for a grand average price between the two time periods. The customer satisfaction score is a measure based on reviews by customers who have stayed at the property and provided feedback to the TripAdvisor website. For each establishment, haunted and non-haunted, 5-point ratings were converted to a 0-100 percentage measure. For example if a hotel received 100 “5-star” responses, 50 “4- star” responses, 20 “3-star” response, 50 “2-star” responses, and 10 “1-star” responses, this would equate to a 3.78 average; this was then divided into 5 for a more specific score of 77.4%. To compare against non-haunted properties, two establishments were selected from the ‘compare to these similar hotels’ function of TripAdvisor. In particular, if a property was a haunted hotel, and part of a large chain hotel (e.g. Hilton), a similar non-haunted property of the same price range was selected from the list (e.g. Marriott). Another example would be the Andrew Jackson Hotel in New Orleans, LA. This hotel is not part of a major chain of hotels, is haunted, and has an average price between the two selected weeks of \$207.50 per night. Its comparison hotel included the St. Pierre, which is also a non-major chain hotel property, non-haunted, with an average price of \$204.5. For haunted properties 27 of the 88 were classified as an inn and 14 of the haunted properties were owned by a large chain. Of the 157 comparison properties, 52 were large chain owned and 33 were inns.

To test the first and second hypotheses, that haunted properties will have higher customer satisfaction and higher average prices than non-haunted properties, a one-way ANOVA was conducted. Prior to analysis the test of homogeneity of variance was conducted and both customer satisfaction and

average price were non-significant, allowing for ANOVA analysis ($p > .05$). The testing results suggest that non-haunted properties have higher customer satisfaction than haunted properties ($p = .01$). For price, there was no significant difference between haunted and non-haunted properties.

Table 1: One-Way ANOVA Results of Haunted vs. Non-Haunted Properties

		Average	Std. Dev.	Sig.
Haunted	Customer Satisfaction	76.81%	13.35%	p=.01
Not Haunted		81.47%	12.00%	
Haunted	Average Price	\$176.78	\$83.10	p=.38
Not Haunted		\$166.91	\$78.92	

After the initial analysis of haunted vs. non-haunted properties and the difference between satisfaction and price, a MANCOVA was conducted. Included as covariates in the model, dummy codes were created if the property ownership was part of a large chain (100+ properties) or small chain/independent (single, <100 properties) to help control for economies of scale and shared resources that occur in large chains (Ingram and Baum, 1997). Also, whether the property was an inn /bed and breakfast or a hotel was also dummy coded and included in the model due to the distinct differences of the property type. Results of the model are presented in Table 2.

Table 2: MANCOVA Results of Haunted vs. Non-Haunted Properties, on Customer Satisfaction and Average Price

		Mean Square	F	Sig.
Haunted	Customer Satisfaction	1516.29	8.664	.004
	Average Price	137.09	.022	.883
Property Type	Customer Satisfaction	19.45	.111	.739
	Average Price	47118.29	7.432	.007
Ownership Type	Customer Satisfaction	42.451	.243	.623
	Average Price	2240.38	.353	.553
Haunted X Property Type	Customer Satisfaction	470.974	2.778	.097
	Average Price	256.432	.040	.841
Haunted X Ownership Type	Customer Satisfaction	207.755	1.187	.277
	Average Price	17469.394	2.756	.098

Note: $R^2 = .056$

As seen in Table 2, consistent with the one-way ANOVA, customer satisfaction significantly varied based on if a property was haunted or non-haunted. The property type (inn vs. hotel) significantly varied on price. Ownership type had no significant differences between large chains and small chains/independents. A marginally significant interaction existed between haunted vs. non-haunted properties and type of property (inn vs. hotel) in terms of customer satisfaction with non-haunted, hotels scoring the highest customer satisfaction and haunted hotels scoring the lowest (Table 3). Another marginally significant interaction existed between ownership type and haunting with regards to price. Specifically, chain haunted hotels had the highest average price where non-haunted chain hotels had the lowest price (Table 4). Finally, in Table 5, the averages between a three-way interaction are listed, but could not be tested in the MANCOVA due to having zero cases of chain, inn, properties. Descriptively, non-haunted, non-chain hotels had the overall highest customer satisfaction, where haunted, non-chain hotels had the lowest. For price, the overall highest price was for haunted hotel chains and lowest was for non-haunted, non-chain, inns.

Table 3: Mean Price and Customer Satisfaction between Property Type and Haunted vs. Non-Haunted Properties

	Property Type	Average Price	Customer Satisfaction
Haunted	Hotel	\$191.23	76.02%
	Inn	\$144.36	79.15%
Not Haunted	Hotel	\$174.09	81.99%
	Inn	\$139.81	79.45%

Table 4: Mean Price and Customer Satisfaction between Ownership Type and Haunted vs. Non-Haunted Properties

	Ownership Type	Average Price	Customer Satisfaction
Haunted	Chain	\$214.60	78.40%
	Non-Chain	\$168.19	76.44%
Not Haunted	Chain	\$165.34	80.98%
	Non-Chain	\$167.69	81.70%

Table 5: Mean Price and Customer Satisfaction between Ownership Type, Property Type and Haunted vs. Non-Haunted Properties

	Property Type	Ownership Type	Average Price	Customer Satisfaction
Haunted	Hotel	Chain	\$214.60	78.40%
		Non-Chain	\$182.72	75.20%
	Inn	Chain	--	--
		Non-Chain	\$144.36	79.15%
Not Haunted	Hotel	Chain	\$165.34	80.98%
		Non-Chain	\$180.40	82.70%
	Inn	Chain	--	--
		Non-Chain	\$139.81	79.45%

DISCUSSION

The results of this paper contribute to the lodging, vacation, tourism and brand management literature in three primary means. First, opposite to what was hypothesized, overall customer satisfaction of haunted properties was lower than for non-haunted properties. We believe that this may be contrary to our hypothesis for two primary reasons. First, haunted properties tend to be older than non-haunted properties and also likely have fewer remodels than non-haunted properties. This could be in part of property management's attempt to manipulate atmospherical elements to create a haunted feel. Newer properties are less likely to be haunted, as evidenced by many of the haunted properties on the list acquiring their haunted stories from war or tumultuous events that occurred in US history. In the instances in which travelers do not stay at a haunted property for the purpose of a paranormal experience, the age and less than up to day accommodations may detract from customer satisfaction. Future studies should examine how many of the guests are staying at each haunted property because of its haunted nature, and or/the purpose of the trip (e.g. business or leisure).

Interestingly, considering just haunting status did not support a significant price difference. However, the second important finding from this paper was the interaction effect between haunted status and property type. In non-haunted hotels the customer satisfaction tended to be highest while haunted hotels tended to be the lowest. Referring to the previous point, the purpose of the trip should be another important indicator to customer satisfaction. In further examination of Table 3, the customer satisfaction between haunted and non-haunted inns differed

by a marginal .30%. Therefore, for hotel properties there are actually drawbacks for being a haunted property when it comes to overall customer satisfaction.

Finally, looking at the differences between haunted properties and ownership status showed that haunted chain hotels charge the most premium price: on average around \$50 more per night than haunted non-chains or non-haunted properties. More than that, by looking at the three-way interaction described, the haunted hotel chain properties, despite their premium price, score second lowest in overall customer satisfaction with only haunted non-chain hotels scoring lower.

Limitations and future research

This study has limitations that can generalize its findings, but will serve as a foundation for future studies on haunted tourism and lodging. First, as mentioned, it is critical for future studies to examine the purpose of the stay and other psychological traits of the consumer. While this study utilized secondary data, further examination into each TripAdvisor reviewer through text analysis may be warranted to further delineate purpose of travel and satisfaction. Moreover, did the customer know that the property was haunted is a question that needs to be addressed for future studies, and also serves as a limitation to the present study. If a guest did not know the property was haunted, and the property was branding using atmospherical elements such as age or 'wear and tear', that guest's satisfaction would likely be lower than for someone who did know the property was haunted. Future studies should delineate other satisfaction variables such as cleanliness, as well as service quality measures that may help to explain for opposite results. This information is collected by TripAdvisor but is not reported to the general public; instead it is used on an owners' dashboard for property managers and owners (TripAdvisor, 2009).

On the same stream of logic, if a property is haunted, is the property itself utilizing the haunted image provides another questionable limitation but also opportunities for future research. If the property is haunted but there is not congruence in the management of the haunted brand, a customer may lose satisfaction. Future studies should also control for third-party star ratings, which, like in the present study, are often unavailable for inn/bed and breakfast properties. Finally, this study only examined haunted properties in the United States. Other cultures in other destinations may have differing views on hauntings and seeking excitement factors of a paranormal experience as discussed.

CONCLUSION

This study sought to explore the concept of haunted properties and how customers rate their satisfaction with their experience as well as the price haunted properties charge for customer accommodations. Using property type and ownership type as covariates, we found marginally significant interactions

between haunting and property type and the difference in customer satisfaction as well as a between haunting and ownership type and the difference in price. Using the brand management paradigm as a theoretical foundation, this study sought to investigate differences in a popular area of society: haunting and paranormal activity.

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