CARIMO HASSAM RASSAL

ALL-INCLUSIVE HOSPITALITY DYNAMICS
THE CASE OF THE ALGARVE

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Ph.D. Thesis in Tourism
Specialty in Management

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(Carimo Hassam Rassal)

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DEDICATION

To Paula,

my wife

To Guilherme and Diogo,

my sons.

"Inspiration exists, but it has to find you working."

Pablo Picasso

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RESUMO

Esta investigação analisa os determinantes da satisfação e lealdade dos hóspedes no setor hoteleiro de regime tudo incluído (AI), no Algarve, com o objetivo de avaliar dinâmicas e impactos desta atividade na região. Do ponto de vista metodológico, a investigação suporta-se na Análise Comparativa Qualitativa (fsQCA) para identificar as múltiplas configurações que influenciam a satisfação dos hóspedes em diversos contextos hoteleiros. Através da combinação de métodos qualitativos e quantitativos, o estudo identifica os fatores que influenciam as experiências dos hóspedes no âmbito da hospitalidade em regime tudo incluído. Complementarmente apresentam-se análises de sentimento realizadas com dados extraídos de avaliações online para reforçar as dinâmicas que decorrem da satisfação com o serviço. A validação das análise qualitativas é realizada por recurso a modelos de escolha discreta que quantificam impactos na região e na intenção de regressar e voltar, ao hotel, ao regime e à região.

Alicerçada em quatro artigos científicos que examinam diversos aspetos das experiências dos hóspedes no âmbito da hotelaria, a investigação desenvolve-se em torno das seguintes questões de investigação:

1. Qual é a relação entre *eWOM* e as várias dimensões de serviço, e como é que estes fatores influenciam coletivamente a experiência geral do hóspede em hotéis de quatro e cinco estrelas listados na plataforma *TripAdvisor*?
2. Quais os aspetos dos serviços tudo incluído que afetam significativamente a moderação das classificações online na plataforma *TripAdvisor* e como contribuem para a perceção geral dos serviços hoteleiros?
3. Quais os fatores cruciais e as melhores práticas para manter uma qualidade de serviço excecional na indústria hoteleira, e como esses elementos impulsionam o sucesso a longo prazo dos negócios?
4. Quais são os principais determinantes que influenciam as intenções futuras dos hóspedes alojados em hotéis na região do Algarve, e como esses fatores afetam a possível influência dos serviços tudo incluído no mercado hoteleiro regional?

Os resultados empíricos enfatizam a importância do *eWOM* no desempenho das equipas, na qualidade do serviço prestada, no preço, no ambiente e nos fatores relacionados com a experiência na hotelaria, relevando as implicações para a competitividade hoteleira, particularmente em hotéis a operar em regime tudo incluído no Algarve. Tal reveste-se de vital importância para os profissionais, uma vez que podem desenvolver e implementar estratégias mais eficazes para incrementar a satisfação dos hóspedes e a competitividade hoteleira.

As implicações para a gestão podem ser categorizadas em quatro áreas principais: compreensão e gestão de avaliações online, desempenho e formação de pessoal, qualidade e inovação de serviços e mecanismos de comunicação e feedback.

As implicações sociais concentram-se na sua potencial influência nas práticas de gestão hoteleira, no ecossistema turístico mais amplo e nas experiências dos hóspedes.

A investigação ilustra o impacto do ambiente de serviços (*servicescape*) na satisfação dos hóspedes, sugerindo que os gestores hoteleiros devem considerar as necessidades e preferências únicas dos hóspedes-alvo ao projetar o seu ambiente de serviços e alocar recursos para os vários aspetos dos seus hotéis.

Em conclusão, a tese identifica as necessidades e preferências dinâmicas dos seus hóspedes, com o objetivo de promover um crescimento sustentável no setor hoteleiro num contexto global cada vez mais competitivo e dinâmico.

Palavras-chave: Fidelização de Clientes , Hotéis tudo incluído, *eWOM*, Qualidade do Serviço, Indústria Hoteleira.

ABSTRACT

This research analyses the determinants of guest satisfaction and loyalty in the all-inclusive (AI) hotel sector in the Algarve to assess the dynamics and impacts of this activity in the region. From a methodological point of view, the research is based on Qualitative Comparative Analysis (fsQCA) to identify the multiple configurations that influence guest satisfaction in different hotel settings. The study identifies the factors influencing guests' experiences in all-inclusive hospitality by combining qualitative and quantitative methods. Complementary sentiment analyses performed with data extracted from online reviews are presented to reinforce the dynamics that arise from service satisfaction. Finally, the qualitative studies are validated using discrete choice models that quantify impacts on the region and the intention to return and come back to the hotel, the regime, and the region.

Based on four scientific articles that examine various aspects of guest experiences in the hospitality industry, the research is developed around the following research questions:

1. What is the relationship between eWOM and various service dimensions, and how do these factors collectively influence the overall guest experience at four- and five-star hotels listed on the TripAdvisor platform?

2. What aspects of all-inclusive services significantly affect the moderation of online ratings on the TripAdvisor platform, and how do they contribute to the overall perception of hotel services?

3. What are the crucial factors and best practices for maintaining exceptional service quality in the hospitality industry, and how do these elements drive long-term business success?

4. What are the key determinants influencing the future intentions of guests staying in

hotels in the Algarve region, and how do these factors affect the possible influence of all-inclusive services in the regional hotel market?
The empirical results emphasize the importance of eWOM on team performance, service quality, price, environment, and experience factors, highlighting the implications for hotel competitiveness, particularly in all-inclusive hotels in the Algarve. This is vital for professionals since they can develop and implement more effective strategies to increase guest satisfaction and hotel competitiveness.

The implications for management can be categorized into four main areas: understanding and managing online reviews, staff performance and training, service quality and innovation, and communication and feedback mechanisms.

The social implications focus on their potential influence on hotel management practices, the broader tourism ecosystem, and guest experiences.

The research illustrates the impact of the servicescape on guest satisfaction, suggesting that hotel managers should consider their target guests' unique needs and preferences when designing their service environment and allocating resources to various aspects of their hotels.

In conclusion, the thesis identifies its guests' dynamic needs and preferences to promote sustainable growth in the hotel industry in an increasingly competitive and dynamic global context.

Keywords: Customer Loyalty, All Inclusive Hotels, eWOM, Service Quality, Hotel Industry.

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ABBREVIATIONS LIST

SYMBOL	DESCRIPTION / MEANING
AI	All Inclusive
AVE	Average Variance Extracted
CLUB MED	Club Méditerranée
CFA	Confirmatory Factor Analysis
COVID-19	Coronavirus Disease 2019
CR	Composite Reliability
EFA	Exploratory Factor Analysis
EU	European Union
eWOM	Electronic Word of Mouth
fsQCA	Fuzzy Set Qualitative Comparative Analysis
GDP	Gross Domestic Product
HR managers	Human Resources managers
IT	Information Technology
KMO	Kaiser-Meyer-Olkin

SYMBOL	DESCRIPTION / MEANING
KPIs	Key Performance Indicators
M	Mean
MSV	Maximum Shared Squared Variance
NPL	Natural Language Processing
non-AI	Non-All Inclusive
P2P	Peer-to-Peer
PCA	Principal Component Analysis
S.E.	Standard Error
SD	Standard Deviation
SERVQUAL	Service Quality
SPSS	Statistical Package for the Social Sciences
UK	United Kingdom
UNWTO	World Tourism Organization
UGC	User-Generated Content

SYMBOL	DESCRIPTION / MEANING
USD	United States Dollar
USA	United States of America
WTTC	World Travel & Tourism Council
QCA	Qualitative Comparative Analysis

CHAPTER 1

INTRODUCTION

1.1 Statement of the Research Problem and Purposes of the Research.

The hospitality industry constantly evolves to meet travellers' needs and desires. One recent trend is the all-inclusive (AI) concept, which provides guests with a comprehensive experience of lodging, food, and amenities for a single price (Hudson, 2023). These resorts are top-rated in sun and sand destinations, attracting tourists from all over the world. However, the all-inclusive experience is complex and influenced by factors such as service quality, online reviews, perceived servicescape, and destination dynamics.

As a crucial component of the global tourism sector, the hotel industry's significance and influence across regions continue to grow (UNWTO, 2023). Within market dynamics, hoteliers and hospitality business strategists must make individual decisions about hotel packages (all-inclusive, full board, half board, etc.), availability, and pricing during the season to meet budget goals, guests' expectations, satisfaction, and desired loyalty (Çetin & Süren, 2022). The effects of these decisions on a managerial and regional level warrant further investigation, especially regarding the potential relationships between satisfaction with hotels (all-inclusive and non-all-inclusive) and the intention to return or recommend (Soler et al., 2019).

The Portuguese tourism industry relies heavily (49%) on international tourists, primarily from Spain, France, the UK, Germany, Switzerland, the Netherlands, Belgium, and Italy, with over 9.6 million arrivals and 18.66 million overnight stays in 2021. Out of 1407 hotels in Portugal, 47% (943) are rated four or five stars, with an estimated capacity of 94.808 rooms; an increasing number of tourists consistently choose all-inclusive resorts (PORDATA, 2022).

The Algarve region on Portugal's southern coast is the nation's premier sun, sea, and beach destination. By the end of 2021, it had about 161 hotels, accounting for approximately 5% of the country's GDP in 2019 (INE, 2022). Regarding all-inclusive hotels and resorts in Portugal, approximately 65 hotels nationwide offered exclusively all-inclusive food

plans on TripAdvisor, with 49 rated four and 16 rated five stars. The region accounted for over 70% of the all-inclusive hotels and resorts market share, boasting an average hotel capacity of 284 rooms, compared to the average 100-room capacity of non-all-inclusive hotels in the Algarve (Marrão, 2020). Despite recent challenges in the global tourism industry, the Algarve region has steadily established itself as a leading sun and sea destination in Portugal, experiencing the emergence and expansion of all-inclusive resorts over the past 21 years.

The expansion and evolution of all-inclusive resorts in the Algarve region can be linked to several factors, including hassle-free vacation planning, better value for money, and a desire for a relaxed experience (Ramires et al., 2022). Furthermore, as a growing number of tourists choose all-inclusive options, hoteliers and hospitality enterprises in the area must evolve and innovate to address the increasing demands of this type of traveller (Keskin et al., 2021), making it worthwhile to study.

The research problem focuses on understanding the factors contributing to guest satisfaction in all-inclusive resorts in the Algarve region. This includes examining the roles of service quality, online reviews, perceived servicescape, and destination dynamics in shaping guests' experiences and their intentions to return or recommend the service type, the hotel, or the destination. This is the basis for understanding the dynamics and impacts of AI hotels in tourism in the region.

1.2 Thesis Aim, Objectives, and Research Questions

The thesis analyses the hospitality landscape in the Algarve, focusing on identifying the critical aspects that shape the guest experience in all-inclusive resorts. The study investigates the factors influencing the all-inclusive hospitality experience, including online reviews, service performance, perceived servicescape, and destination dynamics (Calveras, 2019; Hussain et al., 2016; Ivanov & Ivanova, 2016; Kim & Han, 2022;

Migdadi & Abdel-Rahman, 2020; Parasuraman et al., 1985a; Poon, 1998; Rosenbaum & Massiah, 2011; Tombs & McColl-Kennedy, 2003; Walumbwa et al., 2019).

The research problem of this study is to analyse the all-inclusive hospitality landscape in sun-and-sand destinations holistically, pinpointing the critical aspects that meld guest experiences.

The primary objectives of this study are:

1. To investigate the relationship between electronic word-of-mouth (eWOM) and service dimensions in four- and five-star hotels on TripAdvisor and to assess the combined influence of these factors on the overall guest experience.
2. To identify and analyse the critical components of AI services that affect online TripAdvisor ratings and evaluate each element's relative importance in shaping the overall perception of hotel services.
3. To comprehensively explore the factors and best practices crucial for maintaining high levels of service quality in the hospitality industry and to determine how these elements contribute to the long-term success of businesses in this sector.
4. To systematically examine the factors that affect the future intentions of both AI and non-AI hotel guests in the Algarve region and to assess the potential implications of these factors on the adoption and impact of AI-based systems in the regional hospitality industry.

To accomplish these objectives, the study will address the following research questions (RQ):

1. **RQ1**: How do eWOM and various service dimensions interact, and what is their cumulative impact on the overall guest experience in four- and five-star hotels listed on TripAdvisor? (covered in Article 1)
2. **RQ2**: Which components of AI services have the most significant impact on moderating online ratings on TripAdvisor, and what is their relative contribution to the overall perception of hotel services? (covered in Article 2)

3. **RQ3**: What are the essential factors and best practices for maintaining high levels of service quality in the competitive hospitality industry, and how do these elements drive long-term business success? (covered in Article 3)
4. **RQ4**: What are the key factors influencing the future intentions of AI and non-AI hotel guests in the Algarve region, and how do these factors shape the potential impact of AI services on the regional hospitality market? (covered in Article 4)

While the objectives were established based on a thorough examination of the literature, the limitations on the length of the Article may require further clarification. Therefore, the subsequent section outlines the primary theoretical foundations of this thesis.

1.3 Theoretical Insights

1.3.1 Hospitality Industry Overview

The hospitality industry is a multifaceted and dynamic sector encompassing many services and facilities, including lodging, dining, transportation, and tourism (Farmaki & Pappas, 2022; Kandampully et al., 2013; King, 1995). The industry has experienced remarkable growth and transformation in recent years, driven by numerous factors such as globalization, technological advancements, and changing consumer preferences. According to the World Travel and Tourism Council (WTTC), the hospitality industry is one of the largest industries globally, contributing over 10% of the global GDP and offering employment opportunities to millions of individuals worldwide (WTTC, 2021).

Companies must prioritize providing exceptional customer service and amenities in the highly competitive hospitality industry to attract and retain customers (Moseder & Pike, 2018). In addition, various trends have impacted the industry, such as the increasing demand for sustainable and eco-friendly practices, personalized experiences, and the all-inclusive concept. The all-inclusive concept is a recent trend in the hospitality industry

that seeks to provide guests with a comprehensive and seamless experience of accommodation, food, and amenities (Okumus et al., 2020).

The all-inclusive concept has become increasingly popular among travellers as it eliminates the need for guests to be concerned about additional costs for food, drinks, and other amenities during their stay. This concept offers guests the convenience of meeting all their needs in one package, making it an attractive option for travellers seeking a stress-free and all-encompassing experience. Furthermore, the all-inclusive concept allows hospitality companies to differentiate themselves in a highly competitive industry by offering unique and value-added services to guests (Elnasr et al., 2021).

1.3.2 All-Inclusive Hospitality Concept

The All-Inclusive (AI) concept is a marketing and pricing policy that includes all services within a hotel, such as meals, drinks, activities, and entertainment, in a prepaid package. The concept originated in the 1930s with holiday camps in England and the USA. It was popularized by the Méditerranée Club (Club Med) in the 1950s, positioning its product for young singles with a spirit of adventure and endless fun (Rayna & Striukova, 2009). Today, the AI concept is prevalent in sun and beach destinations, particularly in the Caribbean (Zopiatis et al., 2020).

The AI resort-type hotels are designed to provide guests with an environment that enhances their well-being, relaxation, and enjoyment without concerns with money-related issues (Çiftçi et al., 2007). The service experience is critical for guests due to their intensive usage of available services and interaction with staff. As a result, the intangible and heterogeneous nature of service quality dimensions, such as reliability, assurance, empathy, communication, and responsiveness, directly related to staff performance, represents a significant challenge in the AI resorts' dynamics (Bladh & Holm, 2013). However, it also represents an opportunity for industry professionals to pursue higher

satisfaction rates, expressed in higher revenues, supported by guests' loyalty to the hotel and food plan season after season (Ozdemir et al., 2012).

The Servicescape concept, concerned with the physical environment of service delivery (Bitner, 1992; Singleton & Losekoot, 2020), is crucial in the AI concept as it encompasses the amenities, surroundings, and atmosphere of the resort. AI resort-type hotels are designed to provide guests with a complete package of services that can fulfil all their needs within the resort, making the servicescape's design and management of utmost importance (Li et al., 2021; Wakefield & Blodgett, 1994). The servicescape includes everything from the hotel's architecture, interior design, lighting, temperature, sounds, smells, and visual elements to the landscaping, furniture, and equipment.

The AI concept's success heavily relies on the service's ability to provide an immersive and memorable experience that aligns with the resort's theme and target audience. The servicescape's design must create an environment that facilitates relaxation, fun, and social interaction while providing security and exclusivity (Zeithaml et al., 2009). The AI concept is typically associated with sun and beach destinations, and the servicescape should reflect the location's natural beauty, climate, and culture.

Service quality is critical to the AI concept as guests' satisfaction and loyalty drive the business's sustainability (NasarAmini Jeloudarlou et al., 2022). The AI concept is highly competitive, and the provided services' quality, consistency, and diversity can make or break a resort's success. The intangible nature of the service quality dimensions, such as reliability, assurance, empathy, communication, and responsiveness, makes staff performance a critical factor in creating a positive service experience (Nunkoo et al., 2020). Therefore, the servicescape must be designed to support the staff's performance and provide them with the necessary resources to deliver high-quality services.
Those high-quality services are mostly commented on online by the guests.

1.3.3 Online Reviews

Sayfuddin and Chen (2021) contend that online reviews are vital in shaping consumer confidence within the hospitality industry. These reviews impact the choice or avoidance of specific hotels and the hotel's reputation, serving as a crucial source of pre-purchase information for potential guests. Factors that generate reviews, which subsequently influence guest and hotel perceptions, encompass service quality, guest satisfaction, failure and recovery, customer dissatisfaction, and a sense of belonging within the community (Vo et al., 2021).

Despite having a positive experience, a guest might not recommend the hotel to others. However, eWOM remains crucial to a hotel's reputation and trust-building (Yen & Tang, 2019). Hotel managers should pay attention to reviews published on third-party websites such as TripAdvisor, as highlighted by Abeysinghe and Bandara (2022).

Online reviews present both advantages and disadvantages for hotels. Benefits include identifying a hotel's strengths and weaknesses, serving as a positive indirect marketing source (when reviews are favourable), offering valuable guest feedback, and acting as a liaison between guests and hotels. Drawbacks include the public visibility of negative reviews, which increases hotel vulnerability, and elevated guest expectations due to increased access to information, potentially resulting in service dissatisfaction (Cheng et al., 2019).

Online reviews pose opportunities and challenges for both guests and hotels. Hotels should develop strategies for effectively managing and leveraging online feedback to enhance their services. One approach involves actively engaging with guests by responding to their feedback, demonstrating a commitment to guest satisfaction, and signalling that the hotel values their opinions. By addressing issues raised in negative reviews, hotels can transform potential setbacks into opportunities for improvement and growth (Mary & Pour, 2022).

Another strategy entails analysing online review data to identify trends and patterns in guest feedback. Data analytics tools can provide insights into guest preferences and requirements, enabling hotels to tailor their offerings and services (Lim & Ok, 2022). This guest-centric approach promotes long-term guest loyalty by meeting and exceeding their expectations (Borchers & Dedkova, 2023) with service quality.

1.3.4 Service Quality

Service quality models in the hospitality and tourism sectors have been a focal point of research, with critical contributions from scholars such as Parasuraman et al. (1985), Jain and Gupta (2004), and Pijls et al. (2017). These models and scales facilitate the comprehension of service quality gaps and their implications within diverse hospitality industry contexts.

Grönroos (1984) was one of the first authors to research this area, identifying three components of service quality: technical quality, functional quality, and corporate image. The GAP model, proposed by Parasuraman et al. (1985), outlined five gaps related to service quality: management's perception of consumer expectations versus actual expectations (gap 1); management's perception of consumer expectations versus service quality standards (gap 2); service performance gap, capturing the difference between quality specifications and delivered service (gap 3); promised versus communicated service (gap 4); and consumer expectations versus perceived service (gap 5). Subsequent refinements led to the development of the SERVQUAL scale and the extended model of service quality, encompassing five dimensions (reliability, responsiveness, tangibles, assurance, empathy) and twenty-one items (Akeem et al., 2021; Parasuraman et al., 1991).

Haywood-Farmer (1988) argued that high-quality service is achieved when customer preferences and expectations are consistently met. The model considers the contact between guests and employees, the interaction's depth, and the attribute allocation across three groups: physical facilities and processes, people's behaviour, and professional

judgment. The model emphasizes a balanced approach to maintaining overall service quality.

Subsequent advancements include Brogowicz et al. (1990) synthesized model of service quality, which addressed potential gaps between customers who experienced the service and those who learned about it through word of mouth. Cronin and Taylor (1992) investigated the relationship between service quality, consumer satisfaction, and purchase intentions, while Mattsson (1992) considered service quality value as an outcome of the satisfaction process. Finally, Teas (1993) developed the evaluated performance framework, addressing conceptual ambiguity and theoretical justification concerns in the SERVQUAL model.

Berkley and Gupta (1994) focused on the connection between service quality dimensions (reliability, responsiveness, communication, understanding of the customer) and IT strategy, aiming to optimize organizational alignment with delivered service quality.
Since the early 2000s, service quality research has expanded significantly, covering various themes such as organizational behaviour, economics, motivation, service quality scales, consequences of service quality, determinants of service quality, destination, relationships quality, customer behaviour, human resources, service failure and recovery, electronic tourism, strategy, research methodology, residents' attitudes, consumer dissatisfaction, and finance (Lai et al., 2018).

Perceived service quality significantly influences consumer behavioural intentions in tourism and hospitality (Bitner, 1990). Therefore, combining tangible and intangible factors, including physical surroundings and staff service responses, is essential for evaluating overall satisfaction (Ivanka et al., 2009).

Service quality determinants research in the hospitality sector has grown since the turn of the century (Choi & Chu, 2001). For instance, Wilkins et al. (2007) identified three main types of service quality in hotels: physical product, service experience, and food and

beverage quality. As a result, understanding the multifaceted dynamics of service quality in the competitive and uncertain hotel industry is increasingly vital (Akarsu et al., 2023).

1.3.5 The Role of Servicescape in Shaping the Hospitality Industry Experience.

Bitner (1992) introduced the concept of servicescape as the environment in which services are provided and experienced by customers. This concept encompasses the physical aspects of the service environment and plays a critical role in addressing customer needs promptly. Servicescape also serves as a mechanism to boost commercial activities and affect the behaviour of both customers and employees (Yin et al., 2023). However, despite its importance, the practical implementation of servicescape as a tangible organizational resource still needs to be improved (Akarsu et al., 2023).

In the hospitality sector, evaluating service quality is inherently complex and uncertain (Correia & Kozak, 2021). Nonetheless, the impact of service quality on the industry is so profound that it can determine the success or failure of a business (Kim et al., 2010).

In today's hotel business landscape, electronic word-of-mouth platforms (both professional and social) play a vital role in gauging hotel quality and shaping future recommendations (Finkelstein et al., 2018). Common categories for assessing customer satisfaction include staff, value for money, comfort, Wi-Fi, facilities, services, cleanliness, and location (e.g., booking.com).

While hotel managers can attempt to address service quality issues by examining customer evaluations across various platforms, such analyses need more depth and scope (Borchers & Dedkova, 2023). This limitation stems from the inherent biases that managers may have when perceiving the actual service experience. For instance, if a lower staff rating is observed, which specific trait(s) should managers focus on to improve service settings? Additionally, which intangible staff traits should be managed to align guests' perceived servicescape with the experience? Moreover, what staff characteristics

can be emphasized to counterbalance a hotel's shortcomings in areas like location, design, or physical layout? (Lockwood & Pyun, 2019).

1.3.6 Sun and Sand Destinations

The tourism industry in the sun and sand destinations has undergone significant changes in recent decades, with all-inclusive hotels emerging as critical players in the competitiveness of these destinations (Hudson, 2023). All-inclusive hotels offer guests a range of amenities and services, including meals, drinks, and activities, at one upfront price, providing convenience and predictability in the vacation experience. This feature has made them popular among tourists seeking a cost-effective holiday (Soonsan & Somkai, 2022).

Research has shown that the level of service and variety of amenities offered by all-inclusive hotels are critical factors that influence tourists' perceptions of the destination (Lee et al., 2023). However, there are concerns that all-inclusive hotels can negatively impact the local economy by limiting the benefits to the local community. Additionally, tourists may need more repeat visitors to the destination to explore and engage with the local culture, potentially leading to a lack of repeat visitors (Farmaki & Pappas, 2022).

Guest satisfaction plays a critical role in the future behavioural intentions of tourists toward all-inclusive hotels and their destinations (Çetin & Süren, 2022). Research has found that guest satisfaction positively affects tourists' loyalty toward all-inclusive hotels, leading to future bookings and positive word-of-mouth recommendations. The provision of personalized and customized experiences for guests can enhance guest satisfaction and increase loyalty in all-inclusive hotels (Yamagishi et al., 2022).

In conclusion, all-inclusive hotels have become a critical component of the competitiveness of sun and sand destinations, offering tourists a convenient and cost-effective vacation experience. However, their impact on the local economy and the need

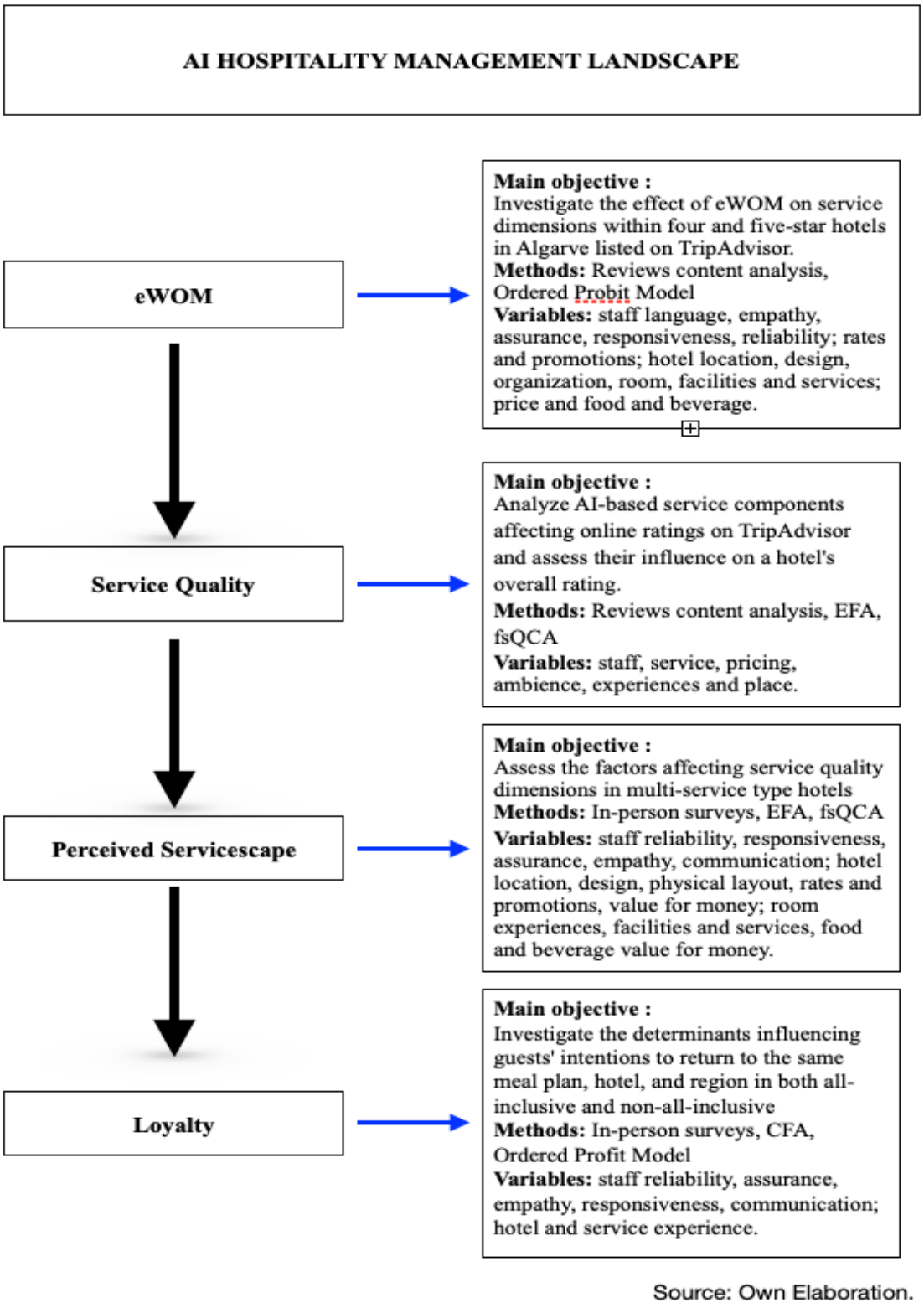
for more cultural engagement for tourists must be addressed. Furthermore, personalized and customized guest experiences can enhance guest satisfaction and increase loyalty in all-inclusive hotels.

1.4 Conceptual Framework

This study is grounded in the SERVQUAL framework (Baker & Crompton, 2000; Berry et al., 1988; Parasuraman et al., 1985) and aims to evaluate guests' preferences for in-person hospitality servicescape. The research has four primary objectives: first, to identify the attributes that significantly contribute to a guest's overall evaluation of a hotel experience; second, to determine the critical components of AI services that influence online ratings; third, to comprehend the intricate dynamics involved in maintaining exceptional service quality; and fourth, to analyse the factors determining the future intentions of AI and non-AI guests, which serves as an initial proxy for assessing the potential regional impacts of such systems.

To achieve these objectives, the thesis is structured within the conceptual framework depicted in Figure 1.1, and the research stages outlined in Table 1.1

Figure 1.1 Thesis Conceptual Framework



Source: Own Elaboration.

Table. 1.1- Research Phases

Research Purpose	Research Questions	Hypotheses	Article
1. Investigate the relationship between electronic word-of-mouth (eWOM) and service dimensions in four- and five-star hotels on TripAdvisor and assess the combined influence of these factors on the overall guest experience.	How do electronic word-of-mouth (eWOM) and various service dimensions interact, and what is their cumulative impact on the overall guest experience in four- and five-star hotels listed on TripAdvisor?	H_1: Comments about staff language would influence overall assessment. H_2: Comments about staff empathy would influence overall assessment. H_3: Comments about staff assurance would influence overall assessment. H_4: Comments about staff responsiveness would influence overall assessment. H_5: Comments about staff reliability would influence the overall assessment. H_6: Comments about rates and promotions would influence overall assessment. H_7: Comments about hotel location would influence the overall assessment. H_8: Comments about hotel design would influence overall assessment. H_9: Comments about the organization would influence overall assessment. H_{10} Comments about the room would influence the overall assessment. H_{11} Comments about facilities and services would influence overall assessment. H_{12} Comments about price would influence the overall assessment. H_{13} Comments about food and beverage would influence the overall assessment. H_{14}: Comments about each of the service dimensions are moderated by the number of hotel stars.	**Covered in Article 1**

Research Purpose	Research Questions	Hypotheses	Article
2. Identify and analyse the critical components of AI services that affect online ratings on TripAdvisor and evaluate each component's relative importance in shaping the overall perception of hotel services.	1. Can rating enhancement on TripAdvisor in AI hotels be achieved through a single-construct approach, or is it necessary to use a multi-construct approach? 2.Which constructs contribute the most to enhancing the rating on TripAdvisor in AI hotels? 3.Do service component recipes differ in AI five-star hotels?	H_1: Prioritizing staff and service quality in AI hotels can lead to improved online ratings on TripAdvisor, even if pricing is not emphasized. H_2: Boosting the guest experience in AI hotels can offset service shortcomings and result in better online ratings. H_3: In five-star AI hotels, the guest experience plays a pivotal role in connecting service and location constructs, significantly affecting customer satisfaction and online ratings. H_4: The specific combinations of attributes that influence higher online ratings for AI hotels may vary between five-star and lower-tier establishments.	**Covered in Article 2**

Research Purpose	Research Questions	Hypotheses	Article
3. Explore the factors and best practices crucial for maintaining high levels of service quality in the hospitality industry and to determine how these elements contribute to the long-term success of businesses in the hospitality sector.	What are the essential factors and best practices for maintaining high levels of service quality in the competitive hospitality industry, and how do these elements drive long-term business success?	H_1: A comprehensive understanding of servicescape's social, physical, and commercial dimensions will lead to higher guest satisfaction in multi-typed hotels. H_2: The weight of each dimension (social, physical, and commercial) of the servicescape will differ significantly among aggregate, all-inclusive, and non-all-inclusive hotels. H_3: Reliability and hotel domains are more critical factors in determining guest satisfaction, regardless of the type of hotel. H_4: Continuous investment in staff training will result in increased service reliability and improved guest satisfaction. H_5: Addressing staff loyalty and maintaining consistency in service quality during peak and off-peak seasons is crucial for the long-term success of hospitality businesses in sun and sea destinations. H_6: Implementing best practices in service quality management will lead to increased customer loyalty, resulting in long-term business success in the competitive hospitality industry. H_7: The relationship between servicescape dynamics and guest satisfaction varies across different types of hotels, suggesting that managers need to adapt their strategies accordingly to maximize customer satisfaction.	**Covered in Article 3**

Research Purpose	Research Questions	Hypotheses	Article
4. Examine the factors that affect the future intentions of both AI and non-AI hotel guests in the Algarve region and to assess the potential implications of these factors on the adoption and impact of AI-based systems in the regional hospitality industry.	1. What are the essential factors and best practices for maintaining high levels of service quality in the competitive hospitality industry, and how do these elements drive long-term business success?	H_{1a} - Guest satisfaction with the non-AI service experience significantly predicts the intention to return to the same food plan. H_{1b} - Guest satisfaction with the AI service experience significantly predicts intention to return to the same food plan. H_{2a} – Guest satisfaction with the non-AI service experience significantly predicts the intention to return to the same hotel. H_{2b} - Guest satisfaction with the AI service experience significantly predicts the intention to return to the same hotel. H_{3a} – Guest satisfaction with the non-AI service experience is a significant predictor of intention to return to the same region. H_{3b} - Guest satisfaction with the AI service experience significantly predicts intention to return to the same region.	**Covered in Article 4**

Source: Own elaboration

1.5 Organization of the Thesis

The thesis comprises six chapters, each of the four research articles dedicated to a specific chapter. The thesis focuses on all-inclusive hospitality dynamics and their impact on the tourism industry in the Algarve. The thesis structure is illustrated in Figure 1.2, which summarizes each Article. The thesis aims to comprehensively understand the topic by combining theoretical and methodological insights from the research articles.

While each chapter is specific to the corresponding Article, they all contribute to achieving the thesis's four primary objectives. Finally, the concluding section of the thesis presents the theoretical, managerial, and social implications of the research findings, presents the limitations and suggests potential avenues for future research.

The structure of the thesis and the individual articles summaries provide readers with a roadmap of the research's key themes and findings.

Figure 1.2 –Structure of the Thesis

Paper 1 / Published

Title: The eWOM effects on Service Performance in Hospitality

Goal: Investigate the relationship between electronic word-of-mouth (eWOM) and service dimensions in four- and five-star hotels on TripAdvisor and assess the combined influence of these factors on the overall guest experience.
Publication: Book Chapter in Experiential Consumption and Marketing in Tourism within a Cross-Cultural Context

Paper 2 / Published

Title: Understanding online reviews in all-inclusive hotels servicescape.

Goal: Identify and analyze the critical components of AI services that affect online ratings on TripAdvisor and evaluate each component's relative importance in shaping the overall perception of hotel services.
Publication: Journal of Quality Assurance in Hospitality & Tourism

Paper 3 / Submitted

Title: Exploring perceived servicescape in the hospitality business
Goal: Explore the factors and best practices crucial for maintaining high levels of service quality in the hospitality industry and to determine how these elements contribute to the long-term success of businesses in the hospitality sector.
Publication: European Journal of Management and Business Economics

Paper 4 / Submitted

Title: All-inclusive guest's impact on sun and sand destination.

Goal: Examine the factors that affect the future intentions of both AI and non-AI hotel guests in the Algarve region and to assess the potential implications of these factors on the adoption and impact of AI-based systems in the regional hospitality industry.
Publication: Anatolia

Source: Own elaboration

1.6 Research Methodology

1.6.1 Methodological Overview

The hospitality industry has always interested researchers and practitioners due to its intricate connection with customer satisfaction and service quality. In this summary, four articles were discussed, which provided a comprehensive overview of the various methodological approaches adopted (see Fig.1.3) to assess and analyse these relationships. These articles offered insights into the field and enhanced our understanding of the underlying theoretical frameworks.

Article 1 adopted a content analysis approach (Ivanka et al., 2009; Li et al., 2023; Olorunsola et al., 2022) to explore the relationships between service dimensions and hotel overall customer satisfaction. The study's methodological design was based on analysing customer reviews on TripAdvisor, a popular platform for sharing experiences and feedback on accommodations. This analysis utilized a three-point Likert scale to code qualitative comments, with negative, indifferent, and positive comments coded as 1, 2, and 3, respectively. In addition, the overall assessment of the hotel, ranging from 1 to 10, was preserved as collected from the website to maintain the variance of the dependent variable.

The theoretical underpinnings of this study stemmed from the ordinal nature of the data and the application of an ordered probit model to test the effects of various service dimensions on the final assessment. This model was appropriate for ordinal data, as it estimated the relationships between an ordinal dependent variable and a set of independent variables (Ben-Akiva et al., 1997). The ordered probit model estimated an underlying score as a linear function of the independent variables and a set of cut points, with the probability of observing the outcome corresponding to the likelihood that the estimated linear function, plus random error, fell within the range of the cut points estimated for that outcome. The study's main objective was to examine the influence of

thirteen service dimensions on overall customer satisfaction while considering the effect of hotel star ratings on written comments. Data were split according to the number of hotel stars in the sample, allowing a better understanding of how different levels of service quality affected customer satisfaction.

In Article 2, the focus shifted to the era of Web 3.0, where the semantic web combined portability and individual focus through innovative applications to create authentic user experiences. The methodological framework employed in this study aimed to reveal the significant attributes from the service strategy dimension that shaped and aligned future AI service delivery requirements and specifications. To this end, the study used a configurational research design approach, such as Fuzzy-set Qualitative Comparative Analysis (FsQCA), as proposed by Correia et al. (2019) and Pappas and Woodside (2021).

The theoretical basis of this study was grounded in the recognition that user behaviour was influenced by multiple and continuous stimuli from the content presented on websites such as TripAdvisor (Alaimo et al., 2020). Using FsQCA, the researchers could identify the configurations of service dimensions that contributed to customer satisfaction and engagement with the hospitality industry in Web 3.0. Furthermore, this approach allowed for a better understanding of the complex interplay between various service dimensions and their impact on user experiences in the evolving digital landscape.

Article 3 employed a survey-based methodology to collect data from tourists visiting the Algarve region of Portugal. The survey instrument was divided into four sections, focusing on screening questions, service quality dimensions, and demographic information. The responses were measured on a 7-point Likert scale, with 1 indicating extreme dissatisfaction and 7 representing extreme satisfaction.

The theoretical foundation of this study lies in the literature on service quality dimensions and their impact on customer satisfaction (e.g., Cronin& Taylor, 1992; Parasuraman et al., 1991). In addition to the descriptive analysis of survey data, the researchers performed

an exploratory factor analysis (EFA) to reduce the number of items in each construct and test the reliability of the measurements. Following the EFA, a FsQCA model was applied to test the combinations of service quality dimensions that contributed to higher satisfaction in both AI and non-AI hotels. The fuzzy set theory, introduced by Zadeh (1965) and developed by Ragin (1987), allowed for a configurational understanding of explanatory subsets where complexity and uncertainty were present (Rihoux et al., 2013). One of the main methodological assets of FsQCA compared to QCA was the allowance of continuous and interval variables after calibration in the models (Mozas-Moral et al., 2016).

The use of FsQCA in the hospitality industry has been applied to various contexts, such as measuring service quality (Benítez et al., 2007), hotel selection constructs (Sohrabi et al., 2012), the influence of multiple types of service convenience on behavioural intentions (Chang & Polonsky, 2012), loyalty in e-complaints (Urueña & Hidalgo, 2016), wedding marketing strategies (Fotiadis, 2018), country-based accommodation brands in social media (Capatina et al., 2018), authentic leadership and job satisfaction (Baquero et al., 2019), and entrepreneurial decisions in tourism and hospitality (Pappas, 2018). However, multi-type hotel operational management had not received significant attention (Li et al., 2018), reasoning the option of this research.

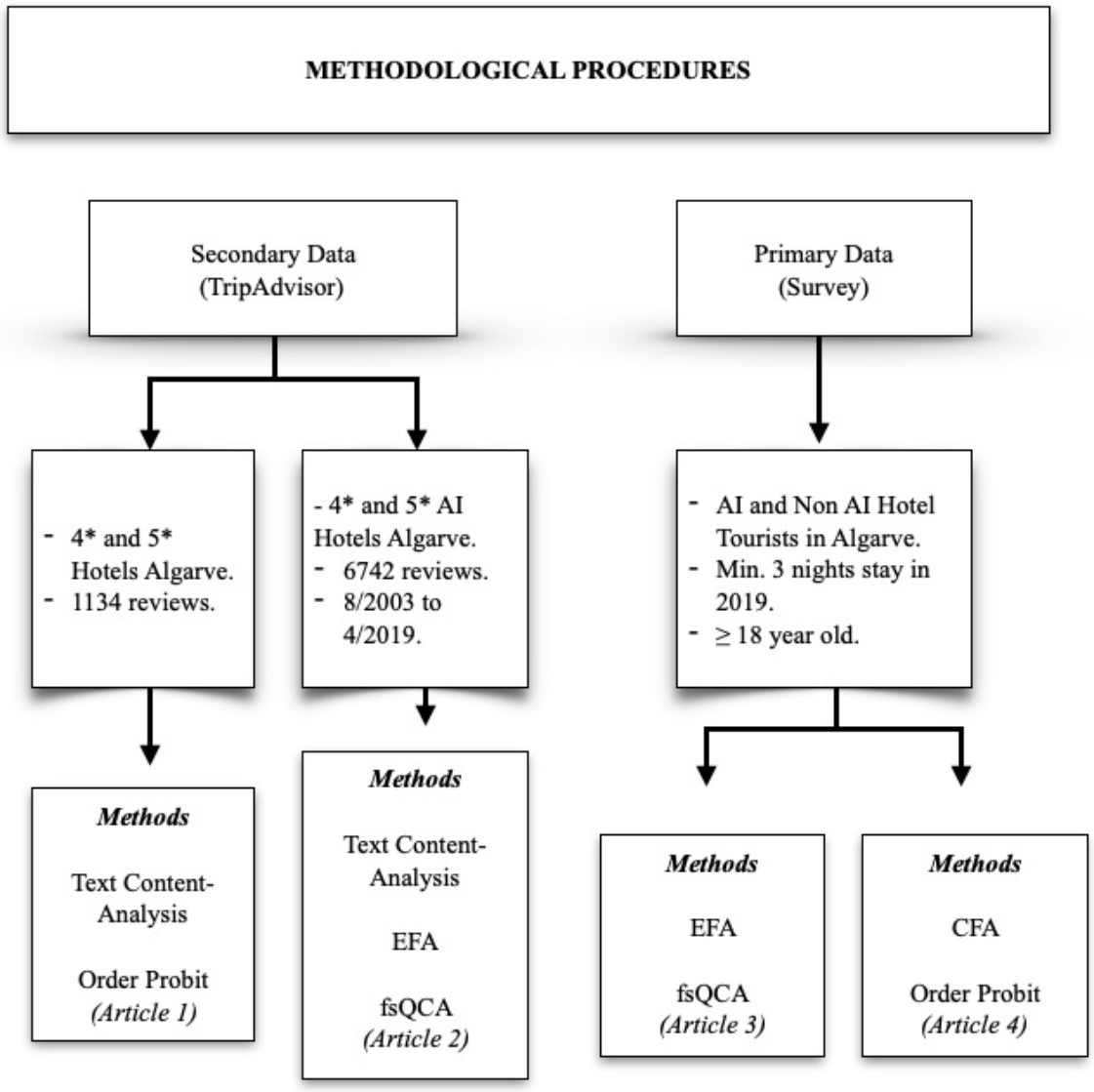
Article 4 adopted a similar survey methodology as Article 3, focusing on the Algarve region of Portugal. The study investigated the relationship between service quality dimensions and overall satisfaction in the hospitality industry. The survey instrument consisted of four sections, with responses measured on a 7-point Likert scale and followed a similar trial testing and reliability assessment process described in Article 3.

The theoretical basis of Article 4 was grounded in the literature on service quality and customer satisfaction (Akan, 1995; Chakraborty & Kamra, 2020; Cronin & Taylor, 1992; Ghobadian et al., 1994; Parasuraman et al., 1991). The study aimed to provide insights into how different service quality dimensions contributed to overall customer satisfaction in Portuguese hotels, considering various sociodemographic factors.

On-site data collection was conducted at several tourist spots, with 779 validated surveys. According to Steenkamp and Maydeu-Olivare's (2023) recommendation of 10 cases per variable, this sample size was deemed sufficient. Participation was voluntary, and anonymity, confidentiality, and individual privacy were respected, with no rewards provided for participants.

In conclusion, the four articles discussed in this summary offered an overview of the various methodological approaches and theoretical frameworks used to assess and analyse service quality dimensions and their impact on customer satisfaction in the hospitality industry and regional dynamics.

Figure 1.3 - Research Methodological Procedures



Source: Own elaboration

1.7 Overview of the articles

The four research articles comprehensively examine the hospitality industry, specifically focusing on all-inclusive (AI) hotels and their influence on guest satisfaction, online evaluations, and customer loyalty.

Article 1 explores the association between comprehensive assessments and diverse dimensions of hospitality services, unveiling the prominence of staff, service, pricing, ambiance, and experience-related factors in determining a hotel's standing on TripAdvisor.

Article 2 concentrates on pinpointing the primary components of AI hotel service that affect online ratings on TripAdvisor, underscoring the necessity for exceptional performance in staff and service constructs and the role of the experience construct in augmenting ratings.

Article 3 analyses the servicescape dynamics and their ramifications on hotel guest satisfaction. It emphasizes the significance of staff training, service dependability, and guests' perception of value for money in enhancing satisfaction and hotel competitiveness.

Article 4 investigates guest loyalty in AI and non-AI hotels in the Algarve, Portugal, and the service quality attributes that influence guests' intentions to revisit or recommend the destination, highlighting the critical importance of staff performance and behaviour in cultivating guest loyalty.

In summary, these research articles contribute to understanding guest satisfaction, online ratings, and loyalty within the hospitality sector, providing practical implications for hotel managers, business strategists, human resource managers, and marketers to strengthen hotel competitiveness and guest experience.

1.7.1 Summary of Article 1. “The eWOM Effects on Service Performance in Hospitality.”

The primary focus of the first Article was to examine the role of eWOM, primarily through the platform TripAdvisor, and its effect on customer contentment in the hospitality sector. The research aimed to pinpoint main features like staff engagement, architectural aesthetics of the hotel, and geographical convenience that influenced a guest's overall judgment of their hotel experience.

The research involved an analysis of 1134 reviews imported from TripAdvisor, all associated with four and five-star hotels in Algarve, Portugal. In addition, an Order Probit model was employed to ascertain the impact of various service facets on the collective guest review.

The study's findings suggested that different factors considerably affected contentment levels based on the hotel's star rating. For instance, staff language proficiency was integral for customer contentment in four-star hotels, whereas staff dependability was more essential in five-star hotels.

Consequences from the research indicated the growing importance of eWOM in forming customer views in the hospitality sector. Furthermore, the study underscored the significance of understanding the connection between online feedback and overall service quality for the academic community. However, the conclusions might have restricted applicability as the research concentrated on a particular geographical area and used data from a single online source.

For practical implementation, the study stressed the importance for hotel management to incorporate the learnings from eWOM into their service strategies. By recognizing and addressing the factors that significantly influence guest contentment, hotels could enhance their service quality, thus improving their standing, which might lead to a rise in reservations and revenue.

1.7.2 Summary of Article 2. "Understanding Online Reviews in All-Inclusive Hotels Servicescape: A fuzzy set approach."

The second Article focused on identifying the main components of all-inclusive (AI) hotel service that influenced online ratings on TripAdvisor. A fuzzy set qualitative analysis (fsQCA) approach was used to analyse 6742 validated reviews of Algarve's four- and five-star AI hotels. The study suggests that combining two or more constructs is necessary to enhance ratings, and exemplary performance in staff and service constructs could suppress the traditional importance of pricing.

The experience construct (E) mitigated underperformance in the service construct (S) and pivoted between service and place constructs in five-star hotels. The study contributed to understanding AI dynamics through the online ecosystem and presented a model where the constructs were connected to clarify what mattered when sharing content about the hotel.

Implications for research included understanding the components of AI service, developing a composite model of elements contributing to rating enhancement, and using fuzzy set analysis to analyse online reviews. Strategical implications rely on suggestions on addressing staff, service, pricing, ambiance, and experience-related issues to enhance their positioning on TripAdvisor.

Limitations of the study included not considering the COVID-19 period, not addressing pre-purchase or consumption expectations, and not differentiating between first-time and repeat guests. Future research could address these limitations to provide a more comprehensive online understanding of AI hotel dynamics.

1.7.3 Summary of Article 3. “Exploring perceived servicescape in the hospitality business.”

The third Article addressed the complexity of contemporary hospitality business management by investigating servicescape dynamics and their effects on guest satisfaction in multi-typed hotels. By applying fsQCA methodology, the study unveiled 33 configurations that impacted guest satisfaction across three hotel scenarios: aggregate hotel set, all-inclusive, and non-all-inclusive. In addition, the findings emphasized the importance of staff training in enhancing service reliability and guests' value-for-money awareness.

The study offered several theoretical implications for servicescape, hotel competitiveness, and employee emotional contagion. It presented an innovative landscape concerning environmental and service quality dimensions, broadened the scope of servicescape's impact beyond physical elements, and underscored the importance of employee emotional contagion across different hotel types. The research also distinguished between internal and external aspects of the commercial dimension of hotel operations.

The study highlighted the importance of dynamically assessing staff-related domains, focusing on staff reliability-related skills in training programs, implementing regular feedback mechanisms, and fostering a positive work environment to enhance guest satisfaction and hotel competitiveness.

The research had several limitations, including its focus on a specific food plan type, hotel segmentation variables, and leisure guests in Mediterranean Europe. Future research should address other hotel segmentation variables, accommodation types, and destinations and consider different types of travellers and lengths of stay. Additionally, further investigation should intermingle guests' and employees' perspectives of the hotel's perceived servicescape.

1.7.4 Summary of Article 4. "All-inclusive guests' impact on sun and sand destination."

The fourth Article investigated the loyalty of guests staying in all-inclusive (AI) and non-all-inclusive (N-AI) hotels in the Algarve, Portugal, between May and October 2019. The study analysed the service quality attributes that affect guests' intention to revisit or recommend the destination based on three ranges: region, hotel, and food plan. The researchers collected data to test six research hypotheses and used an ordered probit model to determine how all seven factors influenced guests' likelihood of returning.

The study found four of the six research hypotheses were partially accepted, with three related to N-AI hotels and one to AI hotels. For example, the attribute of staff responsiveness showed no consistent significance across all N-AI hotel scenarios, indicating that guests now expect services to be efficiently executed and promptly delivered. Meanwhile, hotel attributes such as location, design, physical layout, rates, promotion, and value for money were consistently important across all scenarios, positively influencing guests' likelihood of returning.

The study also revealed that staff reliability had about half the impact on the probability of guests returning to the same food plan compared to N-AI hotel guests. This finding suggests that staff members' ability to complete tasks accurately and promptly the first time is crucial in fostering guest loyalty to the same food plan. Furthermore, clear communication, preferably in the guest's native language in AI resorts, was essential in various scenarios, primarily in the probability of guests returning with the same food plan. The likelihood of N-AI guests returning to the region highlights the importance of all players in the tourism ecosystem being qualified consistently to enhance destination loyalty. Finally, staff empathy was attributed to AI hotels, emphasizing the critical importance of first-line employees in genuinely caring for and understanding guests' needs.

The study's theoretical implications reveal the complexity and impact of service quality attributes on guest satisfaction, observed in specific scenarios (AI and N-AI) and depths (food plan, hotel, and region) in a mature sun and sea destination. In addition, the study suggests how staff performance and behaviour impact guest loyalty across hotel service types.

However, the study had limitations. First, the segmentation of hotel stars should have been considered, and additional research is needed to assess the hypothesis's robustness. Additionally, emerging types of accommodations embracing AI principles across the hospitality industry should be addressed. Further research should also explore the impact of guests staying longer in AI P2P accommodations on local and regional economics. Lastly, researchers should investigate tourists' motivations and expectations regarding the choice of full-AI package tours and those who only visit AI resorts.

In conclusion, this study provides insights into guest loyalty in AI and N-AI hotels and the service quality attributes influencing guests' likelihood of returning to the Algarve. In addition, suggestions rely on developing shared strategies that enhance the region's infrastructures, scenery, security, small and medium business entrepreneurship, innovation, and attractiveness, benefiting the hotel business and regional players.

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CHAPTER 2

THE eWOM EFFECTS ON SERVICE PERFORMANCE IN HOSPITALITY

(ARTICLE 1)

THE eWOM EFFECTS ON SERVICE PERFORMANCE IN HOSPITALITY

CARIMO RASSAL, ANTÓNIA CORREIA AND FRANCISCO SERRA

The objectives of this chapter are to:

- Explore the effects of electronic word of mouth (eWOM) on satisfaction in hospitality through the service performance scope;
- Further understanding as to which attributes are relevant to the guest's overall assessment of a hotel experience;
- Highlight findings that show the importance of staff (language, assurance, responsiveness, reliability), rate promotions, hotel design, location, operational organization (facilities and services), room experience, food and beverage, and price in the overall assessment of the hotel's service performance.

Keywords: eWOM, TripAdvisor, service performance, tourist satisfaction, hospitality.

2.1 Introduction

Tourism remains one of the world's fastest-growing sectors, with bookings in 2017 reaching almost US $1.6 trillion (Deloitte, 2018) and travel and tourism contributing 10.4% to global GDP (Deloitte, 2018). That equates to 4.6% growth compared to 2016; globally, almost 10% of all jobs were linked to the travel and tourism industry the previous year (World Travel & Tourism Council, 2018). In addition, social media now has more influence over traveller decision-making than ever before. More than 50% of US, UK, Canadian, and Australian travellers said content, promotions, and deals on social media influence their travel plans (Expedia, 2018). As a result, travel brands are adapting their marketing strategies in line with traveller behaviour, reporting that, on average, 61% of their marketing budget is now spent on digital advertising (Phocuswire, 2018).

Consumer approaches to online hotel bookings have changed dramatically. The democratization of the internet in the scope of the affordability of access cost-per-gigabyte of us grounded in the technological revolution of the smartphone has made it possible to redefine how, where, and when the consumer buys through e-commerce platforms (Chung & Koo, 2015). The evolution of new distribution platforms to increase engagement between businesses and consumers is a reality. Moreover, the development of social media platforms such as Facebook, Twitter, and Instagram brought an all-new meaning to interconnectivity between brands and consumers (Okazaki et al., 2017). According to Eurostat (2016), four out of ten Europeans look for online travel-related information, 55% of the trips of EU residents were booked online, and 26% of holiday accommodation (including hotel rooms) was bought online. TripAdvisor is still one of the industry's most heavily relied-on sources for travel information, with over 324 million monthly visitors recorded in 2017 (Salecycle, 2018).

This chapter's contribution depends upon identifying the relationship between the overall assessment and many comments categorized into thirteen dimensions representing all the hospitality service's facets. The aim is to understand the service values that intervene the most in customer satisfaction, considering the number of stars of the hotels. This research is unique in contributing to understanding how comments moderate the overall assessment. It is also unique since it allows us to depict the most crucial hospitality service dimensions in each type of hotel. Further, this research uses qualitative comments that were categorized to enable this research. Hence this is shaping the avenues of research by using simultaneously qualitative and quantitative analysis. It also makes a unique contribution to hospitality development strategies.

2.2 Literature review

2.2.1 Word of mouth and eWOM

In 1957, Brooks defined word of mouth (WOM) as a powerful source of product and service information dissemination, which, when negative, had a more significant impact than positive (Brooks, 1957). Initially, word of mouth was described by Katz and

Lazarsfeld as an exchange of marketing information among consumers, who often alter their behaviour and attitudes toward products or services (Katz & Lazarsfeld, 1966). Dichter explained in 1966 that when a customer feels that the seller cares for him, such as a friend, he becomes more relaxed and accepts the recommendation more easily (Dichter, 1966). According to Arndt (1967) WOM, interpersonal influence is the fundamental source of information in the purchasing decision process, significant in the hotel and tourism industry due to the perishability and intangibility of its products. In 1968 Merton defined word-of-mouth as a process of personal influence in which interpersonal communications significantly impact the recipient's attitudes and behaviours (Merton, 1968). Day found that word of mouth as advertising is nine times more effective because there is a much higher degree of trust in the source and the flexibility of interpersonal communication (Day, 1971). In 1987 Mangold's review of the impact of word of mouth on professional services proved the decisive influence of word of mouth on the purchase decision process (Mangold, 1987).

According to Murray, WOM has a high degree of influence because people's sources are considered more viable (Murray, 1991). Dellarocas states that WOM is one of the oldest forms of transmitting information (Dellarocas, 2003). Since WOM is a process of interpersonal exchanges, they provide information about consuming a product or service that unintentionally influences consumers (Brown et al., 2007). In 2008 Litvin defined WOM as a process of communication between consumers, independent of commercial influence (Litvin et al., 2008). More recently, Daugherty and Hoffman consider WOM one of the most influential factors in consumer behaviour (Daugherty & Hoffman, 2014).

The definition of WOM is divided into three different perspectives: the non-commercial, the commercial, and the intermediate. Concerning the non-commercial perspective, several researchers define WOM as an informal, personal, non-commercial communication process (Ardnt, 1967; Still et al., 1984; Bayus et al., 1985; Harrison-Walker, 2001; Grwal et al., 2003). The business perspective of Hartline and Jones (1996) and Gremler and Brown (1999) define WOM as the recommendation of a product or service with commercial intentions as a marketing information exchange. Herr et al.

(1991) and Anderson (1998) state the intermediate perspective that defines WOM as informal communication, in which products are evaluated according to the experience of each consumer and may or may not include a recommendation that may be positive or negative. Gilly et al. (1998) argue that WOM communication is bi-directional and interactive, consisting of two groups: opinion leaders and opinion seekers. Opinion leaders express information that interferes with consumer choices relating to products or services (Burt, 1999; Feick & Price, 1987; Lazarsfels et al., 1968; Watts & Dodds, 2007). The opinion seekers pursue information in public opinion to assist the evaluation process of products or services, considering their purchases (Feick et al., 1986; Flynn et al., 1996).

Electronic word of mouth (eWOM) was defined as a process of information dissemination through the internet, that is, word of mouth online (Hennig-Thurau et al., 2004). According to Rodgers and Wang (2011), eWOM consists of any degree or combination of positive, negative, or neutral comments, recommendations, or statements about companies, brands, products, or services, discussed or shared between consumers in digital or electronic formats (Rodgers & Wang, 2011). The Internet has become a means for consumers to express themselves. According to Litvin et al. (2008), eWOM is all informal communications addressed to consumers through Internet-based technologies related to the use or characteristics of goods or services and their suppliers. This type of communication can be exercised between supplier and consumer or between consumers. These same authors also mention that communication has two dimensions: the scope and the level of interactivity. The scope defines whether the communication is done one-to-one (emails), one-to-many (TripAdvisor), or many-to-many (virtual communities). The interactivity story represents synchronization or its absence; emails are asynchronous because a sender sends a message, but the receiver may not read and respond immediately. On the other hand, in the case of chat rooms, there is synchronization because the sender sends a message, which the receiver receives instantly.

Another study by Sun et al. (2006) suggests that the main difference between WOM and eWOM is that the latter is more used for speed, convenience, and lack of personal communication. Schiffman and Kanuk (2000) also point out that the expectation of

receiving information that may shorten decision-making time results in more satisfactory decision-making. **e**WOM is growing in consumption and, therefore, should be considered by travel and tourism-related companies. Most of the online reviews shared on the hotel websites or other platforms work as an eWOM and are one of the best forms of promoting and enacting the hotel's reputation.

2.2.2 Online Reviews

According to Sparks and Browning (2010), online reviews significantly impact consumer confidence. Reviews influence the choice (or not) of a particular brand, have an impact on the reputation of the brand/company, are a source of pre-purchase information, and are, for consumers, a reliable source of information (Noone & McGuire, 2013). For Cantallops and Salvi (2014), some factors generate reviews that will later produce effects the perception of consumers and companies. The factors that have the most reviews are quality of service and satisfaction, failure and recovery, customer dissatisfaction, and sense of belonging in the community. Swanson and Hsu (2009) argue that although a customer has had a satisfactory experience, he may only recommend service to some consumers. However, eWOM contributes to developing a company's reputation and trust (Riegelsberger et al., 2005). Despite these considerations, Ye et al. (2008) consider it of utmost importance that hotel directors consider the reviews published on third-party websites about their hotels.

There are advantages and disadvantages to consider regarding the reviews. The benefits are to expose the weaknesses and strengths of the hotel, are a positive indirect marketing source (if the reviews are positive), let us know the client's feedback, and serve as a link between guests and hotels. On the other hand, some of the disadvantages are that the bad reviews can be seen by everyone, which leads to a greater vulnerability of the hotel, and there is still an increase in the expectations of the clients; that is, the more information the clients have, the greater is their critical level (higher expectation), which can sometimes lead to dissatisfaction with the service (Ladhari & Michaud, 2015). In analysing the advantages and disadvantages, eWOM is an important information source.

There is only one setback; this information still needs more data processing that enables an empirical analysis whose output allows us to know the preferences and needs of guests. If this data processing is possible, and according to several authors, there are already some models. We will immediately know the customers' real needs, allowing us to exceed their expectations, leading to the main objective of involving and pleasing the hosts.

2.2.3 Hospitality Service Dynamics and Satisfaction

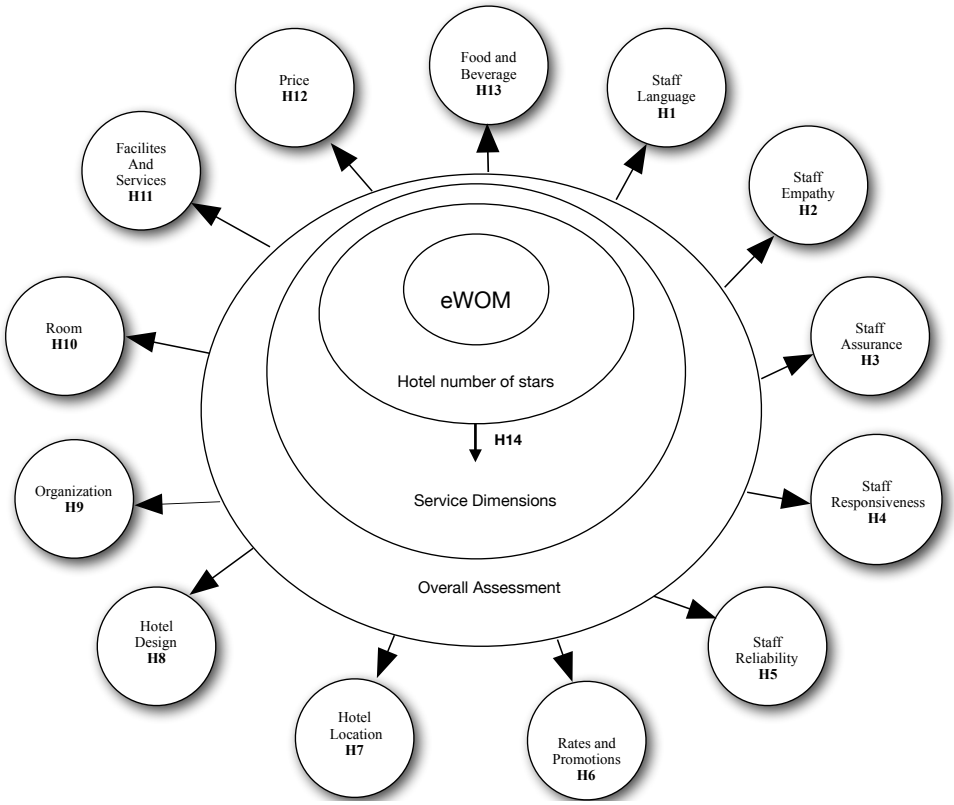
From the customer´s point of view, resort hotel services are intangible and heterogeneous (Ali et al., 2016); therefore, in a highly competitive and dynamic hospitality industry, service providers today are developing various strategies to ensure customer satisfaction (Geissler & Rucks, 2011; Wu & Liang, 2009). Furthermore, customer satisfaction is closely linked to many other marketing concepts, including service quality, customer relationship marketing, customer confidence, loyalty, distribution, price, and emotions (Ali & Zhou, 2013; Ryu et al., 2012). For example, in the hospitality industry, customer satisfaction can be ensured by developing an attractive physical environment or servicescape (Ali & Amin, 2014; Ryu et al., 2012), eliciting positive emotions (Kincaid et al., 2010; Lin & Liang, 2011), providing memorable service experiences (Hou et al., 2013), and ensuring significant interaction with staff members and customers (Jani & Han, 2011; Ruiz et al., 2012). In this context, the influence of the service experience on customer satisfaction has received significant attention from researchers (Dölarslan, 2014; Olsson et al., 2012).

The core principle of the resort concept is creating an environment that will promote and enhance well-being and enjoyment. Furthermore, Gee (2000) identified two characteristics of a resort hotel: (a) sufficient indoor amenities, including quality services, pleasant physical surroundings, convenient entertainment, service experience, emotions, satisfaction, and price acceptance and other facilities; and (b) unique location in terms of climate, scenery, and recreational attractions. Other scholars and practitioners also support this definition of resort hotels (Ali & Amin, 2014; Meng, Tepanon, & Uysal, 2008). Moreover, the United Nations World Tourism Organization also stated that the

importance of resort hotels in tourism and hospitality had been consistently growing (United Nations World Tourism Organization, 2013); however, it is surprising that this sector has not gained much attention in research (Ali et al., 2013). For example, Line and Runyan (2012) reviewed 274 articles published in four top hospitality journals from 2008 to 2010. They suggested that resort hotels are an emergent research trend continually growing in hospitality marketing research (Kandampully, 2014). This research may emphasize the encounter between hosts and guests as an effective form of generating satisfaction.

2.3 Conceptual Model and Research Hypothesis

Figure 2.1– eWOM effects on Overall Assessment through Service Dimensions **[Adapted from Verma (2010) and Cantallops and Salvi (2014)].**



Source: Own elaboration

While good technical and interpersonal skills are essential in the service industry, the two alone cannot warrant customer satisfaction (Gu & Chi, 2009). The greater a customer's perception of a service firm's performance, compared to their expectations of the firm, the higher the customer will perceive the level of service quality (Rauch et al., 2015). In this scope, Kandampully (2007) stated that reliability is the dependability, consistency, and accuracy with which the provider performs the service. Responsiveness refers to the willingness of the service personnel to assist customers in a timely, efficient manner and includes helpfulness, friendliness, and warmth of the service staff. Assurance is the degree to which the service personnel inspires trust and confidence among the firm's customers. Empathy is related to the caring personal attention extended to customers and the level of understanding personnel demonstrate relative to customer needs. At the same time, the tangibles component refers to the appearance of the physical facilities and the perceived quality of the service provider's materials, personnel, and equipment. Nevertheless, advances in information technology and the introduction of new methods of communication have led to increasingly significant changes in consumer behaviour. These changes have shifted focus in companies' marketing strategies and business administration, especially in the hotel industry.

Purchase decision processes are nowadays composed of several variables that influence consumer choice for certain products and services (Kim et al., 2006). For example, customers might choose a hotel based on its location (for instance, close to an airport, tourist location, or downtown), brand name, various facilities (such as swimming pool, golf course, and spa and fitness center), service quality, price, loyalty program, atmosphere, and design and quality ratings by past guests. These would enter into the customer choice mix (Verma, 2010). This research uses thirteen service dimensions to depict the value of the overall assessments by hotel stars:

- H_1: Comments about **staff language** would influence overall assessment.

According to Akan (1995), staff language is essential in hotel guest/staff interactions to process communications (Akbaba, 2006) about needs in an understandable (Getty & Getty, 2003) and efficient manner (Zhou et al., 2014).

- H_2: Comments about **staff empathy** would influence overall assessment.

Parasuraman et al. (1988) and later Albacete-Saez et al. (2007) tested staff empathy relevance to the overall assessment of the guest´s experience in a hotel. They confirmed the dimensional relevance of this attribute in the nonphysical category.

- H_3: Comments about **staff assurance** would influence overall assessment.

According to Juwaheer (2004), staff assurance is associated with knowledgeable employees who can be trusted with the guest's expectations competently (Choi & Chu, 2001).

- H_4: Comments about **staff responsiveness** would influence overall assessment.

Staff training is at the core of the service delivery's responsiveness capacity, which can influence the overall assessment of the hotel service (Choi & Chu, 2001).

- H_5: Comments about **staff reliability** would influence the overall assessment.

Juwaheer (2004) refers the reliability as the ability to perform the service according to promised; in this scope, consistency of performance is crucial to reliability (Akbaba, 2006).

- H_6: Comments about **rates and promotions** would influence overall assessment.

A cognitive estimation of the benefits of hospitality-related products was hypothesized and produced a positive correlation among hotel guests (Christou, 2011). Therefore, it can be tested for its influence on the overall assessment.

- H_7: Comments about **hotel location** would influence the overall assessment.

Location is consistently identified as the primary criterion in initial hotel selection. Therefore, it is expected to influence the wiliness to share this attribute (Chan & Wong, 2006; Lockyer, 2005; McCleary et al., 1994; Knutson, 1988).

- H_8: Comments about **hotel design** would influence overall assessment.

As a factor structure of hotel service, hotel design influences the environmental quality assessment of service quality and, consequently, the overall evaluation of the hotel (Juwaheer, 2004; Heide, & Grønhaug, 2009; Naqshbandi & Munir, 2011; Wu & Ko, 2013).

- H_9: Comments about the **organization** would influence overall assessment.

Akan (1995) refers to the organization's attribute related to service quality effectiveness; Akbaba (2006) found a positive relationship between an organization's awareness and

satisfaction with hotel service. In this perspective, the relationship between organization and overall assessment can be hypothesized.

- H_{10}: Comments about the **room** would influence the overall assessment.

Saleh and Ryan (1991) identified clean rooms, comfortable beds, quiet stay, safety and security, and location as the most critical attributes utilizing a measurement tool developed by Lewis (1984). In this sense, the influence of room quality can be hypothesized in the overall assessment of the hotel experience.

- H_{11}: Comments about **facilities and services** would influence the overall assessment.

Wuest et al. (1996) define perceptions of hotel attributes as the degree to which travellers find various services and facilities essential in promoting their satisfaction with hotel stays; in this sense, it can influence the overall assessment of the hotel.

- H_{12}: Price comments would influence overall assessment.

Generally associated as a service value attribute (Chang & Wildt, 1994*)*, the price can be dimensionally scoped in terms of value for money in the hotel guest experience. Consequently, it can influence the overall assessment.

- H_{13}: Comments about **food and beverage** would influence the overall assessment.

As an attribute influencing customer satisfaction in hotels regarding value perception (Zhou et al., 2014). Food and beverage quality, variety, and diversity play an important role in customer loyalty (Sim et al., 2006), and therefore, it should explore its influence on overall performance.

Furthermore, the overall assessment is also likely to be related to hotel characteristics Yang et al., (2012), as such the following hypotheses were defined:

- H_{14}: Comments about each service dimension are conditioned by the **number of hotel stars.**

As stated by Martin-Fuentes (2016), the number of hotel stars influences service quality comments by each dimension of the guest experience in hospitality; as such, it should be hypothesized.

2.4 Research Design

Qualitative comments were coded in three-point Likert scales (1 for the negative comments, 2 for indifferent words, and 3 for positive comments). The overall assessment was kept as collected from the website (this scale varies from 1 to 10) to maintain the variable's variance. An Order Probit model by a number of hotel stars was created to test the effects of each service dimension over the final assessment. This model is the most appropriate to test the conceptual model's effects, as data is of ordinal type (Ben-Akiva et al., 1997), as it allows to estimate relationships between an ordinal dependent variable and a set of independent variables, as is the case. In ordered probit, an underlying score is calculated as a linear function of the independent variables and a set of cut points. The probability of observing outcome *i* corresponds to the probability that the estimated linear function, plus random error, is within the range of the cut points estimated for the outcome. The cut-off of the model was set for the last category, which means totally satisfied. The variables were re-categorized accordingly with the number of nodes they presented in this original form. This means a variable with only one category comprises only negative or positive comments. Stata 7 was used to estimate the model through a maximum likelihood function. The first step of the analysis is to examine the influence of the thirteen service dimensions comments over the overall assessment, depicting the effect of several hotel stars over the verbalised comments. Data were split according to the number of stars of the hotels comprised on the sample, and each model was adjusted to get a good fit for each model.

2.4.1 Survey Methods

The empirical study employed content analysis of hotels in the Algarve through TripAdvisor. Comments were randomly collected at TripAdvisor within four and five-star hotels between 2003 and 2018. The central aim of this research was to assess how social contexts, hotel features, and dimensions of the hospitality service may contribute to an overall assessment. The sample comprises 1134 observations, from which 1059 are related to four stars hotels and 75 relate to five-star hotels.

2.5 Findings

Table 1 summarizes the results of the Order Probit model estimated to measure the effects of service dimensions over the final assessment by the number of stars of the hotels. All the variables with non-significant beta weights or collinearity were eliminated to improve each of the models estimated. As it illustrates, the results of the regression of the thirteen variables accounted for 19.88% of the variance for four stars hotels and 23.26% for five-star hotels; the likelihood-ratio test with 16 degrees of freedom for each of the models was -2491.381 ($p<.05$), -2433.356 ($p<.05$) and -143.369 ($p<.05$), respectively. All the variables retained show significant beta weights with mixed effects. Table 1 illustrates the results of the Order Probit models.

Table 2.1 - Results of the order probit models.

	Four Star hotels				Five-star hotels			
	Coef.	**Std. Err.**	**z**	**P>z**	**Coef.**	**Std. Err.**	**z**	**P>z**
Staff Language	.306	.150	2.04	0.041	ns	ns	ns	ns
Staff Empathy								
1	-.163	.217	7.49	0.000	-.401	.166	-2.41	0.016
2	.409	.074	5.53	0.000	.270	.779	3.47	0.001
Staff Responsiveness								
1	ns	ns	ns	ns	-.257	.119	-2.15	0.032
2	ns	ns	ns	ns	.247	.815	3.04	0.002
Staff Reliability								
1	ns	ns	ns	ns	-.410	.207	-1.98	0.048
2	ns	ns	ns	ns	.328	.112	2.91	0.004
Rates and Promotions								
1	-.994	.239	4.15	0.000	ns	ns	ns	ns
2	.443	.199	2.22	0.026	ns	ns	ns	ns
Location	-.625	.225	2.78	0.005	ns	ns	ns	ns
Hotel design								
1	-.112	.158	7.10	0.000	ns	ns	ns	ns
2	.343	.073	4.68	0.000	ns	ns	ns	ns
Organization	-.559	.124	4.49	0.000	ns	ns	ns	ns
Room experience	-.853	.100	8.51	0.000	ns	ns	ns	ns
Facilities and Services	-.450	.107	4.21	0.000	-.187	.667	-2.81	0.005
Price	-.789	.162	4.86	0.000	-.155	.677	-2.30	0.022
Food and Beverage								
1	-.590	.165	3.56	0.000	-.290	.858	-3.39	0.001
2	.357	.091	3.91	0.000	.518	.479	1.08	0.280
N	1059				75			
LR chi2(16)	533.17				43.85			
Log likelihood	-2433.356				-143.369			
Pseudo R2	0.1988				.2326			

Source: Own elaboration

2.6 Discussion

A list of thirteen hypotheses has proposed that staff language, staff empathy, staff assurance, staff responsiveness, staff reliability, rates and promotions, hotel location, hotel design, organization, room experience, facilities and services price, food and beverage comments, influence the respondent's overall assessment of hospitality services within different rates of hotels. For example, staff language was proven to affect guest satisfaction in four-star hotels (β=0.306, $p<.05$) but not significant for five-star hotels; this might suggest that in five-star hotels, it is assumed that staff can communicate with some proficiency with their hosts (Schuckert et al., 2015). As such, H_1 is partially accepted as a condition to ensure satisfaction.

Staff empathy was proved significant in both types of hotels, with negative comments negatively influencing satisfaction and positive ones impacting positively. H_2 is not rejected, and these results suggest that hosts' empathy is critical to pleasing hotel hosts (Tussyadiah & Park, 2018), being this the best evidence that hotel service is a human-to-human relationship (Nieves & Quintana, 2018). H_5 is partially accepted as staff reliability is not significant for four stars hotels, but it is significant for five-star hotels (β=-0.410, $p<.05$ for negative comments and β=0.328, $p<.05$ for positive comments). These results suggest that guests are willing to trust their hosts, at least at high-ranking hotels (Wang et al., 2014).

As expected, H_6 is also partially accepted as rates and promotions are valued only in four-star hotels (β=-0.994, $p<.05$ for positive comments and β=0.443, $p<.05$ for positive ones). These results suggest that value for money is more emphasized in mid-price hotels than in high-price hotels (Rhee & Yang, 2015). Location seems to negatively influence four stars hotels (β=-0.625, $p<.05$), and it is not significant in five-star hotels suggesting that H_7 is also partially accepted; this might indicate that four-star hotels should conform with guests´ preferences (Liu et al., 2014). The organization also negatively influences satisfaction with four stars hotels (β=-0.625, $p<.05$), whereas in five-star hotels is not

significant; these results lead to partially accept H_9, which to Ali & Amin (2014), which proves that investing in improvements in facilities pays off in terms of the positiveness between the physical environment and overall satisfaction.

In four stars hotels, hypotheses with a mixed effect were H_2, H_6, H_8, and H_{13}. That means that staff empathy comments influence negatively (beta weight -.163, $p<.05$) or positively (beta weight .0409, $p<.05$) overall assessment, depending on the direction of the comment. Rates and promotion are influencing negatively (beta weight -.994, $p<.05$) or positive (beta weight .443) overall assessment. Hotel design also plays a role in overall assessment (beta weight –112, $p<.05$) for negative comments and (.343) if the comment is positive. In the same vein appears food and beverage with a beta weight of -.590, $p<.05$ or .357, $p<.05$. When the comments rely mostly on negative comments, the influence is negative for location (-,625, $p<.05$), for the organization (-.559, $p<.05$), for room experience (-.853, $p<.05$), for facilities (-.450, $p<.05$) and for the price (-.789) supporting H_7, H_9, H_{10}, H_{11}, and H_{13} even if the absence of positive comments may lead to redraft these cues of hospitality service in four-star hotels. Staff language has a positive influence on an overall assessment even when the comment is not so positive, bringing to light the lack of care these customers put on this issue (beta weight .306, $p<.05$). For these hotels, H_3, H_4, and H_5 were not supported suggesting that staff assurance, staff responsiveness, staff reliability is not perceived by customers lodging in four stars hotels.

Looking for the size of beta weight caused by negative comments in four stars hotels, it is possible to conclude that rates and promotions (-.994), room experience (-.853), and prices (-.590) are critical and need to be redrafted. On the other hand, positive comments influenced the most satisfaction when related to rates and promotions (.443), staff empathy (.409), and food and beverage (.357). However, overall, the effects are more negative than positive, suggesting that much more could be done to improve customers' experiences.

For five-star hotels, H_2, H_4, H_5, and H_{13} were supported by a mixed effect. Negative comments about staff empathy (-.401, $p<.05$), staff responsiveness (-.257, $p<.05$), staff

reliability (-.410, p<.05) and food and beverage (-.290, p<.05) are contributing to decrease customers satisfaction. Whereas positive comments about staff empathy (.270, p<.05), staff responsiveness (.247, p<.05), staff reliability (.328, p<.05), and food and beverage (.518, p<.05) are likely to contribute to a higher level of satisfaction. Whereas facilities and services (-.187, p<.05) and price (-.155, p<.05) are negative comments and, as such, decrease the overall assessment, giving support for H_{11} and H_{12}.

Hypotheses do not support were H_1 (staff language), H_3 (staff assurance), H_6 (rates and promotions), H_8 (hotel design), H_9 (organization), H_{10} (room experience), and H_{11} (facilities and services), probably because of the sample size related with this kind of hotels. Looking for the length of beta weight caused by negative comments in five-star hotels, it is possible to conclude that staff reliability (-.410), Staff empathy (-.401), and Food and beverages (-.290) are critical and need to be redrafted. On the other hand, positive comments influenced the most satisfaction when related to Food and beverages (.518), staff reliability (.328), and staff empathy (.270). They suggest that a good five-star hotel service relies on interpersonal relations between hosts and guests.

2.7 Conclusion

eWOM plays each day a more relevant role in the purchase behaviour process in the hospitality industry. For example, in hotel management, each department's dimensional assessment is crucial to anticipate, fulfil, and surpass guests´ expectations and desires. Furthermore, in the social, digital era of human communications, the need to share moments instantly drives the self-motivation to share continuously.

This chapter addresses the decoding issue of how hotel operations perform in each department, clustered in the thirteen attributes identified by hotel star ratings. It contributes to a deeper understanding of the overall assessment of satisfaction effects in the comments shared on TripAdvisor, one of the most influential platforms today.
Identifying the relationship between the online comments and the overall assessment of the service performance segmented by hotel category (stars) contributes to understanding

the most relevant service values in each facet of the hotel operation dynamic. Therefore, it can be assumed as a practical implication for hotel managers. Additionally, the underlying contribution of this research for developing strategies within hotel experiences can be assessed by a more accurate matching between the design of the service experience and the perceived value of the service by hosts/guests.

The generalizability of this research may be challenged, as the study was conducted within the context of a Sun and Sea mature destination (Algarve, Portugal) and considered only the reviews written on the TripAdvisor platform. Nevertheless, this research may be replicated in other Sun and Sea destinations (mature or not) and other relevant platforms to assess if a similar bundling of attributes occurs in hotels and different types of accommodations businesses within tourism.

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CHAPTER 3

UNDERSTANDING ONLINE REVIEWS IN ALL-INCLUSIVE HOTELS SERVICESCAPE: A FUZZY SET APPROACH

(ARTICLE 2)

UNDERSTANDING ONLINE REVIEWS IN ALL-INCLUSIVE HOTELS SERVICESCAPE: A FUZZY SET APPROACH

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Abstract

The concept of all-inclusive (AI) hotel service is complex and multidimensional; grounded on the SERVQUAL model, this research aims to identify the main components of AI service that moderate online ratings. Aside from the dimensions comprised in the SERVQUAL model, this research discusses price, place, and experiences as essential components in AI hotel ratings. This research was applied in the Algarve, a mature sun and sea destination with more than thirty all-inclusive hotels in operation since 2008. A fuzzy set qualitative analysis (fsQCA) approach is used from 6742 validated reviews of four- and five-star all-inclusive hotels retrieved from TripAdvisor between August 2003 and April 2019. Single constructs in the AI ecosystem have no impact as a rating enhancer on TripAdvisor, with two or more constructs necessary to trigger the goal. This research also contributes by applying a fuzzy set approach to the extracted user-generated content (UGC) regarding AI hotels on TripAdvisor and revealing the necessary and sufficient conditions through the identified constructs that most contribute to high online ratings.

Keywords: SERVQUAL**;** TripAdvisor; Fuzzy set qualitative comparative analysis (fsQCA); All-Inclusive resorts; eWOM; Hotels

3.1 Introduction

Before the Covid-19 pandemic, Travel and Tourism were among the most dynamic industries worldwide, with 1.5 bn arrivals in 2019 (4% more than in 2018). It contributes globally with 10.4% (US$ 9.2 trillion) to the global GDP, 334 million jobs (one in every ten jobs), 6.5% (US$ 1.7 trillion) of total global exports, and 4.3% (US$ 940 billion) of total investment in the year 2019 he hotel industry's global retail value is 600.49 bn USD, with an average daily rate of 129.70 USD. In 2019, Europe had the highest occupancy rate and was the leader in international arrivals, with 743 million tourists, a 51% share, and gross revenue of 99.915 million USD (Statista, 2021; UNWTO, 2020).

Revenue forecast regarding package holidays is expected to grow in Europe in the following years; according to Statista report, it will increase to 137.1 billion USD by 2025 (Statista, 2020). Moreover, 62% of British travellers aged between 25 and 34 said they would likely book an all-inclusive holiday experience in 2022 (Statista, 2021b).

Nowadays, there are increasing numbers of travellers booking their trips. Europe is one of the leading markets, with a penetration rate of internet usage of 87.2% of the total population (Miniwatts Marketing Group, 2020). More and more travellers adopt online booking for different types of holidays or businesses. To do this, they often use online booking platforms, like Expedia or Booking Holdings. In 2019, digital travel sales worldwide achieved 564.87 bn USD, an increase of 15.4%, and the top 10 online travel companies generated a total of 317.29 bn USD revenue (Lock, 2020).

In this scope, understanding the electronic word of mouth (eWOM) dynamics and its effects on hotel competitiveness is crucial to hoteliers, particularly in all-inclusive hotels where service quality is critical to assure positive reviews (Mathews et al., 2021). Therefore, this research aims to identify AI service's main component(s) that moderate online ratings through the combinations of statistical analysis, sentiment analysis, machine learning models, natural language processing (NLP), and opinion mining, furtherly complemented with EFA and FsQCA techniques to answer the following research questions:

1. Can rating enhancement on TripAdvisor in AI hotels be achieved through a single-construct approach, or is it necessary to use a multi-construct approach?
2. Which constructs contribute the most to enhancing the rating on TripAdvisor in AI hotels?
3. Do service component recipes differ in AI five-star hotels?

A third-step approach where SERVQUAL constructs were adapted, including new constructs; the model was then tested for all the sample of hotels and then tested, splitting the data into AI and five-star AI hotels only to ensure the model fit.

The contributions are threefold: first, a SERVQUAL model with new constructs; second, application of fuzzy set-in order to determine the necessary and sufficient conditions; and third, application in a sun and sea destination where AI hospitality begins to prevail.

This study is valuable because it proposes an original set of recipes for AI hotels, supported by seventeen years of reviews to address rating competitiveness in hospitality, shedding consequently new pathways for marketers and hoteliers when tackling rating competitiveness issues on TripAdvisor.

Regarding structure, the current literature on the all-inclusive concept (AI), service quality, servicescape, and eWOM in hospitality is reviewed. Second, the research design and methodology are explained. Following this, critical exploratory research findings are presented and discussed. Finally, conclusions and recommendations for future research are provided.

3.2 Literature Review

3.2.1 All-Inclusive Concept (AI)

The AI concept can be described as the dynamic application of marketing and pricing policy concepts where all services in the hotel, such as breakfast, lunch, dinner, room service, bar service with national and imported drinks, sports activities, entertainment, and babysitting are included in the package (Çiftçi et al., 2007), as well as trips, transfers, and excursions with tour guide with a prepaid price at source (Heung & Chu, 2000;

Sheldon & Mak, 1987). The concept emerges as product innovation in international tourism as an alternative to existing pricing systems in hospitality, such as breakfast, half board, and entire board (Poon, 1998). Generally, this concept is consistent with the idea of being protected within a resort; hence, its application is more associated with sun and sea destinations, predominantly in the Caribbean (Issa & Jayawardena, 2003).

A historical framework becomes relevant to understand the system of operation of the AI scheme as we know it. The first package was organized by Thomas Cook for England in 1841, with this operator being the innovator in managing holidays in this format (Ozyurt et al., 2012). However, the first relevant examples appeared in the 1930s in some holiday camps in the bathing area of England and the USA (Rayna & Striukova, 2009). In the 1950s, the Méditerranée Club (Club Med) emerged. Its ability to implement the concept consistently on a large scale in sun and beach destinations, with acceptable quality and affordable prices, made it an example. The goal was simple: to eliminate the extra costs arising from existing holiday models to maximize their enjoyment without any economic concern and with the least possible handling of money (Bladh & Holm, 2013), an appealing philosophy at the time, given that people were living in the post-World War II period. Thus, the concept of holidays was expanded to an audience whose incomes were not very high. By the mid-1960s, Club Med was already a leader in the Holiday Clubs category, as its aim and framing were holidays for young singles with a spirit of adventure and endless fun (Erul & Woosnam, 2016). Naturally, competition over the years has forced a reframing of the target audience of the Med Club, thus positioning its product for the family segment. Thus, the diversification of the product, as well as it is innovation and consistency, dictated the business sustainability of the concept, together with the perception that, from the 1990s, for tourists, sun and beach destinations were no longer sufficient, intrinsically forcing the focus onto innovation in the available activities (Chon & Singh, 1995). Since its inception, the concept of holiday Club Med has been implemented in Europe, Asia, Africa, and the Caribbean (Issa & Jayawardena, 2003). Unlike other pricing systems, such as half board or full board, whose design is global and standardized, the AI concept differs from country to country, from region to region, and even from hotel to hotel, as the parameterization and composition of the included products and services do not follow the rules or laws. Thus, different levels of luxury give rise to

different classifications within the all-inclusive, ultra, mega, imperial, and first-class positioning (Rayna & Striukova, 2009).

3.2.2 Service Quality Roots in Hospitality

Defined as the "perception of the overall quality or superiority of a product or service relative to relevant alternatives and concerning its intended purpose" by Keller and Swaminathan (2019, pg. 603), in recent decades, service quality has been an essential ally for hotel managers, mainly for profitability and customer satisfaction (Nunkoo et al., 2020).

The constant striving to learn more about the relevant attributes and constructs regarding customer satisfaction boosted the development of service quality models. Conceptual models, attempting to show the relationships between salient variables and actual situations in simple terms, were an essential ally for managers to pursue efficiency and overall performance.

The literature review shows research with different focuses and methodologies applied to several business areas and, therefore, a diverse range of outcomes regarding the paths to achieve service quality. The technical and functional quality model developed by Grönroos (1984) launched the foundations of service quality modeling. In this approach, service quality depends on technical quality, functional quality, and corporate image. As an analytical tool, the model enables tracking service gaps to identify the least efficient variables. Parasuraman et al. (1985) developed the GAP model, proposing that service quality results from the differences between the expectation and performance of the ten quality constructs.

Later, in 1988, the author launched the exploratory research developing the scale SERVQUAL and refined the original ten constructs of service quality down to five: reliability, responsiveness, tangibles, assurance (communication, competence, credibility, courtesy, and security), and empathy, which capture a deeper understanding of customers (Nikou & Khiabani, 2020).

For AI hotel dynamics, continuously tracking Gap 2 (the difference between management's perceptions of consumer expectations and service quality specifications) and Gap 3 (the difference between service quality specifications and service delivered) is essential to achieve consistent in-house service quality ratings. In this sense, the relevance of consumer management of the perceived service index according to their expectations (Gap 5) is crucial in maintaining competitiveness. Therefore 1991, Zeithaml *et al.* revised SERVQUAL, reducing the previous items to 21 but maintaining the five determined constructs.

Characterizing and refining the four gaps identified in the Parasuraman et al. (1985) research led to the extended service quality model. The extended model constructs were focused on human resources management, mainly through controlling the implemented communication and control processes. The attribute service model (Haywood-Farmer, 1988) states that high-quality service relies on the balanced and consistent achievement of customers' preferences and expectations. Grounded in three constructs (professional judgment, physical facilities and processes, and behavioural aspects), the attribute's disseverance is the first step towards a service quality model. Brogowicz et al. (1990) developed the synthesized model of service quality, focused on integrating the traditional managerial framework into the service quality gap that may exist even before the actual service experience, learned by word of mouth.

3.2.3 Servicescape Importance in Hospitality

Bitner (1992) defined servicescape as the landscape where services arise and are experienced. Grounded in the association with the aspects of the physical surroundings in the service industry, it provides timely assistance to customers' needs; servicescape can also be a tool to enhance commercial actions and influence the behaviour of customers and employees (Arnould et al., 1998). Still, its application as a tangible organizational resource is narrow (Ezeh & Harris, 2007).

Service evaluation in the hospitality industry is embodied by nature with complexity and uncertainty; nevertheless, the impact in the hospitality industry is so significant that it may lead to business success or failure platforms (professional and social) are playing a

crucial role in terms of quality assessment of hotels and future intentions in terms of recommendation (Litvin et al., 2018), the overall categories considered for customer satisfaction assessment include (i.e., TripAdvisor) service, value for money, cleaning and location.

Although hotel managers can address service quality issues by analysing customer assessments on the different platforms, those analyses will be limited in depth and scope because the undertaking action toward an establishing goal is biased by the inherent manager perspective of the actual perceived (NasarAmini Jeloudarlou et al., 2022).

3.2.4 eWOM Impacts on Hospitality

The importance of electronic word of mouth (eWOM) has been extensively documented in the literature, and user-generated content (UGC) has become a significant source of information for travel consumers; consequently, many hospitality and tourism-related business have been integrating UGC into their online business strategies (Kitsios et al., 2022). Nevertheless, the nature of UGC prompts several concerns related to the subjective nature and credibility of online travel opinions displayed by others (Olorunsola et al., 2022).

The increasingly independent behaviour of travellers empowers the search for information and decisions regarding travel planning, with less and less involvement of travel intermediaries. Regarding exposure to online reviews, findings suggest an enhancement of both positive and negative attitudes toward hotel consideration in consumers, with a more significant impact on unknown hotels (Sayfuddin & Chen, 2021). Furthermore, positive online reviews can significantly increase the number of online hotel bookings: a 10% improvement in reviews impacts 4.4% in room sales (Ye et al., 2009). In this sense, we can assume that information in online reviews plays a vital role in the overall strategic management and performance in hospitality (NasarAmini Jeloudarlou et al., 2022).

Previous research in hospitality operations showed that eWOM behaviour is influenced by first-order predictors such as hotel attributes. Individual or collective performance

shapes the customer's perceptions of service quality and stays experience (Yen & Tang, 2019). For instance, in restaurant service, employees can trigger a positive motivation to post comments according to the service settings (Zhang et al., 2014) and room features; employees' performance and behaviour can also motivate customers to post comments (Mary & Pour, 2022). Regarding accommodation prices and the effects of promotions on hotel booking intentions, perceived price positively impacts value and purchase intentions (Lim & Ok, 2022). Additionally, convenient hotel location has been pointed out as one of the most important attributes. Therefore, hotel geographic location is a critical construct in defining accommodation prices as it is expected to influence willingness to share and rate (Alvarez Leon et al., 2021).

Nevertheless, management is essential for hotel managers in the efficient servicescape constructs because it can mean a competitive advantage in a very competitive market (Lee, 2011). Servicescape was defined as the artificial and psychological landscape in which a service experience is organized and delivered by service providers and experienced by consumers (Bitner, 1992). In this framework, a research proposal was set to assess the new servicescape constructs standardized by TripAdvisor, a worldwide known travel review website (Doğan et al., 2020).

The sub dimensional (staff, service, pricing, ambiance, experiences, and place) constructs (empathy, assurance, responsiveness, reliability, services, facilities, food and beverage, price, promotion, design, experience, organization, location, and room) extracted from the literature highlight the complex nature of online evaluations (ratings), regarding some non-physical and intangible constructs.

In this sense, to manage the AI servicescape in a virtual environment, it is essential to assess the consistency and accuracy (reliability), the timeliness and willingness of service (responsiveness) provided by the staff in a trustworthy manner (assurance) in a caring and attentive way, (empathy) grounded on a well-organized (organization), distinctive (design) hotel facilities (rooms, F&B, pools) and services, within a competitive price range (price/promotions), (Basaran et al., 2020).

In this research, the customer's learning process about the AI experience is assumed to happen through the reviews fed by other customers on TripAdvisor. With the advent of information technology (IT), the IT alignment model (Berkley & Gupta, 1994) highlights the need to bind the service and strategic organization consistently targets through IT to achieve long-term goals.

Accordingly, our conceptual model departs from several crosslines provided by previous service quality models (Yolal et al., 2017; Berkley & Gupta, 1994; Zeithaml, 1988; Parasuraman et al., 1985; Grönroos, 1984). By introducing additional constructs to the previous literature, such as service, price, experiences, and place, we expect to highlight the suitable constructs influencing hotel ratings in the AI ecosystem using a fuzzy set approach.

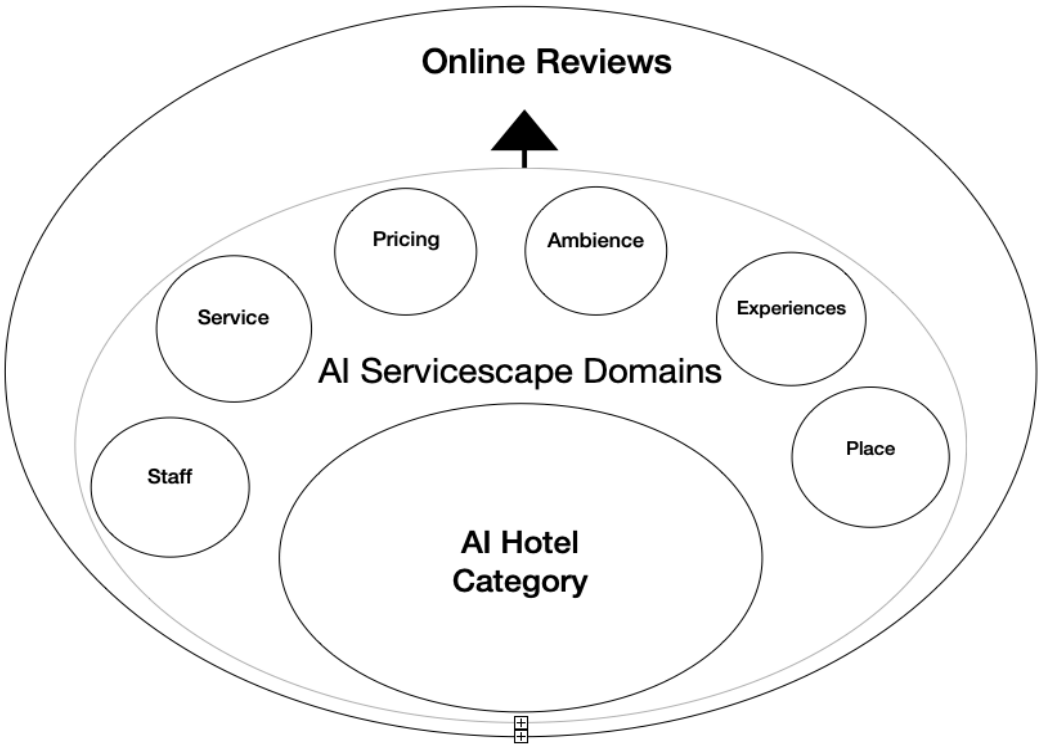
3.3 Research Design

In the era of Web 3.0, the semantic web is the achievement of portability combined with individual focus through innovative applications to generate engagement with authentic experiences. In this sense, user behaviour is influenced by the multiple and continuous stimuli of the content on websites such as TripAdvisor (Alaimo, et al., 2020).

The methodological framework embraced in this research aims mainly to reveal the significant attributes from the viewpoint of the service strategy dimension to shape and align future AI service delivery requirements and specifications. For this purpose, according to Pappas and Woodside (2021), a configurational research design approach such as FsQCA is suitable.

The conceptual model illustrated in Figure 1 reflects the path from AI hotel rating toward servicescape constructs considered in this research.

Figure 3.1 Conceptual Model



Source: Own elaboration

Accordantly, staff service assessed constructs are empathy, referring to the staff's capacity to provide a helpful service experience via understandable (verbal and or nonverbal) communication regarding the consumer's needs (Davis, 1983); assurance is defined as the ability to encourage customers knowledgeably and politely; responsiveness is defined as the capacity to deliver a customer request efficiently (Cronin & Taylor, 1992b; Parasuraman et al., 1985) and reliability refers to the ability to perform the service as promised, in this scope consistency of performance (Akbaba, 2006; Yolal et al., 2017).

Constructs included in the service are services, facilities, and food and beverage. Services are defined as the number of services available within an AI hotel scope, supported by facilities with quality, security, and availability. Food and Beverage (F&B) services refer to the number and types of restaurants and bars available at a given moment (Lockwood & Pyun, 2019).

The pricing incorporates price and promotion constructs. In the scope of value for money, price refers to the amount of money paid for a given period of stay and is related to the additional benefit obtained at a given rate (Zhuo & Wang, 2022). Therefore, the importance of pricing-related attributes regarding hotel competitiveness in a virtual ecosystem is unavoidable (Arora & Mathur, 2020; Ciftci et al., 2020).

The ambiance construct includes hotel accommodation and hotel design. Hotel accommodation refers to the type and size of booked accommodations, and design refers to the style, configuration, and decoration of public and private areas (Yen & Tang, 2019). Therefore, the hotel's accommodation type, size, and overall design significantly influence guest satisfaction (Ramdin & Naraidoo, 2020).

Experiences include experience and organization dimensions. Experience refers to satisfaction with the hotel atmosphere and overall scenario quality and placement. Organization refers to the functional service system set-up and structure within the hotel's facilities to diminish inefficiencies regarding provided services (Essawy, 2019).

Place constructs considered are location and room. Location refers to the hotel site regarding proximity to the beach (Alvarez Leon et al., 2021). Room refers to the cleanness, comfort, view, and size of the room booked (Doğan et al., 2020). Hotel location regarding beach proximity and overall room quality and view influence guest satisfaction (Alrawadieh & Law, 2019; Lee et al., 2020).

3.4 Method

3.4.1 fsQCA Approach

Given the holistic nature of AI hotel services, the causal nature between online ratings and hotel/service attributes in AI resorts highlights the need to better understand the subset relationships according to the hotel category (Filieri et al., 2021).

Despite the wide application of partial least squares structural equation (PLS) modeling throughout a variety of disciplines, including hospitality and tourism (Hussain et al., 2016; Noor et al., 2017), its composite-based approach to structural equation modeling

(SEM) allows the testing of the theoretical framework from a prediction standpoint and the analysis of complex models with latent constructs. Nevertheless, the mean effects produced by the quantification of the average impact in every independent variable (exogenous construct) throughout a dependent variable (endogenous variable) draw an incomplete picture of the emerging effects on model estimation (Rasoolimanesh et al., 2021). To address this limitation, the researchers adopted a more asymmetric approach (fsQCA) to explore the different outcomes that emerged from independent variables analysis and categorizing predictors relying on sufficient or necessary conditions (Dul, 2016).

Zadeh (1965) introduced the fuzzy set theory and developed Ragin in 1987 (Rihoux et al., 2013). Quality comparative analysis (QCA) allows a configurational understanding of explanatory subsets where complexity and uncertainty are considered to be established (Hernández-Perlines et al., 2016; Vaisey, 2009). The allowance of continuous and interval variables after calibration in the models is one of the main methodological assets of QCA compared to fsQCA (Kumar et al., 2022).

Online ratings on TripAdvisor result from the consumer-generated content (CGC) uploaded to the platform; the ratings ascribed vary, for example, by the user language and geographic and psychological distance (Antonio et al., 2018; Phillips et al., 2020). The ambiguity of these subjective judgments resulting from human nature makes fsQCA suitable for investigating the multi-complex optimal sets beneath such evaluations (Ham et al., 2019).

In hospitality, fuzzy set principles have been applied to measure the quality of service in sharing accommodation (Zuo et al., 2022), bluxury tourism behaviour (Shi et al., 2022), hotel selection constructs in Tehran (Sohrabi et al., 2012), the influence of multiple types of service convenience on behavioural intentions (Chang & Polonsky, 2012), loyalty in e-complaints (Urueña & Hidalgo, 2016), wedding marketing strategies (Fotiadis, 2018), country-based accommodation brands in social media (Capatina et al., 2018), authentic leadership and job satisfaction (Baquero et al., 2019) and entrepreneurial decisions in tourism and hospitality (Pappas & Brown, 2020). However, online ratings regarding AI resorts have not received much attention.

We perform fsQCA standard data solution analyses with STATA software, version 13 (StataCorp, 2020). After the calibration of the variables, the truth table was formulated, and standard analysis was performed (Table 3.1).

The AI review values were subsequently recorded on a three-point scale to ensure calibration validity in this research. The calibration is the path to transform conventional data into fuzzy set variables, providing a degree of membership measure between 0 and 1 interval, as suggested by Ragin (2008), for standardization purposes. In this data set, full non-membership was targeted at .05, 0.5 for maximum membership dispersion, and 0.95 for full membership. A truth table algorithm determined all logical and relevant combinations of calm conditions. This procedure is essential because it is the way to attach an actual value to a specific review (Correia et al., 2019). Table 5 reflects all logical combinations of causal conditions in the AI constructs.

The necessity or sufficiency relation within a given data set was achieved through Boolean algebraic metrics: consistency and coverage. Consistency measures the degree to which a relation of necessity or sufficiency between a causal condition (or combination of conditions) and an outcome is met within a given dataset, with a range from 0 to 1; the minimum value 0 indicates no consistency, and the maximum value 1 indicates perfect consistency (Ragin, 2006, 2008). Once the consistency values are established, coverage acts as a measure of the empirical relevance of variables or a combination of variables, ranging between 0 and 1, as in Table 6 (Cao et al., 2022).

A successful outcome in fsQCA comprehends the existence of more than one combination of variables or conditions. In this sense, raw and unique coverage are necessary empirical measures, providing paths to the achieved conditions' relative importance. Moreover, raw coverage points out the share of the outcome explained by a particular alternative path, while unique coverage signals the exclusive explanation of the outcome by the alternative path (Ragin, 2006). Nevertheless, there are some limitations in the scope of the theoretical approach; a low raw and/or unique coverage does not mean that the conditions are meaningless because they may only include some of the cases in the outcome set (Ahmad, 2017).

Table 3.1 Calibration Scale for AI constructs

								Standardized						
Statistics	S	R	F	P	H	E	L	S	R	F	P	H	E	L
Mean	.608	.436	.491	.497	.439	.497	.500	.608	.436	.491	.497	.439	.497	.501
Range	1-3	1-3	1-3	1-3	1-3	1-3	1-2	0-1	0-1	0-1	0-1	0-1	0-1	0-1
Mdn (0.5%)	3	3	2	2	2	3	2	0.5	0.5	0.5	0.5	0.5	0.5	0.5
SE (mean)	0.115	0.198	0.162	0.167	0.210	0.167	0.164	0.115	0.198	0.162	0.167	0.21	0.167	0.164
SD	0.340	0.445	0.403	0.409	0.458	0.409	0.406	0.340	0.445	0.403	0.409	0.458	0.409	0.406
.05%	1	1	1	1	1	1	1	0.045	0	0	0	0	0	0
.95%	1	2	1	2	1	1	2	1	1	1	1	1	1	1
.99%	3	3	2	3	2	3	2	1	1	1	1	1	1	1

Source: Own elaboration

3.4.2 Data Collection, Extraction, and Validation

Founded in 2000, TripAdvisor has become one of the most relevant players among travel destination and accommodation review websites (Xu et al., 2020). In 2019, it earned 1.56 billion USD with a 60% reach of transactions. With an estimated 325 million monthly users, it is one of the most influential platforms within the online framework, with an average of 2.81 page views per visitor and a daily time on site of over 3 hours (Ebizmba, 2020; Alexa, 2020). TripAdvisor is also famous for travel searches in the earliest phases of travel research, with more relevance in one week or less time frame in 52% of hotel reservations (Charlton, 2020). As a dominant player in consumer online travel reviews, TripAdvisor holds relevance in the academic research landscape, particularly regarding further understanding reviewers' attitudes toward tourism-related services (Filieri et al., 2021).

Furthermore, TripAdvisor's online rating list for the best and worst hotels is perceived as valuable and credible, impacting future booking intentions (Glaveli et al., 2022).

This study uses data from reviews of 29 all-inclusive hotels with four- and five-star categories containing 279 rooms on average located in the Algarve on the south coast of

Portugal between August 2003 and April 2019. As only one AI hotel with a three-star rating was detected, we decided to drop it from the data panel. Furthermore, the data set timeline selection observed IATA seasons (summer and winter schedule) to achieve the data evenness analysis regarding the number of seasons observed**.**

To implement social media analytics principles and surpass the constraint of direct online review download, we select to perform a web scraping data extraction technique to automatically extract and process a large number of reviews (Sangkaew & Zhu, 2022); the "rest" package from the R statistical tool was adopted because it is open source and has a high degree of flexibility to retrieve web page elements provided by the R scripting language (Barrera-Barrera, 2022). First, the forum's search page was queried for all-inclusive and Algarve-related words. This enabled retrieving 34004 reviews (Table 3.2) containing comments published between August 2003 and April 2019. In the second step, for each of the 34004 reviews, the process went through all the pages of the comments within each thread and collected all comments. The result consisted of a dataset composed of a total of 6742 comments (Table 3.3). Then, data set accuracy and validity were ensured by successfully validating a random sample of 133 reviews in the following items: review title, text, and score; period of stay; traveller's type and country.

In the products and services sales ecosystem, there is increasing adoption of social media analytics to uncover gems hidden in the data; the combined use of statistical analysis, sentiment analysis, machine learning models, natural language processing (NLP), and opinion mining allows a more thorough understanding of the collected data (Mehra, 2022). For example, English language-based reviews extracted contained various information, including review URL, title, text, score; period of stay; travellers' type, and user country.

Table 3.2. Hotel set and review frequency summary – initial.

Hotel Classification	Hotels	Average rooms	Reviews (N)	%
Four-star	23	281	26634	78.3%
Five-star	6	270	7370	21.6 %
Total	29	279	34004	100 %

Source: Own elaboration

Table 3.3 Hotel set and review frequency summary – after the data preparation process.

Hotel Category	Hotels	Average rooms	Reviews (N)
Four-star	23	281	5356
Five-star	6	270	1386
Total	29	279	6742

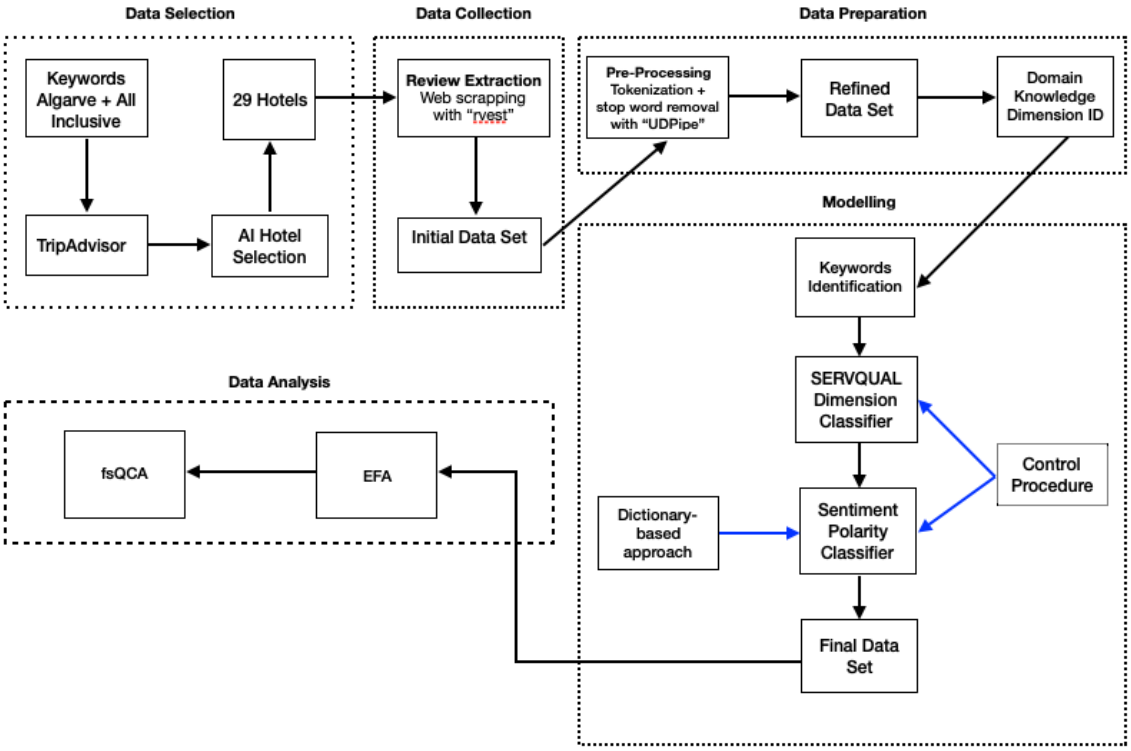
Source: Own elaboration

3.4.3 Data Preparation and Modelling

The reviews were subject to a pre-processing procedure: tokenization (Valdivia et al., 2019) and stop words removal (*Stop Word List 1*, 2020). The lexical analysis performed by the tokenization process enabled the given reviews to be broken into phrases recurring to "UDPipe," a natural processing toolkit (Straka & Straková, 2017). Next, a cycle was performed on all reviews and checked if synonymous keywords (including the hotel attribute label) were defined for each AI hotel attribute category (staff, service, price, hotel, experience, and place). If detected, sentiment analysis with polarity assessment (Valdivia et al., 2019) was performed using a dictionary-based approach (Antonio et al., 2018) in the R package, version 1.3.2. (Feuerriegel & Proellochs, 2018). Then a sentiment score, -1 for negative, 0 for neutral, and 1 for positive, was assigned to each review. Without a specific dictionary for hospitality, we manually built a sentiment opinion lexicon (Birjali et al., 2021)based on the criteria of easy transformation, completeness, and openness (Antonio et al., 2018). Additionally, a control procedure was performed by reading 712 randomly selected reviews in the modeling phase to assess SERVQUAL

dimension and sentiment polarity accuracy (Mehraliyev et al., 2022). Finally, the methodological procedure (figure 2) converted all the constructs into quantitative data.

Figure 3.2- Research Framework



Source: Own elaboration

Table 3.4 reflects the general characteristics of the sample population. Respondents reside mainly in Europe (90.2%), mostly travelled as a couple (51 per cent) and with family (37.1 per cent) and stayed predominately in four-star hotels (78.4 per cent), followed by five-star (20.4 per cent). The hotels are located less than one kilometre from the beach (74.1 per cent) and are open to receive guests more than 334 days yearly. Their size is almost evenly distributed, above 85 rooms and less than 301 rooms in 48.7 per cent of the reviews and more than 301 rooms and less than 552 rooms for 51.3 per cent of the reviews.

Table 3.4 Sample Profile

Residence (continent)	**Percentage**
Europe	90.2
Asia	2.4
North America	3.2
Oceania	0.4
Africa	0.9
Party	
Couple	51,0
Friends	9.3
Alone	1.3
Family	37.1
Number of reviews by hotel category	
4*	78.3
5*	21.6
Number of days operating	
[85-334]	29.1
]334-365]	70.9
Distance from the beach	
< 1 km	74.1
[1km-2Km]	12.1
> 2 Km	13.8
Number of rooms	
[85 – 200[	26.9
[200-300]	21.8
]300-400]	26.6
]400-551]	24.7

Source: Own elaboration

3.4.4 Data Analysis Methods

The data analysis was performed according to previous studies (Correia et al., 2020; Shi et al., 2021). First, an exploratory factor analysis (EFA) was conducted to reduce the number of items embodied in each construct aside from the reliability tests. Second, a fsQCA model was used to test the combinations of service quality that contribute to higher ratings or better assessment of AI hotels.

3.4.4.1 Exploratory Factor Analysis

To provide a further understanding of the data structure and reveal possible interrelationships between variables, an exploratory factor analysis (EFA) was performed to reduce the dimensionality (Provenzano & Baggio, 2020). To this end, a principal component analysis was performed using varimax rotation with Kaiser normalization to reveal the construct structure of AI attributes regarding the online review ecosystem, producing six constructs (Table 3.5) with an explanation percentage of 77.36 of the total variance. The six constructs were staff, service, pricing, ambiance, experiences, and place. In addition, the KMO test reveals sampling adequacy of 0.727, and Bartlett's test of sphericity was highly significant at the .000 level, suggesting the existence of one or more constructs.

Regarding the first construct, staff, which contains four items (empathy, assurance, responsiveness, and reliability), we assess 20.378 per cent of the variance explained. These items indicate that within the AI hotels, the way staff handles the challenges of excellent service delivery in every interaction with guests is noted, with 0.89 construct reliability. The second construct, service, containing three items (services, facilities, and F&B) with 12.218 per cent of total variance explained and reliability of 0.654, underlies the necessity of continuous supervision and maintenance of the facilities, mainly related to food and beverage service, to enhance the perceived value of the existing services. With a total variance explained of 11.945 per cent, price and promotions items, part of the pricing construct (third), reveal the value for money assessment by guests within AI hotel dynamics, with a reliability coefficient of 0.883. As construct number four, ambience contained two items, accommodation, and design, accounting for 11.659 per

cent of the variance explained with a reliability coefficient of 0.863. As construct number five, experiences comprised two items (organization and experience), with a total variance of 10.626 percent and a reliability coefficient of 0.71. Two items (location and room) were incorporated into the place construction, indicating that room quality and hotel location are essential for assessing experience quality within AI hotels (Moro et al., 2018).

Table 3.5. Results of Exploratory Factor Analysis on AI Hotel Attributes

Constructs and items	**Factor loading**	**M**	**SD**	**Variance explained (%)**	**Cronbach´s alpha**
Staff				20.378	0.892
Empathy	0.830	2.8231	0.4926		
Assurance	0.757	2.7466	0.5537		
Responsiveness	0.908	2.7787	0.5252		
Reliability	0.916	2.7564	0.5723		
Service				12.218	0.654
Services	0.640	2.7556	0.5107		
Facilities	0.743	2.6493	0.6537		
F&B	0.857	2.7445	0.5181		
Pricing				11.945	0.883
Price	0.939	2.5390	0.7403		
Promotion	0.940	2.5694	0.7272		
Ambience				11.659	0.863
Accommodation	0.907	2.6650	0.6361		
Design	0.915	2.6700	0.6311		
Experiences				10.626	0.710
Experience	0.820	2.6720	0.6277		
Organization	0.849	2.7058	0.5977		
Place				10.535	0.721
Location	0.837	2.6855	0.6299		
Room	0.866	2.6584	0.6498		

Source: Own elaboration

3.5 Results and Discussion

Prompted by the gap in understanding the relevant attributes cherished by AI guests in the online reviews ecosystem, specifically on the TripAdvisor platform, we applied social media analytics principles combined with EFA and fsQCA techniques to identify, extract, and dynamically combine data to highlight the hidden gems behind online reviews. As a primary data source, TripAdvisor online reviews have gained the attention of academia regarding the reviews: trustworthiness, helpfulness, managerial response consequences, number of reviews, rating, length, room price, consistency, and sentiment tone have been mainly addressed within the hospitality industry (Jeacle & Carter, 2011; Rita et al., 2022; Valdivia et al., 2019; Xiang et al., 2017; Xiang & Gretzel, 2010; Xie et al., 2014; Zhang et al., 2011), but as far as we could assess, there has been a lack of focus on the necessary conditions aimed at rating enhancement in AI hotels and resorts on the TripAdvisor platform. Therefore, the discussion presents theoretical contributions to the hospitality literature and implications for the practice among AI hotel managers. Table 3.6 reflects the results of the causal configurations in AI hotels which are necessary to achieve rating enhancements on TripAdvisor.

Table 3.6 Models of AI hotel rating configurations

Set	Raw Coverage	Unique coverage	Solution Consistency
AI Total Set			
R*A*l	0.211	0.017	0.803
R*F*e	0.183	0.007	0.765
r*a	0.424	0.113	0.678
a*L	0.400	0.034	0.770
f*E	0.422	0.049	0.808
F*p	0.418	0.021	0.794
F*L	0.399	0.029	0.792
R*p	0.301	0.025	0.775
Total Coverage (0.928) | Solution Consistency (0.659)			
AI 5-star hotels			
R*A*l	0.190	0.027	0.820
r*a	0.380	0.122	0.741
f*E	0.380	0.039	0.839
E*l	0.367	0.020	0.849
F*p	0.420	0.036	0.838
R*p	0.330	0.037	0.803
R*F*e*L	0.128	0.000	0.895
F*a*L	0.297	0.019	0.869
Total Coverage (0.884) | Solution Consistency (0.739)			

Source: Own elaboration

Note: R = Staff domain; A = Ambience domain; L = Place domain; P = Pricing domain; F = Service domain; E = Experience domain.

The results suggest that the staff construct (R) is very relevant as a predictor of TripAdvisor rating enhancement, as Zhang et al. (2014) show. Additionally, when combined with the ambiance construct (A), it limits the importance of the place construct regarding rating enhancement.

As one of the most relevant attributes for hotel choice, as stated by Alvarez Leon et al., (2021), location importance in AI resorts can be narrowed when combined with a positive performance of staff construction and hotel design and organization (A). Moreover, when matched with a positive performance regarding hotel facilities, both in general and in food and beverage services (F&B), it can limit the importance of experience and organization issues at the hotel.

On the other hand, place construct (L) is essential for rating enhancement, as referred to by Phillips et al. (2020), with more emphasis when confronted with the low performance of hotel accommodation and design attributes (A).

Performance in the service attributes is crucial to ensure a positive relationship between pricing strategy and value for money (Essawy, 2019); additionally, in AI hotels, positive in-house experiences are mandatory to surpass limitations on provided services. Furthermore, the maintenance of the facilities, the variety of service offered, and the performance of the food and beverage department are crucial to rating enhancement (Chang et al., 2019). Positive performance in the staff construct attributes (R) ensures that pricing and promotion issues are repositioned to a secondary role in AI hotels; this finding significantly impacts revenue management practices adopted in the TripAdvisor platform by hoteliers, complementing the findings of Glaveli et al. (2022) and Zhang et al. (2011). Regarding five-star AI hotels, we can ascertain that if the hotel does not have a premium location, its rating enhancement in TripAdvisor can be achieved in two ways: first, by assuring an excellent performance in the staff construct (R) and ambiance construct (A); and second, by investing in unique experiences in an organized and structured manner, triggering long-lasting memories for guests. These configurations contribute to further understanding the implication of customer delight in the hotel industry, asses by (Kumar Kaushik et al., 2022).

Five-star AI hotels with an excellent location can aim to enhance their TripAdvisor rating by assuring, firstly, excellent performance in the staff (R) and service (F) constructs, in which case the impact of the experience organization assumes a secondary focus; secondly, when the hotel presents an excellent set of services, premium facilities, and outstanding performance in the food and beverage department, that can diminish the

importance of the hotel's investment in design towards the enhancement of its rating. The findings can complement current knowledge (Alhamad & Singh, 2021; Alzoubi, 2021) regarding five-star hospitality process quality and control strategies.

The importance of pricing and promotion attributes can be surpassed by excellent performance in the staff or service construct, which amplifies the value for money. For example, in the case of a five-star hotel with regular performance in the service construct (F), performance to enhance rating can be targeted by highlighting the experience construct during the guests' stay, contributing accordantly to project additional resilient strategies in AI five-star hotels (Shi et al., 2021).

Lastly, AI hotels need to ensure performance in the staff and hotel constructs at the highest possible level due to the length of stay of guests in this type of operation, which can trigger a sense of standardization of service and procedures, as spotted by Kim and Han, (2022), contributing to removing the real value for money from the overall all-inclusive experience.

3.6 Conclusions And Future Work

This research explored 6742 validated reviews, identifying the most relevant constructs contributing to an enhanced online rating of AI hotels on TripAdvisor. Furthermore, by contributing to the area of consumer behaviour within a holistic scope, the necessary and sufficient conditions to manage UGC of AI hotels to achieve rating improvement were revealed in a pioneering way (through a fuzzy-set approach), through a more thorough understanding of what is cherished by AI guests in a virtual environment.

The results suggest that the traditional importance of the pricing construct (P) in hotel management can be suppressed in AI hotels for online rating purposes by assuring good, consistent performance in the staff (R) and service (F) constructs. Moreover, the experience construct (E) can be crucial in mitigating underperformance in the service construct (S), considering the high operational pressure on the operational areas in the AI experience. In five-star AI hotels, experience construct (E) acts as a pivot between the service (F) and place (L) constructs. This research contributes to the literature by presenting a model where the constructs are connected to clarify what matters when

sharing content about the hotel. Furthermore, this study confirms the results of previous research, reinforcing its importance. Lastly, this research splits the impacts of five-star AI hotels to understand what combinations of traits matter the most for tourists. Nevertheless, implications for research, practice, and limitations are provided.

3.6.1 Implications for Research

Firstly, by addressing online reviews on TripAdvisor as still one of the most relevant platforms for hospitality (Mary & Pour, 2022), this empirical research contributes to a more in-depth understanding of the AI dynamics in the online ecosystem. Secondly, in this context, the study contributes theoretically by developing a model where different contexts and times are considered to generalize the knowledge about the components of the service that AI service comprises (de Bem Machado et al., 2022; Urban & Matela, 2022). Additionally, this research challenges the ceteris paribus hypothesis by proposing a composite model of components contributing to the rating enhancement in an interplayed way. This can proactively increase the possibilities of rating enhancement by tuning and combining the most suitable service dynamics strategies according to the hotel category and context (Kim & Han, 2022; Padma & Ahn, 2020). Thirdly, this research contributes methodologically to the contextual analysis of online reviews regarding the AI dynamics in a mature sun and sea destination by combining user-generated data with fuzzy set analysis (Li et al., 2018; Lyu et al., 2022; Raisi et al., 2020). Subsequently, implications for research and management are outlined, as well as research limitations and suggestions for future research.

3.6.2 Implications for Practice

This study highlights the importance of identifying the most relevant AI attributes underlined in UGC on TripAdvisor. More than managing online reviews, AI hotel managers need to understand the underlying message and address staff, service, pricing, ambiance, and experience-related issues more pragmatically to enhance rating their positioning on TripAdvisor. Moreover, results suggest that the binomial hotel location and room pricing strategy are not related in the pursuit of rating enhancement in AI hotels but instead combined separately: staff and ambiance attributes when referring to location

and staff and service when addressing the pricing attribute. By knowing that staff is a fundamental construct in AI online dynamics, managers can track reviews more assertively to identify service success and failure and clues to enhance, adjust and maintain service standards (Xiang et al., 2017). Furthermore, despite several AI hotel companies adopting the procedure of collecting guest satisfaction at several moments of their stay, the UGC understanding may contribute to reinforcing, questioning, and refining the online positioning, operational strategy, and servicescape settings (Singleton & Losekoot, 2020), leading to more meaningful communication between AI hotels and guests towards more meaningful and enduring loyalty (Jeong et al., 2022). Finally, hotel managers and marketers can perform a more refined segmentation in AI hotels by incorporating the tangible and intangible factors and their impacts on price, promotion, and hotel positioning in the TripAdvisor platform.

3.6.3 Limitations and Future Research

Despite several contributions to theory and practice for the hospitality field of study, there are some limitations and recommendations for future research. Firstly, the selected data set did not consider the covid-19 period, mainly because of the pursuit of understanding the service quality phenomenon in AI hotel operations in “normal” times. Secondly, this research did not address the pre-purchase or consumption expectations and motivations regarding the choice of an AI hotel. The bridge between pre-consumption and consumption constructs in AI hotel ecosystems may lead to a better understanding of the post-consumption constructs and items identified in the online reviews (Padma & Ahn, 2020; Yang & Han, 2022). Thirdly, first-time and repeat guests were not examined. Such an examination could have provided a deeper understanding of the consumer satisfaction process within an AI hotel experience and its impacts on overall evaluations and price performance (Doğan et al., 2020; Shavanddasht & Allan, 2019).

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CHAPTER 4

EXPLORING PERCEIVED SERVICESCAPE IN THE HOSPITALITY BUSINESS

(ARTICLE 3)

EXPLORING PERCEIVED SERVICESCAPE DYNAMICS IN THE HOSPITALITY BUSINESS

CARIMO RASSAL, ANTÓNIA CORREIA AND FRANCISCO SERRA

Abstract

Design/Methodology/Approach

The study applied fuzzy set qualitative comparative analysis (fsQCA) conducted via 779 in-person surveys. This approach was used to discern the various configurational relationships among service quality dimensions across multiple service categories within the hotel industry.

Purpose

This research aims to explore service quality dimensions within the hotel sector and identify influencing factors. The objective is to decode the intricate dynamics that play a part in sustaining superior service quality in a highly competitive industry environment.

Findings

Through the analysis, the study pinpoints 33 distinct configurations spread over three hotel-type scenarios that significantly impact guest satisfaction. The research underscores the necessity of regular staff training, particularly in areas like the Algarve, were seasonal changes challenge staff loyalty. A focus is put on the crucial role of service reliability and enhancing the guests' perception of value.

Research Limitation/Implication

The investigation demonstrated the effect of perceived servicescape on hotel competitiveness and the performance of employees during the pre-pandemic period, providing insights for those in the hospitality industry. It highlights the importance of understanding the configurational sets and staff training to augment guest satisfaction through effective problem resolution. Practical recommendations for hotel managers, human resource professionals, strategists, and marketers on boosting service quality and competitiveness are also offered. From a social standpoint, the study underscores guest

satisfaction, service quality, and employee training. However, limitations include the data collection timing, the sample group's characteristics, and the emphasis on food plan types.

Originality/Value

The research introduces a unique approach by segmenting hotels based on food plan types to assess the influence of perceived servicescape on competitiveness. It also examines the performance of employees and commercial aspects, thereby expanding the existing understanding of the influence of servicescape on hotel competitiveness.

Keywords: Perceived Servicescape, Guest Satisfaction, Hotel Competitiveness, fsQCA.
Article type – Research Article

4.1 Introduction

Following the covid-19 pandemic, global tourism suffers an unprecedented down back, with less than 1 billion international tourist arrivals, a loss of 1.3 trillion in export revenues, and 120 million jobs at risk. In Europe, according to World Tourism Organization (UNWTO), the loss in international tourist arrivals was 85 percent when compared to the year 2019, the Mediterranean region lost 336 billion USD (UNWTO, 2021). As a result, the hotel industry, which employed more than 8 million people in Europe in 2020, took a significant hit, with an average room occupancy rate of 13.3 percent, less 82.3 percent than the previous year (German Federal Statistical Office, 2021).

With the expected rebound of the travel demand rates, they were boosted by the vaccination process worldwide, with 56% of the consumers intent to travel for leisure (AHLA, 2021). Nevertheless, the hotel industry faces in Europe an unprecedented challenge due to the unsatisfactory performance of the primary key performance indicators (KPIs) (HOTSTATS, 2021). By the competitive nature of the hotel industry, the positive impact of every factor in the KPI´s dynamics is essential to maintain the competitiveness of the business. The core is service quality, which plays the most significant role. To create and maintain long-lasting customer relationships, hotel managers increasingly focus on the service traits that fulfil that strategic purpose (Nguyen, 2021).

As the hotel business reinvents itself in this new era, new segmentations and positionings are adopted by managers to boost businesses. However, marketing strategy margins shrink over time due to the dramatic shortage of demand and the information available to all competitors within the competitive set. So, the remaining hotel service staff adapts and performs the critical role of being the invisible safety net of the business by delivering outstanding service to guests (Tran et al., 2020).

In the service industry, servicescape is considered the future asset to look up to when considering the strategic analysis of hotel performance; effective servicescape planning and design can be the difference between business success or failure (Chakraborty & Kamra, 2020). Servicescape is "the physical surroundings as fashioned by service organizations to facilitate the provision of service offerings to spectators, which comprise both tangible and intangible aspects" (Bitner, 1992; Migdadi & Abdel-Rahman, 2020). Due to the nature and complexity of the hotel business, the type of hotel (i.e., all-inclusive hotels, full-service hotels) and its segment (i.e., resorts, city hotels, airport hotels) influence, the importance given to the tangible and intangible aspects of servicescape by guests (Fuentes-Moraleda et al., 2020). This uncertainty regarding service evaluation and its implications for the overall hotel performance makes suitable the application of the fuzzy set method – fsQCA, for further investigation of the necessary and sufficient conditions in a multi-typed and multi-segmented market (Pappas & Woodside, 2021).

The study aims to explore the intricate dynamics that contribute to the upkeep of exceptional service quality by considering three food plan scenarios (all-inclusive, non-all-inclusive, and aggregate). Its novelty lies in using fsQCA within hotel management (Thomann et al., 2022). The study segments the ecosystem by type of hotel service, either all-inclusive (AI), non-all-inclusive (N-AI), or aggregate, in an attempt to reveal the essential and necessary conditions required to improve the impact of service quality on hotel performance.

4.2 Literature review

4.2.1 Service Types in Hospitality, a brief overview

The hotel industry is a highly competitive industry with a wide range of offers on various forms of food service, including All-Inclusive, Full Board, Half Board, and Bed and Breakfast arrangements, each with unique advantages and limitations that hotel performance and influence guest satisfaction (Okumus, 2023).

Starting the All-Inclusive approach entails providing guests with lodging, meals, drinks, and entertainment. This arrangement is prevalent in resorts, where guests seek a hassle-free vacation. The primary advantage is the cost predictability for the guest, enabling budgeting in advance. From a hotel perspective, All-Inclusive packages can guarantee substantial revenue per guest. However, it requires efficient forecasting and control mechanisms to avoid wastage and financial loss (Günaydın et al., 2022).

Full Board, providing guests with three meals daily alongside accommodation, is another prevalent form. Although it limits guests' opportunities to explore local cuisines, it offers comprehensive culinary service. Hotels benefit by retaining guests on-premises, enhancing opportunities for additional sales. Conversely, the necessity for continuous food service can be resource-intensive (Shulga & Busser, 2020).

Half Board is a more limited food service type, offering breakfast, lunch, or dinner alongside accommodation. This format strikes a balance between providing meals and allowing guests the freedom to explore local food scenes. Hotels can optimize food operations and costs by limiting the number of meals. Yet, the possibility of losing dinner or lunch revenue is a drawback (Vives & Jacob, 2023).

Bed and Breakfast, the most basic service type, provides accommodation and breakfast. The simplicity of this format is its primary strength. For guests who value exploration and flexibility, this minimal service suffices. It also allows hotels to reduce food service overheads significantly. However, it necessitates compelling local alternatives to satisfy guests' gastronomic needs (Zhang et al., 2023).

Beyond these standard formats, hybrids and variations continue to emerge in destinations like the Algarve, responding to evolving consumer demands. For instance, some hotels offer flexible meal packages, allowing guests to choose the number of meals they prefer. In contrast, others have 'dine-around' systems, where guests can eat at affiliated restaurants (Mody, 2023).

Quality and variety are essential to guest satisfaction regardless of the food service type. Therefore, continuous menu innovation, dining experiences, and service delivery are indispensable. Moreover, while each class has inherent advantages, matching the right service type to the appropriate target market is essential for success. A luxury resort targeting guests seeking relaxation may flourish with all-Inclusive, while a city-center hotel serving business travellers might be better suited for Bed and Breakfast.

Moreover, environmental and sustainability considerations are increasingly influencing food service decisions. Conscious food sourcing, waste reduction, and energy-efficient operations are becoming ethical obligations and competitive advantages (Alsuwaidi et al., 2022; Chen et al., 2022).

4.2.2 Service Quality

Research on service quality is of prime importance, particularly in the hospitality and tourism sectors. Many models and scales, including those proposed by Parasuraman et al. (1985) & Jain & Gupta (2004), have been instrumental in revealing the complex dynamics of service quality gaps in diverse business settings within these industries.

The seminal work in this area was contributed by Grönroos (1984), who outlined three vital aspects of service quality: technical quality, functional quality, and corporate image. These aspects symbolize the outcome of customer interaction with the service provider, the method of service delivery, and the customer's perception of the company, respectively.

Building upon this, Parasuraman et al. (1985) put forth the influential GAP model. This model, which underscores potential discrepancies, identifies five areas of mismatch—for instance, the misalignment between customer expectations and how the management perceives them or the disparity between the service promised and provided. This GAP model later evolved into the SERVQUAL scale, encompassing five dimensions reliability, responsiveness, tangibles, assurance, and empathy and 21 related elements.

Successive literature over the next decade introduced several models addressing different aspects of service quality. Haywood-Farmer et al. (1988), for instance, underscored the importance of consistently meeting customer expectations. Brogowicz et al. (1990) examined the service quality gap between customers who had a direct service experience and those indirectly informed. Berkley and Gupta (1994) emphasized the crucial role of IT alignment in enhancing service quality. By the early 2000s, the scope of research expanded to encapsulate topics like consumer behaviour, electronic tourism, and service failure and recovery, among others.

In essence, service quality is a customer's evaluation of a service's relative excellence or inadequacy Parasuraman et al. (1991). This perception, vital in shaping customer satisfaction, loyalty, and corporate image, is formed when customers compare their actual service experience with their preliminary expectations.

Service quality significantly influences customer behaviours, such as repurchase intentions and loyalty to a service provider (Dedeoğlu et al., 2015; Marković & Janković, 2013). This perception is primarily moulded by the customers' direct interactions with employees and plays a pivotal role in satisfying customer expectations. Moreover, a positive service experience can establish the groundwork for solid business relationships. Customers' perceptions of service quality lay the groundwork for their trust and satisfaction, sub setting purchasing behaviour (Ryu & Lee, 2017).

Nevertheless, further investigation into the intricate dynamics of service quality across differentiated meal plans is still necessary, especially considering the hotel industry's global, competitive, and unpredictable character (So et al., 2022).

4.2.3 From service quality to perceived servicescape

According to Bitner (1992), the contemporary scope of servicescape can be defined as the landscape where services occur and are experienced (Kandampully et al., 2023).

Grounded in the association with the aspects of the physical surroundings in the service industry, it provides timely assistance to customer's needs (Bitner, 1992); servicescape can also be a tool to enhance commercial actions and influence the behaviour of both customers and employees (Arnould et al., 1998). Still, its application as a tangible organizational resource is narrow (Ezeh & Harris, 2007).

Service evaluation in the hospitality industry is embodied by nature with complexity and uncertainty; nevertheless, the impact in the hospitality industry is so significant that it may lead to business success or failure (Kim et al., 2010). In this sense, it requires some interaction between guests and employees to assess the service's meaningfulness (Walumbwa et al., 2019).

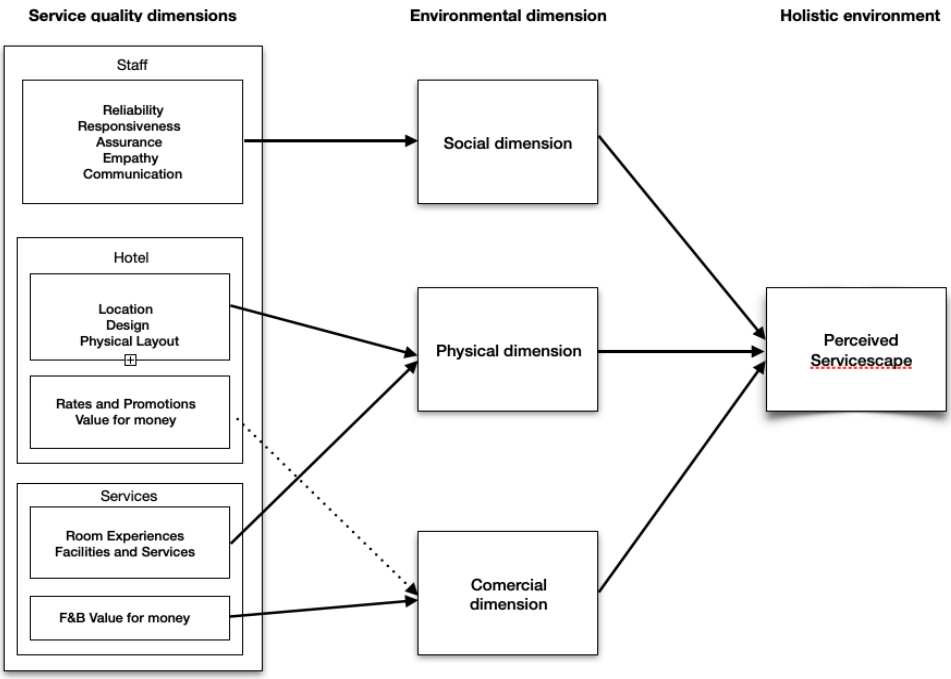
Social servicescape emerges from the scope that it is not built but instead natural; therefore, it transcends the boundary of tangibleness and can be addressed as a dynamic and complex organism that outputs a commercial product experience routed in time customer inputs (Arnould et al., 1998). In this scope, social servicescape can influence consumer behaviour in every consumer space through customer-to-customer interactions, customer-employee interactions (Pizam & Tasci, 2019), and even in the absence of interaction (Zajonc, 1965).

By nature, hotels are places of interaction (Wood, 1994). Therefore, hotel managers must understand the dynamics beneath the provided services in the different service settings and their effects on the overall hotel performance (Tombs & McColl-Kennedy, 2003). In this perspective, the staff intangible traits dynamics effects ((reliability, responsiveness, assurance, empathy, and communication (Parasuraman et al., 1988)) have been considered in this research to assess their impacts on the tangible traits of hotels competitiveness (Gerhard et al., 2006), by service type output (i.e., all-inclusive and non-all-inclusive).

In the contemporary hotel business dynamic, electronic word-of-mouth platforms (professional and social) are playing a crucial role in terms of quality assessment of hotels

and future intentions in terms of recommendation (Litvin et al., 2018), the overall categories considered for customer satisfaction assessment include (i.e., booking.com) staff, value for money, comfort, wi-fi, facilities and services, cleaning and location. Although hotel managers can address service quality issues by analysing customer assessments on the different platforms, those analyses will be limited in depth and scope because the undertaking action toward an establishing goal is biased by the inherent manager perspective of the actual perceived service (Finkelstein et al., 2018). For instance, if a lower staff rating is spotted, which trait(s) should managers address to calibrate service settings? Or which staff intangible trait should be addressed by management to realign the perceived servicescape by guests? Or which staff traits can be highlighted to suppress the lack of competitiveness of the hotel towards factors such as location, design, or physical layout? (Lockwood & Pyun, 2019) .To surpass the complexity and uncertainty underlined in those questions, an integrated framework is proposed based on Bitner's (1992) and Zeithaml et al. (1988) conceptualizations of service quality dimensions and perceived servicescape.

Figure 4.1. Service Quality Dimensions and Perceived Servicescape Conceptualisation



Source: Own elaboration

4.3 Materials and Methods

The multilingual survey used for data collection in this study was derived from a comprehensive literature review (Table 4.1). It was divided into four sections: (1) an introduction page, (2) two pre-screening questions to confirm respondents' eligibility (i.e., they had stayed in a hotel in the three days before taking the survey), (3) a series of 26 questions assessing seven dimensions of service quality to evaluate the respondents' hotel experiences, and (4) demographic information. Respondents rated their experiences on a 7-point Likert scale, with 1 indicating extreme dissatisfaction and 7 showing extreme satisfaction (Joshi et al., 2015).

The seven dimensions of service quality proposed in Figure 4.1 include reliability, responsiveness, assurance, empathy, communication, the attractiveness of the hotel's location, design, and physical layout, rates and promotions, and the suitability of the pricing strategy. Services include room experience, facilities and services, and food and beverage value for money.

Reliability denotes the hotel's ability to deliver dependable services consistently, keep promises, and meet deadlines, significantly influencing customer satisfaction (Guan et al., 2022). Responsiveness concerns the speed and efficiency of task completion and customer service (Ayyildiz et al., 2022). Assurance involves earning customers' trust through employees' professional behaviour, politeness, and knowledgeability (Hao & Chon, 2022). Empathy refers to understanding and addressing guests' specific needs through personalized service, which can enhance customer satisfaction and loyalty (Mody, 2023). Effective communication, involving clear and straightforward interaction in the client's native language and English, is pivotal in the tourism industry (Pérez & García De Los Salmones, 2023).

When choosing a hotel, guests consider various factors, including rates, location, design, price suitability, layout, room quality, and standard of facilities and services. The

attractiveness of rates, promotions, and strategic location can significantly influence booking decisions (Ye et al., 2022).

A well-thought-out hotel design and layout can improve guests' comfort and satisfaction (Piramanayagam et al., 2019). A positive room experience and high-quality hotel facilities can considerably enhance the guest experience (Sadhale & Sathe, 2021). Lastly, a well-balanced pricing strategy, which reflects the range and quality of services provided, can significantly impact guest perceptions and satisfaction (Soler et al., 2019). A pilot test was conducted with 50 tourists to ensure the clarity and internal validity of the survey questions. All constructs exceeded the threshold α of .70 (Hair et al., 2009), achieving an α above .90. Minor adjustments were made to improve the survey's flow and focus.

Data was collected at various tourist spots in the Algarve region, Portugal, between 10 am and 10 pm on weekdays (Couper, 2017). Participants must be 18 years or older and have stayed in a Portugal hotel for at least three nights in 2019 to be included in the study.

According to Howard & Henderson's 2023 recommendations to perform exploratory factor analysis (EFA), data collection concluded after securing 779 validated surveys, fulfilling the recommended over 300 sample size and 10 participants per indicator. Additionally, Watkins's (2018) guidelines were adopted through SPSS v.27 software to perform EFA. Participation was voluntary, all responses were kept confidential, and no rewards were given to the participants.

Table 4.1 Questionnaire theoretical background

Factor	Questions	Theorical Background
Reliability	- They fulfil promises to complete tasks at a specific time. - They demonstrate a genuine interest in solving customer problems. - They perform services correctly the first time. - They provide services at the requested/promised time. - The information provided is accurate and rigorous.	(Akbaba, 2006; Ghobadian et al., 1994; Iberahim et al., 2016; Ihtiyar & Ahmad, 2014; Kandampully et al., 2011; Nejati et al., 2009; Seth et al., 2005)
Responsiveness	- Tasks are performed promptly and effectively. - The staff is willing to help. - Employees are always busy attending to requests.	(Brady et al., 2002; Choi & Chu, 2001; Duan et al., 2016; Hussain et al., 2016; Iberahim et al., 2016; Ye et al., 2017)
Assurance	- Employee behaviour inspires trust. - Employees consistently demonstrate courtesy. - Employees display solid knowledge in answering. - Employees are reliable.	(Heung & Ngai, 2008; W. Kim, 2009; W. Kim & Han, 2008; Sim et al., 2006; Tantawy & Losekoot, 2000; Wu & Ko, 2013)
Empathy	- Employees provide individualized attention to guests. - Employees genuinely care for the best interest of guests. - Employees understand guests' specific needs.	(Davis, 1983; Min et al., 2014; Umasuthan et al., 2017; Ye et al., 2017; Y. Zhang et al., 2018)
Communication	- Employees can communicate in the client's native language. - Communication between employees and guests is clear. - Communication in English is effective.	(Akan, 1995; Akbaba, 2006; Getty & Getty, 2003; Ihtiyar & Ahmad, 2014; S. Kim et al., 2018; Knežević et al., 2015; Smyrl, 2011; Stieglitz & Dang-Xuan, 2013)
Hotel & Services	- Hotel rates and promotions motivated the reservation. - Hotel location influenced the reservation. - Hotel design contributed to the reservation. - Prices are generally suitable for the diversity and quality of services enjoyed. - Hotel's physical layout contributed to making the reservation. - Room experience was positive. - Hotel facilities and services are of high quality. - Prices at hotel bars and restaurants are appropriate for the products' quality.	(Ali et al., 2016; Ali & Amin, 2014; Andersson, 2010; Baek & Ok, 2017; Bellou & Andronikidis, 2009; Birenboim et al., 2011; Chan & Wong, 2006; Cheng et al., 2016; Chou et al., 2008; Christou, 2011; Farmaki et al., 2017; Fraj et al., 2015; García-Almeida et al., 2015; Juaneda et al., 2011; Lee et al., 2010; Lee, 2011; Lien et al., 2015; Moro et al., 2018; Oki, 2014; Rigall-I-Torrent et al., 2011; Schwartz, 2008; Valentin & O'Neill, 2019; J. te Yang, 2004; Y. Yang et al., 2012, 2018; Yoon et al., 2016; Z. Zhang et al., 2011)

Source: Own elaboration

4.3.1 fsQCA approach

Geremew et al. (2023) confirm a significant growth in applying Fuzzy Set Qualitative Comparative Analysis (FsQCA) within the tourism, leisure, and hospitality management topics. This statistical method, grounded in the principles of fuzzy set theory, has found success in multiple areas. Among these are service quality assessment (Benítez et al., 2007) and identifying crucial factors in hotel selection in Tehran (Sohrabi et al., 2012).

Further research utilizing fuzzy set theory investigated various aspects of the hospitality industry. For instance, Chang and Polonsky (2012) studied the impact of different forms of service convenience on customers' future intentions. Other noteworthy investigations involve online customer loyalty after complaints (Urueña & Hidalgo, 2016), the effectiveness of wedding marketing strategies (Fotiadis, 2018), and the influence of nation-specific accommodation brands on social media platforms (Capatina et al., 2018).

Additional topics include the correlation between authentic leadership styles and job satisfaction (Baquero et al., 2019) and decision-making processes in the tourism and hospitality sectors (Pappas & Brown, 2020).

Behavioral intention is another area of extensive exploration (Olya & Han, 2020; Rasoolimanesh et al., 2022), and behavioural responses (Olya & Nia, 2021) have also been examined.

Furthermore, sustainability and pro-environmental behaviour have gained increasing attention in recent years (Hossein & Akhshik, 2019; Manosuthi et al., 2022), as well as financial behaviour (Penela et al., 2019). Other studies have examined attitudes, intentions, and subjective norms (Carvajal-Trujillo et al., 2020; Eid & Shehawy, 2021) and motivation factors (Küçükergin et al., 2021).

Additionally, research has addressed chaos, crisis, resilience, and their impacts on the industry (Beynon et al., 2018; Pappas & Glyptou, 2021; Torres & Augusto, 2021). Governance, leadership, and decision-making processes within the hospitality sector have also been critically reviewed (Kumar et al., 2022; Sukhov et al., 2023; Yu et al., 2022).

However, comprehensive research has yet to be conducted on hotel operational management, particularly concerning varying food plans. This underscores the relevance and necessity of including this topic in our research scope.

Nonetheless, the high loadings regarding the factors spotted in Table 4.5, there are variables that tourists highly prioritize when selecting a hotel in Algarve, Portugal. Hotel design and physical layout, staff capability to provide on-time service, and solving problems in guests´ native language are vital variables to look out for. Furthermore, Algarve´s high seasonality and massification during summer seasons, associated with the incapability to attract and retain professionals in the region over the years, worsen this perception among tourists that choose to visit the area.

The complexity and vagueness related to human assessment of experiences are associated with the information reliability in contemporary hotel businesses, difficulting even more decision-making processes for hoteliers within this ecosystem and the limitations of the traditional method's capability to capture the full scope and character of given criteria precisely and emerges the appropriateness of fuzzy set theory application (Zadeh, 1965) due to the underlying complexity associated with multiple hotel selections among several factors and multiple variables by tourists. Moreover, the fuzzy set theory provides the bases and tools for hoteliers to develop investment strategies and plans to surpass competitors' lack in some factors and variables expressed in Table 4.2 (Sohrabi et al., 2012).

4.3.2 fsQCA procedure

fsQCA standard data solution analyses were implemented through STATA software, version 13 (Stata Corp, 2020). After the variable's calibration, the truth table was formulated, and a legal analysis was performed (Table 4.3). Factors were subsequently recorded on a three-point scale to ensure calibration validity. The calibration is the path to transform conventional data into fuzzy set variables, providing a degree of membership measure between 0 and 1 interval, as Ragin (2008) suggested for standardization purposes. In this data set, full non-membership was targeted at .05, 0.5 for maximum membership dispersion, and 0.95 for full membership. The truth table algorithm was

performed to determine all logical and relevant combinations of causal conditions; this procedure is essential because it is the path to attach a true value to a specific variable (Correia et al., 2019). Table 4.3 reflects all logical combinations of causal conditions of factors determined in the final EFA results presented in Table 4.5, segmented into three scenarios, satisfaction with hotels regardless of the chosen food plan, satisfaction with AI hotels only, and satisfaction with non-AI hotels.

The necessity or sufficiency relation with a given data set was achieved through Boolean algebraic metrics: consistency and coverage. Consistency measures the degree to which a relation of necessity or sufficiency between a causal condition (or combination of conditions) and an outcome is met within a given dataset, with a range from 0 to 1, the minimum value of 0 indicates no consistency, and the maximum value 1 indicates perfect consistency (Ragin, 2006, 2008). Once is established the consistency values, coverage acts as a measure of the empirical relevance of variables or a combination of variables, ranging between 0 and 1, Table 4.2 (Legewie, 2013; Ragin, 2008).

A successful outcome in fsQCA comprehends the existence of more than one combination of variables or conditions; in this sense, raw and unique coverage are important empirical measures that provide paths of the relative importance of the achieved conditions (Schneider & Wagemann, 2010). Moreover, raw coverage points out the share of the outcome explained by a particular alternative path, while unique coverage signals the complete explanation of the outcome by the alternative path (Ragin, 2006). Nevertheless, there are some limitations in the scope of the theoretical approach; a low raw and unique coverage does not mean that the conditions are meaningless because they may not include all the cases in the outcome set (Ahmad, 2017).

Table 4.2. Calibration Scale for AI domains.

								Standardised						
Statistics	A	B	C	D	E	F	G	A	B	C	D	E	F	G
Mean	1.99	2.01	2.00	2.00	2.00	2.20	1.91	0.4971	0.529	0.4990	0.5005	0.4995	0.5884	0.4644
Range	1-3	1-3	1-3	1-3	1-3	1-3	1-3	0-1	0-1	0-1	0-1	0-1	0-1	0-1
SD	0.811	0.822	0.818	0.818	0.817	0.910	0.844	0.40561	0.41112	0.40877	0.40917	0.40838	0.45872	0.42350
.95%	3.00	3.00	3.00	3.00	3.00	3.00	3.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
.99%	3.00	3.00	3.00	3.00	3.00	3.00	3.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Note: A = Staff **Reliability** domain; B = Staff **Responsiveness** domain; C = **Stass Assurance** domain; D = Staff **Empathy** domain; E = Staff **Communication** domain; F = **Hotels** domain; G = **Service** domain
Source: Own elaboration

Table 4.3 Configurations of attributes leading to satisfaction with hotel type by food plan

Scenario	Configuration	Set	Raw Coverage	Unique coverage	Solution Consistency
Aggregate Hotels set					
1	**1**	F*D*E*B	0.196	0.006	0.957
	2	a*C*D*G	0.169	0.006	0.955
	3	A*C*d*G	0.160	0.005	0.952
	4	D*G*B	0.254	0.006	0.940
	5	D*E*B	0.255	0.007	0.959
	6	F*G*B	0.256	0.008	0.936
	7	F*E*G	0.244	0.011	0.963
	8	F*D*G	0.278	0.007	0.957
	9	C*E*F	0.260	0.019	0.960
	10	C*F*G	0.261	0.012	0.967
	11	C*F*E	0.261	0.011	0.939
	12	C*F*D	0.295	0.016	0.932
	13	A*F*B	0.212	0.014	0.911
	14	A*F	0.411	0.128	0.858
Total Coverage (0.805) | Solution Consistency (0.857)					
AI Hotels set					
2	**1**	A*C*D*E*B	0.178	0.093	0.933
	2	A*D*E*G*b	0.116	0.002	0.999
	3	D*e*G*B	0.184	0.035	0.963
	4	C*E*G*B	0.191	0.048	0.937
	5	C*F*d*E	0.147	0.013	0.960
	6	C*F*D*e	0.221	0.040	0.969
	7	A*c*F	0.200	0.029	0.865
	8	A*F*d	0.189	0.010	0.881
Total Coverage (0.595) | Solution Consistency (0.874)					
Non-AI Hotels set					
3	**1**	C*f*D*E*G	0.035	0.007	0.960
	2	C*F*D*e*G	0.137	0.004	0.997
	3	C*F*D*E*G	0.138	0.031	0.965
	4	A*c*d*G*B	0.166	0.016	0.947
	5	D*E*G*B	0.167	0.009	0.972
	6	c*F*E*G	0.188	0.034	0.956
	7	F*D*G*B	0.177	0.006	0.957
	8	C*F*G*B	0.169	0.011	0.973
	9	A*C*G*b	0.135	0.006	0.988
	10	A*C*D*G	0.141	0.001	0.989
	11	A*F	0.471	0.213	0.869
Total Coverage (0.694) | Solution Consistency (0.878)					

Note: A = Staff **Reliability** domain; B = Staff **Responsiveness** domain; C = **Stass Assurance** domain; D = Staff **Empathy** domain; E = Staff **Communication** domain; F = **Hotels** domain; G = **Service** domain
Source: Own elaboration

4.4 Results

4.4.1 Sample Characteristics

Table 4.4 provides information about the profiles of the respondents. Among them, 52.4% selected a non-all-inclusive meal plan. The age distribution of the respondents was as follows: 18 to 30 years old (27.9%), 31 to 40 years old (24.3%), and 41 to 50 years old (19.4%). The sample had a slightly higher representation of females (57.6%) and a significant proportion of individuals with advanced education (63.4%). Most of the respondents were married (55.3%), and the majority lived in the UK (40.9%) and Portugal (31.3%). Approximately 38.1% of the respondents reported an estimated annual income of up to 50,000 euros, and they were typically employed in the private sector (25.5%) or the public sector (17.3%).

Table 4.4 Sample Profile (*n* = 779)

Demographic Background	Frequency	%
Gender		
Male	330	42.4%
Female	449	57.6%
Age		
18-30 years old	217	27.9%
31-40 years old	189	24.3%
41-50 years old	151	19.4%
51-60 years old	118	15.1%
> 60 years old	104	13.4%
Education level		
Basic	50	6.4%
Intermediate	235	30.2%
Advanced	494	63.4%
Marital Status		
Single	170	21.8
Married	431	55.3
Non-Marital Partnership	134	17.2
Divorce	28	3.6
Widow(er)	16	2.1
Country of Residence		
UK	319	40.9
Portugal	244	31.3
Ireland	62	8
Germany	55	7.1
Spain	32	4.1
Other countries	67	8.6
Annual Income (€)		
≤50000	297	38.1
]50000-100000]	41	5.3
]100000-150000]	5	0.6
>150000	3	0.4
No Answer	433	55.6
Occupation		
Self-employed	131	16.8
Public Sector	135	17.3
Private Sector	199	25.5
Student	32	4.1
Retired	59	7.6
Other	223	28.6

Source: Own elaboration

4.4.2 Exploratory Factor Analysis (EFA)

EFA is a powerful tool to assess the latent structure of a set of indicators (Howard & Henderson, 2023). In this research, EFA was performed within the 26 remaining service quality attributes to highlight the data structure. Principal component analysis (PCA) with orthogonal Varimax rotation and factor loadings higher than 0.5 was adopted to identify underlying dimensions or factors within the service quality attributes scope (Costello & Osborne, 2005). The Bartlett test of sphericity and Kaiser-Meyer-Olkin (KMO) test of sampling adequacy were undertaken to assess EFA suitability (Rosenbaum & Massiah, 2011).

An overall measure of 0.956 in the KMO test reveals great sample adequacy (Howard, 2016). Since the KMO obtained value was above 0.9, we could note a strong variables correlation. The overall significance of the correlation matrix was 0.000 with a Bartlett test of sphericity Chi-square value of 19826.887, suggesting that the data matrix had a sufficient correlation between performing factor analysis.

Communalities ranging from 0.590 to 0.936 suggested that the common factors reasonably explained the variance of the original values. Seven-factor solution emerged from Varimax rotation usage, explaining more than 81% of the variance in the sample. Table 4.2 presents the final rotated constructs linked to items with the statistical data associated. Reliability analysis (Cronbach´s Alpha) was performed for each construct to test the internal consistency.

Factor analysis revealed a clean factor assembly with relatively high factor loadings associated with a single factor load for each construct, highlighting reduced overlap and independent structure among factors. Furthermore, higher factor loadings scores in the variables indicated a stronger correlation with the associated factors. As a result, α coefficients of the seven factors ranged from 0.8 to 0.9, surpassing the minimum value of 0.5, benchmarked as a good indicator of reliable research (Nunnally, 1967).

Table 4.5 The final results of the Exploratory Factor Analysis

Factors and variables	Factor loading	M	SD	Variance explained (%)	Cronbach´s alpha
Staff Reliability				15.417	0.910
Accomplish task	0.695	6.18	1.009		
Solving Problems	0.828	6.02	0.995		
Perform right 1st time	0.786	6.04	0.896		
On-time Service	0.842	5.93	1.004		
Correct and rigorous information	0.594	6.13	0.964		
Staff Responsiveness				7.652	0.916
Tasks Promptitude and efficiency	0.767	6,15	0,937		
Predisposition to help/assist	0.623	6,29	0,942		
Availability to answer request	0.616	6,25	9,956		
Staff Assurance				13.700	0.962
Behaviour inspires confidence	0.789	6.25	1. 072		
Courtesy/Politeness	0.770	6.30	1.077		
Solid knowledge to answer guests	0.693	6.25	0.971		
Reliable staff	0.700	6.31	0.963		
Staff Empathy				10.483	0.963
Attention to guests	0.758	6.26	1.048		
Care for guest best interests	0.778	6.20	1.153		
Understanding specific needs	0.775	6.13	1.145		
Staff Communication				10.481	0.925
Communicate in guest's native language	0.813	6.35	0.944		
Clear communication staff/guests	0.776	6.34	0.911		
Communicate in English efficient	0.745	6.40	0.897		
Hotels				13.271	0.864
Rates and Promotions	0.716	5.65	1.392		
Location	0.636	5.79	1.286		
Design	0.838	5.49	1.405		
Value for money	0.577	5.70	1.249		
Physical Layout	0.801	5.43	1.462		
Service				10.215	0.844
Room experience	0.720	5.98	1.226		
Facilities and Services	0.756	5.90	1.187		
F&B value for money	0.756	5.84	1.277		

Source: Own elaboration

4.4.3 fsQCA results

Applying the fsQCA to our data retrieved a total of thirty-three highly enlightening possible configurations (table 4.3) with identified consistency coefficients no lower than 0.85, explaining globally 85% of attributes leading to satisfaction with hotel type by food plan.

The fsQCA procedure reveals the possible combinations considering three scenarios regarding hotel type: aggregate, all-inclusive and non-all-inclusive hotels. Regarding scenario 1, fourteen combinations were achieved; configurations 1.3 and 1.4 accomplished the lowest combination of attributes raw coverage of 0.160 and 0.169, respectively, revealing the similar impact of reliability and empathy attributes lack ness on hotel satisfaction when considered within assurance and service attributes configuration. Nevertheless, the empathy attribute influence is significant among all remaining sets, with seven memberships in total. Configuration 1.14 revealed the highest set raw coverage with 0.411, highlighting the importance of reliable service for guests within the servicescape landscape.

The all-inclusive hotel set **(**scenario 2) uncovered eight configurations, ranging between 0.116 and 0.221 concerning raw coverage. The communication factor reveals the occurrence in six of the eight configurations, followed by the assurance and empathy factors with five apparencies. This highlights the crucial importance of accurate staff hard and soft skills training combined with an attractive incentive package provided by the hotel to enhance the perceived value of the provided service within AI dynamics to target higher satisfaction competitiveness.

Scenario 3 expresses the non-all-inclusive scenario and reveals eleven configurations, with a 0.035 to 0.471 range regarding raw coverage and an 87.8% solution consistency. Service factor was the most significant, with an appearance in ten out of eleven combinations, followed by assurance (7), responsiveness, empathy, and hotels (6). Communication and reliability were spotted in only four configurations. These show the critical importance of room experience, facilities and service quality, and food and beverage value for money variables in non-all-inclusive hotels. Additionally, when combined with correct and rigorous information and talented staff prepared to deliver

timely service with problem-solving skills variables, the service factor significantly excels all other combinations, with an 0.471 raw coverage and 0.213 unique coverage.

4.5 Conclusion

Hospitality business management in the contemporary era assumes an unprecedented complexity, opening prospects to new theoretical, empirical, and methodological approaches (de Canio et al., 2020). The challenges of the hospitality businesses in sun and sea destinations are increasingly demanding; consequently, hotel managers are faced with decisions regarding the hotel market positioning, segmentation, concept, and service on a seasonal basis to match as accurately possible customer needs and expectations as. Previous studies regarding servicescape focus mainly on physical surrounding's impacts on both customers and employees (Bitner, 1992), mainly in retail businesses, banks, and restaurants (Lin & Mattila, 2010), primarily adopting regression and correlation analyses and structural equations to assess the more complex relationships (Mari & Poggesi, 2011). In this scope, a more integrated and dynamic approach is still necessary for an empirical investigation regarding servicescape dynamics and their effects on satisfaction in multi-typed hotels (Li, 2021).

In this research, we address these gaps by linking servicescape's social, physical, and commercial dimensions with fsQCA, unveiling thirty-tree configurations segmented into three scenarios (aggregate, all-inclusive, and non-all-inclusive hotels) that impact guest satisfaction. Naturally, each domain assumes a different weight across scenarios. Still, we could notice that reliability and hotel domains are bounded in the configurations with the highest raw coverage, expressing to hoteliers the importance of investing continuously in staff training to mitigate service reliability issues and enhance guest's value for money awareness (Waqanimaravu & Arasanmi, 2020). This is particularly significant because, in a sun and sea destination like the Algarve, where seasonality is a fact, staff loyalty to the hotel is one of the most critical challenges for hotel businesses to address.

4.5.1 Theoretical implications

The research offers several theoretical implications, contributing to servicescape and hotel competitiveness literature.

Firstly, by presenting an innovative landscape concerning environmental and service quality dimensions and their effects on hotel competitiveness, the study expands upon the work of Line and Hanks (2019). In addition, by examining the perceived servicescape through the lens of various food plan types, the research broadens the scope of servicescape's impact beyond mere physical elements of the space in full-service hotels (Line & Hanks, 2019).

Secondly, the research also underscores the importance of employee influence on guests' service quality perception across different hotel types. This extends the scope of previous studies by Umasuthan et al. (2017) and Ustrov et al. (2016), who investigated the servicescape influence within a hotel experience context. The current study thus offers a more comprehensive understanding of the role of employees in shaping guests' perceptions of service quality (Umasuthan et al., 2017; Ustrov et al., 2016).

Thirdly, the study distinguishes between internal and external aspects of the commercial dimension of hotel operations. The internal aspect pertains to guest interactions and is grounded in the food and beverage value-for-money variable. On the other hand, the external aspect focuses on hotel dynamics in the market, based on rates and promotions strategy and the overall value-for-money variable. This distinction is particularly significant for all-inclusive hotels, where awareness of the overall value-for-money effects within the perceived servicescape is crucial for competitiveness (Zeithaml, 1988).

The research advances the theoretical understanding of servicescape, hotel competitiveness, and employee performance. By building on the works of Line & Hanks (2019), Umasuthan et al. (2017), Ustrov et al. (2016), and Zeithaml (1988), the study offers new insights into the roles of food plan types and commercial dimensions in shaping hotel competitiveness and guest satisfaction.

4.5.2 Implications for Practice

In addition to the theoretical implications, this study's findings hold practical significance for various stakeholders in the hotel industry, such as hotel managers, business strategists, human resource managers, and marketers.

The hotel industry, particularly in sun and sea destinations with high seasonality, presents numerous challenges (Mitsis, 2023). Hoteliers are constantly pressured to innovate and

adapt to meet stringent budget targets each season. In addition, the high staff turnover ratio in the hospitality sector further complicates matters, as even minor service quality issues can directly impact hotel competitiveness (Xie et al., 2023).

To address these challenges, practitioners must understand the configured sets that help maintain service quality across diverse situations. This study emphasizes the importance of dynamically assessing staff-related domains (reliability, responsiveness, assurance, empathy, and communication) across different scenarios. By doing so, business strategists and marketers can make more informed decisions when selecting specific service types (all-inclusive, non-all-inclusive, or hybrid) and understanding their implications for business competitiveness (Nankervis et al., 2023).

Identifying the skills to prioritize in training programs is crucial for human resource managers. This study suggests that focusing on staff reliability-related skills, such as punctuality and problem-solving abilities, significantly impacts guest satisfaction. By concentrating on these skills, HR managers can create targeted training programs that boost service quality, ultimately enhancing hotel competitiveness (Kim et al., 2022).
Moreover, hotel managers should consider continuously implementing regular feedback mechanisms to improve service quality (Ngo et al., 2023). By actively seeking guest feedback, hotels can identify areas of improvement and take corrective measures accordingly (Lee et al., 2023).

Furthermore, this research highlights the importance of employee performance. Thus, hotel managers should foster a positive work environment that enables employees to experience and share positive emotions, thus creating a more enjoyable experience for guests (Akarsu et al., 2023).

In conclusion, this research expands the theoretical understanding of servicescape, hotel competitiveness, and employee performance. It offers invaluable insights for practitioners aiming to enhance service quality and competitiveness within the hotel industry. By incorporating the findings from this study into their decision-making processes, hotel managers, business strategists, human resource managers, and marketers can develop and implement more effective strategies to increase guest satisfaction and hotel competitiveness.

4.5.3 Limitations and Future Research

This study presents several identifiable limitations. Initially, the research was conducted during the pre-pandemic era, centring on a specific type of food plan. It could have broadened its scope by considering other variables such as hotel star ratings or service quality. Therefore, subsequent studies should incorporate various hotel segmentation variables and explore different types of accommodation, preferably on a different continent outside of Mediterranean Europe.

Secondly, the sample for this study was skewed due to the nature of the destination (sun and sea) and the timing of data collection. The majority of respondents were leisure guests (70.5%) traveling with family (70.6%) and had prior knowledge of the destination (60.2%). Future research would benefit from examining a wider variety of travellers with diverse personal characteristics, motivations, and lengths of stay to understand the perceived servicescape phenomenon comprehensively.

Lastly, this research primarily focused on the guests' perspective of the hotel's perceived servicescape. However, it's important to note that guests and employees might have differing viewpoints. Future research should endeavour to blend these perspectives, as this would contribute to a more holistic understanding of the hotel's servicescape.

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CHAPTER 5

ALL-INCLUSIVE GUESTS' IMPACT ON SUN AND SAND DESTINATION

(ARTICLE 4)

ALL-INCLUSIVE GUESTS' IMPACT ON SUN AND SAND DESTINATION

CARIMO RASSAL, ANTÓNIA CORREIA AND FRANCISCO SERRA

Abstract

The hospitality industry's influence on regional economies is increasingly tied to the packages offered to visitors. Despite research on satisfaction and loyalty, the likelihood of guests returning to the same food plan, hotel, and region has yet to be empirically explored. This study examines the determinants of future intentions for 779 tourists visiting the Algarve region in Portugal in 2019, comparing all-inclusive (AI) and non-AI guests. An integrated framework was used to identify factors influencing intentions to return for both AI and non-AI scenarios. Results highlight the importance of staff responsiveness, communication, and empathy, with differing significance across scenarios. The study offers theoretical and managerial implications, emphasizing the need for an integrated understanding of hotel service excellence, its impact on guests' return intentions, and the potential effect on the regional destination within the context of emerging AI hotel destinations.

Keywords: service quality; all-inclusive hotels; guest satisfaction; CFA; order probit model.

5.1 Introduction

As part of the core structure of the global tourism sector, the hotel industry's importance and impact across regions are increasingly prevalent. Nevertheless, within the market dynamics scope, regarding business competitiveness, hoteliers and hospitality business strategists usually have to decide on an individual basis about hotel packages (all-inclusive, entire board, half board, among others), availability, and price during the season, meet budget goals and guest's demand, expectations, satisfaction and aimed loyalty. The potential impacts of those decisions on a regional level require further research (Teixeira & Pocinho, 2020), particularly those referring to the possible relationships between satisfaction with hotels all-inclusive (AI) and non-all-inclusive (non-AI) and intention to return or recommend (Rasoolimanesh et al., 2023).

The Portuguese tourism industry depends significantly (49%) on international tourists, mainly from Spain, France, the UK, Germany, Switzerland, Netherlands, Belgium, and Italy markets, achieving 2021 more than 9.6 million arrivals and 18.66 million overnight stays. Of the 1407 existing hotels in Portugal, 47% (943) have a classification of four or five stars, with an estimated capacity of 94 808 rooms; an increasing number of tourists select consistently all-inclusive resorts (PORDATA, 2022).

The Algarve region, located on the southern coastline of Portugal, is the country's primary sun, sea, and beach destination; it had approximately 161 hotels by the end of 2021, representing 4.8% of countries GDP in 2019 (INE, 2022). Regarding all-inclusive (AI) hotels and resorts in Portugal, there were approximately 65 hotels nationwide offering exclusively all-inclusive food plans on the TripAdvisor platform, 49 with four stars and 16 with five-star classification; the region represented more than 70% of the AI hotels and resorts market share, with an average hotel capacity of 284 rooms, contrasting the average 100 room capacity observed on the non-all-inclusive hotels in the Algarve (Marrão, 2020).

Despite the recent crises in the global tourism industry as, a result of the covid-19 pandemic, the Algarve region has consistently consolidated and positioned itself as a mature sun and sea destination in Portugal, witnessing the birth and growth of all-inclusive resorts over the last 14 years. Nevertheless, the highly competitive tourism

market requires agility in the available food plan options within the scope of an independent hotel or group of hotels (Diaz-Farina et al., 2023); the AI hotels are perceived as a closing system with few if no impacts on the regional level (Vives & Jacob, 2023). This research aims to understand the determinants of future intentions of AI and non-AI guests as a first proxy of the future possible impacts of those systems at the regional level. An extended service quality dimension model was used to understand what influences the intentions to return to the same regime, hotel, and region, dismantling AI and non-AI regimes.

To address these goals, the following section presents the theoretical framework and a hypothesized conceptual model, followed by section 3 presents the methodological procedure adopted in the empirical analysis. Section 4 provides insights regarding the sample descriptive statistics, followed by the exploratory factor analysis and hypothesis tests assuming regression analysis duly discussed. Finally, section 5 concludes by presenting results and implications for theory and practice, followed by the research limitations and future research pathways.

5.2 Literature Review

5.2.1 Dining models in hospitality, a brief overview

The hotel sector, in its fierce competitiveness, proposes an assortment of service offerings focused on diverse dining schemes such as AI and non-AI (Full Board, Half Board, and Bed and Breakfast). Each of these distinct service models bears unique merits and constraints, impacting not only hotel performance but also guest satisfaction in substantial ways.

Embarking on an AI strategy necessitates delivering guests a comprehensive package comprising lodging, meals, beverages, and leisure activities. Predominantly embraced by resorts, this approach caters to guests desiring a seamless, worry-free vacation. The guest enjoys the benefit of expense predictability, aiding pre-vacation budgeting. For the hotel, such packages can secure a noteworthy per-guest revenue stream. However, this method calls for proficient forecasting and control to circumvent surplus wastage and financial drain. For example, many Caribbean resorts have perfected this model and managed costs while providing excellent guest experiences (Damla Kılıç & Özdemir, 2022).

The Full Board scheme, another common service type, extends guests' accommodation coupled with thrice daily meals. Although restricting guests' opportunities to discover local culinary fare, it does offer a comprehensive gastronomic service. This format aids hotels in retaining guests, thereby amplifying the potential for added revenue. It also calls for robust resource management due to the continuous need for food service. Notably, this approach has been successful in traditional European holiday destinations where guests prefer to stay within the comfort of their hotel (Mun et al., 2022).

Half Board represents a more circumscribed approach to food services, providing breakfast and either lunch or dinner alongside accommodation. Striking a balance between serving meals and offering guests the freedom to explore local food cultures, this format is popular in cities like Paris or Rome, where the gastronomic scene is integral to the travel experience. The model allows hotels to optimize their food operations and related costs, albeit at the risk of losing potential revenue from omitted meals (Vives & Jacob, 2023).

The Bed and Breakfast model is the simplest among these, providing guests with accommodation and breakfast only. This model’s strength lies in its uncomplicated nature, ideal for guests seeking exploration and flexibility. It also enables hotels to significantly cut food service overheads, but it requires the existence of appealing local alternatives for guests' gastronomic interests, as can be seen in many urban settings like New York or San Francisco (Nalluri et al., 2023).

In addition to these conventional formats, the industry is experiencing the emergence of hybrid and unique models in response to shifting consumer demands, particularly observable in destinations like the Algarve. For instance, some establishments offer flexible meal plans allowing guests to decide their meal count. In contrast, others implement 'dine-around' systems, where guests can dine at partner establishments, fostering a sense of culinary adventure.

The significance of quality and variety in food offerings, irrespective of the service model, is central to guest satisfaction. Therefore, the importance of continual innovation in menu selection, dining experiences, and service delivery cannot be overstressed. Further, the alignment of the service model with the correct target market is vital for a hotel's success.

For instance, an All-Inclusive model might be best suited for a luxury resort aimed at guests seeking relaxation, as seen in Maldives resorts, while a Bed and Breakfast model might be more appropriate for a city-center hotel catering to business travellers, similar to many boutique hotels in London.

5.2.2. The all-inclusive (AI) theoretical framework

The all-inclusive system can be portrayed as a closed shell-type experience for its guests when scoped through the lens of the hotel-resort type's accommodation; described as the dynamic application of marketing and pricing policy concepts in a mainly resort-type hotel, all services such as breakfast, lunch, dinner, room service, bar service with national and imported drinks, sports activities, entertainment, and babysitting are included in a prepaid package (Çiftçi et al., 2007). AI resort-type hotels can be characterized as a place focused on building an environment that enhances well-being, relaxation, and enjoyment without worrying about money-related issues. Composed of sufficient indoor amenities, including quality services, pleasant physical surroundings, convenient entertainment, and enhanced service experiences in unique locations in terms of climate, scenery, and recreational attractions, AI hotel's spotless service performance assumes critical importance for guests due to its intensive usage of available services and interaction with staff. Due to the highly competitive hospitality market grounded in the quality, consistency, and diversity of the provided services, the intangible and heterogeneous nature of the service quality dimensions (reliability, assurance, empathy, communication, and responsiveness) directly related to staff performance represents an additional challenge in the AI resorts dynamics, nevertheless, represents also an opportunity for industry professionals to pursuit higher satisfaction rates expressed in higher revenues supported in guests loyalty to the hotel and food plan season after season.

Previous research regarding the all-inclusive system addressed tourists, economic, satisfaction, and loyalty impacts towards sun and sea destinations. For instance, Zopiatis et al. (2020) addressed the all-inclusive (AI) economics in Cyprus with a focus on tourists behaviour, confirming the downfalls of AI systems to a destination in terms of extra spending; Tavares & Kozak (2015) examined tourist´s preferences for all-inclusive systems and their impacts on the local economy through the lens of the highly educated with high wages students of the Minas Gerais region in Brazil, concluding that AI guests

tended to spend outside the hotel environment; Ozdemir et al. (2012) investigated satisfaction with all-inclusive resorts and their relationship with destination satisfaction and loyalty in Antalya region in Turkey, assessing a solid relationship among them; Kozak et al. (2004) addressed the relationship between tourist satisfaction and destination loyalty in the scope of repeaters and non-repeaters in the Calpe region, Spain concluding that the level of satisfaction and the number of past visits considerably influence tourist intentions to make repeat visits. Later, in 2006, Kozak and Beaman investigated the relationship between satisfaction and future behaviour from British and German travellers to Mallorca and Turkey, confirming that satisfaction has a significant predictor. Finally, Alegre & Cladera (2006) explored sun and sand mature destination loyalty through the lens of repeat visitation, concluding the importance of fulfilling high satisfaction levels in each visit.

The adverse impacts generated by all-inclusive tourists on the multiplier effects of local tourism-related activities such as food and beverage-related businesses, shops, car rentals, venues, parks, and museums have been relatively assessed by academics (Boz, 2020; Sequeira & Nunes, 2011; Wattanakuljarus & Coxhead, 2008; D. Zhou et al., 1997). The assumption is that the tourists staying in all-inclusive resorts will have less propension to spend on activities in the destination, negatively impacting the local economy (Anderson, 2012); curiously, for the AI industry professionals managing in non-remote locations, the goal is to provide the maximum perceived quality with provided services, in the shortest in-house guest stay time within the resort, essentially to maintain the guest operational costs under control because it is already prepaid; nevertheless, the value creation associated with the adoption of AI systems in hotels within the mature sun and sea destinations is noteworthy (Calveras, 2019).

5.2.3 Customer satisfaction

The hotel industry is a highly globalized and competitive market that constantly seeks to expand its services into new territories. This trend has resulted in more complex and diverse combinations of products, services, and experiences in destinations and hotels every season. This has increased customers' awareness of their perceived and expected benefits (Kotler et al., 2020). Consequently, gaining the service attributes contributes to long-lasting guest satisfaction and inspires their intention to return to a particular

destination, hotel, or food plan (Bigne et al., 2019). Furthermore, as satisfaction is a multidimensional and dynamic dimension, it is influenced by tangible and intangible aspects of service quality attributes (Xu & Ji, 2020). Thus, these attributes' performance and value perceptiveness may impact the strategic and financial planning of industry stakeholders such as hoteliers, destination planners, business strategists, and marketers differently (Hultman et al., 2021).

5.2.4 The service quality landscape

Service quality is a crucial factor in the hospitality industry, and scholars widely recognize it as an essential aspect of hotel management (Baker & Crompton, 2000; Parasuraman et al., 1985). Parasuraman et al. (1985) developed a service quality measurement scale known as SERVQUAL, which has since been adapted to various industries, including the hotel industry. One such adaptation is the HOTELQUAL scale, which identifies three key dimensions that guests use to evaluate the quality of a hotel: the quality of service provided by employees, the hotel's facilities, and the overall operation and organization of the hotel (Periañez-Cristobal et al., 2019). These dimensions have been extensively studied and have significantly impacted guest satisfaction and loyalty (Kim et al., 2018; Lin et al., 2015). For Yen and Tang (2019), knowing the attributes valued in hotels is fundamental, as hoteliers can directly observe and manage them, increasing performance and guest satisfaction. Ying et al. (2018) stated that lack or incorrect communication negatively harms the experience of the customer's stay and, consequently, their satisfaction. Further, Choi and Chu (2001) pay special attention to the quality of the staff's service, the quality of the room, and the value as factors determining customer satisfaction regarding their experience and the possibility of repeating the stay. Accordingly, Haywood-Farmer et al. (1988) list the characteristics of "location, layout, size, decoration, and reliability of the facilities as factors that influence the customer's expectations about the service." Pekar at al. (2008) highlight the attributes: of location, price, facilities, room, food, and services as the most relevant characteristics of the customer experience. Barreda & Bilgihan (2013) attribute importance to friendliness, good service, and location as determining factors in achieving a memorable experience. They highlight that "hotel managers can improve their brand image by monitoring guests' needs, desires, and feedback." Shafiq et al. (2019) underpin the SERVQUAL service quality model by describing as essential characteristics: 1)

tangibility - an" element representing the appearance of the hotel staff, the hotel's physical facilities, equipment, and communication materials," 2) reliability - "element of the employee's abilities to perform the promised service reliably and accurately," 3) responsiveness - " element of the hotel's ability to provide prompt service and willingness to help others," 4) assurance - " element representing the knowledge and courtesy of the hotel staff and their ability to convey trust and confidence" and 5) empathy - " element of the hotel's ability that provides care and attention individually to each customer." Dolnicar and Otter (2003) highlighted several critical attributes that impact customers' evaluation of hospitality services. These attributes include image, price, location, safety, marketing, food and beverage quality, and room and service quality. In addition, the authors identify the empathy and responsiveness of employees and the design and physical appearance of facilities as crucial factors influencing customer perceptions of service quality. These attributes have been extensively studied in the hospitality literature and are widely recognized as essential components of the overall guest experience (Kim & Kim, 2018; Lee & Hwang, 2018; Wang & Chen, 2019). Norliza Aminudin et al. (2021) highlight four main categories of rating attributes: 1) food and beverage, 2) front desk, 3) room, and 4) facilities. Several subcategories can be considered: price, fresh food, variety of food, service, staff, efficiency, friendly and communicative, appearance, promptness and courtesy, well maintained, cleanliness, comfort and values, amenities, accessibility, technology, equipment, and quality. Ariffin et al. (2013) argue that "although guests' emotions are partially influenced by tangible elements of service offerings, such as the external and internal layout and decoration of the service room, hospitality emphasizes the emotional dimensions resulting from the host-guest interpersonal relationship." Both interpersonal, physical, and tangible attributes influence the guest's experience throughout their stay at the hotel. It also highlights the importance of guest safety regarding well-being, comfort, and physical. Regarding the safety attribute, the literature is not consensual in its approach to the terms, with authors advocating the denomination: 1) safety [(Bowen & Chen, 2001; Wong & Kwong, 2004)], 2) security (Kim et al., 2019), or even 3) safety/security (Ariffin et al., 2008; Choi & Chu, 2001; Ying et al., 2018) where safety is considered as a whole. Authors Baruca and Čivre (2012) split guests into four segments concerning how they book. These are:) the largest segment, which is based on previous experiences and recommendations from friends and travel agencies; 2) those who make decisions from the hotel marketing campaigns, point to price and location; 3) consumers who seek and check all sources of information, are demanding and need good

recommendations, value the hotel facilities, location, and price, 4) the segment that is oriented towards the hotel product itself, seek the best value for money, give relevance to facilities, price, location and also the activities of post-purchase marketing. It can also be highlighted as customers who base their choice on promotions, the so-called "market representatives," i.e., trust the market (Baruca & Čivre, 2012, p. 80). Christou (2011) argues for a positive correlation between the positive and affective constructs for online sales promotions of hotels, concluding that customers actively search the internet for promotions to feel satisfied and proud of getting a good deal.

Customer satisfaction is closely intermingled with several marketing concepts, including service quality, customer relationship marketing, customer confidence, loyalty, distribution, price, and emotions (Ryu et al., 2012). For example, in the hospitality industry, customer satisfaction can be ensured by developing an attractive physical environment (Ali et al., 2016; Ali & Amin, 2014), eliciting positive emotions (Calabuig Moreno et al., 2015; Lin & Worthley, 2012), providing memorable service experiences (Hemmington, 2007; Hou et al., 2013) and ensuring (Jani & Han, 2011; Martín-Ruiz et al., 2012).

5.2.5 Behavioural Intentions in Hospitality

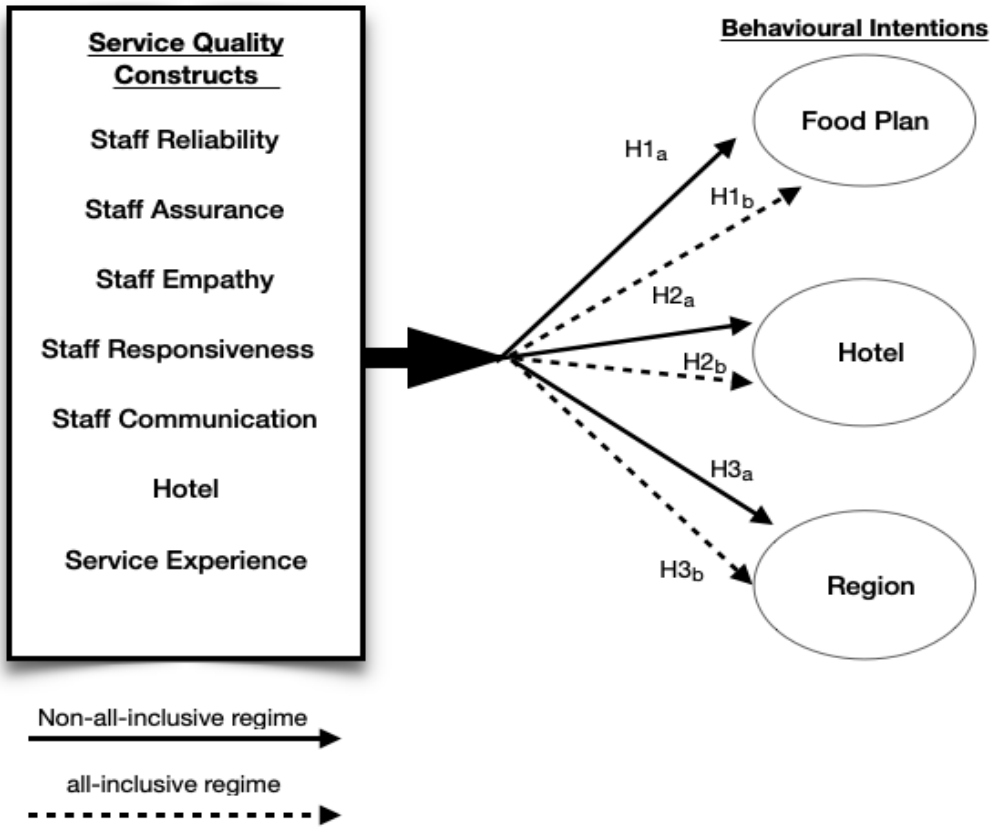
Customer behavioural intentions in the hospitality industry are crucial for business success and competitiveness. Customer loyalty, closely linked to guest satisfaction and perceived service quality, is a determining factor. Loyalty towards a destination can be described as a commitment to that destination, comprising cognitive and behavioural dimensions. Intentions to revisit and recommend a destination are reliable factors for measuring loyalty. Repeat visits by tourists are widely recognized as being influenced by their previous travel experiences. Thus, ensuring repeat visits is fundamental for the competitiveness of destinations, hotels, and food plans. In the hospitality industry, customer loyalty can also be measured by testing customers' attitudes toward the probability of revisiting and recommending a specific hotel brand, a particular hotel style, or a food plan. While tourists may be loyal to a destination, they may also select different accommodations and food plans during their visits, emphasizing the need to understand the factors behind their willingness to revisit and recommend a destination, a hotel, or a food plan.

Recent studies have investigated various factors that influence customer behavioural intentions in the hospitality industry, such as service quality, brand image, price, location, safety, marketing, empathy, the responsiveness of employees, and the physical appearance of facilities (Jain & Sharma, 2021; Kim et al., 2021; Zhang & Chen, 2022). In addition, the quality of the food plan is also crucial for customer satisfaction and behavioural intentions, as customers tend to choose hotels and destinations based on their food preferences and experiences (Tsai et al., 2018; Nguyen et al., 2021). Furthermore, the region where the hotel or destination is located can also affect customer loyalty, as some regions have a reputation for providing unique and memorable experiences (Fuchs et al., 2020). In addition, customers' perceptions of the hotel's image, including its reputation and sustainability efforts, can influence their intentions to revisit and recommend the hotel (Shin et al., 2019; Kwak et al., 2021). Overall, understanding the factors influencing customer behavioural intentions in the hospitality industry is crucial for enhancing customer loyalty, improving business competitiveness, and ensuring long-term success.

5.2.6 Conceptual Model and Research Hypothesis

Previous literature has extensively addressed the importance of critical service dimensions, such as those proposed by Grönroos (1984) and Parasuraman et al. (1985), in the context of the hospitality industry, specifically 1 (fig. 5.1) that examines the relationships between guest satisfaction and intention to return with the same food plan, to the same hotel, and to the same region, which will be tested on both AI and non-AI systems.

Figure 5.1 Hotel guest loyalty conceptual framework hypothesized.



Source: Own elaboration

H_{1a} - Guest satisfaction with the non-AI service experience significantly predicts the intention to return to the same food plan.

H_{1b} - Guest satisfaction with the AI service experience significantly predicts intention to return to the same food plan.

H_{2a} – Guest satisfaction with the non-AI service experience significantly predicts the intention to return to the same hotel.

H_{2b} - Guest satisfaction with the AI service experience significantly predicts the intention to return to the same hotel.

H_{3a} – Guest satisfaction with the non-AI service experience is a significant predictor of intention to return to the same region.

H_{3b} - Guest satisfaction with the AI service experience significantly predicts intention to return to the same region.

5.3 Methodology

5.3.1 Data Collection

The data collection process for this research was operationalized through a survey instrument, the derivation of which was substantiated by an exhaustive review of relevant literature (see Table 5). This instrument was structured into four distinct sections: (1) an introductory segment, (2) a preliminary duo of questions to ascertain the eligibility of the respondents, which necessitated recent hotel stay experience (i.e., within three days preceding survey participation), (3) an array of 26 carefully curated questions probing seven aspects of service quality to examine the respondents' hotel experience, and (4) demographic profiling. Respondents were directed to rate their experiences based on a 7-point Likert scale, wherein 1 represented profound dissatisfaction, and 7 denoted extreme satisfaction (Joshi et al., 2015).

The depiction of service quality was delineated into seven dimensions, as elucidated in Figure 1, namely reliability, responsiveness, assurance, empathy, and communication; alongside the aesthetic and practical appeal of the hotel's location, design, and physical layout, tariff structure and promotional initiatives, and the pertinence of the pricing strategy; these dimensions encompassed elements such as room experience, an assortment of facilities and services, as well as the value proposition of food and beverages.

In order to verify the lucidity and internal validity of the questionnaire, a pilot testing phase was implemented involving 50 tourists. All constructs consistently surpassed the recommended α threshold of .70 (Hair et al., 2009), achieving a commendable α above .90. This phase also allowed for minor alterations to enhance the fluency and precision of the survey.

Data collection was undertaken on weekdays from adult participants (18 years and above) in several touristic locations in the Algarve region, Portugal, within the time window of 10 am to 10 pm (Couper, 2017). The sample selection criteria stipulated that participants must have lodged in a Portugal hotel for a minimum duration of three nights during the period between May and October of 2019.

In compliance with Steenkamp and Maydeu-Olivare's (2023) suggestion stipulating a minimum of 10 cases per variable, we concluded the on-site data collection upon acquiring 779 verified responses. This outcome ascertains that a sample size exceeding 440 would be adequately substantial to investigate the hypothesized relationships.

Engagement in this study was wholly voluntary, underscoring our commitment to respecting the principles of anonymity, confidentiality, and personal privacy. It merits attention that participants were not presented with any form of incentivization, monetary or otherwise.

5.3.2 Data Analysis

The study develops in three stages. Firstly, descriptive data analysis was performed to define the sample profile. Then, a confirmatory factor analysis (CFA) was executed in STATA version 13 to assess the model's factor structure and overall measurement quality. Thirdly, the Order Probit model segmented by type of service (non-AI, and AI) was estimated to test the likelihood of choosing the same hotel, service, and region to understand the potential impacts of AI and non-AI service at the destination.

5.4 Results

5.4.1 Sample Characteristics

Table 5.1 describes sample profiles; most respondents were between 18 and 30 years old (27.9%), followed by 31 to 40 years old (24.3%) and 41 to 50 years old (19.4%) and with the female gender slightly over-represented (57.6%), advanced education level stud out expressively (63.4%) in the sample. Married marital status was assessed in most respondents (55.3%), mainly residing UK (40.9%) and Portugal (31.3%), lodged in hotels with non-all-inclusive meal plans in 52.4% of the cases, with a maximum estimated annual income of 50.000 euros (38.1%) and employed typically in private (25.5%) and public sectors (17.3%). With a prior experience in the destination, until four trips (60.2%), mainly travelled for leisure purposes (70.5%) in family trips composed of four people (44.7%), with a maximum budget of 1000€ per trip regardless of the selected package (excluding transport and accommodation) in 86.8% of the respondents.

Table 5.1 Sample Profile (*n* = 779)

Demographic Background	Frequency	%
Gender		
Male	330	42.4%
Female	449	57.6%
Age		
18-30	217	27.9%
31-40	189	24.3%
41-50	151	19.4%
51-60	118	15.1%
> 60	104	13.4%
Education level		
Basic	50	6.4%
Intermediate	235	30.2%
Advanced	494	63.4%
Marital Status		
Single	170	21.8
Married	431	55.3
Non-Marital Partnership	134	17.2
Divorce	28	3.6
Widow(er)	16	2.1
Country of Residence		
UK	319	40.9
Portugal	244	31.3
Ireland	62	8
Germany	55	7.1
Spain	32	4.1
Other countries	67	8.6
Annual Income (€)		
≤50000	297	38.1
]50000-100000]	41	5.3
]100000-150000]	5	0.6
>150000	3	0.4
No Answer	433	55.6
Occupation		
Self-employed	131	16.8
Public Sector	135	17.3
Private Sector	199	25.5
Student	32	4.1
Retired	59	7.6
Other	223	28.6
Meal plan		
All-inclusive	371	47,6
Non all inclusive	408	52,4
Purpose of visit		
Leisure	549	70.5
Relaxation	118	15.1
Other	112	14.4
Expenditure per trip (excluding transport and accommodation)		
≤ 1000€	676	86.8
> 1000€	103	13.2

Source: Own elaboration

5.4.2 Confirmatory Factor Analysis (CFA)

Constructs were assessed through CFA of the generalized least square method. Subsequently, validity was measured through fit indices and results of the free correlation of the constructs and discriminant and convergent validity. As a result, a final measurement model emerged with 26 items and seven constructs, as reported in Tables 5.2 and 5.3.

As displayed in Table 5.3, the final model achieved validity and reliability results considered good or very good, with composite reliability (CR) surpassing the minimum recommended criteria ($\alpha \geq .70$ and $\rho \geq .70$). The Average variance extracted (AVE) for each item is higher than .50, which further supports the convergent validity of the constructs; moreover, CR results are higher than AVE results, has recommended by Fornell and Larcker (1981) and Bagozzi & Burnkrant (1985). Furthermore, Hair et al. (2009) suggest that the inter-factor correlation be less than 0.95 in all variables, a benchmark complied by all variables.

AVE is a measure of a discriminant validity, which has been discussed by Fornell and Larcker (1981); this is highlighted by the results of the latent variables in our model, confirming the existence of discriminant validity. Furthermore, theoretical model goodness of fit was assessed according to reference values provided by Hair et al. (2009), observed in several fit indices, such as $\chi 2$= 864,634, *df*=276, $\chi 2$/df= 3.133 (p= .000), comparative fit index = 0.97, FMIN =1.111, root mean square error of approximation = 0.052.

Table 5.2 Confirmatory Factor Analysis (N = 779)

Construct	Causality	Item	Standardized regression coefficient	S. E	C.R.
Staff Reliability	→	Accomplish task	0,849	-	-
Staff Reliability	→	Solving Problems	0,882	0.046	21.870
Staff Reliability	→	Perform right 1st time	0,861	0.040	25.946
Staff Reliability	→	On-time Service	0,747	0.044	26.696
Staff Reliability	→	Correct and rigorous information	0,769	0.045	25.502
Staff Responsiveness	→	Tasks Promptitude and efficiency	0,829	-	-
Staff Responsiveness	→	Predisposition to help/assist	0,926	0.034	33.355
Staff Responsiveness	→	Availability to answer the request	0,899	0.035	31.858
Staff Assurance	→	Behaviour inspires confidence	0,900	-	-
Staff Assurance	→	Courtesy/Politeness	0,914	0.019	47.110
Staff Assurance	→	Solid knowledge of answering guests	0,928	0.022	43.093
Staff Assurance	→	Reliable staff	0,958	0.020	52.753
Staff Empathy	→	Attention to guests	0,952		
Staff Empathy	→	Care for guests' best interests	0,953	0.020	55.735
Staff Empathy	→	Understanding specific needs	0,941	0.020	55.321
Staff Communication	→	Communicate in the guest's native language	0,88	-	-
Staff Communication	→	Clear communication between staff/guests	0,926	0.027	37.840
Staff Communication	→	Communicate in English efficient.	0,885	0.027	34.757
Hotels	→	Rates and Promotions	0,727	0.055	18.110
Hotels	→	Location	0,700	0.051	17.494
Hotels	→	Design	0,705	0.041	23.711
Hotels	→	Value for money	0,826	0.051	20.125
Hotels	→	Physical Layout	0,692	-	-
Service	→	Room experience	0,803	-	-
Service	→	Facilities and Services	0,909	0.039	27.758
Service	→	F&B value for money	0,725	0.044	21.565

Source: Own elaboration

Table 5.3 Convergent and discriminant validity

Construct	CR	AVE	MSV	Max R (H)	A	B	C	D	E	F	G
A	0,864	0,681	0,585	0,879	**0,825**						
B	0,908	0,666	0,555	0,921	0,528	**0,816**					
C	0,960	0,857	0,694	0,964	0,636	0,744	**0,926**				
D	0,848	0,653	0,585	0,902	0,765	0,474	0,560	**0,808**			
E	0,964	0,899	0,640	0,964	0,605	0,673	0,800	0,519	**0,948**		
F	0,925	0,805	0,555	0,929	0,608	0,658	0,745	0,577	0,659	**0,897**	
G	0,916	0,784	0,694	0,926	0,642	0,745	0,833	0,561	0,769	0,731	**0,885**

Abbreviations: CR, composite reliability; AVE, average variance extracted; MSV, maximum shared squared variance; A = Service; B = Staff Reliability; C = Staff Assurance; D = Hotels; E = Staff Empathy; F = Staff Communication; G = Staff Responsiveness
Source: Own elaboration

5.4.3 Order Probit Model

5.4.3.1 Findings and discussion

Table 5.4 summarizes the results of the Order Probit model at the 95% confidence level estimated to measure the effects of service quality dimensions on the probability of returning to the same food plan, hotel, and region. All the variables with non-significant beta weights or collinearity were eliminated to improve each of the models estimated. As it illustrates, the results of the regression of the seven variables were separated into two hotel typologies (non-AI and AI) and three levels (food plan, hotel, region). Regarding non-AI hotels, the accounted variance obtained was 9.71% (same food plan), 14.65% (same hotel), and 12.17% (same region), and the likelihood-ratio test with 7 degrees of freedom for each of the models was 133.05 ($p<.05$), 180.70 ($p<.05$) and 142.37 ($p<.05$), respectively. Concerning AI hotels, the accounted variance achieved was 13.84% (same food plan), 12.31% (same hotel), and 15.08% (same region), and the likelihood-ratio test with 7 degrees of freedom for each of the models was 158.65 ($p<.05$), 142.89 ($p<.05$) and 151.06 ($p<.05$), respectively. As seen in Table 5.4, all the variables retained show significant beta weights with positive effects across all six models.

Staff responsiveness showed consistent non-significance across all scenarios within the non-AI hotel's type; this is noteworthy because the staff's ability to perform the service in a willingness, timely and efficient manner does not seem to influence guest's probability of coming back to the same food plan, hotel or region. Furthermore, this finding disrupts previous research (Akan, 1995a; B. J. Ali et al., 2021; Bamert & Wehrli, 2005; Briggs et al., 2007; Gerhard et al., 2006; Hooper et al., 2013; Karatepe, 2011; Ladhari, 2009; Oh & Kim, 2017) where this attribute found to be either conceptually or empirically significant. Concerning the probability of coming back to the same food plan (non-AI), the staff communication attribute was proved not significant, meaning that the staff's ability to communicate clearly in the native language of guests does not assume the expected importance stated in previous research (Akbaba, 2006a; Ihtiyar & Ahmad, 2014; Zeithaml et al., 1988; L. Zhou et al., 2014) and therefore bringing a new attribute reassessment to the debate. Regarding the probability of coming back to the same region, the staff empathy (non-AI-hotels) and communication (AI-Hotels) attributes are not significant, meaning that the extra mile performed by staff to enhance guest's experience in a meaningful way at the hotel is not enough for them to come back to the region, highlighting the boundaries of these attributes when observed through a wider lens. Therefore, H_{2a} and H_{2b} have been entirely accepted, and $H_{1a,}$ H_{2a}, $H_{3a,}$ and H_{3b} have been partially accepted.

Table 5.4 The ordered probit model

95% conf. Interval	Non-AI				AI			
	Coef.	**Std. Err.**	**z**	**P>z**	**Coef.**	**Std. Err.**	**z**	**P>z**
Probability to come back to same Food Plan								
Staff Reliability	0.333	0.068	4.90	0.000	0.159	0.732	2.17	0.030
Staff Assurance	0.260	0.066	3.97	0.000	0.276	0.074	3.73	0.000
Staff Empathy	0.221	0.067	3.31	0.001	0.194	0.072	2.71	0.007
Staff Responsiveness	0.101	0.067	1.52	0.128	0.224	0.071	3.16	0.002
Staff Communication	0.088	0.064	1.36	0.173	0.179	0.072	2.48	0.013
Hotels	0.462	0.062	7.51	0.000	0.491	0.648	7.57	0.000
Service	0.379	0.066	5.74	0.000	0.519	0.071	7.30	0.000
N	408				371			
LR chi2(7)	133.05				158.65			
Log likelihood	618.27853				493.82817			
Pseudo R2	0.0971				0.1384			
Probability to come back to same Hotel								
Staff Reliability	0.386	0.071	5.44	0.000	0.293	0.074	3.95	0.000
Staff Assurance	0.258	0.067	3.82	0.000	0.281	0.740	3.80	0.000
Staff Empathy	0.150	0.068	2.19	0.028	0.261	0.720	3.62	0.000
Staff Responsiveness	0.121	0.069	1.76	0.078	0.166	0.711	2.34	0.019
Staff Communication	0.233	0.067	3.50	0.000	0.190	0.729	2.60	0.009
Hotels	0.654	0.651	10.04	0.000	0.520	0.650	7.98	0.000
Service	0.501	0.696	7.20	0.000	0.319	0.070	4.57	0.000
N	408				371			
LR chi2(7)	189.70				142.89			
Log likelihood	552.47978				509.14744			
Pseudo R2	0.1465				0.1231			
Probability to come back to same region								
Staff Reliability	0.290	0.717	4.02	0.000	0.256	0.076	3.37	0.001
Staff Assurance	0.357	0.694	5.14	0.000	0.385	0.768	5.02	0.000
Staff Empathy	0.127	0.070	1.83	0.068	0.251	0.074	3.40	0.001
Staff Responsiveness	0.070	0.070	0.99	0.321	0.199	0.073	2.72	0.007
Staff Communication	0.240	0.068	3.53	0.000	0.124	0.748	1.66	0.098
Hotels	0.504	0.065	7.81	0.000	0.487	0.066	7.33	0.000
Service	0.459	0.071	6.46	0.000	0.413	0.725	5.70	0.000
N	408				371			
LR chi2(7)	142.37				151.06			
Log likelihood	513.89745				425.36136			
Hj	0.1217				0.1508			

Source: Own elaboration

5.5 Conclusion

This study examined the loyalty of guests staying in all-inclusive and non-all-inclusive type hotels through service quality attributes influencing their intention to revisit or recommend the Algarve in three ranges (region, hotel, and food plan). Data were collected from those visiting Algarve, Portugal, between May and October 2019 to test six research hypotheses. The influences of all seven factors on the revisit intention were examined using an ordered probit model; four of the six research hypotheses were partially accepted, three in the non-AI hotel's segment and one in the all-inclusive hotel's segment.

Some key findings were accomplished; firstly, the staff responsiveness attribute showed consistent non-significance across all non-AI hotel scenarios, highlighting the increased demand by guests for services executed efficiently and duly organized and ready to respond to any request promptly. Secondly, hotel attributes, composed of location, design, physical layout, rates and promotion, and value for money variables, have shown consistent importance in all scenarios, contributing to the likelihood of guests returning. Thirdly, the staff reliability attribute showed approximately half of the impact on the probability of returning to the same food plan when compared to guests staying in non-AI hotels, meaning that the staff's ability to accomplish tasks timely and correctly the first time is crucial to nourish guest loyalty to the same food plan. Fourthly, due to the nature of the AI service dynamic, staff communication attributes showed prevalent importance in different scenarios, primarily in the probability of guests returning with the same food plan, emphasizing the importance of clear communication, preferably in the guest's native language in AI resorts. The probability of returning to the region in non-AI guests also highlights the importance of correctly and consistently qualifying all players of the tourism ecosystem, given its importance to destination loyalty. Lastly, staff empathy is attributed to AI hotels, accentuating the critical importance of first-line collaborators for genuine care, attention, and understanding of guests' needs.

5.5.1 Theoretical implications

The key findings highlight the underlined complexities, dynamics, and potential impacts regarding service quality attribute satisfaction when observed in specific scenarios (AI and non-AI) and depths (food plan, hotel, and region) in a mature sun and sea destination. Although all Parasuraman et al. (1985, 1991) conceptualization and scale remain relevant, there is a notable shift regarding its significance in staff responsiveness attribute in non-AI hotels, underlining a plausible change in guest's expectations towards the provided service and its impact on return intention. Excellent service quality resonances surpass the hotel's physical boundaries and influence the probability of coming back to the region, stressing the necessity to approach differently the AI hotels potential impacts and development on sun and sea destinations where this system is yet to be prevalent.

As stated by Tavares and Kozak (2015) all-inclusive system modality desire and growth are supported by tourists over time, and the tendency to spend out of the hotel environment is growing, the interest in shopping and culture-related experiences was prevalent in both scenarios (AI and non-AI) of the sample (n=779) and achieved in this research 46% of estimation in spend intentions in the 1000€ spend interval, diverging considerably from earlier findings (Anderson, 2012; Tavares & Kozak, 2015). Moreover, the needed harmony between regional tourism stakeholders and hotel business developers can now achieve a new tone for developing shared strategies for the region's infrastructures, scenery, security, small and medium business entrepreneurship, innovation, and attractiveness that benefits hotel business and regional players as a whole.

5.5.2 Managerial recommendations

Due to the novelty of AI hotels in the regional dynamic of the Algarve, hotel managers, and business developers can now see more clearly the potential impacts of each considered service quality attribute on the probability of returning to the same food plan and hotel; this is crucial knowledge for senior managers and business developers to apply in future hotel segmentations toward higher business competitiveness. Furthermore, from a more operational perspective, hotel managers and hr managers can now start to assess more clearly the impacts of staff performance and behaviour aspects on guest loyalty

across hotel service types; this is particularly impactful in the Algarve, where staff shortage for front-line positions is an increasing reality.

5.5.3 Limitations and Future Research

Similarly, to other studies of this type, certain limitations should not be scabbed. Firstly, the segmentation considering hotel stars in both scenarios was not considered; therefore, additional research should be undertaken to assess the hypothesis's robustness. Secondly, due to the birth of other emerging types of accommodation that embrace AI principles across the hospitality business landscape, those guests' contribution to the regional economy should be addressed. Thirdly, a new avenue was spotted in the Algarve's emerging era of AI hotels; hotels are incorporating AI principles with non-AI dynamics in the same hotel or resort structure, opening a hybrid challenge toward satisfaction and loyalty in the hotel business segmentation. Fourthly, the guests (i.e., digital nomads) staying longer in AI P2P accommodation require further research regarding local and regional economic impact. Fourthly, further research should be addressed considering the post-pandemic scenario, regarding tourists' motivations, expectations, perceptions, and behaviour regarding the choice of full-AI package tours and those who come only to AI resorts.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this Article.

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CHAPTER 6

CONCLUSIONS

6.1 Summary, Implications, and Future Research

In conclusion, this thesis analyses the all-inclusive dynamics within the hospitality landscape in sun-and-sand destinations, focusing on identifying the critical aspects that shape guest experiences. By investigating the role of electronic word-of-mouth (eWOM) and its connection with service dimensions in four- and five-star hotels on TripAdvisor, this research offers valuable insights for hotel managers. Furthermore, it contributes to developing effective strategies for enhancing guest experiences.

The study emphasizes the importance of staff training, clear communication, and empathy in the hospitality industry, especially in all-inclusive hotels, where these attributes significantly impact guest satisfaction and loyalty. The research also underscores the need for continuous investment in staff development to ensure service reliability and value-for-money perception in sun-and-sand destinations, where seasonality and staff loyalty present challenges.

This research also uncovers the critical components of all-inclusive services that influence online ratings on TripAdvisor, highlighting the importance of the experience constructs in mitigating service underperformance. The study identifies multiple configurations that affect guest satisfaction across various hospitality settings by associating servicescape's social, physical, and commercial dimensions with fuzzy-set Qualitative Comparative Analysis (fsQCA).

Furthermore, the thesis examines the factors influencing the future intentions of all-inclusive and non-all-inclusive hotel guests in the Algarve region, offering practical implications for the regional hospitality industry. The findings stress the significance of hotel attributes such as location, design, physical layout, rates and promotions, and value for money in determining guests' likelihood of returning to the destination.

Although the study's generalizability is limited due to its focus on the Algarve and TripAdvisor, the conceptual model could be applied in other sun-and-sand destinations and platforms. For example, future research could investigate the impact of emerging technologies on guest satisfaction and loyalty in the hospitality industry, such as artificial intelligence and virtual reality. Researchers could also explore the role of cultural

differences in guests' preferences and expectations, providing a more nuanced understanding of the factors shaping guest experiences in the all-inclusive hospitality landscape.

This research encourages further studies in various geographical locations, diverse cultural settings, and different types of accommodations, such as boutique hotels, vacation rentals, and resorts, allowing for a more comprehensive understanding of the factors influencing guest satisfaction and loyalty. The thesis also encourages researchers to examine the role of technology in enhancing guest experiences, investigating the impact of mobile applications, virtual concierge services, and personalized recommendations powered by artificial intelligence.

The study presents opportunities for future research to examine the role of sustainability and environmental concerns in shaping guest experiences and preferences. As eco-consciousness becomes increasingly crucial for today's travellers, understanding how sustainable practices can be integrated into the all-inclusive hospitality landscape without compromising guest satisfaction and loyalty is essential.

Additionally, future research could analyse the impact of economic, social, and political factors on guest experiences and loyalty, considering external influences such as global economic trends, local cultural events, and geopolitical developments. These factors can significantly impact the hospitality industry and provide insights into adapting business strategies to changing market conditions.

Moreover, this research could serve as a starting point for exploring the influence of marketing strategies, such as influencer partnerships, social media campaigns, and targeted promotions, on the perception and success of all-inclusive hotels in sun-and-sand destinations. Analyzing the effectiveness of these strategies in driving guest satisfaction, loyalty, and overall business performance can contribute to the development of best practices in the hospitality industry.

In summary, this thesis provides a foundation for further exploration of the all-inclusive hospitality landscape in sun-and-sand destinations. By broadening the research scope to include other destinations, platforms, and dimensions, future studies can contribute to a

more nuanced understanding of the factors shaping guest experiences, enabling the development of innovative strategies that cater to evolving customer needs and expectations in the hospitality industry.

In addition to the research mentioned above, future studies can also explore the impact of personalization and customization on guest satisfaction and loyalty in the all-inclusive hospitality landscape. Understanding how tailored experiences can be created and managed without sacrificing operational efficiency is vital for the industry's growth and success as customer preferences evolve.

Another potential area of investigation is the role of health and wellness in the all-inclusive hospitality landscape. As travellers become more health-conscious, understanding how hotels can integrate wellness facilities and services, such as spas, fitness centers, and healthy dining options, to enhance guest experiences and satisfaction is essential.

The role of local experiences and cultural immersion in shaping guest satisfaction and loyalty could also be a focus of future research. Exploring how all-inclusive hotels can incorporate local cultural elements and authentic experiences into their offerings can help differentiate their services and cater to the growing demand for unique and memorable travel experiences.

Also, future research could investigate the impact of crises, such as pandemics or natural disasters, on the all-inclusive hospitality landscape. Understanding how the industry can adapt to sudden changes and implement strategies for recovery and resilience will be crucial for its long-term success and stability.

Another prospective research area is exploring evolving guest demographics, including the preferences and expectations of different age groups, such as millennials and Generation Z travellers. Identifying the unique needs of these demographics can provide insights into the development of targeted services and amenities that cater to their specific requirements, ensuring long-term customer loyalty and satisfaction.

Lastly, the role of partnerships and collaborations in the all-inclusive hospitality landscape could be an area of focus for future research. Investigating how strategic partnerships with local businesses, tour operators, and other stakeholders can enhance guest experiences, create value, and drive overall business performance will be essential for understanding the industry dynamics.

In conclusion, the present thesis serves as a starting point for further exploration of the all-inclusive hospitality landscape in sun-and-sand destinations. By extending the research to other destinations, platforms, and dimensions, future studies can contribute to a richer understanding of the factors shaping guest experiences, enabling the development of innovative strategies that cater to travellers' evolving needs and expectations in the hospitality industry.

6.2 Theoretical and Methodological Implications

This subchapter comprehensively synthesizes the theoretical and methodological implications of the four articles discussed in the previous sections. Integrating the key findings delivers a holistic overview of the impact on the hospitality industry from an academic theoretical standpoint.

The research contributes to the existing literature on guest experiences in all-inclusive hotels by identifying key factors influencing satisfaction and loyalty. This understanding serves as a basis for developing new theories and models that better explain and predict guest behaviour in the context of all-inclusive hotels. In addition, this study emphasizes the need for a holistic perspective in understanding guest satisfaction by examining various components of the guest experience, such as staff training, communication, empathy, and servicescape. This integrated view can contribute to creating more comprehensive theoretical frameworks in hospitality research, promoting a multi-faceted approach that considers the numerous aspects influencing guest experiences.

Furthermore, this research initiates discussions on the influence of multi-typed hotels on sun and sand destinations. This can pave the way for new theories focusing on the role of all-inclusive hotels in shaping guest experiences and their implications for the hospitality industry. Additionally, the study acknowledges the possible influence of cultural

differences on guests' preferences and expectations, which can contribute to further developing theories in cross-cultural hospitality research. As the global tourism market becomes increasingly diverse, understanding how cultural factors shape guest experiences and preferences is essential for tailoring services and offerings to meet the needs of travellers from different backgrounds.

Methodologically, this research demonstrates the effectiveness of fuzzy-set Qualitative Comparative Analysis (fsQCA) in uncovering multiple configurations affecting guest satisfaction across various hospitality settings. This method can be utilized in future research to explore complex relationships among diverse factors in the hospitality industry. The application of fsQCA also highlights the value of adopting innovative analytical techniques in hospitality research, which can provide insights and enable the identification of more nuanced relationships between variables. The study also combines qualitative and quantitative methods, resulting in a better understanding of the factors shaping guest experiences in the all-inclusive hospitality landscape. This methodological approach can be applied in future research to provide richer insights into the hospitality industry. By integrating both qualitative and quantitative data, researchers can draw upon the strengths of each approach, allowing for a more comprehensive understanding of the issues being studied.

Moreover, by investigating the role of electronic word-of-mouth (eWOM) and its connection with service dimensions, this research highlights the potential of using online review data in hospitality research. This methodological approach can be employed in future studies to analyse guest feedback and understand the factors driving guest satisfaction and loyalty. As online reviews and social media become increasingly important sources of information for travellers, understanding how eWOM can inform business practices and improve guest experiences is essential for the continued success of hospitality establishments. Future research can also benefit from adopting longitudinal and comparative research designs to examine the evolution of guest preferences, expectations, and satisfaction over time and across different destinations, accommodation types, and cultural contexts. This can offer insights into the dynamic nature of the hospitality industry and contribute to developing more effective strategies for enhancing guest experiences. By tracking guest preferences and expectations changes over time,

researchers can understand the factors driving these changes and guide hospitality businesses to adapt and grow in response to evolving customer needs.

In conclusion, this research presents theoretical and methodological implications for studying the all-inclusive hospitality landscape in sun-and-sand destinations.

6.3 Empirical and Managerial Implications

The following subsection explores the empirical and managerial implications of the four research articles.

The articles accentuate the significance of eWOM in the hospitality industry, specifically in hotel management operations. They underscore the necessity of comprehending the relationship between online comments and overall service performance to pinpoint the most relevant service values in each aspect of hotel operations. Furthermore, these studies highlight the importance of staff performance, service quality, pricing, ambiance, and experience-related issues in determining hotel competitiveness, particularly in all-inclusive hotels.

A central empirical implication of these studies is identifying critical factors that affect guest satisfaction and hotel competitiveness in sun and sea destinations. In addition, by dynamically evaluating staff-related domains (reliability, responsiveness, assurance, empathy, and communication) across various situations, these studies suggest the configurations that help maintain service quality in diverse contexts.

Additionally, these articles emphasize the importance of employee emotional contagion in shaping guest experiences. By understanding the role of emotional contagion in hotel competitiveness, practitioners can better appreciate the need to cultivate a positive work environment that enables employees to experience and share positive emotions, thus creating more enjoyable experiences for guests.

The managerial implications derived from these articles can be divided into four primary areas: understanding and managing online reviews, staff performance and training, service quality and innovation, and communication and feedback mechanisms.

The findings of these articles highlight the necessity of identifying the most pertinent attributes underlying UGC on platforms such as TripAdvisor. By grasping the underlying message in online reviews, hotel managers can address staff, service, pricing, ambiance, and experience-related issues more pragmatically to improve their positioning on such platforms. Furthermore, by incorporating tangible and intangible factors and their impacts on price, promotion, and hotel positioning, hotel managers and marketers can carry out more sophisticated segmentation strategies.

Given the crucial role of staff performance in determining guest satisfaction and hotel competitiveness, human resource managers must recognize the skills to prioritize in training programs. The articles recommend focusing on staff reliability-related skills, such as punctuality and problem-solving abilities, significantly impacting guest satisfaction. By concentrating on these skills, HR managers can develop targeted training programs that enhance service quality and improve hotel competitiveness.

The high staff turnover ratio and seasonal challenges in the hospitality sector necessitate continuous innovation and adaptation to meet stringent budget targets. By understanding the configurations that help maintain service quality across diverse situations, business strategists and marketers can adopt more informed decisions when selecting specific service types (all-inclusive, non-all-inclusive, or hybrid) and understand their implications for business competitiveness.

Hotel managers should consider continuously implementing regular feedback mechanisms to improve service quality. By actively seeking guest feedback, hotels can identify areas of improvement and take corrective measures accordingly. Moreover, understanding UGC may contribute to reinforcing, questioning, and refining the online positioning, operational strategy, and servicescape settings, leading to more meaningful communication between hotels and guests and ultimately fostering meaningful and lasting loyalty.

The findings suggest that hotel location and room pricing strategy are separate from the pursuit of rating enhancement in all-inclusive hotels. Instead, managers should consider combining staff and ambiance attributes when addressing location and staff and service

attributes when addressing pricing. By understanding the intricate interplay of these factors, hotel managers can develop more effective strategies to enhance their hotel's competitiveness.

The articles underscore the importance of understanding the relationship between servicescape and hotel experiences. By identifying the most relevant service values in each aspect of hotel operations, managers can design service experiences that better align with the perceived value of the service by hosts and guests. This, in turn, can lead to more satisfied guests and increased hotel competitiveness.

Considering the high staff turnover ratio in the hospitality sector, hotel managers should prioritize employee engagement and retention strategies. By fostering a positive work environment and offering targeted training programs, hotel managers can improve employee job satisfaction, leading to better guest experiences and enhanced hotel competitiveness.

In conclusion, articles insights encompass understanding and managing online reviews, staff performance and training, service quality and innovation, and communication and feedback mechanisms. By incorporating these findings into their decision-making processes, hotel managers, business strategists, human resource managers, and marketers can develop and implement more effective strategies to increase guest satisfaction and hotel competitiveness. This, in turn, contributes to the overall growth and success of the hospitality industry in an increasingly competitive and dynamic global market.

6.4 Social Implications

In this subchapter, we will dwell deeper into the social implications of these findings, focusing on their potential influence on hotel management practices, the broader tourism ecosystem, and guests' experiences.

Firstly, the growing significance of eWOM in the purchase behaviour process necessitates hotel managers' close monitoring and engagement with online platforms like TripAdvisor. By promptly addressing guest feedback and concerns, hotel managers showcase their commitment to customer satisfaction and gather crucial data to refine their

service improvement strategies. Moreover, the contemporary social, digital era has transformed the sharing of experiences and reviews into a vital component of the travel experience, which hotel managers must consider when designing and delivering their services.

Secondly, the research highlights staff performance's crucial role in guest satisfaction, particularly reliability, responsiveness, communication, and empathy. This underscores the importance of ongoing staff training and development, cultivating a work culture prioritizing guest satisfaction and loyalty. Furthermore, the significance of staff communication, particularly in all-inclusive hotels, emphasizes the need to hire employees with diverse language abilities to cater to guests from various cultural and linguistic backgrounds.

Thirdly, the studies demonstrate the impact of servicescape on guest satisfaction, as the physical, social, and commercial dimensions play different roles across various hotel segments. This finding implies that hotel managers should be mindful of their target guests' distinct needs and preferences when designing their servicescape and allocating resources to various aspects of their hotels. Potential strategies include investing in eco-friendly practices and technologies, developing communal spaces for social interaction, and providing a range of dining and entertainment options to appeal to different tastes and preferences.

Lastly, the research underscores the value of destination loyalty, particularly in sun and sea destinations like the Algarve. This finding highlights the importance of collaboration among various stakeholders within the tourism ecosystem, including hotels, restaurants, attractions, and transportation providers, to offer consistent and high-quality services that contribute to a positive overall destination experience. Such cooperative efforts can bolster the region's reputation as an attractive travel destination and encourage repeat visits, benefiting the local economy and community.

In conclusion, by comprehending the factors driving satisfaction and loyalty in different hotel segments, industry stakeholders can better cater to their guests' dynamic needs and preferences, promoting sustainable growth in the hospitality sector.

6.5 Limitations and Future Research Directions

This subsection explores the limitations of existent research studies on electronic word-of-mouth (eWOM) and All-Inclusive (AI) hotels concerning hotel operations, the hospitality industry, and sun and sand destinations.

One noteworthy limitation concerns the contextual factors surrounding the research. Most of these studies have concentrated on specific regions and hotel categories, limiting their generalizability. To enhance the applicability of the findings, future research ought to expand its scope by incorporating a more comprehensive range of hotel categories, diverse service quality scales, and various geographical contexts.

Another limitation is the segmentation variables employed in the existing research, which predominantly focus on hotel stars and food plans. A more in-depth exploration of additional segmentation variables, such as guest demographics, motivations, and lengths of stay, could facilitate a more nuanced understanding of the dynamics within the hotel industry.

Moreover, the current body of research needs to adequately address pre-purchase expectations and motivations and investigate the relationship between pre-consumption and consumption constructs in the AI hotel industry. Subsequent studies should examine these constructs to gain profound insights into customer decision-making and satisfaction levels.

Additionally, extant studies need to differentiate between first-time and repeat guests. As a result, future research should examine the disparities in satisfaction and loyalty between these two groups, given that their experiences and expectations could vary significantly. Furthermore, integrating customer and employee perspectives could lead to a more comprehensive understanding of the hotel servicescape and overall satisfaction.

Another aspect that warrants attention is the impact of emerging accommodation types or hybrid models, which combine AI principles with non-AI dynamics in hotel operations. Future research should address these phenomena to evaluate their implications for customer satisfaction and loyalty. Furthermore, the economic impact of long-term guests,

such as digital nomads, who utilize AI peer-to-peer (P2P) accommodations, necessitates further investigation. This will enable a better comprehension of their contributions to local and regional economies.

Lastly, the comparison among customers represented by different cultural backgrounds, different types of domestic and/or international destinations offering similar products across different yearly seasons may shed different insights regarding all-inclusive hospitality dynamics topic.

In conclusion, this research has some limitations that open paths for further investigation. Such studies should broaden the scope, explore additional segmentation variables, and integrate various perspectives to understand the industry comprehensively. This, in turn, will have crucial implications for hotel management and the broader tourism sector.