







Daily Deals Usage in the Pandemic Context of the Slovenian Hotels: Technology Adoption Perspective

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Abstract. This paper analyses the usage of Daily Deals (DDs) in the COVID-19 pandemic context. A constructivist approach and grounded theory methodology are applied to study the managerial DDs usage in Slovenian hotels. The results show a predominance of organisational and external environmental factors, such as government regulation, linking structures, and industry characteristics, on the usage of DDs. These are shown in a conceptual DDs usage model. The study contributes to the hotel digital marketing literature by merging the two leading technology adoption frameworks to explain the formation of attitude and usage of DDs in a specific pandemic context.

Keywords: Daily deals · Flash sales · Coupon marketing · Technology adoption · TAO · UTAUT · COVID-19

1 Introduction and Study Rationale

In traditional coupon marketing, discounts and offers are used to attract new customers. More recently, online coupons have proliferated. Despite this, they have received limited attention in the literature [1]. Daily Deal websites (DDs), also known as Flash sales, are coupon-based online marketplaces combining benefits for merchants with discounts for customers. They are typically characterised by advance-purchase conditions, limited purchasing time (7–14 days usually) and a discount (between 20 and 50% of the regular price) [2]. Budler et al. [3] distinguish between generic DDs with local reach (Groupon), which mostly rely on coupon redemption, and niche DDs, which have real-time availability features and capture mainly international markets (Secret Escapes).

Few studies with a customer-centric focus have addressed DDs, yet their managerial usage perspective (e.g. [4]) is lacking. Further, the research so far has failed to answer why hotels adopt and more importantly use DDs. Considering the arguably positive relationship between DDs and the crisis, this research aims to explore the hotel industry's use of DDs through the pandemic, made even more peculiar due to governmental intervention in Slovenia, where staycation vouchers were issued to all its residents (200 EUR

in 2020, and 100 EUR in 2021), to stimulate domestic travel demand [5]. Meanwhile, most hotels faced reduced marketing budgets, a lack of staff and an inability to rely on established foreign tour operator cooperation. This paper aims to inductively analyse the antecedents of DDs usage amidst the pandemic, present an abduction-based conceptual model rooted in technology adoption literature and discuss its explanatory power.

2 Technology Adoption Frameworks

Technology adoption has been a common focus of Information Systems (IS) research. The tourism field mostly relies on Davis' [6] dated Technology Acceptance Model (TAM). The more recent IS models look at adoption from the individual's cognitive or broader organisational perspective. The influential Unified Theory of Acceptance and Use of Technology (UTUAT) is used to describe user intentions towards using technologies and usage behaviour via four key variables, which are performance expectancy, effort expectancy, social influence, and facilitating conditions [7] proving itself useful to explain the adoption of various e-commerce phenomena [8]. Yet, the framework does not address the conditions that influence behavioural intention and use significantly [9]. Therefore, to encompass the pandemic-affected business context, Tornatzky and Fleisher's [10] Technology-Organisation-Environment Framework (TOE), a classic organisational framework offers itself as a more suitable choice [11]. It includes three contexts, namely: technology development [12]; organisational configuration [13]; and industry environment [14]. The TOE has been tested in e-commerce and has earned substantial validations as well as the widespread impact of government involvement (staycation vouchers) that fueled hotel marketing in Slovenia during the pandemic [15].

3 Methodology

Using the constructivist paradigm and Charmaz and Thornberg's [16] version of grounded theory, this research allows for the exploration of literature pre- and post-data collection. The questions for the focus group were designed to be broad and exploratory in nature. 4 senior S&M managers representing 4 medium to large hotel companies, reached a total sample of over 25% of Slovenian hotel room capacity. Their attitudes toward DDs and the actual use of DDs during the pandemic were examined.

We analysed the data using thematic analysis [17] by manually and inductively coding first- and second-order codes. These were manually aggregated into third-order themes and further abductively fit into the structure of the two above-presented technology adoption frameworks.

4 Preliminary Findings and Conceptual Model Proposal

We present our findings in a conceptual model (Fig. 1) explaining the use of DDs. We fit the third-order constructs arising from data coding into the three main contexts of the TOE framework. Moreover, UTAUT's Performance Expectancy and Effort Expectancy

were placed in TOE’s Technological and Organisational contexts. The particularities in the usage of DDs are indicated by the following key TOE contexts:

- In the technological context, the characteristics of DDs as a distribution channel for discounted sales conflict with the goal of the Slovenian hotel industry to maintain rate parity across all e-distribution channels. This reduces the importance of any type of price promotion.
- The organisational context links structures at formal and informal levels concerning the work process. This takes the form of staff shortages in marketing and operations departments, which diminished the attractiveness of DDs usage. Further, it was argued that DDs: (a) increased operational tasks that require manual work; (b) brought undesirable, 'inferior' discount consumer profiles; (c) caused communication problems linked to the questionable reputation and image of hotels featured on DDs, especially the generic ones operating on the domestic market.
- Within the environmental context government regulation with intervention in the form of lockdowns in 2020 and 2021 and staycation vouchers influenced marketing. With the “government-sponsored” vouchers, there was enough domestic demand to fill the capacity at rack rates. Industry characteristics and market structure related to the regulation of terms and conditions adopted by the DDs (who for the pandemic period adopted flexible booking conditions) increased the risk for hotels that were used to working with DDs on non-refundable terms. Lastly, we identified issues with inadequate technological support infrastructure related to dynamic pricing. In addition, we identified the lack of integration of DDs with the channel manager and CRS systems used in Slovenian hotels.

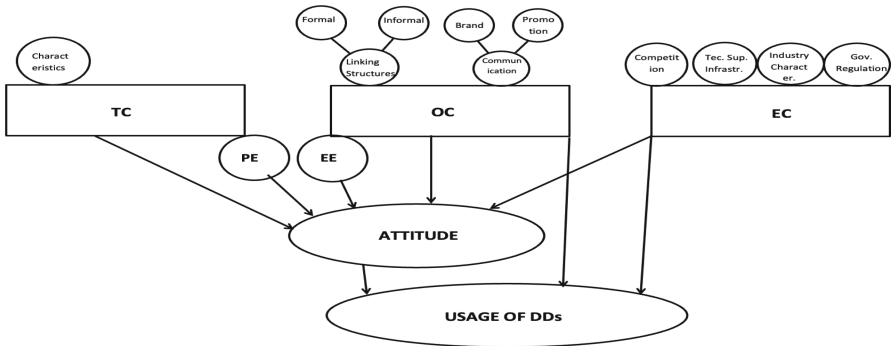


Fig. 1. Conceptual model of pandemic DD usage based on merging TOE & UTAUT;

Legend: TC...Tech. Context; OC...Org. Context; EC...Env. Context – TOE structural dimensions; PE...Performance Expectancy; EE...Effort Expectancy – UTAUT constructs.

5 Discussion and Future Research Directions

Even though DDs originated in the previous recession and were designed to stimulate demand and advertise hotels to new audiences, our results exposed their certain weaknesses for usage in the current pandemic context. Particularly in times of staff shortages, the UTAUT construct of effort expectation seems problematic. Furthermore, the Performance Expectancy UTAUT construct, which is part of the Technological Context of our conceptual model, raises questions, i.e. Slovenian hoteliers were arguably focused on attracting guests from Slovenia and could therefore only rely on generic DDs. However, these offer no instant booking feature, resulting in additional work for understaffed reservation departments, as well as reducing the brand image of featured hotels. Surprisingly, our analysis identified only two of the four core UTAUT constructs. This is because Social Impact and Facilitating Conditions did not emerge from the data analysis. Therefore, this will require further exploration.

When used in the context of a pandemic, DDs require a more holistic approach than psychological-factors-based models that do not take the external business environment into consideration. The organisational TOE framework thus proved to have stronger explanatory power for our analysis. We further confirm the claims of Andersen and Henriksen [15], noting that Organisational & Environmental contexts have a more direct influence on the usage of certain technology. Data analysis indicates their direct influence on usage, while the technological context appears to only affect managerial attitudes toward DDs. As depicted by one of our respondents “actually I find DDs extremely useful, but the volume of domestic demand made us capable of filling our rooms directly at rates well above the usual pre-pandemic ADR level”. Consequently, even if managers develop positive attitudes toward DDs, the manual work (Organisational context) and the focus on domestic markets due to governmental intervention (Environmental context) will hinder their use. Therefore, they both have a more direct and significant influence on usage intention than the characteristics and Performance Expectancy of DDs (Technical context), as shown in Fig. 1, thereby forming a valid contribution to theory.

Using the TOE framework while integrating UTAUT constructs allowed us to properly explain the (lack of) DDs adoption in Slovenia amidst the pandemic. This clearly indicates the potential of IS research frameworks (and their combinations) - often absent from the theoretically weak hotel marketing research, to explain the usage of e-marketing channels and solutions in hospitality and tourism. Hence, this affirmation forms our main contribution to theory. In terms of limitations, we recognise our proposed model is very context-, time- and place-specific and needs further refinement and empirical verification. We aim to collect additional data in the future to reach data saturation and cover at least 50% of the Slovenian hotel population as part of a longitudinal study that takes into account post-pandemic recovery conditions as well as the emerging economic crisis. We will further refine the data analysis with the use of computer-assisted tools and the application of AI-based text analysis methods to explore potentially hidden links between the contexts, the attitude and the actual usage intention.

Last but not least, practitioners will benefit from learning of critical factors that DDs and their supporting technology infrastructure providers need to overcome in order to strengthen their role in the e-distribution mix post-pandemic.

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