



Research Article

Yield Management, Risks and Consequences for the Customer: Perspectives on the Moroccan Chain Hotel Industry

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Abstract

In a competitive environment marked by a digital revolution in the service industry, Yield Management (YM) has become an essential tool for many companies, particularly in the hotel industry. Over the last twenty years, this pricing practice has been strengthened by digital technologies. On the other hand, several studies have shown that YM Pricing (YMP) produces negative consumer feelings that influence their behavior. The objective of this work is to explore the YM practice in the hotel industry and to shed light on the impact of this practice on customer perception. A qualitative study with professionals in the sector was conducted in this direction, in order to identify the issues of YM in chain hotels in Morocco and to understand the influence of this practice on customer attitudes.

Keywords: Yield Management, consumer behavior, perceived unfairness, hotel industry in Morocco.

Introduction

Capacity management in service companies is characterized by its complexity, particularly in the face of fluctuating demand and limited capacity, which can lead to unmet demand and consequently unsold units, constituting lost revenue for the company. Each time a service is produced, the sales effort is focused on a given, limited number of units to be sold (Legohérel and Poutier, 2017).

The authors explain that this is compounded by the perishability of goods and low variable costs. Some sectors, such as the hotel industry, are characterized by very high fixed costs, which need to be covered by ensuring a minimum occupancy rate: this is an approach that makes

perfect sense in periods of low demand, when business needs to be stimulated, but which needs to be carefully balanced in periods of rising activity.

In this context, service companies seeking to optimize their profits are faced with the constraint of limited available sales unit capacity. Hence the need to consider a simultaneous adjustment of demand and production capacity in order to achieve a better balance between the two.

To this end, YM is "a sophisticated form of supply and demand management, involving simultaneous action on rates and available capacity. It is a process of allocating the best service to the best customer, at the best price and

at the best time" (Smith, Leimkhuler and Darrow, 1992)¹.

The orientation towards the YM approach will enable service companies to have a marketing and sales technique that optimizes sales. The aim is to minimize losses by seeking to optimize service occupancy rates. According to Selmi (2004), YM enriches a company's marketing actions and ensures their synchronization, making it part of a strategic vision of marketing.

However, whatever the advantages it may represent for a service company, the authors of a number of studies have identified limitations that can have a negative impact on customers' behavioral intentions. (Selmi, 2008; Heo and Lee, 2011; Camus et al., 2014; Hikerova, 2016 and Camus and Meatchi, 2018)

The aim of this study is to explore the stages of the YM approach in the hotel industry, and to shed light on the impact of this practice in the Moroccan chain hotel sector on the perception of Moroccan customers. Through a qualitative survey of Moroccan hotel industry professionals, we set out to provide answers to two main questions:

1- What are the challenges of YM in Morocco's chain hotel sector?

2- What influence does the perception of YM have on customer attitudes?

To this end, the article is organized around three sections: the first presents a review of the literature on the practice of YM in the era of digitalization, the second is devoted to the methodology adopted, and finally the main results are set out in the last section, building on findings that could be used in future research.

YM Practice in a context of Digitalization: State of the Art

YM as a Means of Optimizing Resources in Service Companies

YM is one of the approaches affecting pricing strategy that have been developed in service companies to optimize the resources devoted to service production. Indeed, to better manage fluctuating demand, it is necessary to consider a simultaneous adjustment of demand and production capacity, in order to achieve a better balance between the two. Thus, many studies of YM practice have focused on how to better

manage capacity in order to maximize the overall revenue.

According to Capiez (2003): "YM is a management system that seeks to maximize the service company's revenue, under the constraint of available capacity that must be allocated according to current and potential demand segments."

YM was introduced over fifty years ago by the major airlines in the first reservation systems for travel agencies, based on the observation that it's better to sell off an unoccupied seat than to take off empty. This new pricing system changed the way the industry did business (Selmi, 2009).

In the 1970s, the first works on YM, including those by Littlewood (1972), introduced the idea of maximizing revenue for a given capacity, rather than maximizing aircraft occupancy.

YM researchers see these practices as dynamic price management, enabling better management of available capacity to maximize profit. The aim is to sell the right service to the right customer at the right price at the right time. (Daudel and Vialle, 1989²; Revenue management, 2017; Capiez, 2003; Selmi, Breda and Giannelloni, 2007).

According to Camus et al (2014), YM is highly advantageous for service companies, providing a fundamental weapon for optimizing the overall profit of the company and its network. By varying prices, YM provides solutions to the problem of adapting supply to demand, using simultaneous actions in real time. This practice has its advantages for service companies, notably in the management of available capacity and tariffs set in real time, stimulating demand for certain periods, while avoiding the risk of dissatisfaction caused by limited capacity for other periods.

In order to understand this orientation in the digital age, we pose the question of the YM analysis approach to be adopted for the management of available capacity in service companies, in particular hotel establishments, and attempt to answer it in the following section.

The Impact of Digitalization on the YM Approach

This section looks at the contribution of digital tools to the YM process and practice. Legoh el and Poutier (2017), based on the literature on the subject, were able to identify four different stages

in this approach, namely: analysis of booking databases, demand forecasting, revenue optimization and performance monitoring.

Reservation Database Analysis

This stage comprises two types of study: those relating to sales history and those relating to the commitment portfolio.

In the case of studies of past data or history, these involve an analysis of past activity, particularly in terms of rooms, seats sold and sales generated for a given date.

These data can be refined by product type (preferably by customer segment), by day/month/season, by market/product type, etc. Several quantities can be identified, such as: cancellation history, No-Show history³, refusal history, occupancy rates, results, etc. (Legohérel and Poutier, 2017).

Next, the company's activity is segmented into "typical days" to determine the seasons of the year; and from this breakdown general management can decide on the pricing strategy to adopt.

The second type of data study concerns the portfolio, which at a given moment indicates the level of commitments for a future period. This involves estimating the number of customers likely to be interested in the company's offers over a given period.

Numerous methods are adopted in YM. The most widely used in the hotel industry are pick-up and moving averages (Meatchi, 2019).

Pick-up analysis, or "load curve", is carried out daily to enable in-depth analysis, notably by comparing current data with that of the previous year. A graphical analysis, or statistical table, shows the peak load at a given date J.

This type of analysis makes it possible to identify customer behavior resulting from the nature of the decisions made, whether prices are too high, or whether certain fare classes are closed too early, as explained by Legohérel and Poutier (2017).

This information must be reliable, and is extracted from the company's various IT systems.

Demand Forecasting

Demand forecasting makes it possible to base decisions on the information available to the company, after collecting, selecting, filtering and

analyzing the most relevant data on consumer behavior and the market.

Forecasting aims to anticipate:

- On the one hand, demand by estimating that of each market segment, the aim remains to deduce whether a low-rate class should be closed to sale because demand will exceed the hotel's capacity, etc., or in the hypothesis that demand is low, it should remain open because it will attract customers (Legohérel and Poutier, 2017).

- On the other hand, future cancellations and no-shows over several dates: this is essential information to complement that resulting from the demand forecast. This enables the establishment to determine when to accept more overbooked reservations, depending on whether its no-show margin is high or low.

To better anticipate the company's future activity, advanced mathematical forecasting techniques are in full development, via the use of increasingly sophisticated software.

Frochot and Legohérel (2018) state that more recently, we're talking about the so-called "expert" systems (e.g., Artificial Intelligence, Machine Learning, etc.) that are most often based on the concept of big data and access to large volumes of data in real time. The authors add that these information systems can intervene at the stage of processing a company's recurring transactions, to aid decision-making.

The quest for optimization: digital distribution as an effective lever for revenue optimization

Bookings and prices for different types of customers need to be controlled and monitored with a view to optimization. To this end, the models most commonly used in YM systems in the hotel industry are the following:

Probabilistic models:

- Littlewood's rule;
- Bodily and Weatherford's model;
- The bid price method;
- Overbooking models.

Empirical models:

- Optimization models based on length of stay;
- Optimization based on group management;
- Optimization based on distribution strategy;
- Best Available Rate model.

To maximize company profits, booking requests can either be accepted when they are more profitable, or refused when they are not. It's all about allocating capacity in the most optimal way possible. We are talking here about two main concepts in the search for optimization:

- Capacity allocation: this involves distributing capacity between different reservation classes based on forecast demand per reservation class and on expected revenue per reservation class. According to Legoh  rel and Poutier (2017), this method requires a good knowledge of the behavior of customers in different classes and their reactions to fare changes. According to Camus and Sahut (2014), all customer classes have high profitability potential. They therefore have the great advantage of being able to participate in maximizing the company's revenue expectancy;

- Optimization: to maximize profit, a number of YM levers can be used to increase the hotel's gross margin. The main optimization levers adopted by YM are as follows:

a) Management of overbooking: this is the practice of making more reservations than there are seats to compensate for no-shows and cancellations (the number of reservations exceeds actual capacity);

b) Preferential fare allocation: this is a YM decision based on the number of seat units to be sold at each price level, and on the opening or closing of certain fare classes. The last segment to be closed will be the most profitable for the hotel. Generally speaking, a segment is closed to sale as soon as it has reached the number of nights/places allocated to it;

c) Digital distribution: the main players are: search engines (such as Google, Yahoo, etc.), OTAs (Online Travel Agents) such as Booking, Expedia, etc., metasearch (comparators such as Kayak or Trivago, TripAdvisor, etc.). It should be noted that service providers are trying to preserve their direct sales (digitized or direct contact). Through channel management⁴, they also try to sell the right offer via the right distribution channel;

d) Managing the length of stay: choose between selling the room immediately for one night, or waiting for a potential guest to book for several nights;

e) Group management: accept a group only if it is likely to bring in more revenue. To this end, a

quotation should be drawn up to analyze the situation.

f) Contract management: to increase income, it is essential to assess the potential of each contract, as well as the importance of production in terms of volume and daily output.

Performance Control

To control the random nature of demand, performance indicators are often used, namely: occupancy rate (TO), average price per room (PM), and total revenue per available room (RevPAR) (Fresnel, 2012; Legoh  rel and Poutier, 2017):

- Occupancy rate (TO) corresponds to Number of units sold/Number of units available for sale⁵;
- The Average Selling Price (ASP) corresponds to Sales/Number of units sold⁶;
- Total revenue per available room (RevPAR) corresponds to Sales/Number of rooms available for sale (in hotels)⁷.

In the case of low demand, for example, if the company lowers the sales MP in order to increase occupancy, this could give regular customers the impression that the service is deteriorating. Luxury hotels have long followed these commercial policies, sometimes accepting low occupancy rates, as Legoh  rel and Poutier (2017) assert. The authors add that the strategy sought by companies consists, therefore, in finding the right mix between "selling a maximum number of sales units" and "maintaining an acceptable rate level".

To this end, new performance analysis indicators have been developed, including Revenue per Available Unit (RevPAR), which is also obtained by multiplying the Occupancy Rate by the Average Selling Price (TO x PM).

The aim is to control the stochastic nature of demand, which has to be adapted to a fixed capacity and a perishable supply by means of a differentiated pricing system. This work is done on a daily basis to store information and develop a pricing policy adapted to specific consumer behaviors.

The Customer's Perception of YM in the Hotel Industry: A Perceived Injustice

The Customer's View of YM

With the growth of the Internet over the last ten years, it has become easier to book a hotel room online. This service has become more readily available. This practice has imposed itself to become the main factor in the management of hotel establishments, particularly with the appearance of sites for comparing offers, booking online (Booking.com, tripadvisor.com, etc.) (Daoudi, 2018).

The interactivity of the Internet tool gives customers immediate access to all the information on accommodation offers and enables them to compare the rates displayed. It also enables them to interact with the hotelier after the transaction has been completed. Customers can also express themselves on platforms dedicated to customer reviews and leave their personal views.

This is an entrepreneurial approach that sees YM practices as an optimization technique for selling the right product, at the right time, at the right price and to the right customer, using new technologies.

However, several researchers (Selmi, 2008; Hikerova, 2016; Legoh  rel and Poutier, 2017; Daoudi, 2018 and Meatchi, 2019) have shown that this is also a consumer approach, as this practice still poses ethical problems for many customers.

While it helps to increase profits, the practice of YM also runs the risk of having a negative impact on consumer perception. A Coach Omnium⁸ survey, conducted face-to-face with 965 travelers in 2019 (business and leisure customers)⁹, shows that the majority of customers don't like the idea of fluctuating prices. The fact of charging two different prices for the same service to two different customers, the illegibility of rates and the lack of transparency, sometimes leads customers to judge this practice as unfair and to have behavioral reactions that can go as far as denouncing rate abuses on online review sites, which is bad for hotels' e-reputation.

Numerous studies have also shown that YM should, in theory, also meet the profit expectations of consumers and companies alike. However, price variation, considered in the literature to be the greatest weakness of YM, generates a perceived injustice in this respect. Many factors are likely to contribute to the

generation of perceived price unfairness. It may be linked to supply characteristics (Camus, Hikkerova and Sahut, 2014) and/or consumer profiles (Heo and Lee, 2011). It may also depend on the attribution of responsibility in the sense of Heider (1958) and Weiner (1985, 1986). Its manifestations are linked to emotions and feelings experienced in this regard.

According to Legoh  rel and Poutier (2017), YM systems that are highly focused on transaction-based optimization are increasingly integrating customer input, and hoping for Long-Term Customer Value. If these innovators were to succeed, YM would take a major step away from short-term optimization towards the integration of a longer-term, customer-centric model.

Perceived Unfairness of YM-based Pricing

Price perception is defined as the consumer's judgment of the monetary amount he or she must pay to acquire a product. When this judgment is negative (perceived unfairness), it leads the consumer to refuse the transaction, explain Bolton, Warlop and Alba (2003)¹⁰.

Price comparison can be explicit or implicit. It is explicit when the customer actually has a price or several comparison prices: the price paid by another customer, the price paid previously or the price displayed by a competitor. It is implicit when the customer assesses the unfairness of the price, but is unable to compare it with a price actually charged. In this case, the comparison is simply with an expected price, a price that the customer feels entitled to claim in view of the value of the good, for example (Camus et al 2014).

Xia, Monroe and Cox (2004) highlight two dimensions of price unfairness: the first is cognitive, indicating that perceptions of unfairness are based on comparison with a reference (for example, the price paid on a previous purchase). The second is affective, reflected in the negative emotions that accompany cognition.

In the same vein, Meatchi and Camus (2018) proposed to define perceived injustice with regard to pricing by the YM as a cognitive and affective phenomenon that accompanies a negative experience linked to the comparison of prices with internal (example: price of a previous purchase) and external (example: average market price) references of the consumer. It also involves the negative judgments and affects induced by a comparison between the benefits received and the sacrifices made during a transaction.

Table 1 below summarizes the main definitions of this phenomenon proposed by researchers:

Table 1: Summary of the main definitions of perceived injustice

Author	Definition
Xia, Monroe and Cox (2004)	Perceived price unfairness is a cognitive and affective phenomenon that occurs following a critical experience of price comparison.
Max well (2009)	A price may be perceived as unfair if it is not transparent and does not meet social standards measured in terms of fairness and transparency.
Camus, Hikkerova and Sahut (2014)	Perceived unfairness is a negative perception of the value of a transaction.
Meatchi and Camus (2018)	The perceived unfairness of income-based pricing is a cognitive and affective phenomenon that accompanies a negative experience linked to the comparison of prices with the consumer's internal (e.g., price of a previous purchase) and external (e.g., average market price) references.
Setiawan, et al., (2020)	A price would be perceived as unfair if it didn't meet customers' expectations. They expect the proposed price to meet social standards, equality and needs.

Source: Authors' elaboration

Faced with a price increase, the consumer can have two attitudes: he may consider the increase fair if its aim is to maintain the profit margin in case production costs rise. However, they may consider the price increase unfair if it is not justified. Consumers therefore react negatively.

Methodological Aspects of the Study

Research Interest and Approach

To the best of our knowledge, the negative sense of injustice remains a subject that has received little attention in the literature, particularly in the Moroccan context. To make up for this lack, this research work aims to explore the main techniques and trends in the practice of YM, and sheds light on the impact of this practice on customer perception, with a view to understanding the specificities of the Moroccan context on this subject.

Thus, our study is conducted among chain hotel professionals in Morocco, with the aim of:

- Exploring YM techniques in chain hotels in Morocco;
- Finding out what professionals think about the challenges and future prospects of this pricing method in Morocco in the digital age;

- Assessing the extent to which consumer opinions and perceptions are taken into account in the models used by hoteliers in their establishments.

The aim is to obtain answers that best describe the situation in Morocco, leading to a better representation of the reality of the phenomenon under study. As the study is mainly exploratory in scope, we opted for a qualitative research strategy for data collection and analysis, which seems more suited to our topic (Creswell and Creswell, 2018).

Our qualitative approach was based on semi-structured interviews with chain hotel professionals in Morocco. According to Jolibert and Jourdan (2020), semi-structured interviews are the most common form of interviews in marketing studies and research. They rely on the presence of an interview guide, as with directive interviews, but unlike them, the questions do not have to be asked in a predefined order.

The interview protocol was designed on the basis of the literature review on YM and customers' perception of unfairness in this respect. We drew on the two interview guides used by Meatchi (2019), in his qualitative studies, while taking care to adapt them to our research topic and the Moroccan context.

An initial interview guide was produced and tested prior to data collection, in order to verify the meaning of the questions and the clarity of their formulation. In the end, the themes of the interview protocol were as follows:

Theme 1: The challenges of YM for a hotel

Theme 2: The influence of YM perception on customer attitudes

Theme 3: YM and the customer profile

Theme 4: YM scenarios and perceived unfairness

Theme 5: The consequences of YM perception on customer behavioral intentions

Sampling and Data Collection Procedure

The aim of qualitative methods is not to ensure that respondents are statistically representative. However, it is important that interviewees have rich and relevant opinions to formulate (Jolibert and Jourdan, 2020). For the semi-structured interview method, research has suggested different sample sizes.

According to Riege and Nair (2004), saturation is one of the most widely used processes in marketing research for determining sample size. This is stopped when agreement between interviewees on the questions is reached and disagreement is explained, in other words, when saturation is reached. In other words, interviews

are continued until conducting new interviews no longer yields additional information (Jolibert and Jourdan 2020).

We opted for targeted sampling to gather rich relevant information on the practice of YM and its impact on customer perceptions in Morocco. First of all, we contacted chain hotel professionals who were present at MAROCOTEL¹¹.

We determined our sample by seeking representatives from the kingdom's different tourist regions, to ensure broad representation and enrich our study. Saturation was reached after 9 interviews, which constituted the size of our sample.

Using personal networks, the LinkedIn social network and also with the help of the Moroccan association of tourism experts and scientists AMEST, we approached potential participants who met the following criteria: 1) worked/are working in a chain hotel, 2) YM expert or consultant, and 3) varied participants in terms of gender, position of responsibility and geographical location.

The survey was conducted over a 6-month period. The average length of the interviews was estimated at 30 minutes. Synchronous interviews were audio recorded, then transcribed and checked for accuracy. Table 2 below describes the characteristics of our sample:

Table 2: Sample characteristics

Respondent profile	Hotel type	Tourist area
Asset Manager	Société de l'investissement touristique au Maroc/ Expertise en tourisme et hotellerie) ¹²	Central Atlantic
Director of a hotel consulting firm / Former revenue manager	YM consulting firm	Central Atlantic
General Manager	Affiliated chain	Marrakech Atlantic
Sales Manager	Affiliated chain	Central Atlantic
General Manager / Former Director of Revenue Management	Affiliated chain	Marrakech Atlantic
Booking Manager	Affiliated chain	North Cape
Cluster Revenue Manager	Affiliated chain	Souss-Sahara Atlantic
Hospitality Consultant / YM Expert	YM consulting firm	Central Atlantic
Booking Manager	YM consulting firm	Marrakech Atlantique

Source: Authors' elaboration

Data Analysis

To examine the data, we used the conceptual grouping matrix developed by Huberman and Miles (1991). According to Miles and Huberman (2003), in a conceptual grouping matrix, columns are arranged in such a way that they bring together items that "go together". This can be done in two ways:

- conceptually, when the analyst has some initial ideas about items or questions deriving from the same theory or related to the same overall theme;
- or empirically, when it is discovered during data collection or preliminary analysis that informants make connections between different questions or give similar answers. In all cases, the basic principle is conceptual consistency.

According to Miles and Huberman (2003), this matrix makes it possible to summarize the various results of the exploratory study.

In this way, the matrix offers a better comparative analysis between responses and respondents,

and enables a more in-depth analysis based on grouping. There is no precise number of dimensions for designing a matrix. The most important thing is that it should be convenient for providing supportable answers to the interview questions. According to Huberman and Miles (2003), the simplest matrices consider two dimensions.

They can, however, integrate several dimensions: each research question can be the subject of a series of matrices.

In the case of our study, 11 open-ended questions were asked in order to identify the five themes mentioned above. These themes form the columns of the matrix.

As for the rows, they represent the interviewees, whom we have divided according to the type of establishment surveyed (chain hotels / YM consulting firm). The resulting matrix is illustrated in Figure 1 below:

Research questions Respondents	The challenges of YM for a hotel	The influence of YM perception on customer attitudes	YM and customer profile	YM scenarios and perceived injustice	The impact of YM perception on customers' behavioral intentions
Chain hotels	<p>Dynamic pricing is the YM technique most commonly used by chain hotels,</p> <ul style="list-style-type: none"> - YM = lowering or raising rates according to season, - YM = enables better management of sales performance, with the aim of optimizing revenue and the average price of sales. - YM = generates more business while optimizing results. 	<ul style="list-style-type: none"> - The majority of hotels surveyed say that customers don't have enough information about hotels' pricing strategies. - Few hotels have a system for collecting information on customer perceptions of YM practices. - The majority of hotels only have a questionnaire on satisfaction with service provision. 	<p>The customer's profile has an impact on his reactions to YM practices,</p> <ul style="list-style-type: none"> - Often, not really, the customer pays for the service sold to him according to his means and expectations. - Generation, socio-professional category, purchasing power, usage status, level of usage and skepticism are all determining factors in customer reactions to YM practices. 	<ul style="list-style-type: none"> - For the majority of hotels surveyed, customers don't have to accept YM practices - they're forced to, - Customers are more willing to accept the launch of attractive offers during off-peak periods, and the personalized attention we pay to building loyalty. - Customers do not accept price optimization during periods of high demand, - Customers do not accept price changes by period and length of stay. 	<ul style="list-style-type: none"> - Negative comments and complaints on platforms, - Changing behavior, customers are becoming more demanding. - A major source of complaints. - Customers want the same rate for any period.
Consulting firms in YM	<ul style="list-style-type: none"> - YM consulting firms use dynamic pricing strategies based on detailed segmentation. - YM = A strategy based on data specific to each hotel, which delivers viable results over time. 	<ul style="list-style-type: none"> - Customers have become increasingly aware of dynamic pricing, which depends on changes in occupancy, - Setting up an information-gathering system depends on the hotel concerned and the resources it is prepared to deploy, - In general, a customer satisfaction questionnaire with one or two questions to determine whether there is a feeling of injustice with regard to YM practices, 	<ul style="list-style-type: none"> - Impact of customer profile on reactions to YM. - Purchasing power is a determining factor in the buying decision 	<ul style="list-style-type: none"> - Customers are more receptive to promotions on stays and special attention. - Do not accept price optimization during periods of high demand. - Do not accept price changes by period and length of stay. 	<ul style="list-style-type: none"> - A representative of a marketing consultancy explained that the feeling of injustice is very personal, but when you explain things clearly, the customer is usually convinced, - Loss of sales and brand awareness. - Some customers leave the hotel. - Reduced quality rating and negative impact on future customer experiences through review sites such as Tripadvisor and Booking.com. - Loss of revenue.

Figure N°1: Matrix with conceptual grouping of collected responses

Source: Author's elaboration

Results And Discussion

On the basis of the analysis of the nine interviews conducted, it was possible to qualitatively examine five major themes, intended to provide a better understanding of our research subject with a view to understanding the specificities of the Moroccan context regarding the practice of YM in chain hotels in Morocco and its impact on Moroccan consumer behavior.

The analysis was made on the basis of an adapted interpretation of the results based on a confrontation between the interviewees' assertions and the literature review. This was done for each of the five themes of our study.

The Challenges of YM in a Chain Hotel

For this first theme, we wanted to find out about the YM techniques practiced by the hotels

concerned, the tools used, and an explanation of the motivations behind the adoption of this practice.

In response to these questions, both categories of interviewees - hotels and YM consulting firms - used the same technique, namely "dynamic pricing", which is based on flexible rather than fixed prices.

As far as the tools used are concerned, two trends emerged from the respondents' statements:

- A category that favors the diversification of fare management through innovative tools such as: Travel Accor Reservation System (TARS), Easy (Ez) Revenue Management Solutions (EzRms), Central Reservation System (CES).

- And a second category that prefers to stick with Excel, PMS¹³ and RMS¹⁴, which remain the most widely used tools in rate management systems in

the hotel industry, while adapting them to the hotel's means, as a YM consultant pointed out:

"It depends on the hotel and the resources it has, but in general: Excel, PMS, RMS and data available from OTAs¹⁵. Statistics and information on the markets targeted by each hotel are essential."

The main reason for using these tools, according to hotel professionals, is the crucial importance of statistics and information concerning the markets targeted by each hotel; in particular, the hotel's previous occupancy statistics, those of the competition and the destination.

This enables them to define distribution rules such as Early Booking for early bookings, or Last Minute for last-minute bookings; as well as real-time pricing.

As a result, all the hotel professionals surveyed use YM for the same reasons: to increase and optimize sales, achieve sustainable results, maximize profitability and better manage sales performance with the aim of optimizing revenue and the average price of sales. They all mentioned the financial stakes and the opportunity to be competitive by playing on price.

Some yield managers also mentioned their passion for numbers and data analysis, the challenge of helping to increase revenue, and their admiration for the system, whether RMS or PMS.

Result 1: The practice of YM is used for the benefit of the company to maximize revenue, the customer seems to be forgotten in this approach.

The Influence of YM Perception on Customer Attitudes

Based on the matrix synthesis, the results showed that the majority of hotels surveyed stated that customers do not have enough information about hotel pricing strategies. However, for YM consulting firms, customers have become increasingly informed about dynamic pricing, which depends on changes in occupancy.

There is some debate about the transparency of pricing information: some hotel professionals claim that these pricing strategies are clear, precise and reliable from the customer's point of view; others express the opposite view, stating that this is not yet the case. In fact, they admit that customers are not sufficiently informed, and that

they try to explain to them, generally at their request, the reasons for this pricing method.

Thus, in response to the question of whether customers have enough information about the practice of YM, the general manager of a chain hotel in the Marrakech region said:

"In Morocco, not enough, we try to explain it to them if necessary".

For his part, a Yield Manager from a chain hotel in the Casablanca region, when asked the same question, replied:

"No, I'd say 30% of customers understand why they pay more than other customers for the same room and the same period (others have no concept of yielding)".

In contrast, a director of a YM consulting firm said:

"This wasn't the case over 13 years ago when I started YM/RM, but today it is. It's been an uphill battle to establish a system of trust in relation to dynamic pricing in Morocco, but it's gradually coming together."

In addition, we asked two questions to find out whether hotel professionals have set up a system for collecting information on their customers' perceptions of YM practices. If so, what information is collected, and if not, why not?

The majority of hotel representatives interviewed have not set up a system for collecting information on their customers' perception of YM practices, but feel that it would be a good idea to set up tools that would enable them to see the impact of YM on customer behavior. They noted that they don't have them, as the resources and tools for deployment have to be put in place.

However, some managers mentioned that in the questionnaires sent to customers after their stay, there were questions designed to assess only customer satisfaction with the quality of the service, while customer perception of prices through YM was not mentioned.

An analysis of the results obtained reveals that hotel professionals in all categories take a major interest in customer satisfaction, but few of them have a system for collecting information on YM's perception of prices.

On the other hand, for those who have implemented it, they declare it to be an effective

means of gathering relevant information for better customer segmentation. This segmentation enables them to optimize overall revenue, but also to spread demand and prevent it from being concentrated solely on the lowest available rate. The segmentation stage is essential to ensure a good YM, contributing both to profitability and to the personalization of the fare offer. In fact, having information on customers during the reservation period enables the hotel to consider their behavior in detail, thus facilitating tailor-made rate communication.

As the general manager of a hotel belonging to a hotel chain in the Marrakech region noted on this subject:

"This system enables us to gather a huge amount of information, so that we can get to know them better and target the offers we present to them in detail".

As for YM consulting firms, they emphasized the importance of devices for gathering information on customers' perceptions of YM practices:

"Today, 88% of consumers consult reviews before making a purchase (service or product). - Forbes. So yes, of course," said one YM expert."

As far as YM consultants are concerned, the point of this system is to gather as much information as possible on how customers perceive the practice of YM, which in particular enables them to perceive whether there are any negative feelings being created among customers in this respect.

A director of a YM consulting firm stated that:

"It all depends on the hotel concerned and the resources it is prepared to deploy. But in general, a questionnaire about customer satisfaction, one or two questions about RM¹⁶ practices, to see if there's a feeling of injustice".

This verbatim shows the embarrassment we have noticed among certain professionals who themselves believe that YM pricing can be considered an unfair practice. So, from these results we draw our second finding:

Result 2: Low-rate transparency on the part of hoteliers and lack of information-gathering mechanisms on price perception by the YM for the majority, even though they are aware that this can generate a negative feeling among customers, particularly a perception of unfairness.

The Influence of Customer Profile on Reactions to YM

With regard to this 3rd theme, a reading of the matrix revealed that for both categories of respondents (chain hotels and YM experts), the majority responded that the customer's profile is a determining factor in their reactions to YM practices.

They agreed that the criteria of generation, socio-professional category, purchasing power, usage situation and price sensitivity were the most influential, but to varying degrees.

In fact, some of them stated that purchasing power was the most important factor in customers' reactions in this respect, along with socio-professional category; while others judged price sensitivity to be more decisive, regardless of social category.

Nevertheless, some of the hoteliers interviewed made the point that the quality of service perceived by customers is what they pay for, and that they pay according to their expectations in terms of quality. As the manager of a chain hotel in the Marrakech region put it:

"No, not really, the customer pays for the service according to his means and expectations".

Our 3rd result from these analyses is as follows:

Result 3: The customer's profile is a determining factor in his reactions to YM practices, which differ according to the following main criteria: generation, socio-professional category, purchasing power, usage situation and price sensitivity.

YM Scenarios and Perceived Unfairness

To understand the different YM scenarios and perceived unfairness, we asked our interviewees, based on their experience, to shed light on the practices least accepted by their customers.

For the majority of hotel professionals interviewed, including YM consultants/experts, the customer doesn't really have a choice about whether or not to accept YM practices, as they are imposed on them. The general manager of a chain hotel clearly explained that:

"He doesn't have to accept it, it's imposed on him. He chooses between different competitors according to his needs, who ultimately have the same practices: raising or lowering prices

according to various criteria specific to all of them".

Furthermore, the matrix shows that customers do not accept price optimization during periods of high demand, which inevitably translates into higher rates per period and length of stay in high season. On the other hand, they more readily accept lower rates and good deals, the launch of attractive offers during off-peak periods, and the personalized attention they receive in order to build loyalty.

Representatives of consulting firms reinforced this view of customer price orientation through YM, confirming that customers have difficulty accepting dynamic pricing.

Yield managers have revealed that allotments¹⁷ during periods of high demand are also practices that are not accepted by customers, especially when the hotel is fully booked, even though there is still availability in this hotel with OTAs¹⁸ at a different price. Customers generally don't understand that hotels have allotment contracts with their sales intermediaries.

Result 4: YM practices are only accepted by customers when they involve the lowest possible rates, or personalized attention to build loyalty.

The Impact of YM Perception on Customer Behavior

By reading the matrix, we were able to identify the multiple consequences of YM perception on customer behavior, which obviously affect a hotel's performance. The interviewees, all categories taken together, attach the utmost importance to changing customer behavior, which is becoming increasingly demanding.

Some respondents point out that despite the difficulties customers have in understanding the techniques of differentiated and dynamic pricing in a hotel, they continue to make their reservations. As the general manager of a chain hotel in the Marrakech region put it:

"At first, customers don't understand the difference in rates for the same service, but they end up understanding and paying when they dig deeper".

Experts have focused on the transparency of pricing information to reduce customers' perception of unfairness. A director of a YM consulting firm stated that:

"The feeling of unfairness is very personal, but when you explain things clearly, the customer usually ends up being convinced. Sometimes he asks to see, and I do. This even creates an interesting close relationship, as the customer himself asks to be kept informed of promotional offers, for example."

However, the majority of those interviewed stated that customers demand the same rate for any period, and can sometimes react negatively to this.

The representative of a hotel belonging to a hotel chain in the Agadir region said:

"Generally, customers accuse hotels of rip-offs".

In addition, others mention that the perception of unfairness with regard to prices by the YM can be the source of the customer's lower purchase intention by abandoning the hotel establishment, as a yield manager representing a chain hotel in Tangier pointed out:

"Sometimes some customers leave the hotel".

In the same vein, another yield manager at a chain hotel confirmed:

"Customers often threaten to go to the competition".

Analysis of the responses gathered shows that the perception of unfairness with regard to pricing by the YM has consequences for customer behavior. Most often, this manifests itself in negative comments and complaints on online review platforms. This is what emerges from the comments of an Asset Manager¹⁹ representing a tourism investment company in Morocco/ Expertise en tourisme et hôtellerie, on the most frequent reactions among customers with a negative perception of YM practices:

"A double consequence: a drop in quality rating and a negative impact on future customer experiences through review sites such as TripAdvisor and Booking.com."

YM's perception of price unfairness is not without consequences for hotel performance. Hotel professionals all emphasized that it mainly involves a loss of sales, revenue and brand awareness.

Finding 5: YM's perception of unfair pricing is a primary source of negative word-of-mouth via online reviews. It is also a source of lower

purchase intent. This in turn has an impact on the hotel's performance

Conclusion

In this article, we have presented the results of a study on YM price perception in the Moroccan hotel chain. To conduct our research, we used a qualitative approach based on semi-directive interviews with professionals divided into two categories: hoteliers and YM experts/consultants.

This study highlighted the way in which these professionals practice YM, as well as the angle from which they see the influence of customers' perception of YM on their attitudes.

The results of this study show that YM is systematically practiced in Morocco's chain hotels, using a variety of tools, with each hotel depending on its preferences and the means at its disposal that it is willing to implement.

However, the majority of chain hotels and YM consulting firms surveyed have not yet put the customer at the heart of their dynamic pricing approach. Yet, this can generate a sense of injustice among customers, and consequently have a negative impact on their behavioral intentions, which is not without negative consequences for the performance of the hotel in question.

Thus, for almost all respondents, YM is practiced primarily for the purposes of optimizing sales and increasing revenue. While admitting that customers do not accept this optimization, hotel professionals remain rather focused on customer satisfaction, and very few are thinking of setting up a system for collecting information on customer perception of prices, in order to get to know them better and make a detailed segmentation of the offers to be presented to them. This would avoid any risk of perceived unfairness in this respect, which could lead to negative behavior towards the hotel.

The professionals also pointed out that the current context is marked by a clear evolution in travel culture, which has become more widespread and allows customers to see that

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hotels all over the world practice YM. As a result, customers who reject this practice are ultimately forced to accept it, because even if they turn to the competition, they will find themselves confronted with the same pricing practices, and will end up paying, given that YM pricing has become an inescapable practice in the hotel industry.

Consequently, in addition to the efforts made to improve service quality, it would be advisable to reduce the opacity surrounding YM's pricing by explaining and justifying the reasons behind the adoption of differentiated pricing, with a view to guaranteeing greater pricing transparency. This would reduce negative customer perceptions and the risk of a feeling of injustice with regard to this practice.

In addition, the system for collecting information on customer perception of prices is of paramount importance. It would enable us to better understand the specific characteristics of each customer, and, thus, to better achieve a detailed segmentation that is satisfactory for the customer and profitable for the hotel establishment. The aim is to move from a business-oriented to a customer-oriented approach.

In conclusion, it should be noted that the results of this study represent a first step towards understanding the practice of YM in the Moroccan context, but cannot claim to be exhaustive. Indeed, there is no single explanation for these results. It may be due to the culture of the hotel establishment: is it customer-oriented, or rather a revenue-optimization-oriented culture? Furthermore, comparison with studies carried out in similar contexts could shed further light on the subject.

In addition, the results would gain in relevance by broadening the sample and taking into account data from the exploration of consumers' opinions on YM practice. This leaves the way open for future research perspectives.

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Notes

¹ Company operating in tourism investment and management. Its mission is to ensure the planning and development of integrated tourist resorts, the development and operation of hotel assets, hotel management and golf course management.

¹ In Legohérel et Poutier (2017)

² In Legohérel et Poutier (2017)

³ A no-show is when a guest who has booked a room does not show up without cancelling the reservation.

⁴ A Channel Manager works as a software-as-a-service to feed and automate the various online distribution channels or IT platforms chosen by the user, in order to sell hotel inventory to various agents worldwide without risking overbooking.

⁵ <https://www.hotel-skipper.fr/taux-doccupation-dun-hotel>

⁶ <https://www.tendancehotellerie.fr/articles-brevs/publireportages/11870-article/calcul-du-revpar-et-autres-indicateurs-cles-de-performance-dans-l-hotellerie>

⁷ <https://www.tendancehotellerie.fr/articles-brevs/publireportages/11870-article/calcul-du-revpar-et-autres-indicateurs-cles-de-performance-dans-l-hotellerie>

⁸ Marketing and economic research company specializing in tourism, MICE and hotels

⁹<https://www.tendancehotellerie.fr/articles-brevs/communique-de-presse/11558-article/hotellerie-les-voyageurs-sont-majoritairement-contre-les-tarifs-flexibles>

¹⁰In meatchi (2019)

¹¹ The international trade show for professional equipment for the hotel, restaurant, catering, wellness and leisure industries was held from March 16 to 20, 2022 at the Mohammed VI Exhibition Park in El Jadida.

¹² Company operating in tourism investment and management. Its mission is to ensure the planning and development of integrated tourist resorts, the development and operation of hotel assets, hotel management and golf course management.

¹³ Property Management System (PMS)

¹⁴ Revenue Management System (RMS)

¹⁵Online Travel Agency

¹⁶ "I speak, practice and teach RM rather than YM, because Revenue Management encompasses more criteria, and in particular customer satisfaction, which is now an essential element in any strategy aimed at optimizing hotel results". Director of a Yield Management consulting firm.

¹⁷ In the hotel industry, allotment refers to a block of rooms reserved in advance by a wholesaler, whose job is to market them to the general public throughout the season. It is the number of rooms contractually allocated by a hotel to a tour operator.

¹⁸ Online Travel Agency

¹⁹ Ex Yield Manager at Accor