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The Customer Experience of a Hostel in Lisbon: A Booking.com category analysis

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ISTA

June 2024

Department of Marketing, Operations and General Management

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Dedication and acknowledgements

First of all, I would like to thank my parents and brother, because without them I would not have entered the master's degree in the area that I love so much, and I would not have had the capacity to get here. Despite all the setbacks that occurred throughout my academic life and, in particular, during the completion of my thesis, there was never a single moment when they doubted me or did not support me. Therefore, they will always, without a doubt, be my first and greatest source of inspiration.

Secondly, I would like to thank all the remaining loved ones in my family who always had a word of sympathy and comfort to give me. I admit that it was not always easy, that there were moments when I almost wanted to give up, but I was always guided by good examples that gave me courage and strength to hold on and fight to finish this project, which is such an important chapter in my life, not only as a student, but on a personal level too.

Then, a huge thank you to my managers, for teaching me so much along the way and for trusting me to do this analysis of their company, and to my colleagues. Thank you for always showing me love, compassion, support, and availability, not only in my thesis but also in my life as an employee and a person. Also, a special thank you to Alice and Mr. João, who have taught me so much over the last year and who have given me so much strength with the wisdom and encouragement that only they have.

I would also like to give a warm thank you to my colleagues from the master's program, the student association, and my best friend for accompanying me every day on this long journey and for giving me support at all times.

Finally, I would like to thank my tutors for their support and patience throughout this journey and for all the advice they gave me.

Resumo

O crescimento do turismo em Portugal tem sido um desafio para as empresas da indústria hoteleira, no entanto, tem permitido o crescimento e desenvolvimento de novas formas de alojamento. Assim, o objetivo deste estudo é analisar o impacto de seis caraterísticas específicas na experiência do cliente, de modo a perceber como é que estas podem influenciar a perceção da qualidade do serviço prestado e, consequentemente, a satisfação do cliente.

Considerando o ramo dos hostéis, este estudo foca um Hostel em particular, localizado em Lisboa. Desta forma, as seis categorias fundamentais analisadas entre o primeiro dia de maio de 2022 e o primeiro dia de outubro de 2023 foram: "Localização", "Staff", "Conforto", "Comodidades", "Relação Qualidade-Preço" e "Limpeza". Os dados foram recolhidos e analisados a partir da plataforma Booking.com, de modo a concluir os aspetos que mais impactam a experiência e satisfação do cliente, positiva e negativamente.

Os resultados obtidos permitem concluir que todas as categorias têm partes positivas e negativas para a cotação geral do Hostel, uma vez que são bastante abrangentes e subjetivas. Ainda assim, pode concluir-se que a categoria analisada com maior número de menções negativas na página da Booking.com relativa a este Hostel é a categoria das comodidades, onde quase 50% da parte negativa dos comentários menciona, pelo menos, uma faceta associada a esta categoria. Por outro lado, a categoria com maior destaque positivo para o Hostel é a localização, com cerca de 54% de menções positivas no período analisado.

Palavras-Chave: Hostel, experiência do cliente, satisfação do cliente, booking.com.

JEL: D84: Expectations; Speculations

JEL: Z31: Tourism: Industry Studies

Abstract

The growth of tourism in Portugal has been a challenge for companies in the hospitality industry, however it has also allowed for the growth and emergence of new tourist accommodation. The aim of the study was to analyze the impact of specific characteristics on the overall customer experience in order to understand how these characteristics could impact the quality of service and, consequently, customer satisfaction.

Considering the hostel industry, this study analyzes the situation of a specific hostel located in Lisbon. The seven key categories analyzed between the first of May 2022 and the first of October 2023 were: "Location", "Staff", "Comfort", "Amenities", "Value for money", "Cleanliness" and “Breakfast”. The data was collected and analyzed from the Booking.com platform, in order to conclude the aspects that most impact the customer experience and satisfaction, both positively and negatively.

The results show that all the characteristics have both positive and negative effects on the hostel's overall rating, since they are all quite broad and subjective. Even so, the category with the highest number of negative mentions on the Booking.com page for this Hostel is the facilities category, where almost 50% of the negative comments mention at least one facet associated with this category. On the other hand, the most positive category for the Hostel is the location, with around 54% of positive mentions in the period analyzed.

Key Words: Hostel, customer experience, customer satisfaction, booking.com.

JEL: D84: Expectations; Speculations

JEL: Z31: Tourism: Industry Studies

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1. Introduction

Customer experience is crucial for business development and growth, especially in the highly competitive hospitality industry (Singal, 2015). Since this industry is defined by the provision of services, it is essential that the services offered meet or exceed customer expectations to ensure satisfaction and encourage repeat visits. This company project seeks to comprehensively analyze the factors influencing customer experience and satisfaction at a specific hostel in central Lisbon, encompassing both positive and negative aspects. The analysis will consider internal and external factors that potentially affect guest experience, including staff performance, comfort level, facilities, value for money, cleanliness, and location, based on guest reviews on Booking.com (Rhee & Yang, 2015). Additionally, the study will explore the general client perspectives, such as individuals, couples, families, and groups. Through an in-depth analysis of customer reviews and experiences, the project aims to formulate precise and effective strategies to enhance the hostel's overall performance (Chu, 2002). Therefore, the study intends to clarify the alignment between customer expectations and their actual experiences within the hostel, explore how various aspects of service quality (such as staff interactions, facility conditions, and comfort levels) impact customer satisfaction in hostels and understand the distinct needs and expectations of different customer segments (including solo travelers, couples, families, groups).

Since the hostel concept is relatively new in Portugal, with the first hostel opening in 2005 (Lima, 2016), and given its unique structure and pricing (Veríssimo & Costa, 2019), it is crucial to understand how customer perceptions affect overall ratings on Booking.com. This understanding can help improve hostels' brand image and attract potential customers. As a relatively new and unfamiliar concept, there is still a significant lack of information about hostels' specific features, affecting both those seeking to learn more about them and those booking stays. Consequently, with the rapid growth and expansion of this type of accommodation – originally characterized by communal spaces and shared rooms (Veríssimo & Costa, 2018) and now also offering private rooms (Lima, 2016)—there may be some confusion when compared to traditional accommodations like two- or three-star hotels.

Clear and concise information is important to understand the Hostel's background and the components that will support the study. Therefore, through the literature review, it will be possible to slightly understand the development of tourism in Portugal and the role of

hospitality as a strand of tourism. Although hospitality is a very broad concept (Veríssimo & Costa, 2019), encompassing various realities such as catering, accommodation, or events, it is in the area of lodging that the work will focus, more specifically in a specific type of accommodation - Hostels. Thus, in order to support the study in a concise way, it is important to deepen topics such as customer experience, satisfaction, and service quality, as they may allow the company to achieve its objectives and grow at the economic and structural level. Furthermore, for the proper growth of the company, the external and internal contexts should also be considered, in order to better understand the Portuguese market and the Hostel competitors.

2. Literature Review

This first section will provide information to build the basis of the whole work, helping to understand the existing perspectives of the customer experience in the hostel context. For that, it is important to find out how the hostel concept came about and where it comes from, as well as how tourism in Portugal has evolved in several aspects. Furthermore, it is also important to comprehend the concepts of Customer Experience, Service Quality and Customer Satisfaction, because these factors serve as the foundation for building the customer journey and customer's impression of a place.

2.1 Development of tourism in Portugal

Tourism is a complex concept that incorporates accommodation, food and beverage, transportation, cultural services, experiences, and tours (Veríssimo & Costa, 2019) having notorious impact in a country, whether at the economic, social or political level (Garcia, 2014). Therefore, it is essential that governments develop guidelines related to price definition, mobility, laws, social media communication and technology development, as a foundation for the development of tourism in each country (Serra, Correia, & Rodrigues, 2014).

Nevertheless, the concept of tourism is still not linear. For some people, tourism is not a new phenomenon, but more like a process that characterizes the customer behavior over years (Butler, 2015). According to the United Nations World Tourism Organization (UNWTO), "tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes" (United Nations World Tourism Organization, 2023). Nonetheless, and despite the fact that tourism is getting more accessible and global, tourists are mainly described as people who have the willingness and desire to try different activities and products, and that have the availability of money and time to do it (Serra, Correia, & Rodrigues, 2014).

In Portugal, although there has been a growth in tourism over the years, as it began to be seen as a source of income and to receive more support from the Government, this growth has

not been convergent, and there are large discrepancies between the regions with the highest growth – Lisbon, Porto and the Center region – and the rest of the country (Andraz, Norte, & Gonçalves, 2015). According to reports from Statistics Portugal, compared to data from 2019, in 2022, the Lisbon Metropolitan Area showed a growth of 121.1% in overnight stays, standing out from all the other regions. Even so, the Autonomous Region of Madeira and the Northern Region of the country also showed significant improvements with growths of 90.9% and 86.6%, respectively (Instituto Nacional de Estatística, 2023).

Depending on the type of the business, location might be a crucial factor for hospitality and tourism evaluation, determining some important values for business such as the level of demand, the performance, or the customer satisfaction (Cró & Martins, 2017). If a company chooses to build a new Hotel or Hostel, it needs always to consider the surrounding attractions, accessibility, and stores, since they will have a huge impact on the business (Chu, 2002).

In economic terms, despite the discrepancies throughout the Country, tourism is having an increasingly strong and beneficial impact (Andraz, Norte, & Gonçalves, 2015), helping the creation of jobs and companies, and the development and recreation of infrastructures (Singal, 2015). In fact, in the first quarter of 2023, activities linked to the tourism sector employed 322,000 people, 56,000 more than in the same period of the last year, representing a growth of 21%. As a result, the population employed in this sector, accounted for 6.6% of Portugal's Gross Domestic Product (Turismo de Portugal, 2023). In order to keep increasing the number of employees in this sector, it is crucial for companies to invest in real estate and land, increasing its business through new construction or renovation and equipment that differentiates it from existing companies (Singal, 2015). In the tourism industry, products and services tend to be very similar to each other, so companies should consider the needs and desires of their customers when developing their business in order to succeed and differentiate themselves from other companies in the same industry (Chu, 2002).

2.2 Hospitality in the tourism industry and the appearance of the Hostel Concept

Hospitality is considered an industry with low barriers to entry, and high barriers to exit, requiring a lot of investment in buildings (Singal, 2015). In order to better describe the meaning of Hospitality, it can be characterized as the art of exchanging products and services

between hosts and guests, in a specific venue, such as a hotel, an hostel, a cruise ship, a bar, a restaurant, a casino, a theatre or an airport (Slaterry, 2002). Also, being based on interaction with guests and the provision of services that can have various interpretations depending on who is evaluating them, the Hospitality industry is considered a very complex sector (Veríssimo & Costa, 2019). Furthermore, the hospitality industry is getting more diversified due to tourism development over the years and, nowadays, although hotels are still the most important and common lodging in Europe, new ways of accommodation are arising (Cró & Martins, 2017).

Hostels first appeared in 1912 in Germany. This new way of lodging is characterized by communal facilities, not only in terms of common areas for leisure or work, but also in terms of beds, with the appearance of shared rooms (dormitories) - male, female or mixed - where people can book by bed, rather than by room and share the space with other people from all over the world (Veríssimo & Costa, 2018). However, despite their unique characteristics that differentiate them from other types of accommodation, hostels have been evolving not only at the structural level, but also at the price level (Veríssimo & Costa, 2019). In fact, when hostels first appeared, apart from the common areas, one of the main reasons for tourists to choose this type of accommodation was its lower price (Lima & Vicente, 2017).

Initially, hostels were mostly described as a place for young travelers who wanted to get to know other cultures and interact with people who were in the same situation as them; however, nowadays, hostel owners have started to expand the business and create private rooms where they can receive other type of travelers (Lima, 2016). In addition, the price level has also changed, and today the prices are not as low as when the concept first appeared (Veríssimo & Costa, 2019). Nevertheless, according to a study conducted by Lima and Vicente (2017), despite all the atmosphere and infrastructure offered by this type of accommodation and the price charged, there are still people who choose to stay in hostels just to sleep after exploring a new city.

In Portugal, the first hostels appeared in 2005, without any kind of state support or specific legal framework. Later, in 2008, they began to be characterized as a type of local accommodation and to be licensed by municipalities, as spaces for the provision of temporary accommodation services to tourists, according to a previously stipulated remuneration (Lima, 2016).

2.3 The emergency of Online Booking technologies

Over the years, alongside the emergence of new types of accommodation, there has been significant technological development that hospitality companies have endeavored to adopt and integrate (Hu & Olivieri, 2021).

Globalization has prompted some companies to invest in their own websites or partner platforms, aiming to distinguish themselves from other hospitality establishments and enhance their market presence. This strategy includes enabling online bookings and providing detailed information and photos of the property in advance (O'Connor & Murphy, 2004). Furthermore, online websites have become drivers of the customer experience, as these allow the construction of expectations and visions of what to expect, based on overall scores and/or single attributes rating (e.g. comfort, location, staff) (Nicolau, Mellinas, & Martín-Fuentes, 2020).

In this way, it is possible to start building a pre-stay experience for customers while creating a brand image of the whole organization, using these new technologies as a sale agent for the company, simplifying the connection between the host and the guest (Lampinen & Cheshire, 2016). The most well-known e-tourism platforms are Airbnb, Expedia and Booking.com.

Airbnb can be described as one of the most transformative and innovative digital platforms in the tourism sector. Through this platform, guests can temporarily rent and make reservations for a lot of accommodation, such as houses, private rooms, and apartments, making their decisions considering photos and property descriptions, but also on previous guests' reviews (Guttentag, 2019).

Furthermore, in 1996 a new e-tourism page called Expedia was launched, in order for guests to be able to explore new destinations and book a room or a full house for their vacations. However, unlike Airbnb, Expedia makes it possible for guests not only to book the establishment where they will spend their vacation, but also the flights and some activities they want to do during their vacation allowing them to organize their entire trip from the comfort of their own home (Law & Chen, 2008).

Also in 1996, according to Booking.com official website (2023), Booking.com was created as Booking.nl, by a student at the University of Twente, in Netherlands. Starting as a

small start-up for a globally known digital travel company, Booking.com, have, nowadays, the capability to connect people from all over the world through the digital demonstration of several hotel spaces in different countries around the world. As a partner of accommodation which it promotes, in its contract clause, Booking.com, apart from receiving a percentage of the establishment's sales, also establishes that the property cannot sell its facilities at prices lower than those listed on the site (Federal Supreme Court of Germany, 2021). Furthermore, Booking.com has become a veritable source of reviews, where only guests are able to review a property after their stay has ended (Leoni & Boto-García, 2023).

In addition to online platforms for customers to make reservations and rate properties, there are internal platforms used by hoteliers to help them manage their bookings and properties, improving their operational and strategic decisions (Pucciani & Murphy, 2011), such as OPERA Hotel Property Management Solutions or YnnovBooking, a Portuguese platform created in 2010 to assist in the management and growth of hotel businesses (Ynnov.pt, 2024).

2.4 Customer Experience

Customer experience is directly connected to customer satisfaction and service quality and can be seen as a key part of hospitality (Oh, 1999).

According to Brakus, Schmitt and Zarantonello (2009), a brand experience is a mixture of sensations and behavioral responses to a stimulus provoked by a brand, which can be caused by colors, shapes, designs, slogans, among other characteristics. Schmitt (1999) proposed the existence of five experience dimensions that are: sensory, affective, intellectual, behavioral, and social, which are related with each other, since experiences may have an impact on different levels (Brakus, Schmitt, & Zarantonello, 2009). For example, the reception of a hostel can provide simultaneous stimulus for guests when their design is full of color (sensory) with some paintings on the walls (intellectual), and background music (sensory) which can transport guests to a warm and familiar environment (affective).

Besides the characteristics mentioned above, there are many others that can deeply impact the business and customer experience. For example, if customers have a positive experience in terms of cleanliness, value for money, location, staff, convenience, and other services

provided by the accommodation, they will be more satisfied and is more likely that they stick to the brand and, consequently, share a positive review through online platforms or through personal word-of-mouth (Veríssimo & Costa, 2019). Therefore, in order to succeed in this market, since competition is increasing due to the emergence of new types of hosting and the complexity of the market, it is crucial for companies to invest in customer relations and loyalty. To build loyalty, companies must create unique customer experiences so that, regardless the price charged, the customer will continue to prefer their services over similar ones that may come along (Singal, 2015).

Consequently, satisfied guests often lead to new bookings, as it has become increasingly common for people to share their experiences on e-tourism platforms. These reviews aid prospective guests in their decision-making process and enhance their expectations before their stay (Díaz & Rodríguez, 2018).

However, aligning customer and manager perspectives can be a barrier to a good customer experience. The customer experience is subjective, which means that sometimes hotel manager or staff intentions may differ from customer perceptions and expectations (Nicolau, Mellinas, & Martín-Fuentes, 2020). Thus, it is essential for hotel managers to invest in ways to better understand customer's needs, both before and during their stay, to satisfy both parties and fulfill guests' expectations (Cetin & Walls, 2015).

When evaluating customer experience, the comfort of the room, cleanliness, location, value for money, staff and facilities are usually indicated as relevant factors to consider (Rhee & Yang, 2015). The comfort of the room is directly linked to the perception of the guest about the quality of the bed, bedding set, hostel's mattress and pillow (Rhee & Yang, 2015) but also with air temperature and humidity of the room, which can vary depending on the season (Faheem, Bhandari, & Tadepalli, 2023). The location is related to the proximity to parking lots, the airport, public transport, and main attractions. Each client chooses the location that best meets their needs, since is usually depends on the places they are planning to visit (Rhee & Yang, 2015). The staff must act according to the standards of the property and adopt proper language when contacting with guests (Leoni & Boto-García, 2023). Regarding the facilities, hostels are usually characterized by different typologies of rooms – not only private, but also dormitories – and by the diversity of common spaces offered, such as shared kitchens, lounges where guests can socialize, terraces, among others, depending on the accommodation chose (Edwards, 2012). When it comes to value for money, the scores are

usually lower than satisfaction related scores, with guests being more sensitive to monetary than non-monetary factors (Leoni & Boto-García, 2023).

On Booking.com, customer experiences of each category are given according to four different smiley faces, which have an equivalent numeric scale of 2.5 for poor, 5 for fair, 7.5 for good and 10, for excellent. Furthermore, from the value given per category, an overall average score will be calculated as overall review of the property (Leoni & Boto-García, 2023). As a result, dissatisfaction with, at least, one attribute, can damage the overall review of a customer (Mellinas, Nicolau, & Park, 2019). On the other hand, given that the scale used is between 2.5 and 10 points, the results associated with Booking.com tend to be higher than those of other platforms that use ladders of 1-10 points (Leoni & Boto-García, 2023). Reviews can also be categorized by type of clients, such as couples, families, individual travelers or groups, and reason of trip – leisure or work – which may affect the way each stay is perceived (Berezina, Bilgihan, Cobanoglu, & Okumus, 2015).

2.5 Service Quality

Tourists are increasingly demanding quality products and services, and therefore companies should define minimum quality standards. In the first stage, quality was associated with the physical part of products, being a defect-free product, a quality product. Nowadays, quality is also associated with services - intangible, heterogeneous, and inseparable (Parasuraman, Zeithaml, & Berry, 1985).

In the realm of hospitality, services are fundamentally intangible, despite often being associated with physical products such as a comfortable bed, quality food or infrastructure. They cannot be touched, seen, tasted, felt, heard, or smelled before consumption. Services exhibit heterogeneity, meaning their production and perception can vary significantly based on the perspectives of both the service provider and the recipient. This characteristic underscores the inseparability between the production and consumption of services in hospitality. Furthermore, unlike physical goods, services are produced and consumed simultaneously, meaning that while one person provides a service, another person receives that same service, thus being inseparably connected (Sparks, Mok, & Kadampully, 2001). Therefore, hotel companies should invest in their employees in terms of behavior and

attention to customers, as the staff is a very important factor in customer evaluation, since it is the first contact with guests when they arrive (Farias, Valença, Sobral, & Ribeiro, 2022).

Nevertheless, Parasuraman, Zeithaml and Berry (1985) proven that, despite companies' efforts, gaps may exist between the service provided and consumers' perceptions, given that customers' expectations are unpredictable (Parasuraman, Zeithaml, & Berry, 1985):

Gap 1: Management's perception of customer expectations may be different from what the customer actually expected, given what he/she heard about a service.

Gap 2: Even if the company management has a good understanding of what the customer expects from a service, it may not be able to deliver the proposed service quality due to external factors such as resource constraints and market conditions and rules.

Gap 3: Service quality specifications may differ from the service actually delivered to the customer.

Gap 4: The service delivered may differ from the service that was initially advertised, since being intangible, it is difficult to predict.

Gap 5: The expected quality does not match the perceived quality of the service.

Given these gaps, in 1988, Parasuraman, Zeithaml and Berry (1988) developed a multiple-item scale for measuring consumer perceptions of service quality, called SERVQUAL, based on five dimensions that they believe that can improve service quality:

Tangibles: Physical characteristics associated with services, such as facilities, equipment, and staff appearance.

Reliability: Ability to perform consistently well the service promised.

Responsiveness: Disposition to help customers and provide prompt service.

Assurance: Confidence of employees, which can lead to customers' confidence in a service.

Empathy: Individualized and unique attention to his customers.

(Parasuraman, Zeithaml, & Berry, 1988)

With hospitality market booming, it is crucial for companies to be able to focus on a model that allows them to achieve real quality service and customer-perceived value (Hu,

Kandampully, & Juwaheer, 2009), since service quality is directly linked with customer satisfaction. Guests evaluate their stay depending on the perception built by the service provided, considering their expectations (Campos-Soria, García, & García, 2005). These expectations can be built, mostly, by the communication made by the company or from previous guests' reviews which usually impact not only the customer behavior and intention to book the property, but also the company service performance, being a crucial part of service quality measure for hospitality (Díaz & Rodríguez, 2018). Hotel and hostel scores are decisive for customer's decision and real indicators of satisfaction (Nicolau, Mellinas, & Martín-Fuentes, 2020).

2.6 Customer Satisfaction

Customer satisfaction should be one of the main goals of every company, as it can lead to new reservations, the creation of customer loyalty and positive word-of-mouth, which can improve the company's market share, competitiveness, and profitability. Thus, it is important for companies to have continuous monitoring of reviews and feedback given by guests in order to achieve better results (Chu, 2002), as it is by satisfying the customer's expectations that a business can grow (McNeilly & Barr, 2006).

In fact, satisfaction is an emotional reaction to a specific experience provided by a company who delivers some kind of product or service with a specific value, that can be (or not) recognized by the customer (Hu, Kandampully, & Juwaheer, 2009). Customer satisfaction or dissatisfaction is the result of an entire experience and is therefore difficult to predict and measure as it depends on customer perceptions and expectations (Nicolau, Mellinas, & Martín-Fuentes, 2020). To measure customer satisfaction, it is important to consider all the phases of a tourism experience, that is, the pre-stay, the stay and the post-stay, where we can highlight, for example, the planning of the trip, the transportation, the reception of the clients, the treatment during their stay and the post-stay treatment (Neal & Gursoy, 2008).

According to Oliver (1980), when analyzing customer satisfaction, we need to keep in mind the expectancy disconfirmation theory, which holds that customer satisfaction or dissatisfaction is a result of how well the product or service offered by the company can satisfy the customer's needs and wants. Therefore, if the product offered by the company is

better than what the person expected, it is considered that there was a positive disconfirmation, and a fulfilment of the customer needs. On the other hand, if customer's expectations were higher than the product or service offered, it is considered that there was a negative disconfirmation and, consequently, customer dissatisfaction (Oliver, 1980).

As customer satisfaction is something personal, it is not easy for companies to create value for all the customers, since value is related to their own perception of their experiences and the price paid for those experiences (Díaz & Rodríguez, 2018). When money is considered, satisfaction usually occurs when there is a positive relation between the amount paid and the service received (Nicolau, Mellinas, & Martín-Fuentes, 2020).

Therefore, and given the evolution of tourism in Portugal and worldwide, it is increasingly important that companies invest in their guests, not only at the minimum level of satisfaction, but at a level that makes them want to come back, delighting them. Some ways of differentiation in the hospitality industry can be the unique and special treatment of each guest, giving them souvenirs when they check-out and recognizing them when they return (McNeilly & Barr, 2006).

High service quality can lead to superior perceived value, favorable perceptions, word-of-mouth, and, ultimately, customer satisfaction. Thus, it is important for companies to achieve high levels of performance and quality, maintaining them over time and communicating them in a correct and transparent way, keeping current consumers and creating interest for potential ones (Hu, Kandampully, & Juwaheer, 2009).

3. Company Contextualization

In 2012, a 22-year-old man from Alentejo, started to create his own business, after finishing his studies at Iscte Business School.

It all started by renting rooms in his apartment. Later, the possibility arose to, together with the owners, manage the rental of an entire floor of a building, built in the 30s, in the center of Lisbon where there were about ten rooms and, given the success of his business, the Hostel was born, floor by floor, until it acquired the six floors of the building, in 2019.

With the goal to help all their clients making their lives and travels happier, enjoyable and easier, the Hostel is managed by the founder and his two brothers and has more than twenty employees who help managing the sixteen quadruple ensuites, sixteen double rooms with private bathroom, two quadruple rooms, one apartment for six people, two eight-bed female dormitories, one eight-bed male dormitory, one 12-bed mixed dormitory, and more than fifteen apartments scattered throughout the center of Lisbon.

In addition, the Hostel also offers guests the opportunity to take advantage of the common areas on the first floor, regardless of their age. Here, they can enjoy a living room with a TV and two sofas, a large living room with tables for working or eating and a foosball table, two microwaves where they can eat their food, a bar and a patio to fully enjoy their stay. Also on this floor, from 8:30am to 10:30am and an additional cost of 3€ per person, the Hostel offers a Continental breakfast. Furthermore, it also has a service of luggage room for storing luggage before check-in and after check-out time, which is only possible given the service of 24h reception. The hostel also has an outside area in the middle of the building where it has a small bar for drinks.

Considering all the amenities offered by the Hostel, the level and quality of service provided and the seasonality of the sector, the Hostel's prices vary depending on the time of year, ranging from 15€ to 30€ per dorm bed and 35€ to 85€ in private rooms, for example, thus positioning itself as an average price hostel, depending on demand.

With more than 16 million of overnight stays, this company, like most companies in the tourism business, focuses its presence on various digital platforms such as Booking.com, Expedia and Airbnb, with most of its bookings coming from the first mentioned, since it has proven to be, one of the most reliable and customer-friendly platform, which, in this area, is essential, as it helps build guests' pre-stay, and can have a great impact on their overall

experience. Therefore, given Booking.com relevance to the company, it does not enjoy its own website, focusing its operation only on neighboring applications and accepting reservations only through those.

Furthermore, the company's embrace of new technologies is also evident in the processing of check-ins and check-outs, where, instead of keys, the company opts to provide its guests with an untransferable reservation-to-reservation code, supported by two applications: Homeit and TTLock. So, each time a new reservation is made, the guest receives a card with their room number and two codes, one that allows them to access the street door and the door of the floor of their room, and another that only allows them to access their room. These codes are usually generated automatically and can be between five and nine digits long, which makes them safe, but, sometimes, difficult to use.

With the emergence of covid and in order to make payments quicker and easier, this company prefers cashless payment, and guests are asked to pay with a card whenever possible.

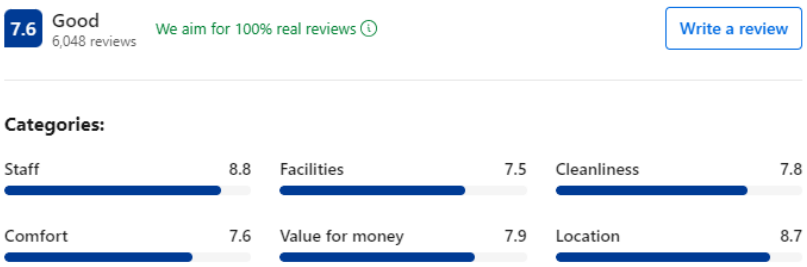
Despite the good adaptation to the adversities that arise, there are always new challenges to deal with and characteristics that can be improved. In this specific case, there are some infrastructures that are being upgraded, but which are still unfinished, preventing them from functioning properly. In this sense, it is important to highlight that, even if it already has a balcony and a sink, the kitchens of the floors are still not working properly, missing the cutlery, table, chairs and cooking elements on them. Furthermore, the high staff rotation is also a big problem in tourism sector, because it implies that companies keep investing in new training for the new employees which is time consuming and prevents companies from growing as much as they could.

4. Methodology

In order to evaluate the possible problems faced by the Hostel and to make further recommendations, data was extracted from the online platform Booking.com. In this website, the Hostel currently has 5106 comments since 2018. Despite that, as the establishment had recently some renovations, only 2183 reviews were extracted and analyzed from the period between May 1st, 2022, and October 1st, 2023.

The information was arranged in excel as follows: value, positive aspects that impacted the value given, negative and positive aspects of each review, type of reservation, impact by category (positive or negative). The categories examined included staff, comfort, facilities, value for money, cleanliness, location, and breakfast, as these are considered the most pertinent categories analyzed on Booking.com. Figure 4.1 illustrates an overview of average scores for each category.

Figure 4.1 - Booking.com Categories example.



Source: Booking.com

Categories are usually evaluated according to a scale of 2.5 points (poor), 5 points (fair), 7.5 points (good) and 10 points (Excellent). An average of each category is then calculated, according to the values given per review. On the other hand, customers must also rate their overall stay from 1-10, so that Booking.com can calculate the property's average score, which will appear on the accommodation's homepage.

Based on the analysis of each category, it was possible to determine the frequency of positive mentions for each and understand their collective impact on the hostel's overall evaluation. Additionally, the study examined the demographics of customers making

reservations to ascertain whether there was any correlation between customer type and their perceived value and opinions across each category.

Through the reviews, word clouds were generated for each category using an online platform called "Free Word Cloud Generator." This approach aimed to highlight the most significant aspects discussed by guests, facilitating analysis. To enhance clarity, the analysis was complemented with Excel data filtering tools. This combined method ensured a comprehensive understanding of the sentiments and themes conveyed in the reviews, beyond the mere visualization provided by word clouds alone.

In addition to conducting an internal analysis of the company, an external analysis will be conducted using tools such as PESTEL analysis and competitor analysis. This approach aims to comprehensively understand how the external environment influences the business's development. Specifically, the analysis will examine political, economic, social, technological, environmental, and legal factors (PESTEL), as well as identify and assess key competitors in the market. This dual analysis will provide insight into both the challenges and opportunities presented by the external landscape for the company.

5. External Analysis

a. Mediate Analysis

PESTEL analysis is very important for the performance and development of a company, as it enables the analysis of various external factors that may impact the company, at political, economic, social, technological, environmental, and legal level. In tourism, PESTEL analysis might help understanding tourism demand (Gregoric, 2014).

Portugal is a small country, with a unique and undeniable natural beauty, located in a strategic position, surrounded by sea in the south and west of the country. Being seen as a country that has always been safe and being located far away from the recent armed conflicts between Russia and Ukraine or from problematic countries like Syria, Portugal can benefit a lot from its status, since people look for beautiful places where they feel calm and safe to travel.

1. Political

According to Ministério da Economia e do Mar (2023), Portugal was considered as the best tourist destination in the last four years (Ministério da Economia e do Mar, 2023).

As the government holds ultimate authority in each country, it plays a crucial role in setting regulations and taxes for various sectors, including tourism. Therefore, it is vital to allocate a portion of the national budget to support the tourism sector, which increasingly contributes to the country's economic prosperity. This allocation helps ensure that the sector can thrive and continue to make a significant impact on the nation's wealth and development (Portugal Accounting, 2017).

In Portugal, similarly to what happen in other countries, a tourist tax is charged, since 2016, to guests over the age of thirteen years old, in order to raise funds for the investment in infrastructures that support tourism growth. Therefore, since this fee aims to develop and support local tourism, the amount charged is chosen by the municipality and can vary between €1 and €2. In Lisbon, for example, the tax charged is 2€ per night, per person, until the seven consecutive nights (Portugal Accounting, 2021).

Furthermore, according to Turismo de Portugal (2016), in order for a temporary housing establishment to be legalized, owners must register the property through an official website directed to the mayor. In this website, it is mandatory to show some important information such as a valid usage authorization of the building, the future accommodation title and address, the name of the future owner, his address and telephone, the modality and capacity of the building, and the expecting opening date (Turismo de Portugal, 2016).

There are a lot of rules and legislation that industries in Portugal might follow, in terms of sustainable practices, digital transition and innovation, or personal workforce, however, there are also specific rules for each sector and type of industry. One of the mandatory actions that accommodation owners should do to open their business is to have an identification plate outside of the building, with and "A" and an "L", that might have the dimensions written in the legislation: 10 mm of thickness and a dimension of 200 mm x 200 m (Turismo de Portugal, 2016).

Hostels are usually defined as inexpensive lodgings with shared dormitories for young travelers (Hostels, n.d.; Merriam-Webster, n.d). This type of accommodation is usually characterized by the presence of common areas accessible for all guests. Therefore, there are some specific requirements of Hostels that are important to highlight: each dormitory should have direct ventilation and lighting from the outside and a minimum of four beds per room, each dormitory room should have a locker measuring, at least, 55 cm x 40 cm x 20 cm, where each guest can safely keep their belongings, the common social areas, kitchen and eating area must be available for guests at any time (Turismo de Portugal, 2016).

2. Economic

In 2022, after four years of pandemic, where the tourism sector was severely affected, Portugal managed to obtain a revenue of 21.1 million euros, 109.7% higher than the previous year and 15.4% higher than in 2019 with the United Kingdom, France, Spain, Germany and the United States being the main drivers of this growth (Turismo de Portugal, 2023). Throughout the year 2023, the results were higher, because of the World Youth Journey and the presence of the Pope in the country, in the first week of August, which brought thousands of travelers to witness this unique and special moment (Marto, 2023). In 2023, travel and tourism contributed 42.1% to the Gross Domestic Product of the country (Statista, 2023). Furthermore, even though 286.600 people are already working in the hotel sector, it is

expected that in the next 10 years, 193,000 more jobs will be created in this area (Ministério da Economia e do Mar, 2023).

Customers are increasingly demanding and informed about issues related to hospitality, therefore is increasingly important to invest in people's qualifications as, until now, only 13% of workers in the tourism sector have had higher education. It is also necessary to make changes regarding employees' treatment, since low wages, precarious work and unstable schedules are factors that have kept potential workers away (Marto, 2023).

Furthermore, similarly to what has been seen, the inflation rate will continue to show a progressive decrease, leading to a consequent reduction in prices, in order to improve Portuguese purchasing power. According to Statista (2023), the inflation was 8.1% in 2023 and is expected to fall to 2.04% in 2028 (Statista, 2024).

3. Socio-cultural

Tourism drives wealth and job creation, and according to INE (Instituto Nacional de Estatística), from January to April 2023, Portugal has over 6 million overnight stays and around 2.7 million of guests in tourist accommodation and post-pandemic growth is expected to continue (Lima, 2023). However, comparing the first trimester of 2023 and the first trimester of 2022, the growth is bigger than between April 2022 and April 2023, due to the easing of the measures against covid-19 introduced last year (Melo, 2023).

In the last few years, tourism has generated several jobs for the Portuguese population and helped diversifying its culture. As a result, it is expected that additional jobs will be created in the tourism sector in the coming years, and that the unemployment rate decrease from 6.5% in 2023 to 6.2% in 2024 (European Comission, 2023).

After the pandemic and given globalization, it is clear that tourism is growing at unprecedent levels and has been receiving large investments from the Government. Nowadays, new technologies and affordable flights and accommodation are driving tourism. The increase in tourism directly affects the demand for local accommodation, which should take advantage of this increase through online platforms and transparency of information.

On a cultural level, Portugal continues to be a very sought-after country due to its exceptionality and uniqueness. Besides all the cultures and the good climate typical of Portugal, a great driver of continental and island tourism has been Cristiano Ronaldo, and

many times, when we talk to a foreigner about Portugal, the answer is about him. In addition, Portugal also benefits from its security aspect, which, in times of war and great uncertainty, is a crucial factor in a traveler's choice of destination.

Nevertheless, the consecutive strikes in various areas of the country may have a negative impact on hotel bookings, since if there are strikes at airports in Portugal, for example, people are more likely to choose another destination over this one, in order to avoid unexpected flight cancellations and travel postponements.

4. Technological

Due to the pandemic situation in recent years and the hygienic precautions to be taken, some businesses have opted for more technological approaches. Thus, it is crucial for businesses to continue to innovate and differentiate themselves technologically from their competitors, keeping up with the latest global technological trends and adapting them to their own business.

In Portugal, according to REDUNIQ (2023), there are some tendencies of tourism that companies may opt to choose to remain active in the market.

First of all, the Government and the Portugal Bank, continue to encourage payment with ATMs, forcing the new issue of cards in Portugal to use the new contactless technology in order to facilitate payments. It is also important to note that, by the end of 2022, contactless payments represented 56% of total payments linked to REDUNIQ system, which is a system that aims to incorporate payments with debit or credit card with the main hospitality programs, facilitating reservations, check-in and check-out procedures and payments.

Besides the automation of the forms of payment of reservations and taxes, due to the greater continence in the expenses of their stays and trips, people have been looking to book and organize their trips further in advance, in order to obtain more competitive prices, decreasing the percentage of last-minute reservations. This advanced travel arrangement is also driven by the development of new platforms such as Airbnb, Booking.com and Expedia.

5. Environment

For a sustainable tourism, companies may effectively use their resources, respecting the sociocultural authenticity of each country and assuring the viability of their activity.

Nowadays, tourists care more about the environment. As such and given the increase in global warming and the rise in gas emissions into the environment, it is important that tourist accommodation begin to adopt greener systems and operations. For this, hospitality infrastructures may, for example, adopt plastic free samples, place recycling bins on their premises, give digital information, instead of papers, promote efficient water and energy consumption, use exclusively biodegradable products (World Travel & Tourism Council, 2022).

In 2015, the United Nations defined seventeen sustainable objectives in Agenda 2030 with a view to sustainable development and the promotion of peace, justice, and effective institutions. Of all of these objectives, the ones that are more related to tourism are: sustainable economic growth (objective 8), sustainable consumption and production (objective 12), and sustainable use of oceans and marine resources (objective 14).

At the Nacional level, in 2017, a tourism strategy has been developed by public and private stakeholders, like companies, institutions, players of complementary businesses and market operators, called “Estratégia Turismo 2027” (ET27). This strategy aims to make better use of the territory, boost the country's economy, enhance knowledge, generate connectivity, and project Portugal around the world (Turismo de Portugal, 2023).

The organization responsible for the rules of Tourism in Portugal, called Turismo de Portugal, is also part of the Global Sustainable Tourism Council (GSTC), of the Portuguese Pact for Plastics, the Glasgow Declaration for Climate Action in Tourism and the World Travel and Tourism Council (WTTC) Cancun Declaration on Women's Equality and Leadership in Tourism, which highlight essential commitments to sustainable tourism and the consequent creation of a better and more lasting world for all (Turismo de Portugal, 2021).

Since 2020, in line with ET27, the plan “Turismo + Sustentável 20-23” aims to intensify the goal of sustainability in tourism, through actions such as re-education for sustainable hospitality, the development of practices for a circular economy, carbon neutrality, sustainable construction, water efficiency on golf courses in Portugal and the reduction of plastic in hotels (Turismo de Portugal, 2021).

In short, given the increasing relevance attached to sustainable practices, hospitality facilities can further benefit and differentiate themselves from their rivals through the use of more sustainable and environmentally friendly practices, set out in the Tourism Strategy 2027 plan, referred above in the PESTEL analysis.

Even so, some phenomena cannot be controlled by human intervention and could have a serious impact on tourism in Portugal. In this case, it is important to highlight natural disasters which are always unpredictable and have been occurring more due to higher gas emissions into the atmosphere. In fact, in 2023, Lisbon has already exceeded the European and international limit for nitrogen dioxide emissions several times, and in the near future new measures may be taken that will prevent the circulation of vehicles in this metropolitan area, where the Hostel in question is located, making it difficult to travel to this region, even though there is a good transport network in the area.

b. Immediate Analysis

B. 1 Competitors

The main competitors of the company are similar properties, in terms of facilities or prices practiced, who have similar location and ratings on Booking.com. For this analysis, and in order to compare the prices between the Hostel under study and their competitors, we will consider reservations from July 2 to July 3, 2023, and will assign letters to each one of them: A, B, C, D, being the hostel under study the A, and their competitors B, C, D. The price charged by the hostel A, for these dates, in a female dormitory, with breakfast included and free cancelation is 32€ and for a mixed dormitory is 36€. The Booking.com rate of the hostel is 7.6 points.

To better understand the Hostel's competition, the study will focus on three main accommodations, referenced by Booking.com as their main competitors.

Firstly, with a rate of 9.0 points on Booking.com, 1.3 values above the hostel under study, there is a similar hostel (B) in terms of facilities and location, with dormitories with ten, six or four beds and private rooms with two beds, some common areas, 24h reception, laundry service and luggage room. This hostel also provides free parking and transfer from the airport

and the prices charged for a bed in a dorm with breakfast included and free cancelation are 71€ for a female dorm and 58€ for a mixed one. Despite the higher prices charged, most guests consider that there is a good relation between quality and price due to the hospitality of the staff, who always allow their clients to feel at home, and the activities provided to encourage interaction amongst guests, such as sangria happy hour, wine and Portuguese food tastings, movie nights, pub crawls and free milkshakes on Mondays.

Secondly, next to the São Pedro de Alcântara, there is a renovated palace (C), built in 1900, with a rating of 8.7 points on Booking.com, with eleven dormitories and twenty two private suites, where the mixed dorms can have twelve, nine or six beds and the female dorms have nine beds. All the dormitories have 3-level bunk beds made with recycled wood and high ceilings. This Hostel has a bar and a restaurant open to everyone, and also free Wi-Fi, laundry service, 24h reception, air conditioning, luggage room and a lounge specific for guests where they have a film screening and can enjoy some communal dinners and entertaining activities. From July 2 to July 3, the price for a bed in the mixed dorm with nine beds with breakfast included and free cancelation, according to Booking.com is 48€, and according to online reviews, the best ranked attributes of this hostel are the young and hospitable staff, the location and the unique experiences provided by the live performances made by talented local musicians.

On the third place, there is a hostel located near Rossio with 8.6 points on Booking.com (D). This is a hostel located inside of one of the most beautiful railway stations in Portugal, built in the end of the 19th century, with high ceilings, big windows, open spaces, and a small garden inside. This hostel is composed by mixed dorms of ten and eight beds, with shared bathroom, eight-bed female dorms and private rooms for four, three, two or one person. On the dates of the evaluation, the value for a ten-bed mixed-dormitory with breakfast included and free cancelation is 71€ and for an eight-bed female dormitory is 77€. Both of the rooms have access to some common areas like the kitchen, laundry, or the patio, and all of the spaces have free Wi-Fi available for the guests. This hostel also has some activities for guests, that the hostel in study does not have, such as pool table, snorkeling, karaoke, happy hour, thematic dinners, cultural activities and cinematic nights.

Comparing these three main competitors with the Hostel under study, by the analysis of table 5.1, it can be concluded that the biggest differences are in terms of price, activities provided and some structural characteristics.

Table 5.1 - Competitors analysis

Acommodation	Services offered	Price charged		Rating
		Female Dormitory	Mixed Dormitory	
A	TV room, laundry service, terrace/Bar, 24h reception, luggage room, free WiFi, breakfast included, free Cancellation.	32€	36€	7.6
B	TV room, laundry service, terrace/Bar, 24h reception, luggage room, free WiFi, breakfast included, free Cancellation. + • Free parking. • Transfer from the airport. • Local activities.	71€	58€	9.0
C	TV room, laundry service, terrace/Bar, 24h reception, luggage room, free WiFi, breakfast included, free Cancellation. + • On-site restaurant. • Air conditioning. • On-site activities.	-	48€	8.7
D	TV room, laundry service, terrace/Bar, 24h reception, luggage room, free WiFi, breakfast included, free Cancellation. + • Kitchen. • On-site activities.	77€	71€	8.6

Source: Elaborated by the author

Having already the best prices between competition, it could be beneficial for the Hostel to invest in entertainment activities for guests, such as karaoke, live music, movie nights, dance classes, Portuguese dinners, among other activities that would take full advantage of its large internal courtyard, since this is one of the main differences between

them and it is something that is within the influence of the organization, since it does not depend on third parties.

B. 2 Customers

This Hostel is a place for people all around the world, regardless of their age. As it has several typologies of accommodation, for the customer analysis, it is easier to separate customers who stayed in private rooms from the ones who stayed in dormitories.

In order to outline the customer profile, data from two systems used by the company will be studied: YnnovBooking and Booking.com, since these applications provide information about the reservations and the guests who stayed in the hostel.

According to YnnovBooking, from 1 of May of 2022 until 30 of September of 2023, the hostel had around 17199 reservations for private rooms (50,63%) and 16772 for dormitories (49,37%), and the digital platform with more relevance on these reservations was Booking.com, representing 83.75% of reservations for private rooms and 94.59% for dormitories. The average number of nights per private room was 2.66 nights and in dormitories it was 3.22 nights per stay.

Regarding the nationalities of the guests (table 5.2), they are different but similar between typologies, with most of the reservations coming from neighboring countries in both typologies.

Table 5.2 - Guests nationalities per typology reserved

Private Rooms		**Dormitories**	
Total number of reservations	17199	Total number of reservations	16772
Guests' nationalities relevance			
Spain	18.21%	Brazil	14.42%
Italy	11.68%	Portugal	12.93%
France	10.39%	France	8.7%
Portugal	10.01%	Germany	8.31%
Brazil	6.84%	Spain	7.24%

Source: Elaborated by the author

On the one hand, for private rooms, there is a predominance from Spain, with 18.21% of reservations, followed by Italy with 11.68% and France with 10.39%. In fourth place of the highest representation of reservations in private rooms is Portugal, with 10.01%, followed by the first country in America with representation of reservations in the hostel, Brazil, with 6.84% of reservations.

On the other hand, regarding the hostel part, that is, the guests who made reservations for beds in dormitories, 14.42% of the reservations came from Brazil, 12.93% from Portugal, 8.7% from France, 8.31% from Germany and 7.24% from Spain, which is very similar to the common nationalities in private rooms.

Even though YnnovBooking helps to identify in which country reservations were made, this application is not the best source to analyze the length of stays or the reason why they were made. For that reason, and although it refers to a slight part of total reservations, biasing the data, Booking.com will be used to better describe the profile of the majority of guests who stayed at this Hostel & Suites.

It is important to point out that given the change in the profile of the traveler who frequents hostels, nowadays the predominance in the Hostel under consideration is reservations made by families, corresponding to a percentage of 34.64% of the reservations made in the last year. Group bookings came next with 28.76%, followed by bookings by couples with 21.57% and, finally, bookings by individual travelers, representing only 15.03% of the hostel's bookings.

Table 5.3 - Percentage of reservations according to the profile of the traveler

Percentage of reservations according to the profile of the traveler	
Families	34.64%
Groups	28.76%
Couples	21.57%
Individual travelers	15.03%

Source: Elaborated by the author

Furthermore, around 64% of the reservations made at this Hostel in the last year were for leisure, and less than 5% were for work even though the hostel has some dedicated spaces for this purpose.

6. Analysis

The analysis of 2183 reviews were made from May 1st, 2022 until October 1st, 2023. The categories chosen for detailed analysis were the ones used by Booking.com: Staff, Comfort, Facilities, Value for money, Cleanliness, Location and Breakfast, thus enabling a more concrete and specific analysis to be carried out. Each category is analyzed according to a scale from 2.5 to 10, where 2.5 represents the least satisfied and 10 is the best score. When making their evaluation, guests can rate each category according to the following values: 2.5; 5; 7.5 or 10.

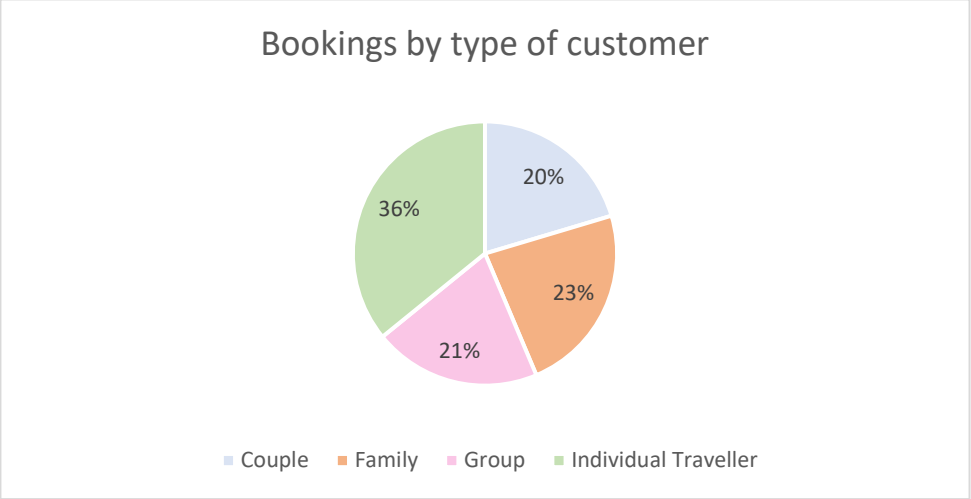
Table 6.1 - Specific aspects included in each category of the study

Category	**Specific aspects included in each category**
Staff	The staff's (receptionists, breakfast staff, housekeeping, owners) ability to serve the customer in terms of empathy, friendliness, ability to give tips on the city, respond to customer requests, solve problems.
Comfort	Perceived comfort of the Hostel.
Facilities	Amenities that customers expect the hostel to have and that may impact guests' satisfaction: Rooms, common areas, bathrooms, hairdryer, air conditioning, sound isolation, kitchen, fridge, laundry, bar, patio, coffee machine, private shower, mirror, luggage room, locker for dormitories, lift.
Value for money	The perception of the price paid, and the service received.
Cleanliness	Cleanliness of the areas used by guests: common areas, bedrooms and bathrooms.
Location	Distance from tourist attractions and accessibility.
Breakfast	Quality of the products served, breakfast time, breakfast room, treatment.

Source: Elaborated by the author

After this categorization it was possible to conclude that: 20% of the analyzed reviews were given by couples (445 reviews), 23% by families (508 reviews), 21% by groups (448 reviews) and 36% by individual travelers (783 reviews).

Figure 6.2 - Bookings by type of customer



Source: Elaborated by the author

Although each category has its own score, Booking.com also allows guests to rate the overall experience, using a scale of integer values from 1-10 points, without specifying their satisfaction for each category.

Table 6.2 - Reviews per overall experience score (scale of integer values form 1-10)

Overall Score	Number of reviews per score	% of the total value	Cumulative %
1	42	2%	2%
2	22	1%	3%
3	47	2%	5%
4	69	3%	8%
5	155	7%	15%
6	205	10%	25%
7	428	20%	45%
8	490	22%	67%
9	330	15%	82%
10	395	18%	100%

Source: Elaborated by the author

According to table 6.2, it is possible to conclude that, among the 2183 reviews analyzed, the majority of the scores given are higher than 7, corresponding to 55% of the reviews analyzed. The average value of the analyzed reviews is 7.486 points, which is lower than the

current rating on Booking.com. The average of 7.6 points shown on Booking.com represents the average of the reviews from 2018 to 2023, a timeframe greater than the one analyzed.

Table 6.3 – Overall experience average rating per type of customer

Average rating per type of customer	
Couple	6.89
Family	7.25
Group	7.81
Individual Traveller	7.79

Source: Elaborated by the author

By analyzing the overall experience average score per type of customer (table 6.3), it can be concluded that the type of customers who gave the lowest score were couples, with an average of 6.89 points and, on the other hand, the customer type that contributed most positively to the Hostel's overall rating were groups, with an average rate of 7.81.

When guests leave a review on Booking.com, they are prompted to focus primarily on the seven categories under study: staff, comfort, facilities, value for money, cleanliness, location, and breakfast. This structured approach allows for a detailed analysis of each category based on written comments provided by guests. Through these comments, it becomes possible to determine the frequency of mentions for each factor within these categories, as outlined in Table 6.4.

Guests have the flexibility to comment on specific factors within each category mentioned in their feedback. They may also address additional factors they consider relevant. As a result, reviews may cover multiple categories either positively or negatively. Moreover, due to the broad nature of these categories, guests might praise, for instance, the friendliness of reception staff while expressing dissatisfaction with the cleanliness staff, thereby mentioning the staff category in both positive and negative contexts. This comprehensive approach to guest feedback enables a nuanced understanding of their experiences across various aspects of their stay.

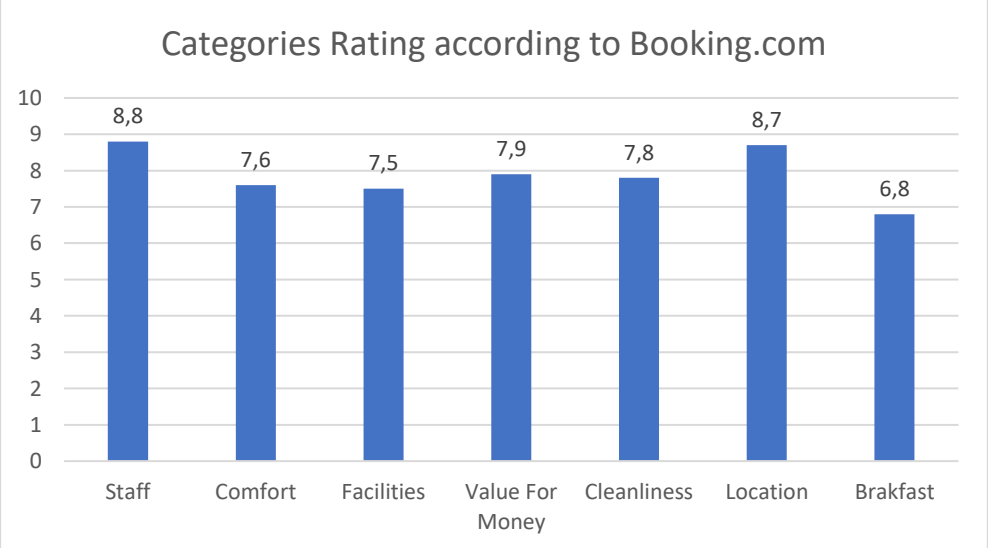
Table 6.4 - Impact of each category on the overall of the reviews

	Positive		Negative	
	Number of reviews	**%**	**Number of reviews**	**%**
Staff	951	44%	58	3%
Comfort	254	12%	107	5%
Facilities	849	39%	1059	49%
Value For Money	149	7%	35	2%
Cleanliness	478	22%	242	11%
Location	1179	54%	44	19%
Breakfast	494	23%	424	19%

Source: Elaborated by the author

After an intensive and detailed analysis of each comment, considering the positive and negative impact of each category on each review (table 6.4), the two factors that have the greatest positive impact on guests' opinions are the staff and the location with 951 and 1179 positive mentions in the comments, present in 44% and 54% of the reviews analyzed, respectively. On the other hand, the two factors with the most detrimental impact on the company's score were the facilities and the breakfast, mentioned in 49% (1059) and 19% (424) of the reviews as something that needs some improvement. Of all the categories analyzed, the category least mentioned by customers is value for money, with only 10% of all the reviews analyzed mentioning this factor.

Figure 6.3 - Categories Current Rating according to Booking.com



Source: Elaborated by the author on 21/02/2024

Despite the analysis period being limited, the findings align with current ratings on Booking.com for each category (excluding breakfast, which is an additional category for

analysis). Figure 6.3 illustrates that staff and location are rated highest, while facilities receive one of the lowest ratings.

For a better understanding, using an online Word Cloud Generator, it was possible to highlight the most beneficial and detrimental factors through the different categories, creating a cloud with the most mentioned words in each category.

1) Staff

The staff has become one of the Hostel's strengths and differentiators, being the category with the second highest number of positive mentions in the reviews analyzed, with 951 mentions, in terms of reception, cleaning or breakfast staff, represented positively on 44% of total reviews analyzed (table 6.4).

By analyzing the data, it is possible to conclude that the characteristics that people most associate with the staff at this establishment are their friendliness (35%), attention (12.1%) and help (19.03%). Furthermore, most guests highlight the profissionalism (0.6%), hospitality (1.16%), and kindness (7.78%) of the receptionists during the check-in and check-out process or when answering questions and giving advice about the city and the surrounding places, which has a big impact on the service rating, since they are the essential point of contact with the customer. The fact that they can speak more than one language is also pointed out as a great advantage, facilitating communication.

Despite this, customer experience is subjective, so everyone has a different perception of the service they have received. Therefore, among the 58 reviews where the staff was mentioned as a negative aspect (3%), the aspects that stand out are problem-solving (15.52%), appearing in 9 of the 58 negative reviews, rudeness (13.79%), availability (13.79%).

Deepening the problem-solving aspect, some of the problems pointed out by customers include noise from other guests, a clog in the shower, poor cleaning, broken equipment, windows that do not open, heat in the room, changing beds in dormitories, electrical problems. In some cases, there is an immediate resolution, for example, if the problem is related to the room and if there is room for maneuver to change people or if it is a problem that can be solved by the receptionist. In other cases, it is necessary to report the problem to other employees or entities, which can take more time to solve.

Given this, there is another factor mentioned in the reviews, which is staff availability. Being a small company, the number of staff is limited, and most employees are at the

company between 9 am and 5 pm, which makes it difficult to make decisions and solve problems after that time. Furthermore, the capacity to solve the problem it can also be related to the person in charge at that moment, since each person is different and has different ways of dealing with each problem.

Figure 6.4 - Staff category Word Cloud



Source: Elaborated by Free Word Cloud Generator

2) Comfort

The comfort perceived about the Hostel depends on different aspects, since it usually happens because of the emotions that the place, as a whole, can transmit to each individual, being, therefore, a very subjective and controversial issue. Even so, it appears on 12% of the reviews analyzed as being a positive factor of the hostel, and only on 5% as being a detrimental one.

Despite generating mental and emotional sensations, comfort is related to physical aspects and, according to what has been analyzed, some of the aspects that have influenced customers' good and bad reviews are related to the comfort found inside of the rooms (77.1%).

In this case, the aspects mentioned, both good and bad, are very similar, as a lot of people have spoken about the comfort of the beds (48,6% of reviews mentioned the comfort), mattresses (5.61%), and showers (0.9%). While some people say beds and mattresses are very comfortable, others believe they are too hard, small, or noisy. Pillows are also often described as thin and uncomfortable. When it comes to the shower, the problem is not the shower itself, but the surroundings. In this case, people usually appreciate the pressure of the shower and the hot water it pours, but they find that the glass door makes the shower less private and comfortable, and that the shower clogs and the water get into the room easily. Furthermore, 12,5% of people believe that the heat provided by the lack of air conditioning and the poor insulation of the walls is also a decisive factor when it comes to comfort, as it prevents people

from sleeping comfortably. In addition, although less relevant, around 3% of people who spoke about comfort consider that the code-based door unlocking mechanism can become a little complex and noisy, due to the large number of characters, disturbing other guests.

Moreover, when it comes to positive aspects, the reviews also show that 25,24% of people think that communal areas such as the laundry, terrace or lounges can improve the comfort of their stay, as they are very convenient to meet new people or work, for example.

Figure 6.5 - Comfort category Word Cloud



Source: Elaborated by Free Word Cloud Generator

3) Facilities

In order to analyze the facilities, infrastructure and equipment were considered.

Some of the characteristics considered when evaluating the facilities were the rooms, common areas such as kitchen (equipment), luggage room, laundry (washing and drying machine), bar, patio/terrace/courtyard, elevator/lift, private bathroom, common toilets and showers, presence or lack of hairdryer, hot and cold water, air conditioning, sound isolation/insulation/soundproofing, common fridge space or existence, coffee machine, mirror and the size of lockers in the dormitories.

Table 6.5 - Example of reviews mentioning the Facilities of the Hostel

Review 1 (Individual Traveler)	"I liked that the shared rooms are separate for men and women, so you feel more comfortable. The cabins have curtains, and you feel privacy. The showers have several compartments, so several people can shower, and you don't have to wait for a turn. The breakfast included is good. The place is easily accessible to the historic center of the city, you can walk almost everywhere, also the Metro stations are very close. The guys at the front desk are always willing to give you information".
Review 2 (Individual Traveler)	"The facilities are good including kitchen, patio, laundry machine and big common & tv room. Location is a bit far from old town, but you have metro and bus stop nearby."
Review 3 (Group)	"The only thing I didn't like was that the room has no air conditioning and is not well insulated, you can hear a lot of traffic noise and it was hot. I didn't like the breakfast either, very scarce."
Review 4 (Couple)	"The location. The beds are comfortable. The staff are all very friendly. The facilities and common areas, very good too."
Review 5 (Group)	"We stayed with 3 friends in one of the private rooms, very spacious, with a large window overlooking a bright courtyard. Both the room and the private bathroom were newly renovated. The bathroom was fine, we missed some hand soap and some sample of gel/shampoo at least for the first day. Another downside of the bathroom is that the door (glass, sliding, very cool), did not seal well. The rest was very good, breakfast is served in a patio with a bar, artificial grass, wooden tables...very cozy. Our room was on the top floor, the building has an elevator, so we arrived with our suitcases without any problem. Another thing I really liked is all the spaces in the hostel, there is a very large living room with TV and another room with individual tables to work with the laptop."

Source: Elaborated by the Author

The facilities of the hostel are the category with one of the lowest ratings on Booking.com (figure 6.3), due to the 1059 negative mentions (49%) and 849 positive mentions (39%), out of a total of 2183 reviews under study. Even so, some reviews mention parts of the facilities as both positive and negative aspects, depending on their experience and perception of each feature or space.

In general, customers really appreciate the common areas such as the terrace, the bar, and the luggage room. The terrace and the bar are usually characterized as a spacious place with an inviting and relaxing atmosphere with unique decoration, where guests can meet new people and have a good time. It is also a good place to have breakfast outside or to have dinner. The luggage room is mentioned as a great advantage for those who arrive early in Lisbon or for those who have late flights to go home and still want to enjoy the remaining time visiting the city.

In addition, the existence of kitchens on all floors, although under renovation and without major equipment, is an advantage of the Hostel, as it allows guests to use the communal fridges and counter space provided. Even so, because it is a hostel, some people are disappointed and surprised that there is no oven to cook in or dishes to place food on all the floors, which can only be found on the first floor where the hostel's breakfast kitchen is located.

The rooms are the main area of comfort and use for guests and are therefore the place where they are the most demanding in their assessment. Most of the reviews mentioned the lack of furniture and equipment crucial for the comfort of the stay, such as hangers, cupboards, hooks, or shelves, in the rooms and also in the bathrooms, both private and communal. In addition, particularly in the dormitories, guests feel that there is a lack of lights and curtains in each bed, as well as larger lockers to make their stay more comfortable and safer.

Furthermore, by analyzing the reviews, it is possible to conclude that one of the hostel's biggest flaws nowadays is related to its sound and thermal insulation. Moreover, when analyzing the less positive factors of the infrastructure, heat (during Summer) or humidity (during Winter), lack of air conditioning, noise and sound insulation are among the factors most mentioned by guests, having a very negative impact on their perception of the hostel. These factors could be linked to the presence of old, thin walls and windows that can contain neither the temperature nor the sound waves circulating through the hostel.

Figure 6.6 - Facilities category Word Cloud



Source: Elaborated by Free Word Cloud Generator

4) Value for Money

The value for money is related to guests' expectations, as they rate their stay according to what they expect to receive, considering what they previously saw on internet while making the reservation, whether in photos shared by the hostel or through the reviews given by previous guests.

Value for money, although rarely mentioned, is linked to all the other aspects analyzed. Based on the quality of the services provided and the central location, it is generally perceived as fair for the service rendered. However, this category also provokes controversial opinions. While a majority of guests (81,53%), find the price commensurate with the service, space and location, a notable minority (18,47%) consider it expensive and unjustified. This variability underscores the subjective nature of perceived value in hospitality experiences.

Considering both negative and positive factors that impact the value for money at the Hostel, it can be concluded that, while perceptions vary, the overall reviews depict the hostel as providing affordable accommodation with basic amenities, a convenient location, and inclusive breakfast. This makes it a good value for money option, particularly appealing to budget-conscious travelers who prioritize city exploration over luxurious amenities.

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Figure 6.7 - Value for Money category Word Cloud



Source: Elaborated by Free Word Cloud Generator

5) Cleanliness

The cleanliness of the hostel is associated with the cleanliness of the entire building and the areas it contains, from the entrance and stairs to the common areas and the rooms. Results show that while many guests find the place clean and appreciate daily cleaning practices, some raise concerns about specific areas and the overall hygiene level.

Table 6.6 - Example of reviews regarding the Cleanliness of the Hostel

Review 1 (Individual traveler)	"From the moment you arrive at the hostel you smell the smell of cleanliness. then the kindness and attention of the staff, always willing to help you. In addition, the place is tremendously cozy, and the location is perfect!! very happy with my stay. The other thing is that it has a kitchen and laundry and common rooms!! Seriously, it's Perfect and I say this because I stayed in two hotels and two hostels in Lisbon and by far this is the best :)"
Review 2 (Family)	"The bathroom was clean and had everything you needed and a very good shower, two towels and bath gel.
Review 3 (Group)	"There is no cleaning of rooms or changing of towels until you go or ask for it."
Review 4 (Couple)	"The room was dirty, there was hair and hair on the floor, in the shower stall and on the floor. We requested cleaning in the room because it is not provided and the situation did not change, we only changed the blankets and towels, hair and hair were still everywhere."

Review 5 (Individual traveler)	“Clean and quiet hostel, well-kept decor, well-appointed rooms. Breakfast on site. Good location, metro nearby.”

Source: Elaborated by the Author

The number of positive mentions regarding cleanliness (22% of the total number of reviews analyzed) suggests that it can be a strength of the hostel having some mentions about the cleanliness of the rooms, bathrooms (private and common) and the property as a whole. Furthermore, some reviews mention specific areas like the cleaning of the showers, bed linen, towels, and common areas, which are cleaned every day, and regularly smell of cleaning products.

On the other hand, although less frequent, some reviews mention the dirtiness of the floors, unkempt areas, unclean bathrooms, unsanitary showers, presence of dust, mold and unpleasant smells and the lack of daily cleaning in the rooms. In fact, this last factor can be characterized as the biggest negative factor associated with hostel cleaning, damaging several other areas, since, although guests do not pay for this service, they expect intermediate cleaning during their stay, as would be expected in a hotel. Even so, as a hostel, this establishment does not provide daily cleaning of rooms, regardless of the length of stay. However, if guests wish to receive room cleaning or exchange their towels for clean ones, they can do this at the hostel reception, free of charge, although sometimes the staff do not inform them at check-in.

Figure 6.8 - Cleanliness category Word Cloud



Source: Elaborated by Free Word Cloud Generator

6) Location

The hostel is located near the city center, next to Marquês de Pombal, in Lisbon. 54% of the reviews mention this factor as beneficial to their perception of the stay and only 2% consider that the location was not what they expected.

When analyzing the location, adjectives such as "good", "very good", "convenient", "excellent" or even "perfect" are mentioned, as it is centrally located and close to some of the city's tourist attractions. In fact, some people highlight the ease of getting to the center in just twenty minutes, on foot, or in five/ten minutes by metro and the existence of a lot of restaurants and stores nearby.

The accessibility of the hostel is also often stated as a positive factor, as it is close to two metro lines, the blue and the yellow, and several buses that allow guests to travel to various points of interest in the city, not only in the center, but also in Cascais and Belém, places very popular within tourists. Nevertheless, a small fraction of guests consider that a twenty-minute walk is not that close to reaching the old part of the city and that the Hostel is very far from some important stations such as Oriente station or the Airport (Table 6.7).

Table 6.7 - Example of reviews regarding the Location of the Hostel

Review 1 (Couple)	“Location a little further away despite the excellent transport network.”
Review 2 (Individual Traveler)	“Good location near Marquês de Pombal and metro.”
Review 3 (Group)	“City center 20 minutes walking from the hostel.”
Review 4 (Family)	“I liked the location. Very convenient, close to subway station, bus stops and many good restaurants and Avenida da Liberdade.”
Review 5 (Individual Traveler)	“The location is perfect if you have to get around Lisbon, with the Marques de Pombal Metro a few meters from the hostel, it is ideal.”

Source: Elaborated by the Author

Figure 6.9 - Location category Word Cloud



Source: Elaborated by Free Word Cloud Generator

7) Breakfast

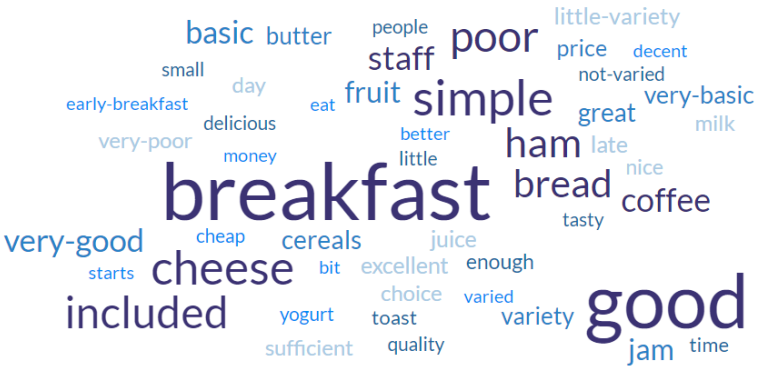
The breakfast served by the hostel can be considered as the most controversial topic analyzed as it has 434 positive (53,51%) and 377 negative mentions (46,49%). In fact, the positive weight of breakfast in the total reviews is 19,9%, while the negative weight is 17,27%, a difference of just 2,63%.

When analyzing the breakfast served by the hostel, the opinion that stands out is that it is a simple breakfast, both on the positive and negative sides. On the one hand, some people consider it simple but sufficient and complete (68,43%). Whether it is for its quality (2,07%), its price (6,91%), for being included in the price (10,14%), or for the flavor and diversity (8,54%) of products it has in terms of sausages, bread, and cereals, for example. On the other hand, there are those who consider it simple and basic (27,85%), with a lack of fresh foods such as fruit and vegetables or cooked foods such as eggs and bacon. Furthermore, the fact that it is the same every day makes it boring for some, depreciating their perception of its value.

The way breakfast is served is also often highlighted (3,98%), as it is not a completely self-service service. During breakfast, a person from the staff serves them, not only for reasons of hygiene, but also for logistics. However, even though some people understand why it is done this way, some people become uncomfortable to ask for what they would really like. This breakfast service technique, combined with the small size of the space, can be considered impractical for guests, generating queues.

Finally, some people mention breakfast time as being late (between 8:30 am and 10:30 am) for those who want to visit the city, considering that it could start between half and an hour earlier (7:30 am or 8 am). Nevertheless, the fact that there is the possibility of preparing a package with a sandwich, a yogurt, a piece of fruit and a bottle of water, when previously indicated, is also seen as a strength.

Figure 6.10 - Breakfast category Word Cloud



Source: Elaborated by Free Word Cloud Generator

7. Discussion

The target audience for hostels has evolved beyond just young backpackers (Lima, 2016). At the hostel under study, the clientele is quite diverse: 36% of bookings come from individual travelers, 23% from families, 21% from groups, and 20% from couples. This diversity can significantly impact perceptions of service quality.

Brakus, Schmitt, and Zarantonello (2009) argued that brand experience manifests through sensations and behavioral responses to what we encounter. In this study, all analyzed categories evoked some emotional response from guests, whether positive or negative. For instance, in Review 5 of Table 6.5, a guest described the terrace as “very cozy” due to its thoughtful decoration, including a bar, artificial grass, and wooden tables. Similarly, in Review 1 of Table 6.6, a guest highlighted the cleanliness of the hostel, noting a “pleasant smell” upon arrival (“From the moment you arrive at the hostel you smell the smell of cleanliness”).

According to Nicolau, Mellinas, and Martín-Fuentes (2020), customer experience is inherently subjective, with location serving as a prime example of how different categories can be perceived differently. Analyzing Table 6.7 reveals that what some guests consider far, others judge close, depending on their individual perspectives and circumstances. This subjectivity influences their overall experience and satisfaction. Consequently, it becomes challenging to satisfy all customers uniformly and to identify precise areas for improvement, potentially leading to gaps between the company’s offerings and guest expectations, as noted by Parasuraman, Zeithaml, and Berry (1985).

Despite these challenges, with an average rating of 7.6 points and most category ratings exceeding 7.5, it can be concluded that the hostel performs above the average standard of acceptability, successfully meeting the majority of its guests' requirements.

8. Recommendations

There is always potential for improvement. In the case of the Hostel, after analyzing some of the reviews, it became evident that there were problems due to the age of the building, organization, cleanliness, among others. Therefore, it is on this basis that recommendations for improvement can be developed.

To effectively manage expectations, it is crucial to maintain transparency with guests both during and before their stay, particularly since the hostel concept may still be unfamiliar to some, leading to potential misunderstandings. Therefore, it would greatly benefit the company to clearly and concisely explain the hostel's procedures, especially regarding cleaning and breakfast services, on platforms like Booking.com and Expedia. This proactive approach aims to address issues stemming from discrepancies between the online booking process and the actual guest experience. This could help improving the overall experience, avoiding Gap 3 of service quality, where the quality of the service advertised greatly differ from the service actually delivered to the customer, and Gap 5, where the expected quality of the service does not match the perceived quality of the service received.

Therefore, the breakfast schedule and some photos of what is actually served should be displayed at an early stage, before bookings are made, so that each guest knows what to expect and exactly what they are going to get. In fact, it is better to be surprised on the upside, if the hostel decides to treat its guests with something different once a week like, for example, a traditional Portuguese sweet, than on the downside. Furthermore, since it seems that the way breakfast is served is appropriate in terms of organization and hygiene, in order to improve guests' experience, the layout of the common areas could be rethought, so that it could be served in a more spacious room where people could move around more easily.

As for the *daily cleaning* of the rooms, since this is not a service typically offered by hostels, it would be beneficial to make it explicit on Booking.com that this would not be included in the price and that an extra fee could be charged for it. This would make it easier for the Hostel to manage the cleaning, since it would know in advance who would have the daily cleaning or not and it would be the customer's choice to have this service or refuse it. Even so, if a guest refused to pay for daily cleaning in advance but would like to have a one-off cleaning of the room, they could be given the option of making that request at the reception until, for example, 11am of that day. In fact, I believe that this is the core feature

that should be more explicit and clearer, since most people are used to a hotel service that includes daily cleaning, or at least a change of towels every day, which can lead to some misperception for people who are not so familiar with this type of accommodation. In addition to daily cleaning of the room, in order to make the hostel look cleaner, floor care products could be used on the floors and common stairs, such as cedar oil, as the building is old, and the wood is worn and has a dirty look.

In terms of facilities, one of the suggestions that seems obvious, but very expensive, is to install *air conditioning* inside of the rooms, or insulate them with *double-glazed windows*, since the actual ones are mentioned at various times because they do not open, are old, broken, or have paint falling off and, given the age of the building and its antiquity, are not able to insulate sound and temperature as desired. In this way, as well as solving problems such as heat in the summer or humidity in the winter, they would help minimize problems associated with noise from the street or the internal courtyard and the appearance of mold in the bedrooms.

Installing new windows would probably be more cost-effective than installing air conditioning in all the rooms, since it would be a solution where the expense would be concentrated initially, but which would, in theory, have a lasting effect. However, it probably would not be as efficient, since avoiding excessive heat or cold is different from maintaining a mild and satisfactory temperature inside the room. Even so, since air conditioning is a major source of expense, not only in terms of installation but also in terms of maintenance and use, perhaps more economical and renewable forms of power supply could be sought.

In addition, when installing air conditioners, some important tips should be considered, in order to be able to minimize some costs in the long term, such as:

1. Install in strategic locations, away from windows or direct sunlight.

2. Use bulbs that transmit less heat - LEDs - which last longer and save more energy.

3. Program the air conditioning with a maximum and minimum temperature, for example, so that it turns off when one of the set temperatures is reached.

This is a solution that could be done in stages, in which case it would be best to start with the upper rooms, since they are the ones most subject to climate change. In addition, by installing air conditioning in the rooms, electricity costs would rise sharply, so it would be crucial to take measures to slow this increase. Nowadays, there is no control over what guests

have plugged into their room during the day, so it would be crucial to find a way to turn off all the electricity in the room every time it is empty, as is done in many hotels today, power in the room only works when the card is inserted in a specific place. If the company is unable to invest in these improvements at this time, simple maintenance, painting and recoating of the windows would be a good starting point to make the Hostel look more appealing.

Beyond what has already been mentioned, in order to improve the customer experience, simple and inexpensive changes such as: installing hooks for clothes in the bedrooms or for towels in the bathrooms; installing shelves for toiletries; providing two towels per person (one small and one large), instead of just one big; add crockery in the kitchens on all floors, rather than having everything concentrated on the first floor. should be done, as they would greatly improve guest comfort.

Moreover, *better personnel management* would also be beneficial to Hostel's performance. In addition to what guests have said, in terms of staff shortages, for example, during breakfast, where the receptionist is helping in the kitchen instead of at the reception or during the afternoon when room cleaning is needed for some reason and there is no cleaner available, some positions should be created. In order to improve the cleanliness of the rooms, a housekeeping supervisor should be added. In this way, a service that is currently provided by the receptionist would be provided by someone who could focus 100% on this task, ensuring that cleanliness is always at the desired level. Nowadays, what often happens, as there is no specific person for this job, is that either the rooms are not all checked, due to there being too many check-ins and not enough time to check them before check-in time (4pm), or when the rooms have a problem there is no one from cleaning to go and correct the mistake, falling the responsibility on the person who is working at the time. Moreover, an extra person should be added for breakfast, as there is currently only one who is off two days a week and there is not always someone to cover the position, as well as an extra person to help with washing towels, blankets, and comforters, when needed. It could also be beneficial to have a person responsible for promoting social networks and activities at the Hostel, in order to create a more youthful and relaxed environment, keeping up with the decoration. Furthermore, it is crucial for the company to invest in current employee training so that they can provide a homogeneous service with high added value for the company, as according to Farias, Valença, Sobral and Ribeiro (2022) this is a key factor for companies in the hospitality industry, since employees are the central point of contact with the customer.

Finally, although there is a difference between the concept of a Hotel and a Hostel, they continue to generate some doubts among their guests. The perception of service quality provided by the Hostel can sometimes be biased by the information previously given by the establishment or the customer expectations That way, as pointed out by Panagopoulos et al. (2011) it is crucial that the Hostel start to focus more on guests' pre-stay experience, creating a good brand image of the company and managing guests' expectations. Consequently, the overall rating overview on Booking.com should improve, as customers will be able to start focusing on the positive factors of their experience such as the sensations and behavioral responses received, or the prices charged, for example, which, when compared with a 4 or 5 star hotel, will be much more accessible.

9. Conclusions

The aim of this project was to find out more about the perceptions of tourists staying at the Hostel, identifying the factors that have the greatest influence on overall satisfaction, both positive and negative.

In order to do this, from May 1, 2022, to October 1, 2023, 2183 reviews were extracted and analyzed from Booking.com. Of these 2183 reviews, 36% were made by individual travelers, 23% by families, 21% by groups and 20% by couples, the least relevant group. Customers with the least positive ratings were couples, with an average score of global satisfaction of 6.89 points. On the opposite side, although with a small margin of difference, the average rating of global reviews given by groups is the one that prevails as the most positive, with an average of 7.81 points.

For this study, seven essential factors were identified for the perception of the customer experience. Considering the factors identified, those with the most positive impact on overall customer satisfaction were the location (54% of reviews) and the staff (44% of reviews). The category with the most negative impact were the facilities, which stood out from the rest, appearing in 49% of the reviews.

Even though facilities are mentioned as the most negative factor influencing the reviews of the hostel and its rating, this factor comprises several features linked to the Hostel. In fact, despite the overall negative rating of the hostel's facilities, when compared to its direct competitors, one of the facets of the hostel that is particularly noteworthy is its interior courtyard, which is a differentiating factor and stands out not only in terms of competitors but also in terms of guest experience. The development of some entertainment activities for guests, such as karaoke, live music or movie nights, dance classes, among other activities that could take full advantage of this special space, improving the overall experience provided by the Hostel.

Analyzing the customer’s experience is not easy, as it is a subjective criterion, especially when it comes to a service, that is intangible, heterogeneous, and inseparable, which means that its execution and consumption occur simultaneously. Nonetheless, it was possible to analyze the various categories selected and formalize some future improvement actions for the Hostel, covering the different areas studied. Therefore, changes should be made to the Hostel layout and breakfast organization, changes associated with communication during the

pre-stay through Booking.com, essentially, regarding cleaning and some adjustments in terms of structure, in order to increase guest comfort during their stay.

To sum up with, it can be concluded that this is a Hostel that is already well developed and has good foundations; however, it does have some structural and maintenance problems, which can be easily solved, and which could lead to a better rating for the establishment and an improvement in the overall customer experience and satisfaction. Furthermore, it is important to point out that, although knowledge about this type of accommodation remains scarce, a Hostel it is not a 5-star Hotel, so the service standards must be lower than the ones related to Hostel stays, since the prices and infrastructures are usually more accessible too.

10. Limitations

The study suffers from some limitations, firstly due to the lack of scientific articles related to this type of accommodation - Hostels, and subsequently because of the short period of time analyzed, and the nature of data, which was only extracted from Booking.com.

In addition, only reviews with written comments were fully analyzed, so that a clearer and more concise analysis could be carried out. Therefore, for future studies, it would be good to explore deeper into other platforms used and further develop the analysis carried out on this data.

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