



# Virtual Hotel Operator (VHO) Affiliated Small Accommodation Business: A Comparison of Perceived Performance

Mariae Khrisna Baring Arreza

College of Arts and Sciences, Cebu Normal University, Cebu City, 6000, Philippines

Cebu Institute of Technology – University, Cebu City, 6000, Philippines

Corresponding author. E-Mail address: mariae\_arreza@outlook.com, arrezamk@cnu.edu.ph

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## Abstract

The Virtual Hotel Operator (VHO) is the latest revolution in the hospitality industry that provides an opportunity for small accommodation businesses to compete with more prominent industry players. The VHO expanded and is well applied and advanced in Asia, including Metro Cebu, Philippines, where different VHO brands have partnered with varying arrays of accommodation establishments. VHO supplies the budget traveler and delivers reasonable accommodation with a good value, which has brought impressive changes in the hospitality industry's traditional systems. However, there is only limited literature about VHO. Thus, in bridging this gap, this paper was centered on the following objectives: Determine the performance of the accommodation businesses affiliated with VHO; Determine the comparison level of the perceived accommodation performance during the VHO partnership; Distinguish the difference of the results among the different VHO brands in Metro Cebu; Determine the advantages and concerns of small accommodation business operators with VHO affiliation and; Test the significant difference of the perceived comparison level among different VHO brands. This study gathered 40 responses from operators of small accommodation businesses in Metro Cebu. This study employed a descriptive method using questionnaires with designated statements that indicate the comparison level of the perceived accommodation performance during the VHO partnership. The findings proved that all the accommodation businesses' performance has improved during the VHO partnership; specifically, The Metro Cebu small accommodation businesses performance was much better during the VHO partnership. In uncovering the significant difference among the different VHO brands, a non-parametric Kruskal-Wallis test was used, resulted in  $p = 0.01$ ; thus, there is a significant difference in the comparison level of the perceived accommodation performance during the VHO partnership among VHO brands.

**Keywords:** Virtual Hotel Operator (VHO), Affiliated Small Accommodation Businesses, Perceived Performance, Hospitality Industry

## Introduction

Tourism is globally evolving, especially those relying on tourism as a potential source of profit. Competition deepens to businesses as it has been more challenging to ascertain an approach to attain sustainability within complex tourism business environments (Rendón, Martínez, & Flores, 2014). The hotel industry endures successfully in the overall economy, which leads to a competition of international or local business (Tsai, Song, & Wong, 2009). In response to the Philippines tourism progress, a wide-ranging selection of accommodation establishments emerged. These reputable establishments develop information technology systems to enhance productivity, efficiency, revenue, and guest service. Technological advances in tourism have substantially contributed to refining and integrating hotel operations, such as optimizing a hotel website that brings more profitable hotel business. The revolution of technology reached in crafting a system of getting the website in search engine results. This progression works with the keywords and about the website frequency in search engine listings. The fast improvement of information technology ensures that it will transform the tourism industry (Parvez, Moyeenudin, Arun, Anandan, & Janahan, 2018; De la Santa & Agatep, 2005).



The development of Philippine tourism and the escalation of the demand for budget travel has paved the way for the new concept of the sharing economy. The sharing economy is when the consumers are granted temporary access to underutilized physical assets and conceivably for profit. The sharing economy has surfaced as a new socio-economic movement, where consumers are more aware of societal facets of consumption, reconnection to local communities, and cost savings. There is a rising phenomenon on the shift of consumer behavior in favor of paying temporary access to products and services inventories. Networked hospitality businesses such as Airbnb, Virtual Hotel Operators (VHO), and other similar platforms are examples of this new business concept, which is the foremost resource for travelers looking for the best accommodation prices (Oskam & Boswijk, 2016).

Existing economic situations have negatively affected the financial aspect of the hospitality industry. Consumer behavior patterns have transformed due to recession, unemployment, and fear of the uncertain future. Hence, it will be primary for hospitality business owners to focus on strategies to retain customers. Innovation is always in a state of flux in the hospitality industry. It is crucial to take a proactive stance in employing technological advances while striving to elevate service quality and guest loyalty (Teng, Wu, & Chou, 2020; Koutroumanis, 2011). VHO's provides a solution for accommodation businesses that have a low level of accommodation quality, and have a doubted reputation (Shofia, Bakhtiar, & Prastawa, 2020).

According to Wiastuti & Susilowardhani (2016), Virtual Hotel Operator (VHO) started in India in 2015. It was somewhat an innovation from Airbnb's concept or similar to 'uberizing' of taxis. This new idea expanded and is well applied and advanced in Asia. VHO has no establishments or structural properties, but they have created a brand of online database and applications for IOS and Android software accessible to tourists in many countries. They partner with existing accommodation businesses in strategic locations in different countries in Asia. In Metro Cebu, VHO brands target the middle accommodation economy.

In the VHO's platform, Tourists can have easy access to hotel inventory, pricing, viewing, and location in one screen view, and allows smooth transaction of local and foreign tourists to the city that they will visit. This borderless transaction has created residents' opportunity to open and strategize low-priced but high-quality rooms. Accommodations are supported by the ease of online booking sites and Virtual Hotel Operator (VHO) management and promotion support (Teng et al., 2020; Douglas, 2018; Bilgihan, Okumus, "Khal" Nusair, & Joon-Wuk Kwun, 2011). Accommodation businesses can maximize sales and improve the hotel system based on the VHO standards throughout the VHO partnership (Shofia et al., 2020; Kurnia & Sulistiani, 2019).

The customers are well-informed because of technology. They can compare various services across different accommodation brands and no longer book through a phone call. The process of rapid digitalization disrupts old business models tougher than we realize. Due to the accessibility, there is a more robust connection among consumers, suppliers, and their networks. This innovation leads to exponential progress for some organizations to grow rapidly. According to Oskam & Boswijk (2016), the ease of an application on one's phone and the capability to book a room without giving credit card information. Using Apple Pay or similar software gives Airbnb and VHO the advantage. They have access to commentaries by other reviewers (Teck & Karuppiah, 2020). Airbnb and other organizations with similar technology have created a niche to exploit everything that the customer at a hotel wants. VHO continues to grow at an alarming pace for hoteliers and have plans of expansion. There has been a change in the mindset provided through app-based booking. Before technology, specifically to VHO and similar concepts, financial and personal success opportunities would have been much more challenging (Douglas, 2018).

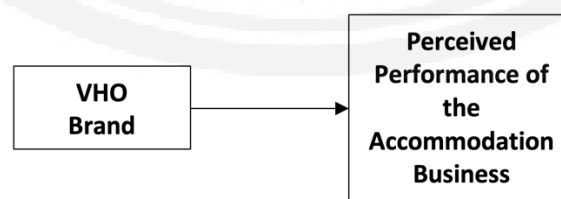


Budget travel is at a flourishing rate. VHO and other similar technology are multi-billion-dollar markets and have immense market potential and growing affluence in Southeast Asia (Ahmad, Idris, & Ibrahim, 2018; Wiastuti & Susilowardhani, 2016). The upsurge in the demand for clean but low budget accommodation gave birth to the Virtual Hotel Operator concept. The most common and visible brands in Metro Cebu are RedDoorz, Oyo rooms, Nida rooms, and Zen rooms. VHO supplies the budget traveler and delivers reasonable accommodation at a decent price. It is undeniable in an abundant variable industry, hoteliers need to improve technological innovation because this leads to most consumers availing themselves of the VHOs and similar platforms.

VHO brands in Metro Cebu are evident. The VHO business identity is situated next to the existing different arrays of accommodation establishments in the area. At present, the concept of VHO is considered novel. It has been a matter of concern among hospitality industry groups in Metro Cebu. There is no available literature about VHO. The closest thing we have are Airbnb Literature and other similar platforms. The rise of this business concept has been tagged as a disruption to the traditional hospitality business (Khatri, 2019; Douglas, 2018; Wiastuti & Susilowardhani, 2016). The fundamental theoretical drivers of technology disruption are less understood. It is necessary for the hospitality industry to understand the conditions that give rise to technology disruptions (Adner, 2002). It is crucial to the survival of the established hotels in Metro Cebu and other hotels in different locations experiencing similar effects.

Established Hotel and Resort groups in Metro Cebu have raised their concern about the growing number of Airbnb and VHO affiliated accommodation businesses that have left them in unpredictable fluctuation. High to full occupancy is no longer experienced among these hotels during peak season (Inso, 2020; Dagooc & Chua, 2020; ABS-CBN News, 2018). These new concepts of business are disrupting the tourism industry in unpredicted ways. VHO and other similar technology are at a fast development rate; the number of users and listings is increasing. This type of tourism technology has entirely created a new business system in the hospitality industry and has negatively impacted hotel room profit (Douglas, 2018; Nguyen, 2014). In an expanding networked economy, the traditional hierarchical structure is becoming outdated. These established suppliers are at high risk of loss if they will participate in the digitalized networks (Oskam & Boswijk, 2016).

Small business success is important to economic growth. An on-going challenge to small business owners is the need to cultivate a sustainable advantage (Bressler, 2012). Digitalization prospers organizations to stretch far beyond conventional markets. These organizations increase at speed as their market. The outcomes are faster, better, and cheaper (Teng et al., 2020; Oskam & Boswijk, 2016). VHOs have promising opportunities in the accommodation industry, specifically sales increase and quality improvement (Wiastuti & Susilowardhani, 2016). Affiliation with VHO and comparable technology may be an opportunity only when examining the comprehensive environment (Koutroumanis, 2011).



**Figure 1** Conceptual Framework of the Study.



Figure 1 depicts the conceptual framework of the study. In the sharing economy, a growing number of competitors are emerging into the market, some with different business schemes and positioning strategies, thus offering distinguishing points of differences (Aruan & Felicia, 2019). The brand allows the consumer to differentiate the products from each other based on different factors. In the research of Noorlitaria, Pangestu, Fitriansyah, Surapati, & Mahsyar (2020), there is an importance to brand as its awareness has a positive and significant effect on the consumers' purchase intentions. Górska-Warsewicz & Kulykovets (2020) also states that brand loyalty is a vital element of business strategy in achieving business success in the hospitality industry. The research of Risqiadinda & Indrawati (2020) mentioned that among the VHO brands Reddoorz and OYO, Reddoorz have attained far more superior results than Oyo rooms in terms of the following: Electronic Word of Mouth, Perceived Value, and Trust. In this study, the different VHO brands (the independent variable) may significantly contrast to the VHO partnered accommodation business's perceived performance. The disparity may be because of operator systems polarity that moderates the impact accommodation operating performance (Hua, Huang, Medeiros, & DeFranco, 2020). Different brands have distinct business goals, methods, strategies, and operations.

There are only a few kinds of literature available centers on VHOs; This study contributes to the industry in understanding the sharing economy phenomenon, specifically in the Virtual Hotel Operator (VHO) concept. The objectives of the study are the following: (a) Determine the performance of the accommodation businesses affiliated with VHOs in Metro Cebu; (b) Determine the difference of the results among the different VHO brands visible in Metro Cebu; (c) Determine the advantages and concerns of small accommodation business operators with VHO affiliation in Metro Cebu; and (d) Test the significant difference in the perceived comparison level among different VHO brands in Metro Cebu.

Specifically, this study aims to assess the null hypotheses:

**H<sub>0</sub>:** There is no significant difference in the perceived comparison level among the different VHO brands.

**H<sub>a</sub>:** There is a significant difference in the comparison level among the different VHO brands.

There are numerous key performance indicators of the hospitality business. This study adapted from Oh & Pizam (2008), two critical concepts that drove measurement systems across small and medium hospitality businesses. Both indicators selected are relevant to the accommodation business in Metro Cebu. These were concerned with (1) improvement of revenue targets; (2) customer relationship management to improve service quality and customer retention that focuses on guest satisfaction and guest loyalty. This study incorporates additional two indicators set as market visibility: domestic visibility and international visibility. This study defines foreign and domestic visibility as the appeal of accommodation that manifests in the increase or decrease of domestic and international travelers during the VHO partnership.

VHO have brought considerable changes in the conventional systems of the hospitality industry. This research highlights how VHO affiliated accommodation businesses can differentiate their business operations and business output based on the operator's perspective. Perhaps it can serve as a guide in the deciding factor for other similar businesses, whether a starting or operating establishment, to push through with a VHO partnership through a clear understanding of the accommodation business operators' perceived performance of their VHO affiliated establishment.



## Methods and Materials

This study utilized a descriptive research design using a researcher-designed questionnaire as a tool in the conduct of the survey. This study also involves assessing the difference in the level of perceived performance among the VHO affiliated business accommodation operators. The study was conducted in Metro Cebu, which houses many hotels with ranging qualities. In Metro Cebu, there is a total of 78 VHO affiliated business accommodations qualified for the study. A total of 40 small business accommodation operators participated in the study. Coincidentally, 10 of each brand. Phone calls and personal visits were made to ensure that each of the operators would receive the questionnaire. A letter of consent was provided to assure that respondent's participation in the research is merely voluntary and that he or she was free to withdraw from participating at any point and for any cause. Each participant was sent a questionnaire with a cover letter explaining the objectives of the study. Follow-up letters were forwarded, and follow-up calls were made to those who had not responded after four weeks. The response rate was about 51.2%. In this study, an accommodation business may be any of the following: inn, boutique hotel, motel, hostel, pension house, bed and breakfast, guesthouse, capsule hotel, appartel, lodging house condotels. The building has to be a recognized legitimate business in Metro Cebu that offers accommodation, space, or shelter for a guest to stay. The accommodation business has to be at least five years' operating independently and at least two years' operating with the VHO affiliation. In this study, an accommodation business is classified as small if the establishment has a range of 10–99 rooms.

The criteria were set to identify participants of the study. These are the following: (a) The respondents have to be either the owner-operator or the manager (with significant roles in business decision-making and has been a manager at least 18 months working at same capacity before the VHO partnership); (b) The accommodation business is of small classification; (c) The company has to be in affiliation with any of the following VHO: Oyo rooms, Nida rooms, RedDoorz, and Zen rooms.

The initial part of the questionnaire is the profiling of accommodation in terms of their chosen partnership. The second part compares the accommodation business operators' perceived performance during the VHO partnership, which covers the following indicators: Room occupancy, Guest satisfaction, Guest loyalty, Domestic visibility, and International visibility. The third section is for the respondents to express their VHO partnership insights; this focuses on the advantages, consequences, and reasons for their VHO partnership. The respondents were given ample time to answer the questionnaire.

There were 5 expert professors in Hospitality and Tourism Management from different local universities who validated the self-made questionnaire. The Item Objective Congruence (IOC) Index as shown in Figure 1, is used as the base for assessing the item quality. In each item, the expert professors were asked to determine the content validity score: The qualified items should have the IOC equal to or greater than 0.50.





<i>Statements</i>	<b>Expert (1)</b>	<b>Expert (2)</b>	<b>Expert (3)</b>	<b>Expert (4)</b>	<b>Expert (5)</b>	<b>Total Score</b>	<b>IOC Index of Expert Scores</b>
<i>1.Occupancy, The number of rooms occupied on the given night.</i>	1	1	1	1	1	5.0	1.0
<i>2. Guest Satisfaction, Rating of the guest's happiness and satisfaction of their overall stay.</i>	1	1	1	1	1	5.0	1.0
<i>3. Guest Loyalty, Guest preference to your brand over others.</i>	1	1	1	1	1	5.0	1.0
<i>4. Domestic Visibility, How easily can your accommodation business can be found at a domestic level?</i>	1	1	1	0	1	4.0	.80
<i>5.International Visibility, How easily can your accommodation business can be found at an international level?</i>	1	1	1	0	1	4.0	.80

**Figure 2** Item Objective Congruence (IOC).

The instrument also underwent reliability testing resulted in a Cronbach alpha value of 0.78, which is reliable and acceptable for administration (Taber, 2018). The gathered data were statistically treated using frequency count, weighted mean, and the Kruskal–Wallis test. The StatPlus software program was used in this study.

In gauging the perceived accommodation performance during VHO partnership among small accommodation businesses in Metro Cebu, respondents are asked to fill out a questionnaire containing the accommodation performance indicators with a 5–point Likert scale with a level of comparison as the response anchor at a .79 interval. The following designate five (5) as much better; four (4) as somewhat better; three (3) as about the same; two (2) as somewhat worse; one (1) as much worse.

**Results and Discussion**

Figure 2 shows the study’s descriptive statistics; it also summarizes the respondents’ perception in the comparison level of the perceived accommodation performance during the VHO partnership. RedDoorz attained the highest response at 4.34 with a verbal interpretation that the accommodation business’s performance was much better during the VHO partnership. There is a noticeable difference in RedDoorz and Zen rooms’ results between Oyo rooms and Nida rooms’ results. VHO partnered accommodation business is rated at high levels and is verbally interpreted; all the accommodation businesses’ performance ranges somewhat better to a much better level during VHO partnership. It might be because VHO elevates the cyberspace presence of the accommodation business they partner with. This outcome agrees with Wiastuti & Susilowardhani (2016) that VHO affiliation improves the accommodation business quality and creates more value-added and competitive prices. These accommodation



businesses have no website of their own. VHO has an online platform through the VHO website and mobile applications such as Google Play and Apps Store. Thus, the partner will be automatically listed. Partner information's are immediately accessed through mobile applications and website crafted by VHO and set a service guarantee standard that will ultimately improve guest room quality and hotel facilities.

Kurnia & Sulistiani (2019) indicates online reviews that are accessed has a significant constructive effect on the perceived value of the business. Occupancy is at a secured rate for the period of VHO partnership and books a specific number of rooms in the accommodation business. Some respondents state that it depends on what price is settled. They are aware that some similar classification accommodation may have gotten more or less from their partnered VHO. Some respondents state that it is better to give out the number of rooms to the VHO partner at a reduced rate; at least they are secured to have a percentage of their rooms paid by their VHO partners since whether booked or not, the VHO covers the agreed rate of the rooms until the contract expires.

Guest Loyalty is evaluated as the lowest among the study indicators. Based on Wiastuti & Susilowardhani (2016) study, accommodations were rebranded as the VHO brand they partnered with. Their business identity or brand has been a concern to several respondents. One respondent notes that though the business is beneficial, the respondent fears that its original brand will disappear as the VHO will consume the company. Another respondent points out the big VHO brand logo placed outside the building next to its average size original logo.



<i>Performance indicators</i>	<b>RedDoorz Mean And Verbal Description</b>	<b>OYO Rooms Mean And Verbal Description</b>	<b>Nida Rooms Mean And Verbal Description</b>	<b>Zen Rooms Mean And Verbal Description</b>	<b>Indicators Weighted mean and Verbal Description</b>
<b>Occupancy</b> <i>The number of rooms occupied on the given night</i>	4.9 <i>Much better</i>	4.7 <i>Much better</i>	4.5 <i>Much better</i>	4.8 <i>Much better</i>	4.72 <i>Much better</i>
<b>Guest Satisfaction</b> <i>Rating of the guest's happiness and satisfaction of their overall stay</i>	4.4 <i>Much better</i>	3.6 <i>Somewhat better</i>	3.5 <i>Somewhat better</i>	4.5 <i>Much better</i>	4.0 <i>Somewhat better</i>
<b>Guest Loyalty</b> <i>Guest preference to your brand over others</i>	3.4 <i>Somewhat better</i>	3.3 <i>About the same</i>	3.6 <i>Somewhat better</i>	3.7 <i>Somewhat better</i>	3.5 <i>Somewhat better</i>
<b>Domestic Visibility</b> <i>How easily your accommodation business can be found at a domestic level? This can manifest by the number of domestic guests the establishment caters.</i>	4.1 <i>Somewhat better</i>	4.4 <i>Much better</i>	4.3 <i>Much better</i>	4.6 <i>Much better</i>	4.35 <i>Much better</i>
<b>International Visibility</b> <i>How easily your accommodation business can be found at an international level? This can manifest by the number of foreign guests the establishment caters.</i>	4.9 <i>Much better</i>	4.6 <i>Much better</i>	4.1 <i>Somewhat better</i>	4.6 <i>Much better</i>	4.55 <i>Much better</i>
VHO Brand Average Weighted Mean and Verbal Description	4.34 <i>Much better</i>	4.12 <i>Somewhat better</i>	4.0 <i>Somewhat better</i>	4.4 <i>Much better</i>	4.22 <i>Much better</i>
<i>General Weighted Mean and Verbal Description</i>					4.21 <i>Much better</i>

**Figure 3** The Perceived Level of Performance of VHO.

Losing the business identity over the business’s survival has been a concern for most respondents. They also stress that guests do not know the accommodation business name in several cases but only demonstrate to know the VHO brand. This result coincides with the study of Wiastuti & Susilowardhani (2016) one of the disadvantages VHO never use accommodation business brand on all of the VHO marketing. Instead, only the VHO brand will be listed. Thus, the VHO affiliated accommodation business brand awareness declines as it will run as a dual-brand in the market. The dual-brand took place in front of the hotel to be visible. The guest might identify the VHO brand better than the partner brand itself. Richard (2017) stressed the vitality of branding and emphasized that hotels should stand on its brand and distinguish it from its competitors no matter the technology it has adapted.

Two respondents describe the need for them to be partnered with the VHO. It is a challenge for them to keep up with the seasoned hotels. Small business accommodation has no marketing funds available; they did cost-cutting measures and still had difficulty keeping the businesses afloat; the partnership with the VHO is a lifeline. There is no question that VHO brands have their online platform that enables domestic and foreign guests to book and access at rates they can choose from. Wiastuti & Susilowardhani (2016) stated that VHO provides hotel partners worldwide exposure and global reach. This kind of technological advancement drives the business to reach different markets. Smaller hotels have challenges capitalizing independent technology since it is very costly (Teck & Karupiah, 2020). According to the respondents, both business and leisure travelers are somehow responding





to this new notion of booking through VHO. It is interesting what Srovnalíková, Semionovaitė, Baranskaitė, & Labanauskaitė (2020) and Richard (2017) explained that guests are becoming diverse, both demographically and in their expectations. Guests favor to make hotel bookings online.

VHO partnership improved guest satisfaction; this maybe because of the new standards that these accommodation businesses have to follow once partnered with the VHO. According to Kurnia & Sulistiani (2019) and Wiastuti & Susilowardhani (2016), VHO can help increase sales and enhance the hotel's value by applying hotel management on Virtual Hotel Operator's standards. VHO administration oversees the process from the start and periodic basis to ensure the standards are met. The developments in information and communication technologies have sustained the evolution of the sharing economy (Rosenthal, Tan, & Poh, 2020). The sharing economy in the accommodation industry can be cogitated as the key to hotel demand. The sharing economy specially this case the VHO is threatening conventional hotels. It is anticipated to destructively impact hotel income, change established hotel and guest behavior. The sharing economy appears in many sectors, but this occurrence has a significant effect on the hospitality industry. By converting the classic tourism sector into online channels, the internet has changed the tourism industry. In the hotel industry, the sharing economy is rising very quickly. Thus, it is critical to formulate effective hotel management strategy (Srovnalíková et al., 2020).

The Kruskal–Wallis test compares the medians of several (at least two) populations and uncover if there is a difference. The simple idea of Kruskal–Wallis is to gather a sample from each population, rank all the merged data from smallest to largest, and then search for a pattern in how the ranks are distributed among the various samples. Kruskal–Wallis have the following assumptions: (1) The dependent variable should be measured at the ordinal or continuous level (such as a Likert scale); (2) The independent variable should consist of two or more categorical, independent groups; (3) There is no relationship between the observations in each group or between the groups themselves. The Kruskal–Wallis test does not assume normality in the data, it can be used when the assumptions of other parametric test have been violated. This non–parametric test was used since the study's data satisfy all the assumptions of Kruskal–Wallis (Laerd Statistics, n.d.; Rumsey, 2007).

<b>Kruskal-Wallis</b>			
<b>H</b>	11.128263	<b>H (corrected)</b>	12.89497
<b>Degrees of Freedom</b>	3	<b>N</b>	200
<b>p-value</b>	0.01105		
<b>Median Test</b>			
<b>Overall Median</b>	4	<b>Chi-square</b>	13.2000
<b>p-value</b>	0.00422		

**Figure 4** Kruskal–Wallis Test Results of the Significant Difference among the Comparison Level among VHO Brands.

The result in Figure 3 presents the comparison of multiple independent samples using the Kruskal–Wallis test. The following hypothesis was tested:

**H<sub>0</sub>**: There is no significant difference in the comparison level among the different VHO brands.

**H<sub>a</sub>**: There is a significant difference in the comparison level among the different VHO brands.



By using the Kruskal–Wallis test exposes a significant difference in the comparison level among the different VHO brands RedDoorz, Oyo rooms, Nida rooms, and Zen rooms.  $\chi^2 = 13.2000$ ,  $p = 0.01105$ . Therefore, the null hypothesis is rejected.

Although with the difference in the responses, the study's discoveries recognize VHO partnership is an advantage to the small business accommodation to perform in a range from somewhat better to much better based on this study's performance indicators. The responses still vary depending on the brand. The difference can be due to the varying roles of the participants in the company. Each participant's point of view may be influenced by their responsibilities or their knowledge about the VHO partnership or it can be attributed to the functional differences or features of the VHO.

This study's vital practical implications for the hospitality industry, specifically for small accommodation operators, are to better recognize Virtual Hotel Operators' value (VHO). VHO may also small accommodation businesses intensify their online presence and bring in more revenue. It is understandable that in the hotel industry, there is a need to adopt the latest developments in technology and integrate them into the business operations and marketing strategies, and that comes with a price. If the capital may be a concern, VHO affiliation may be pondered an alternative option for small accommodation to increase their chances of survival or make the business more viable.

This research process is necessary to deepen the understanding of operators perceived performance of the VHO affiliated accommodation business, if it has improved during the VHO partnership. This study highlights the following indicators of perceived performance: Occupancy, Guest Satisfaction, Guest Loyalty, Domestic Visibility, International Visibility. This study provides an insight on how the indicators have improved during the partnership. Since, the topic of this research is new, it is difficult to find relevant sources about VHO. There are unavoidable limitations that arise from this research's nature. Future research may increase the sample size and venture into different areas to better represent the overall population. A more extensive data may provide more distinctive effects and more evident trends. Since this study only performs research on four VHO brands, the findings can be replicated in other brands of VHO and similar technology. Future research can explore the different emerging types of sharing economy for comparison and include other indicators such as Key Performance Indicators (KPI) of the Hospitality Industry that would affect the performance of the VHO affiliated accommodation business. It is hoped that the preceding discussion might provide the stimulus for novel research in problems involving VHO and its advantage and disadvantages to its partner establishments.

### Conclusion

The number of organizations described as part of the “sharing economy”, such as Virtual Hotel Operator (VHO), have increased dramatically. The current empirical research on the subject illustrates the significance of this phenomenon and its far-reaching ramifications, but also shows a lack of conceptual clarification about what the VHO represents. This study assesses the comparative level of perceived performance among VHO affiliated accommodation businesses in Metro Cebu. The following conclusions can be drawn to address that the overall findings of this study showed that Virtual Hotel Operator (VHO) affiliation helps small accommodation businesses enhance the following indicators: Occupancy, Guest Satisfaction; Guest Loyalty; Domestic Visibility; and International Visibility. Specifically, all the accommodation businesses' performance was at a range from somewhat better to a much better level during the VHO partnership. The use of a non-parametric statistical test Kruskal–



Wallis determined that there is a significant difference in the comparison level of the perceived accommodation performance during the VHO partnership among the different VHO brands. Though encouraging results, Business Operators and Managers are apprehended that the VHO partnership may diminish their original brand. This indicates that the VHO partnership of any small accommodation business can be considered as developing strategy for improving revenue targets and customer service quality that will lead to the customer retention.

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