

ACADEMIC WEEKLY DIGEST

School of Hospitality & Tourism Management

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TOURISTS' EMOTIONAL RESPONSES TO UNFAIR PRICES AMID AN EPIDEMIC

How would tourists react to unfair prices as they travel during an outbreak of infectious disease? **Prof Gang Li** and colleagues conducted an experimental research to examine this key issue. They found that tourists have a strong negative emotional reaction towards tourism-related price inequalities in response to a high (vs low) infectious disease threat. They also found that risk aversion acts as an underlying mechanism behind this reaction.

IMPACT OF AN INFECTIOUS DISEASE OUTBREAK ON TOURISTS' EMOTIONAL RESPONSES TO DISADVANTAGED PRICE INEQUALITY

PROF GANG LI

Understanding tourists' psychological needs and experiences is crucial for tourism and hospitality service providers. This research represents the first attempt in the tourism literature to investigate the impact of infectious diseases on tourists' psychological states. Based on a two-stage, between-subjects experimental design, it was revealed that the perceived threat of an infectious disease tended to magnify tourists' negative emotional reactions when they realised that they have paid more than other customers for the same products or services. Since this research is set in the general context of infectious diseases, its implications are not restricted to the present COVID-19 outbreak, but are general to a broader context.

The findings have important implications for the pricing decisions of tourism businesses during an infectious disease outbreak. Specifically, when a destination faces the threat of an infectious disease such as COVID-19, tourism businesses need to consider the balance between short-term profitability and long-term business sustainability. Price inequality may be inevitable in tourism markets during an outbreak of an infectious disease. Where a new pricing strategy has to be implemented, these tourism businesses must pay particular attention to communicating these price variations to customers clearly and effectively.



FURTHER READING:

Zhang, K., Y. Hou, and G. Li (2020). Threat of infectious disease during an outbreak: Influence on tourists' emotional responses to disadvantaged price inequality. *Annals of Tourism Research*.

Link: bit.ly/2UJZ3lw

The key to avoiding negative emotional reactions from customers is to make them feel that the price inequality between services is acceptable. In light of risk aversion as an underlining mechanism, tourism businesses need to work closely with destination marketing organisations to manage tourist risk perceptions. In particular, in the recovery phase of COVID-19 and similar pandemics, marketing should be focused on domestic markets and nearby regions where there is better knowledge of the destination and less-biased risk perception.