# Measuring Impact of a Sustainability Reward Program in Comparison to Location and Cost on Meeting Planners' Perceived Value for Money

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#### Abstract

The present experimental study examines if a sustainability reward program has impact on meeting planners' perceived value for money (PVM) spent on venue selection process. The results of the data analysis using Analysis of Variance (ANOVA) provide meaningful insights into important factors/conditions that influence the planners' PVM focusing on three main variables: sustainability reward program, location, and overall costs. This study further examines if there is significant difference between three planner types (i.e., corporate, association, and government) on their value perception towards venues with various conditions.

**Keywords**: Sustainability reward program, location, overall costs, perceived value for money, planner types

# Introduction

Loyalty program participation has topped 3.8 billion members in the United States according to the 2017 COLLOQUY Loyalty Census (Fruend, 2017). Hotels use these rewards programs to retain loyal customers and to promote site selection (Tanford & Malek, 2015). Event sites are selected by event planners, which is why it is necessary to plan marketing strategies based on the planners' perception (Oppermann, 1996). By understanding the specific needs of the planners and distinguishing between the types of events that they plan, suppliers can improve

their services and offer the specific mix of services desired by the planners (DiPietro, Breiter, Rompf, & Godlewska, 2008).

The volume of literature on sustainability in event management has increased as scholars demand that the topic of socio-cultural and environmental impacts of events should gain more attention in event research (Getz & Page, 2016; Mair & Whitford, 2013). However, studies on promoting factors for encouraging sustainability participation have either been overlooked or concluded that there is lack of promotions or motivators (Getz & Page, 2016; Gao & Mattila, 2016; Park & Park, 2016). In order to bridge the gap, our study aims to provide event suppliers and marketers with a better understanding of factors that influence in planners' planning process with sustainability in mind.

Suppliers have as much responsibility as planners in sustainable practices (Jung, Kim, Malek, & Lee, 2016). For example, incentives such as reward points can motivate planners to continue their sustainability-priority minded planning. The theory of operant conditioning (Skinner, 1948, p. 168), suggests that "behavior which is reinforced tends to be repeated or strengthened". The purpose of this experimental study is to examine if the reinforcement using a sustainability reward program has an impact on planners' perceived value for money (PVM) spent on venue selection. This study further examines if there is any significant difference between three planner types (i.e., corporate, association, and government) on their value perception towards venues with various conditions. This study focused on the U.S. as it is the largest market in the meetings and events Industry that accounts for \$325 billion in direct spending (Economic Significance Study of meetings to the U.S. Economy, 2016).

# **Literature Review**

# **Event Planning with Sustainability in Mind**

Destination Marketing Organizations (DMOs) work with local convention hotels and other meeting venues to host large associations that are looking for an attractive convention site which can fulfill their objectives (Crouch & Louviere, 2004). Various antecedent conditions of destinations such as accessibility, size of meeting space, vendor relationships, and objectives of their meetings determine the importance of site-selection factors (Crouch & Louviere, 2004). The prioritization of site-selection criteria is dependent upon the objectives of the meeting, budget, attendee demographics, and many others (Elston & Draper, 2012).

With increasing attention on the issue of the environmental sustainability, the meeting planners' role in planning a green meeting has become imperative. Selecting a green venue is a crucial step for planners to plan a truly green meeting (Draper et al., 2011). Environmental-conscious planners evaluate environmental performance of venues and select them based on various environmental criteria (Boo & Park, 2013). Many industry associations are implementing sustainable initiatives for their membership, which includes the Green Meeting Industry Council, Professional Convention Management Association, and Meeting Professionals International (Draper, Dawson, & Casey, 2011). Despite the increasing attention on environmental sustainability, hospitality research on the significance of sustainability is lacking and has generated inconsistent results (Myung, McClaren, & Li, 2012; Gao & Mattila, 2016).

# **Loyalty Program**

Many loyalty program researchers have adopted theories from the field of psychology. Henderson et al., (2011) employed the theories of three domains of psychological mechanisms: status, habit, and relationship. The current study pays attention to the notion of "habit" that is

closely related with the theory of operant conditioning. According to the theory of planned behavior (Ajzen, 2002), a consumer must have an *intention* to perform a behavior. To develop "habit", the behavior must be *repeated* in the context of certain *stable environmental cues* that an individual can link with his/her behavior. Effectiveness of loyalty programs can be examined by the difference between the number and size of tiers on consumer's perceptions of "status". Drèze and Nunez, (2008) found that adding a secondary tier enhances perception of status, while increased number of members in the top tier diminishes status. The "relationship" is related to retaining customers, creating loyal customers, and increasing profits in hospitality research (Tanford, Raab, & Kim, 2013; Voorhees, McCall, & Carroll, 2014).

Constructs that are frequently used to measure customer loyalty in hospitality include commitment, switching costs, and behavioral loyalty (Tanford, Raab, & Kim, 2011). A company's marketing efforts, such as reward programs, create consumers' deep commitment that may lead to a repeated purchasing behavior (Oliver, 1999). The preferential attitudinal and behavioral response toward brands, which is termed "true loyalty", can be achieved by going beyond offering special incentives (Engel & Blackwell, 1982).

# **Perceived Value for Money**

Zeithaml (1988, p. 10) defines price, from the consumer's perspective, as "what is given up or sacrificed to obtain a product". Some consumers perceive nonmonetary price as they encode an objective price as "expensive" or "cheap" (Jacoby, Chestnut, & Hoyer, 1978). This distinction between objective and perceived price is supported by a number of researchers, which has allowed the concept of perceived value to evolve from it. An exploratory study by Zeithaml (1998) classified the consumer definitions of value into four categories: (1) value is low price, (2) value is whatever I want in a product, (3) value is the quality I get for the price I pay, and (4)

value is what I get for what I give. Some consumers equate value with low price, while others focus on the benefits they receive from the product. There are consumers who conceptualize value as a quality of the product, whilst others consider all aspects of both what they potentially "give up" and/or "obtain" when determining value.

The present study attempts to compare planners' PVM towards a variety of meeting venues with different conditions. Facing a competitive market for meeting customers and providing reward program members with preferential treatment by a different level of tiers may not be sufficient to satisfy all planners. To reflect the current interest of meeting professionals, this study examines if planners' PVM would be influenced by a sustainability reward program compared to other conditions such as location and overall costs.

Hypothesis 1: Meeting planners perceive greater value for money of a venue with a sustainability reward program than without a sustainability reward program.

# Perceived Value for Money of a Sustainability Reward Program

Sustainability is an essential element in many marketing strategies and incorporating "green marketing" into loyalty programs has increasingly become common practice, even though customers may or may not be willing to pay more for them (Giebelhausen, Chun, Cronin, & Hult, 2016; Tanford & Malek, 2014). Due to its growing importance in the industry and society, businesses can promote and reward sustainable practices by promoting green options in their reward programs (Chen & Chang, 2012).

Previous literature showing conflicting results as described above gives justification for the purpose of the study, in which finding more evidence on the effect of a sustainability reward program on perceived value is essential. However, planners' decision-making tends to be subject to various costs associated with site-selection process such as hotel room rates, food and beverage costs, and technology-related costs (DiPietro et al., 2008; Draper et al., 2011). Buyers assess value of price-options comparing similar price promotions and advertisement and perceive psychological satisfaction when they benefit from the transaction (Grewal, Monroe, & Krishnan, 1998). In this regards, investigating effect of a sustainability reward program in planners' perceived value towards venues with different cost levels can be hypothesized as follows:

Hypothesis 2a: Meeting planners perceive greater value for money of a higher cost venue with a sustainability reward program than without a sustainability reward program.

Hypothesis 2b: Meeting planners perceive greater value for money of a lower cost venue than a higher cost venue when there is no sustainability reward program.

#### **Venue Location**

Although research suggests meeting planners consider environmental sustainability in their site-selection decision, there are many stronger attributes that typically top the planners' list such as location of the meetings. The importance of the meeting planners with respect to destination choice was revealed when 79% mentioned that their responsibilities included selection of the conference destination (Oppermann, 1996).

Affordability is the weakest attribute in top-tier convention destinations that are equipped with infrastructure required for mega-events. However, business travelers tend to be price sensitive (PCMA Convene, 2017). These cities utilize various promotional tactics such as special incentives for meeting planners offering free nights, or airline miles for accommodating the meeting planners and their attendees. Baloglu and Love (2005) suggest that the meeting planners not only perceive different images for different convention cities. Specifically, the study indicated difference of meeting planners' perception between first-tier convention cities (e.g.,

Chicago, Las Vegas, and Orlando) and second-tier convention cities (e.g., Cleveland, Columbia, and Nashville). These previous findings lead to the following hypothesis.

Hypothesis 3: Meeting planners perceive greater value for money of a venue located in a first-tier convention city compared to a similar venue located in a second-tier city.

# **Three Different Planner Types**

Although fundamental site-selection process is similar for all meeting planners, there are at least three prominent planner types that distinguish them by unique characteristics of each type of meeting. First, corporate planners are typically involved in planning training sessions, product launch event, corporation wide updates, and incentive trips. Corporate meetings are normally smaller and more frequent than other types of meetings as there are various occasions that require planned meetings and events. Since an excessive spending can result in negative financial effect for the organization, corporate planners are responsible for budgeting and negotiating while planning their events. Corporate planners need to not only comply with corporate rules and bylaws but also listen to the organization's shareholders to reflect their visions and ideas.

Second, association planners are involved with events of various types and sizes. Types of association meetings include tradeshow, exhibition, educational sessions, panel discussions, and networking events. While budget for association meetings vary by the size and type of association, they are focused more on generating revenue than corporate events. Thus, association planners should not only accurately budget their events, but ensure a positive return on investment (ROI) at the end of their event. Various marketing practices, sponsorship, and programming with technologies can help generate revenue from this type of event.

Last, government planners are different from the two other types of planners in many ways. Government meetings are often restricted by many regulations and policies.

Confidentiality and security are commonly top priority for government planners when planning an event. Government planners need to adhere to per-diem rates, which limits the budget the planners can spend on planning. This often makes it difficult for government planners to find a meeting venue outside government facilities in the current seller's market.

As each type of planner has different goals and priorities for their particular event planning situation, this study attempts to compare perception of the three types of planners on sustainability reward program, location, and overall costs.

# Method

# **Research Design**

The study employs an experimental design: 2 (sustainability reward program) x 2 (venue location) x 3 (overall costs) within-subject factorial design. The analysis consists of three independent variables (sustainability reward program, venue location, and overall costs) as displayed in Figure 1 and one dependent variable (planners' PVM).

Figure 1. Experimental design of study

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	Sustainability 1	reward program	No reward program				
Location	Top-tier city (Chicago)	Second-tier city (Cleveland)	Top-tier city (Chicago)	Second-tier city (Cleveland)			
Low	1	4	7	10			
Moderate	2	5	8	11			
High	3	6	9	12			

To ensure proper execution of an experiment, adequate controls and manipulations of stimuli, randomization, and valid measures of the dependent variable are essential (Cooper & Schindler, 2011). To find out validity of the other two variables (overall costs and venue

location) and ensure all the venue descriptions (i.e., key features and pictures) are equally appealing to participants, a pre-test was conducted in advance without revealing the sustainability reward program information. Thirty meeting planners participated in the pre-test during the IMEX 2016 in Las Vegas, Nevada. Subjects were exposed to six different prices for a full conference package (per attendee rate) and 12 sets of venue descriptions. The subjects rated their perception of each price option on three levels (low, moderate, or high), and the extent to which they are willing to select the venue on a 7-point scale from 1 (extremely unlikely) to 7 (extremely likely) and how appealing the venue is from 1 (extremely unappealing) to 7 (extremely appealing).

Overall, results of the pretest indicated that subjects have somewhat different perceptions of how appealing the venues are on a few venue descriptions. Those subjects who showed different perceptions indicated that the pictures shown on certain venues were not as appealing as the pictures of other venues due to different types of meeting space. Thus, those pictures were replaced by similar images (i.e., city look) that show the same type of meeting space. In the modified instrument, all venue descriptions include a picture of building exterior and a small meeting room such as a board room. In terms of the overall costs, the pre-test results suggest that subjects recognize a high price at \$550 and a low cost at \$159. A perceived moderate cost varied by respondents and ranged from \$209 to \$350 depending on the location of the venue.

The experimental design provided the participants with 12 different sets of meeting venue options in a random order. The scenarios and key highlights of each convention hotel were adapted from Cvent Supplier Network, which is a renowned online site-selection tool.

Sustainability reward programs were created based on actual hotel loyalty programs including the program description, information on how to join, point structure, and incentive types. Sample

descriptions of the sets of descriptions are provided in Figure 2 (a sample with a sustainability reward program) and Figure 3 (a sample without).

Figure 2. Sample venue description with a sustainability reward program



Venue Type: Hotel Brand: Regent Rating: 4 Stars Distance from airport: 11 miles Year built/Year renovated: 2013 Number of sleelping rooms: 600 Number of meeting rooms: 35 Meeting room space: 200,000sq.Ft.

Meeting room space: 200,000sq.F Parking: Paid / Valet parking: \$8 / \$15

Total Estimated Cost (Per attendee): \$240

## Description

The new K Convention Center Hotel of Cleveland includes 200,000 gross square feet of Class A exhibit space divisible into three exhibition halls, 35 meeting rooms, an expansive truck loading dock, and a 32,000 square foot column free ballroom with spectacular views of Cleveland's lakefront.

## Equipment Available:

Portable Walls, Staging, Dance Floors, Loading Dock

## **Business Services:**

Business Center, Audio/Video Capabilities, Video Conferencing

#### Recreational Activities:

Health Club, Indoor Pool, Whirlpool

# Sustainable Meeting Rewards Program

The K Hotels Sustainability Rewards Program rewards groups that participate in our sustainable meeting program. Groups who join our customized sustainable meeting program, participate in various sustainable meeting practices such as energy efficiency, recycling program, and electronic meeting materials during your meetings and stays. The more rooms you book, the more points you earn. Your reward points can be redeemed for a vaerity of benefits including free A/V equipment rental, free room nights, dining vouchers, free beverage services, and more

# 1. How likely are you to select this venue for your conference?

Extremely unlikely 1 2 3 4 5 6 7 Extremely likely

## 2. This venue is good value for the money.

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

Figure 3. Sample venue description without a sustainability reward program

# Venue K in Chicago Venue Type: Hotel Brand: Ellis Hotels Rating: 4 Stars Distance from airport: 3 miles Year built/Year renovated: 1975/2014 Number of sleelping rooms: 760 Number of meeting rooms: 75,000sq.Ft. Meeting room space: Parking: Valet parking only: \$61 Total Estimated Cost (Per attendee): \$210

#### Description

With over 75,000 square feet of elegant event venues and over 45,000 square feet of ballroom space, the Heels S Hotel sets a new standard of excellence for Chicago meeting facilities.

Our 760 guest room hotel, impressive lobby atrium, complimentary airport shuttle, StayFit™ gym, two restaurants, FedEx Business Center, among other upgraded amenities help offer a striking modern environment well suited for business and leisure travelers alike. Guests will enjoy the luxury of four onsite dining options, including our Perks Coffee & Gift Shop, open 24-hours and offering grab-and-go options.

Experience the convenience of staying near O'Hare Airport, downtown Chicago and exciting shopping destinations while at the Heels S Hotel. Located within walking distance to the Blue Line "L" Train can enjoy quick and easy access to downtown Chicago. If you're visiting for a convention, guests enjoy easy access to the Donald E Stephens Convention Center via the covered skywalk connected to our hotel.

# **Equipment Available:**

Staging, Dance Floors, Loading Dock

# **Business Services:**

Business Center, Audio/Video Capabilities

#### Recreational Activities:

Health Club, Indoor Pool

#### 1. How likely are you to select this venue for your conference?

Extremely unlikely 1 2 3 4 5 6 7 Extremely likely

## 2. This venue is good value for the money.

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

# **Data Collection**

A total of 292 completed surveys were collected; after conducting a manipulation check, 70 of them were considered valid data. Power analysis on the basis of 90% expected power, .05 significance level, and magnitude of effect sizes small to medium (.20), suggested the study needs a minimum sample size 68 surveys (Faul, Erdfelder, Lang, & Buchner, 2007). Thus, the minimum sample size requirement to conduct the analysis was met. The data manipulation check asked the following two main questions to ensure participants' awareness of the factors: 1) the number of venues that offered a sustainability reward program, 2) the number of venues that are located in each first-tier and second-tier convention city. Responses completed in less than one third of 7.8 minutes, which was the median length participants took, were automatically eliminated. Respondents who did not answer between 3 and 9 on the manipulation check questions were also eliminated as their responses were not based on the stimuli as the study intended. A detailed demographic information is provided in Table 1.

Table 1. Demographic Profile of Participants (n = 70)

Demographic Characteristics	f	%
Gender		
Male	50	71.4
Female	20	28.6
Ethnicity		
African American	7	10
Asian	5	7.1
Hispanic	5	7.1
Caucasian	53	75.7
Age		
18-29	10	14.3
30-49	52	74.3
50-64	5	7.1
65 or older	3	4.3
Education		
High school graduate	6	8.6
Trade/technical/vocational training	8	11.4
Bachelor's degree	29	41.4
Masters' degree	22	31.4
Ph.D., law or medical degree	4	5.7
Other	1	1.4
Region		
Midwest	14	20.0
Northeast	12	17.1
Southeast	19	27.1
Southwest	7	10.0
West	18	25.7
Types of Planner (Multiple responses allowed)		
Corporate	49	70
Association	26	37.1
Government	14	20

# **Results**

A three-way 2 x 2 x 3 repeated measures ANOVA was performed on ratings of perceived value for the money of 12 different sets of venues. Post-hoc tests using the Bonferroni correction were conducted on overall costs variables to find where the significant differences were observed. Normality checks were carried out and the standardized residuals of the dependent variable were approximately normally distributed, thus, the assumption of normality of residuals

was met. According to the Mauchly's Test of Sphericity, the assumption of Sphericity was not met on the effects of the overall costs (p = 0.000) and the interaction effect between sustainability reward program and overall costs (p = 0.001). Therefore, Greenhouse-Geisser correction was applied to the degrees of freedom (F<sub>1.43</sub>, 98.36 = 24.812, p = 0.000).

#### **Main Effects**

There was no significant effect of sustainability reward programs on planners' PVM (F<sub>1</sub>,  $_{69}$  = 0.029, p = 0.866). Therefore, hypothesis 1(sustainability reward program) is not supported. However, there were significant main effects of location (F<sub>1</sub>,  $_{69}$  = 15.321, p= 0.000) and overall costs (F<sub>1.43</sub>,  $_{98.36}$  = 24.812, p= 0.000). Thus, hypotheses 2a and 2b (location) and 3a (overall costs) were supported. The effect size of location ( $\eta^2$  = 0.182) was large in accordance with Cohen's (1988) guideline. Table 2 shows the significance test results and main effects of the three stimuli.

Table 2. Main Effects for PVM

	Treatments	F	Effect Size	
Sustai	Sustainability Reward Program			$\eta^2$
Yes		No		
5.329		5.319	0.029	n/a
	Location	F (1, 69)	$\eta^2$	
1st-tier (Chicag	1st-tier (Chicago) 2nd-tier (Cleveland)			
5.119	5.119		15.321*	0.182
	Overall Costs			$\eta^2$
Low	Moderate	High		
5.779a	5.389b	4.804c	24.812*	0.264

*Note.* Means without a common subscript letter are significantly different (p < .05) by Bonferroni test; \*p < .05

Post hoc test using the Bonferroni correction for the effect of overall costs indicated that there were significant differences between low cost venue and moderate cost venue (0.389), between moderate cost and high cost venue (0.586), as well as between low cost and high cost

venue (0.975). Therefore, it is reasonable to assume that planners perceive higher value for money on low cost meeting venues. Table 3 displays Bonferroni test results on planners' PVM towards meeting venues with three levels of overall costs.

Table 3. Post Hoc Test Using Bonferroni Adjustment for Overall Costs

Overall Costs		Mean difference	Std. Error	Sig.
Low	Moderate	.389	.112	.003
	High	.975	.178	.000
Moderate	Low	389	.112	.003
	High	.586	.119	.000
High	Low	975	.178	.000
C	Moderate	586	.119	.000

#### **Interaction Effects**

Interaction effect between overall costs and sustainability reward programs on PVM was hypothesized because perception of overall costs of meeting venue packages and benefits of the reward programs directly accounts for the PVM. However, a two-way repeated measures ANOVA showed that there was no significant effect of interaction between overall costs and sustainability reward programs on PVM (F1.69, 116.78 = 0.979 p = 0.367). Thus, the hypothesis 2a and 2b were not supported.

# **Effects of Planner Types**

The overall results suggest that sustainability reward programs have no main effect on PVM. Also, any interaction effects between sustainability reward programs and other variables were not found to be significant. However, many study participants identified themselves as multiple types of planners, which could result in providing new insights into different perceptions of the three different types of planners. Accordingly, as an additional exploratory analysis, a four-way mixed ANOVA was conducted with the three different types of planners as

a between subject factor. The data were organized in three different columns in SPSS for each type of planner and were coded into a different variable (0 and 1). For example, corporate planners were coded with 1, while non-corporate planners (a combination of association and government planner) were coded with 0. Follow-up simple effects analyses were conducted to determine differences between each type of planner compared to other planner types at each level of the three treatments.

# **Corporate Planners versus Non-Corporate Planners**

Results of a four-way mixed ANOVA on PVM revealed that the interactions between planner type (corporate vs. non-corporate) and all three treatments were not significant: Sustainability reward program ( $F_{1,68} = 1.072$ , p = 0.304), location ( $F_{1,68} = 1.631$ , p = 0.206), overall costs ( $F_{1.42,96.58} = 0.128$ , p = 0.808). Detailed results are displayed in Table 4.

Table 4. Simple Effects by Types of Planner (Corporate Planners vs. Non-Corporate)

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Types of Planner	Sustainability Reward Program			F	2
	Yes		No	Γ	$\eta^2$
Corporate	5.520		5.473	F <sub>(1, 48)</sub> 0.542	n/a
Non-Corporate	4.881		4.960	F <sub>(1,20)</sub> 0.509	n/a
		Location		Г	2
	1st-tier (Chicago	o) 2nd-ti	er (Cleveland)	F	$\eta^2$
Corporate	5.248	,	5.745	F(1, 48) 14.273**	.229
Non-Corporate	4.817		5.024	F <sub>(1, 20)</sub> 1.627	n/a
	O	Overall Costs			2
	Low	Moderate	High	F	$\eta^2$
Corporate	5.959a	5.597ь	4.934c	F(1.32, 64.48) 19.588**	0.290
Non-corporate	5.357a	4.905ab	4.500ь	F(1.56, 31.11) 5.454*	0.214

*Note.* Means without a common subscript letter are significantly different (p < .05) by Bonferroni test; \*p < .05, \*\*p  $\leq$  .001

## **Association Planners versus Non-Association Planners**

The three-way ANOVA indicated no significant interaction between sustainability reward programs and types of planners (association vs. non-association) ( $F_{1,68} = 0.017$ , p = 0.896). Venue location was also not found to be significantly interacted with association or non-association planners' PVM ( $F_{1,68} = 0.260$ , p = 0.621). A significant interaction effect was found between the type of planner and overall costs ( $F_{1.45,98.53} = 4.048$ , p = 0.032,  $\eta^2 = 0.056$ ).

Results of the follow up simple effects test indicated that perception of value for money of both association planner (F2, 50 = 3.631, p = 0.034,  $\eta^2$  = 0.127) and non-association planners (F1.36, 58.35 = 22.819, p = 0.000,  $\eta^2$  = 0.347) was influenced by overall costs (Table 5). However, post hoc test using the Bonferroni correction indicated that means for association planners were not significantly different between any levels of costs, while mean ratings for non-association planners' PVM were significantly different at all levels of the overall costs: Low cost venue was significantly different from moderate cost venue by 0.357 and from high cost venue by 0.874.

Table 5. Simple Effects by Types of Planner (Association Planners vs. Non-Association)

Types of Planner	Sustainability Reward Program			Г	2
• 1	Yes	•	No	F	$\eta^2$
Association	5.513		5.494	F(1, 25) 0.057	n/a
Non-Association	5.220		5.216	F <sub>(1,43)</sub> 0.002	n/a
		Location	F	2	
	1st-tier (Chicago	2nd-t	ier (Cleveland)	Γ	$\eta^2$
Association	5.333		5.673	F(1, 25) 4.062*	0.140
Non-Association	4.992		5.443	F <sub>(1, 43)</sub> 11.241**	0.207
	Overall Costs				
	Low	Moderate	High	F	$\eta^2$
Association	5.740a	5.510a	5.260a	F(2, 50) 3.631*	0.127
Non-Association	5.801a	5.318 <sub>b</sub>	4.534c	F(1.36, 58.35)	0.347

*Note.* Means without a common subscript letter are significantly different (p < .05) by Bonferroni test; \*p < .055, \*\*p < .01, \*\*\* $p \le .001$ 

#### **Government Planners versus Non-Government Planners**

There was an interaction effect between sustainability reward program and type of planner at a marginal level (government vs. non-government) (F<sub>1</sub>, 13 = 2.873, p = 0.095  $\eta^2$  = 0.041). Simple effects test revealed no significant effect for neither government planners (F<sub>1</sub>, 68 = 2.647, p = 0.128) nor non-government planners (F<sub>1</sub>, 55 = 0.790, p = 0.378). But, it was interesting to observe that government planners' PVM was lower when venues offer a sustainability reward program (M = 5. 190) compared to venues without a sustainability reward program (M = 5.369).

There was also a marginally significant interaction effect between location and planner type on PVM ( $F_{1,68} = 2.874$ , p = 0.095,  $\eta^2 = 0.041$ ). The results of the simple effects tests indicated that there was a significant effect of non-government planners' PVM ( $F_{1,55} = 15.380$ , p = 0.000,  $\eta^2 = 0.219$ ). While location was not a main factor that determine government planners PVM, non-government planners' PVM was influenced by location, whereby venues in Cleveland were perceived as higher value for money (M = 5.583) than venues in Chicago (M = 5.086).

The three-way mixed ANOVA indicated that there was no interaction effect between overall costs and types of planner (government versus non-government) on PVM ( $F_{1.42,\,96.71}$ = .128, p = 0.808). Table 6 displays in-depth information of the effect sizes and mean values.

Table 6. Simple Effects by Types of Planner (Government Planners vs. Non-Government)

Types of Planner	Sustainability Reward Program			F	
• •	Yes		No	Г	$\eta^2$
Government	5.190		5.369	F(1, 13) 2.647	n/a
Non-Government	5.363		5.307	F <sub>(1,55)</sub> 0.790	n/a
	Ι		2		
	1st-tier (Chicago)	2nd-ti	er (Cleveland)	F	$\eta^2$
Government	5.250		5.310	F(1, 13) 0.513	n/a
Non-Government	5.086		5.583	F <sub>(1, 55)</sub> 15.380**	0.219
	Ove	erall Costs		F	2
	Low	Ioderate	High	Γ	$\eta^2$
Government	5.750a	5.268a	4.821a	F(1.43, 18.57) 4.069*	0.238
Non-Government	5.786a	5.420ь	4.821c	F(1.39, 76.41) 20.621**	0.273

*Note.* Means without a common subscript letter are significantly different (p < .05) by Bonferroni test; \*p < .05, \*\* $p \le .001$ 

# **Discussion**

The present experimental study focuses on examining effectiveness of a new concept of a meeting reward program in the context of environmental sustainability. Therefore, the main goal of this study was to discover if sustainability reward programs would have any significant impact on meeting planners' PVM towards the venues that offer a sustainability reward program.

Although the results of the data analysis using ANOVAs indicated that sustainability reward programs have little impact on planners' PVM, the findings provide meaningful insights into important factors/conditions that influence the planners' PVM.

Meeting planners perceive greater value for money of venues with lower overall costs than venues with higher overall costs. In line with Zeithaml (1998)'s definition of perceived value, these results might be driven by the fact that planners' low assessment of the utility of the

venues that offer a sustainability reward program. In other words, planners' perceptions of what will be received (i.e., benefits earned by choosing the venue with a sustainability reward program) appear not to be as valuable as what will be paid (i.e., overall costs of the venue).

Being consistent with previous site-selection literature, location turns out to be a significant factor for planners. In general, meeting planners perceived greater value for money of a venue located in a second-tier city. The effect was not associated with a sustainability reward program but rather seem to be associated with overall costs as they were set relatively lower for venues located in second-tier convention cities.

There was no significant interaction effect between sustainability reward programs on corporate and association types of planners' PVM. However, both planner types showed their distinctive characteristics compared to other planner types when it comes to value perception. For example, overall mean scores of association planners on overall costs were not as fluctuate depending on the price level as those of corporate and government planners. Moreover, venue location was found to be important for associations and corporate planners but not for government planners.

An interesting interaction effect was found between sustainability reward programs and government planner type (government vs. non-government) on the planners' PVM toward venues. Government planners perceived a slightly greater value for money of venues without a sustainability reward program than venues with a reward program. This finding could be tied to the restrictions that government planners have to abide by. Specifically, constraints and policies on type of venues, spending caps, ethics codes, and security can limit government planners' authority in delivering value to their clients (Monroe, 2013). Thus, government planners could be less likely to perceive value for money on nontraditional items such as a sustainability reward

program or other benefits. Instead, they tend to focus on the program, content-delivery methods, and resources available from CVBs and local government agencies due to the objective of the meeting (Monroe, 2013). However, the results could vary by political situation or current policy put in place by the government agency for which the planners work.

Since PVM is considered an important predictor of customer satisfaction and behavioral intentions, the findings are consistent with the theory of price sensitivity (Gabor & Granger, 1964), whereby consumers' decisions are affected by price of a product. Planners typically lean towards the venues with a lower cost compared to venues with a higher cost unless there are benefits that are appealing enough to be perceived as valuable for the money spent. With this in mind, meeting venues should consider leaving room for negotiation for planners to choose the venue and join a sustainability-focused reward program. Although it is expected for the next few years that the event industry will continue to be a seller's market (PCMA Convene, 2017), meeting suppliers are encouraged to develop diverse and effective communication channels for their current and potential to build a long-term relationship, rather than overcharging or increasing prices for space/equipment rental and services.

Meeting venues should implement solutions that provide unique insight into guest preferences and apply this knowledge to deliver increasingly differentiated services and benefits. Attitudinal loyalty has been explained by the psychological aspects of brand loyalty, such as brand preference and commitment (Gremler & Brown, 1996). "Truly loyal" customers show both attitudinal and behavioral loyalty such as word of mouth and repeat visitation (Baloglu, 2002; Tanford & Baloglu, 2013). Preferential attitudinal response is established by customers' experience, and consequently, turn into repeat behavior (i.e., habitual purchasing). Therefore, it

is critical to consider both attitudinal and behavioral aspects of loyalty when developing a reward program.

The present research is a first step in testing the effectiveness of a green marketing strategy, rather than a solution, to this matter. With a refined program structure, substantive benefit to planners, and an effective layout in the venue description, sustainability reward programs have great potential for enhancing planners' perception towards meeting venues with an existing sustainability program.

#### **Limitations and Future Recommendations**

The most critical limitation of this study is its experimental design. Experimental research is a powerful tool for determining whether the hypotheses are supported or not. All variables are hypothetical and controlled, thus maximizing internal validity, but the design of this study needs to be carefully replicated in other studies to increase significance and the confidence level of the study results. Further analysis of the stimuli on the PVM by the three different types of planner was not initially hypothesized but was later conducted to explore the results in-depth. However, there are some statistical results that leave room for other interpretations.

As the demand for a variety of meetings increases, employment of meeting planners is projected to grow 10% from 2014 to 2024 (U.S. Bureau of Labor Statistics, 2015). Therefore, it is of importance that researchers and industry professionals stay up to date on changes to key factors that influence meeting planners' perception towards event venues. Furthermore, the perspective of value construct is one of the most salient determinants of behavioral intentions and loyalty (Williams & Soutar, 2009). To validate a strong link between perceived value and

behavioral intentions, with value driving future intentions in context of sustainable meeting site-selection, future studies are suggested to investigate the relationship between planners' PVM of a sustainability reward program and site-selection intentions. Further analysis using planner type as a mediating variable will be also worth to pursue to how it affects site-selection intentions.

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