Comparative Analysis of Economy Hotels and Airbnb Accommodations in Quezon City: Customer Preferences and Market Competitiveness

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Abstract— This study explores the comparative analysis of economy hotels and Airbnb accommodations in Quezon City, focusing on customer preferences and market competitiveness. Using a quantitative research approach, data was collected from travelers and guests through surveys to assess factors such as pricing, convenience, amenities, security, and overall customer satisfaction. Findings reveal that while economy hotels offer standardized services and enhanced security, Airbnb accommodations provide unique experiences and greater affordability for extended stays. The study highlights key competitive advantages and challenges faced by both lodging options in Quezon City's hospitality industry. The results offer insights for business owners and policymakers to enhance service quality and market positioning.

Keywords— Economy hotels, Airbnb, customer preferences, market competitiveness, hospitality industry.

I. INTRODUCTION

The hospitality industry has undergone significant changes with the rise of alternative accommodations such as Airbnb. While economy hotels have traditionally served budget-conscious travelers by providing standardized services, Airbnb accommodations offer more flexible, unique, and home-like experiences. In Quezon City, a rapidly growing urban center in the Philippines, the increasing popularity of Airbnb has intensified competition within the budget lodging sector. This shift raises important questions regarding customer preferences, service expectations, and the overall competitiveness of economy hotels and Airbnb accommodations. The study indicated that the majority of hotels in the Philippines are classified as economy, operated by chains, situated in urban locales, and possess a capacity of 150 to 299 rooms. The price of the hotel was considerably influenced by all hotel attributes except for its operation. Pricing was heavily influenced by hotel key performance indicators (Calinao, R. J. G., Amores, M. V., Rellores, E. M. A., & Tabla, F. T. G., 2022). Traveling that does not require expensive arrangements and lodging has become a common pursuit for tourists. Consequently, there has been an emergence of internet platforms that facilitate this, one of which being Airbnb. It is an online intermediary marketplace that facilitates housing bookings between guests, who are the travelers, and hosts, who are the providers listing available accommodations on the Airbnb platform (Valdez, R. J., Alcantara, A. M., & Bermejo, I. L., 2019).

Airbnb transformed the methods by which renters and travelers locate accommodations throughout their journeys. The organization implemented advancements in business concepts and technologies. Airbnb necessitates particular elements that affect consumer trust, as individuals instinctively look for trustworthy indicators to evaluate innovative service providers (Chua, E. L., Chiu, J. L., & Chiu, C. L., 2020). Competitiveness in the hotel industry relies on a company's understanding of consumer behavior and market developments. Business travelers and short-term tourists primarily select economy hotels for their affordability, safety, and reliable services. In contrast, Airbnb accommodations attract guests desiring local immersion, pricing flexibility, and distinctive experiences. Analyzing the factors that influence customer choices and their impact on market competition in Quezon City is essential, since both types of accommodation continue to compete for clientele.

As studied by Li, H., & Srinivasan, K., (2019), The emergence of flexible-capacity sharing economy platforms such as Airbnb has potentially transformed the competitive dynamics inside established industries characterized by fixed-capacity incumbents and fluctuating demand. Utilizing panel data on hotels and Airbnb, they examine how the sharing economy fundamentally alters the industry's response to demand fluctuations and how established enterprises might strategically adapt. The demand estimates indicate that Airbnb's adaptable supply mitigates the diminished underlying demand caused by seasonal hotel pricing and

even enhances demand in certain areas. This study analyzes the combined effects of Airbnb and hotel supply on hotel performance in a geographically comprehensive and spatially meaningful manner, offering a more complete and nuanced knowledge of the economic dynamics within the accommodation industry (Dogru, T., Mody, M., Line, N., Suess, C., Hanks, L., & Bonn, M., 2020).

This study intends to do a quantitative analysis of economy hotels and Airbnb accommodations, emphasizing consumer preferences and market positioning. This research will uncover the principal elements influencing customer satisfaction and competitive advantages, delivering significant insights for hospitality firms to improve their service offerings and strategic decisions.

Statement of the Problem

The preferences of consumers and market competitiveness in Quezon City have been influenced by the increasing competition between budget hotels and Airbnb accommodations. This study aims to examine these factors through a quantitative methodology to provide the hotel industry with statistically grounded insights.

- What is the level of customer satisfaction with economy hotels and Airbnb accommodations in Quezon City based on factors such as pricing, amenities, and service quality?
- Which accommodation type (economy hotels or Airbnb) do customers prefer based on affordability, convenience, and overall experience?
- How does the perceived quality of services in economy hotels compare to Airbnb accommodations in terms of cleanliness, security, and customer service?

II. METHODOLOGY

Research Design

This study will examine customer preferences and market competitiveness between economy hotels and Airbnb accommodations in Quezon City through a quantitative research methodology utilizing a comparative analysis technique.

The assessment of customer satisfaction, choices for lodging, and perceived service quality will be conducted by a survey-based descriptive methodology. Employing a purposive sample strategy will ensure that the respondents possess relevant knowledge on the topic.

Research Locale and Respondents of the Study

The study will be conducted in Quezon City, Philippines, focusing on customers who have stayed in economy hotels or Airbnb accommodations within the city. It will cover different locations in Quezon City where both accommodation types have a significant presence. The target respondents are individuals who have stayed in either economy hotels or Airbnb accommodations within the past six months. To ensure relevant insights, respondents must be at least 18 years old and have experience with both of the two accommodation types for comparative analysis. A purposive sampling technique will be used to select participants who meet these criteria. The study aims to gather data from a minimum of 100 respondents, ensuring respondents experience as both economy hotel guests and Airbnb guests.

Data Collection

A structured survey questionnaire will be utilized to collect data, ensuring a comprehensive analysis of customer preferences and market competitiveness between economy hotels and Airbnb accommodations. The questionnaire will be divided into four sections. Section 1 will gather demographic information, including age, gender, frequency of travel, and purpose of stay, to provide context for respondent profiles. Section 2 will assess customer satisfaction with both accommodation types based on key factors such as pricing, amenities, and service quality. Section 3 will explore customer preferences in terms of affordability, convenience, and overall experience to determine which accommodation type is favored. Lastly, Section 4 will focus on a comparative analysis of perceived service quality, particularly in terms of cleanliness, security, and customer service. To ensure consistency in responses, the survey will employ a 4-point Likert scale (1 = Very Dissatisfied, 2 = Dissatisfied, 3 = Satisfied, 4 = Very Satisfied), allowing for a clear measurement of customer perceptions.

Ethical Consideration

Ethical considerations will be carefully observed throughout the study to ensure the rights and well-being of participants. Before taking part in the survey, respondents will be fully informed about the purpose of the research, including its objectives and how their responses will contribute to the study. They will also be made aware of their voluntary participation, emphasizing that they have the right to withdraw at any time without any consequences. To maintain privacy, confidentiality and anonymity will be strictly upheld,

ensuring that no personally identifiable information will be collected or disclosed. All data gathered will be used exclusively for academic purposes and will be handled with the utmost care to prevent misuse. By adhering to these ethical guidelines, the study will promote transparency, integrity, and respect for all participants.

Statistical Treatment of Data

The study will utilize frequency and percentage to analyze the demographic profile of respondents and their accommodation preferences. This statistical method will help determine the distribution of responses regarding factors such as age, gender, frequency of travel, and type of accommodation used. Additionally, weighted mean will be employed to measure the level of customer satisfaction with economy hotels and Airbnb accommodations based on pricing, amenities, and service quality. The weighted mean will also be used to assess customer preferences in terms of affordability, convenience, and overall experience, as well as to compare the perceived quality of services, including cleanliness, security, and customer service. By applying these statistical treatments, the study will provide a quantitative analysis of customer perceptions, allowing for an objective comparison between economy hotels and Airbnb accommodations in Quezon City.

III. RESULT

Table 1. *Profile of the Respondents*

Respondents Demographic Profile	Frequency (f)	Percentage (%)
Sex		
Male	32	32%
Female	68	68%
Age		
18-24	52	52%
25-36	32	32%
36-45	9	9%
46 and above	7	7%
Occupation:		
Student	47	47%
Employee	38	38%
Self-Employed	2	2%
Others:	13	13%
Monthly Income:		
Below ₱10,000	25	25%
₱10,001–₱20,000	54	54%
₱20,001–₱30,000	13	13%
₱30,001 and above	8	8%

The table above shows the respondents' demographic profile reveals a higher participation from females, with 68% of the respondents being female and 32% male. This suggests that female customers may have a stronger interest or engagement in the topic of economy hotels and Airbnb accommodations in Quezon City. The age distribution of the respondents shows that the majority are young adults, with 52% aged between 18-24 years. This is followed by 32% in the 25-36 age group, 9% in the 36-45 age group, and 7% aged 46 and above. This indicates that younger individuals, particularly those in the 18-24 age range, are more likely to participate in surveys related to accommodation preferences. Regarding occupation, the data indicates that students make up the largest group of respondents at 47%, followed by employees at 38%. A smaller percentage of respondents are self-employed (2%) or fall into other categories (13%). This suggests that students and employees are the primary demographics interested in or affected by the accommodation options in Quezon City. The monthly income profile of the respondents shows that 54% earn between ₱10,001 and ₱20,000, making it the most common income range. This is followed by 25% earning below ₱10,000, 13% earning between ₱20,001 and ₱30,000, and 8% earning above ₱30,001. This indicates that the majority of respondents have a moderate income, which may influence their preferences for more affordable accommodation options.

Table 2. Customer Satisfaction Survey on Economy Hotels and Airbnb Accommodations in Quezon City

Survey Item	Weighted Mean	Verbal Interpretation
Section 1.A: Customer Satisfaction (Pricing)		
Q1: Affordability of economy hotels	3.20	Satisfied
Q2: Affordability of Airbnb accommodations	3.37	Very Satisfied
Section 1.B: Customer Satisfaction (Amenities)		
Q1: Quality of amenities in economy hotels	3.28	Very Satisfied
Q2: Quality of amenities in Airbnb accommodations	3.50	Very Satisfied
Section 1.C: Customer Satisfaction (Service Quality)		
Q1: Staff hospitality in economy hotels	3.39	Very Satisfied
Q2: Host responsiveness in Airbnb accommodations	3.44	Very Satisfied
Section 2.A: Accommodation Preference (Affordability & Convenience)		
Q1: Convenience of booking economy hotels	3.29	Very Satisfied
Q2: Convenience of booking Airbnb accommodations.	3.35	Very Satisfied
Section 2.B: Accommodation Preference (Overall experience)		
Q1: Overall experience in economy hotels	3.27	Very Satisfied
Q2: Overall experience in Airbnb accommodations	3.42	Very Satisfied
Section 3: Perceived Quality of Services		
Q1: Cleanliness in economy hotels	3.24	Satisfied
Q2: Cleanliness in Airbnb accommodations	3.53	Very Satisfied
Q3: Security in economy hotels	3.28	Very Satisfied
Q4: Security in Airbnb accommodations	3.40	Very Satisfied
Q5: Customer service reliability in economy hotels	3.26	Very Satisfied
Q6: Host reliability in Airbnb accommodations	3.31	Very Satisfied

The survey results indicate that respondents are generally satisfied with the affordability of economy hotels, with a weighted mean of 3.20. However, Airbnb accommodations received a higher satisfaction rating of 3.37, suggesting that customers find Airbnb options more affordable. This finding aligns with a study by Zielińska and Bačík (2020), which highlights that budget hotels need to continuously improve their pricing strategies to remain competitive. Respondents rated the quality of amenities in economy hotels as very satisfactory (3.28), but Airbnb accommodations scored even higher with a weighted mean of 3.50. This suggests that Airbnb hosts may offer more appealing or personalized amenities.

A study by Ding et al. (2021) supports this, indicating that unique and functional amenities significantly enhance guest satisfaction in Airbnb accommodations. Both economy hotels and Airbnb accommodations received high satisfaction ratings for service quality, with economy hotels scoring 3.39 for staff hospitality and Airbnb accommodations scoring 3.44 for host responsiveness. This reflects findings from a study by An et al. (2019), which emphasizes the critical role of personalized service in customer satisfaction for both types of accommodations.

When it comes to booking convenience, respondents rated both economy hotels (3.29) and Airbnb accommodations (3.35) as very satisfactory. This suggests that both types of accommodations have streamlined their booking processes to meet customer expectations. Research by Yaacob (2020) indicates that ease of booking is a significant factor in accommodation preference, with digital platforms like Airbnb often being perceived as more user-friendly. Overall experience ratings were very satisfactory for both economy hotels (3.27) and Airbnb accommodations (3.42), with Airbnb again receiving a higher score. This could be due to the more personalized and unique experiences that Airbnb offers, which are often highlighted in customer reviews and studies on accommodation preferences

The survey results indicate that cleanliness is a crucial factor for guests, with economy hotels receiving a satisfaction rating of 3.24, while Airbnb accommodations scored higher at 3.53. This suggests that Airbnb hosts often go the extra mile to ensure their properties are spotless. A study by Godovykh et al. (2023) supports this, highlighting that detailed cleanliness information significantly boosts guests' trust and influences their booking decisions. In terms of

security, both types of accommodations were rated very satisfactory, with economy hotels scoring 3.28 and Airbnb accommodations 3.40. Security remains a top priority for travelers, and both sectors have made significant improvements in this area. Research by Waris and Kim (2023) underscores the importance of robust security measures in enhancing guest trust and satisfaction in Airbnb accommodations. Regarding customer service reliability, economy hotels scored 3.26, and Airbnb accommodations scored 3.31. Reliable customer service is essential for maintaining high satisfaction levels, and both types of accommodations are performing well in this regard. Zhang (2022) found that service reliability has a significant positive impact on customer satisfaction and loyalty in economy hotels

IV. CONCLUSION

The findings from the demographic profile and the comparative analysis of economy hotels and Airbnb accommodations in Quezon City provide valuable insights into customer preferences and market competitiveness. The majority of respondents are young, female students with moderate income levels, highlighting the importance of affordability and accessibility in their accommodation choices. Airbnb accommodations generally received higher satisfaction ratings across various categories, including pricing, amenities, service quality, booking convenience, overall experience, cleanliness, security, and customer service reliability. This suggests that Airbnb's personalized experiences and unique amenities resonate well with modern travelers, particularly the younger demographic. The higher satisfaction ratings for Airbnb accommodations indicate that they are perceived as offering better value for money, more appealing amenities, and superior service quality compared to economy hotels. These findings underscore the need for economy hotels to innovate and enhance their offerings to remain competitive in the market. By understanding and addressing the specific preferences and expectations of their target audience, both economy hotels and Airbnb accommodations can improve customer satisfaction and loyalty, ultimately enhancing their market position in Quezon City.

V. RECOMMENDATION

To remain competitive, economy hotels should focus on enhancing their pricing strategies by offering more flexible options and discounts, especially for longer stays or student travelers. Investing in unique and functional amenities, such as modernizing rooms, offering free Wi-Fi, and providing complimentary breakfast, can help match the appeal of Airbnb accommodations. Maintaining high standards of cleanliness through regular deep cleaning and visible cleanliness certifications can boost guest trust and satisfaction. Strengthening security measures, such as installing advanced security systems and providing secure parking, can improve guest perceptions of safety. Additionally, training staff to provide personalized and responsive service can significantly enhance guest satisfaction and loyalty.

For Airbnb hosts, maintaining competitive pricing and offering affordable options, especially for budget-conscious travelers, is crucial. Continuously improving the quality and variety of amenities, including personalized touches like local guides and unique decor, can enhance the guest experience. Regularly updating cleanliness protocols and providing detailed cleanliness information to guests can help maintain high trust and satisfaction levels. Implementing robust security measures, such as secure entry systems and clear safety guidelines, ensures guest safety. Finally, maintaining high levels of responsiveness and reliability in communication with guests, through prompt and helpful interactions, can significantly enhance the overall guest experience. By addressing these recommendations, both economy hotels and Airbnb accommodations can better meet the preferences and expectations of their target audience, thereby improving market competitiveness and customer satisfaction in Quezon City.

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