



## From Loyalty to Profitability: Assessing the Viability of Hotel Subscription Models in Staycation Services

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### Abstract

This paper explores the viability of a paid subscription-based membership model within the staycation sector of the hotel industry, focusing on consumer preferences and willingness to pay (WTP). Amidst the persistent popularity of staycations following the COVID-19 pandemic, this study leverages quadrant analysis to evaluate the importance of WTP for various subscription features proposed by hotels. A significant element of this research involves comparing these preferences against the published rates of comparable hotel services to ascertain the financial feasibility of the proposed model. This research's novelty is that it applies quadrant analysis to investigate the viability of the hotel-paid subscription model. The quantitative method is used to map quadrant analysis based on 49 respondents. Initial findings indicate a generally low WTP among potential consumers, suggesting challenges in aligning the perceived value of subscription benefits with their actual costs. By conducting an independent t-test, the study tests hypotheses concerning the economic viability of the subscription model, ultimately revealing that the low WTP values significantly undermine the potential for profitable implementation. The paper concludes that while the subscription model offers a novel approach to enhancing customer loyalty and operational stability, its success is contingent upon a deep understanding of consumer valuation of proposed benefits, suggesting further investigation into alternative benefits that could align more closely with customer expectations. It can be started by investigating the feasibility of designing a bundling package with a vast network of related industries in tourism and hospitality.

**Keywords:** Staycation; Subscription Business Model; Paid Membership; Hotel Industry

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## 1. Introduction

In the wake of the COVID-19 pandemic, a novel trend emerged that redefined leisure and tourism: the staycation. Catalyzed by social restrictions, the concept of vacationing at local hotels within proximity of home flourished as an inventive solution to the pandemic-induced wanderlust or strong desire to travel outside the house. As the world gradually recovered in 2022, with social restrictions lifting, this trend persisted and thrived, contributing an impressive 7.6% to the global GDP, as the World Travel & Tourism Council (2024) reported. Further underscoring its significance, data from the Central Bureau of Statistics Indonesia revealed a remarkable 38% increase in domestic visitors to star-rated hotels nationwide between 2021 and 2022 (BPS, 2023). This surge in staycation popularity has revitalized demand for hotel accommodations and provided a much-needed boost to the local tourism sectors.

However, with growth comes competition, and the burgeoning staycation market is no exception. The burgeoning demand underscores an urgent need for resilience and adaptability within the staycation industry. To remain competitive and sustainable, local hotels must pivot their strategies to align with evolving customer preferences. Research, such as the study by Jeuring & Haartsen (2017), highlights the diverse demographic appeal of staycations. It reveals that individuals with lower sociodemographic status and higher age tend to prefer vacations closer to home than their younger, higher-status counterparts. This diversity in customer preferences underscores the importance of a nuanced understanding of the market to develop a resilient business model (Li et al., 2023).

This paper proposes an innovative solution to enhance the adaptability and resilience of the staycation business model: the introduction of staycation subscriptions-based memberships. This model promises an alternative revenue stream and aims to tailor offerings to match the varied preferences of prospective customers, thereby mitigating operational risks associated with fluctuating demand. The potential benefits of subscription-based membership for the hotel industry are helping the hotel management to receive operational cash inflow from members in advance to fund the daily operation despite facing low demand season. With good working capital management, this business model can mitigate the operational risk of low season.

The business model has potential business value that needs to be explored. Hotel businesses still operate conventionally, depending on visiting guests who fluctuate based on seasonal variation. To minimize the risk of low demand, the hotel business needs to consider an alternative cash flow, which a subscription-based membership model offers. At the first step, research needs to measure the willingness to pay from consumers' perspective to understand its potential business value. However, the amount of research and strategy application on this idea is still minimal, which offers a gap for this paper. Understanding the consumers' willingness to pay for this business model is essential to know why the hotel business has not implemented this idea. This paper hypothesizes that consumers' willingness to pay is below the published rate of benchmarking hotels, which poses a challenge to implementing this subscription model.

To understand this, at the first step, quadrant analysis compares the Likert scale of willingness to pay and the degree of importance of specific features in subscription programs. The crux

of this research lies in employing quadrant analysis to meticulously estimate customer willingness to pay and the degree of importance of different subscription features. This approach is novel, leveraging quadrant analysis to map potential customer preferences as a foundational step toward operationalizing the membership model in the staycation sector. The second step is comparing the respondents' Rupiah values of each subscription feature with the published rate to test our research hypothesis using an independent t-test.

## 2. Literature Review

### *Staycation & Subscription Membership*

The term staycation can be derived from the words stay and vacation. It means staying home (or near home) during the holiday (Muritala et al., 2022). It can be interpreted as visiting a hotel near home or spending a leisure activity at home. However, the activity is only considered a staycation if it is within the usual environment of the subjects (Muritala et al., 2022). During the social restrictions and early stage of the COVID-19 pandemic, several governments have mitigation programs such as tourism vouchers to maintain the demand for the tourism industry (Cvelbar et al., 2021). Despite the challenge of social restrictions, adaptability in business strategy to capture the staycation trend would be the key to hotel survival in Yogyakarta (Nuur & Nisa, 2022). Post-COVID-19, the trend remained robust and stronger in Indonesia, which created a new trend in domestic tourism.

The subscription and membership business model is the business strategy that receives advance payment from the customers in exchange for several member benefits. Membership programs are widespread in big hotel chains, which often offer free membership for hotel guests. The main aim of this membership program is to create long-term loyalty among the members (Liu & Jo, 2020). The membership program can boost loyalty if the guests are satisfied during their stay (Kim et al., 2016). In the case of luxury hotel chains, self-esteem is a crucial factor in the success of the hotel membership programs (Shin et al., 2022). However, integrating hotel membership with a subscription business model still needs to be explored.

This paper's main novelty is exploring the potential of a subscription membership business model based on consumers' preferences. Previous research has shown that the membership program creates guest loyalty through financial perceived values (Xie & Chen, 2014).

### *Staycation Subscription Benefits*

Hotels have a loyalty program to increase customer loyalty. Big hotel chains developed loyalty programs to cultivate customer engagement and drive customer loyalty in the long run (Xie & Chen, 2014). Hotel loyalty programs offer members several benefits without additional cost to induce revisiting in the future. The taxonomy for frequent-guest benefits can be distinguished into three benefits: core, partially common, and individual benefit (Shanshan et al., 2011). However, the development of these programs into a subscription business model has yet to be explored. The paid subscription benefit is a program to commercialize the privileged benefit offered in loyalty programs and other additional features beyond that so that hotel businesses can receive advance payment for the provided feature. A recent qualitative study found that during

COVID-19, hotels needed to adapt and change their business model to increase their occupancy rate (Nuur & Nisa, 2022). Therefore, there is a research gap in exploring what kind of loyalty benefit can be integrated into subscription models, which have value based on consumers' willingness to pay.

This paper will only focus on the financial value of the programs due to their impact on hotel guests' loyalty (Xie & Chen, 2014). The author investigate and compare four subscription membership benefits that might attract potential hotel guests to enroll in the membership subscription. The effectiveness of the hotel loyalty program has a positive impact on financial performance (Hua et al., 2018). The effect is also more substantial on branded hotel chains (Pimpão et al., 2014). Four benefits include a discount program, a point reward benefit program, a meals program, and a facilities and services program. Financial and externality values, like discounts and exclusive benefits, also play crucial roles in visitor loyalty that might have potential value as a benefit in a paid subscription model (Karen Xie & Chen, 2014). These benefits have a financial value for hotel guests, which we suspect might interest potential subscribers. The effectiveness of financial benefits of hotel loyalty programs to increase visitor repetition indicates a positive sign to commercialize this feature into a paid subscription business. However, the ideas are underexplored, which provides a research gap to be filled by this article. There might be a challenge to commercializing paid subscription features that are related to consumers' willingness to pay. The author suspects that the value of willingness to pay subscribers might be below the published rate of benchmarking hotels, which makes implementing a staycation subscription program challenging.

**From Importance-Performance to Importance-Willingness to Pay Quadrant**

The Importance-Performance quadrant analysis can be used in tourism to map a company's internal strengths and weaknesses (Chen & Lin, 2013). The result of this analysis is mitigating the company's internal weaknesses through a competitive marketing strategy focusing on the current strength of the business. This tool has been applied to understand the eco-tourism potency from Taman Gede Pangrango in Bogor (Suroso, 2018). The author applies minor modifications to the performance aspect and changes it into the willingness to pay for specific features of staycation subscription benefits.

Willingness to pay refers to the monetary value that consumers accept in exchange for products or services. With the willingness to pay, sellers and buyers will have an economic transaction. Exploring consumers' willingness to pay in the tourism business is extensive. Sustainability practices have a particular impact on increasing consumers' willingness to pay for these premium features (Gupta et al., 2023). Consumers tend to have a lower value in willingness to pay for robot-delivered services (Ivanov & Webster, 2021). In this case, people tend to value human services more than technological ones, which are usually offered in the tourism industry. The willingness to pay is also very high for locally cultivated food in the tourists' experience, which indicates a positive market response to the Indigenous experience (Linnes et al., 2023). Understanding consumers' willingness to pay for specific program features will help the business succeed. It helps to capture the market demand and monetize the idea because it has a monetary value for the offered programs.

Quadrant analysis can be a powerful tool for mapping business risk based on the observed variables. The importance-performance quadrant is used to develop a tourism business strategy based on the current conditions of products or services (Chen & Lin, 2013). By modifying the performance aspect of the quadrant into the willingness to pay, this article hopes to map the consumer's preference for certain subscription benefits for staycation programs. The visualization of the importance-willingness to pay quadrant in this research is described in Figure 1 below.

The average value will divide the region into four quadrants. The meaning of each quadrant is:

Q1 (Respondents' Importance > Average Importance) and (Respondents' WTP > Average WTP): The first quadrant represents the potential development of a benefit program for staycation subscriptions if the percentage of respondents is crowded in this region.

Q2 (Respondents' Importance < Average Importance) and (Respondents' WTP > Average WTP): The second quadrant represents the condition of high WTP value for a particular feature consumers think is unimportant. It indicates a high chance of monetizing the idea depending on the current condition of hotels and management.

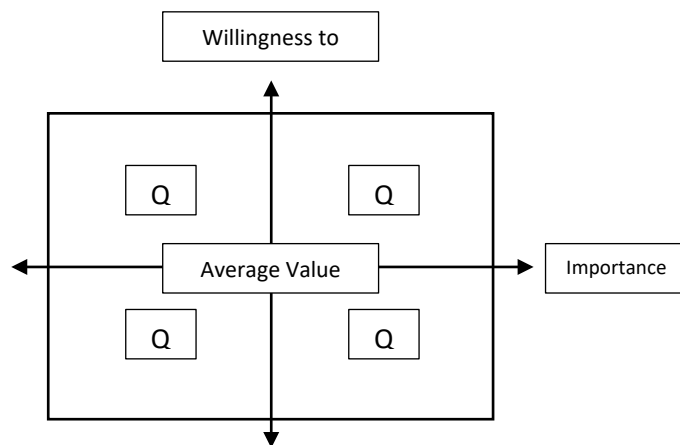


Figure 1- Quadrant Analysis (Importance-Willingness to Pay) (Sources: Author)

Q3 (Respondents' Importance < Average Importance) and (Respondents' WTP < Average WTP): The third quadrant is the worst possible condition. Consumers think the benefit is unimportant and has no monetary value for business. For the hotel management, if most of the consumers' perception is in this region, they should change the programs.

Q4 (Respondents' Importance > Average Importance) and (Respondents' WTP < Average WTP): The fourth quadrant represents the condition when consumers think the benefit is essential but intend to spend something other than necessary. Marketing communication and consumer education need a lot of effort before they can be monetized into profit.

### 3. Research Method

This research applied a quantitative approach to measure the degree of importance and willingness to pay for staycation subscription benefits. Respondents were surveyed based on the questionnaires designed to capture the consumers' willingness to pay and the degree of importance of paid subscription features. The pilot survey was tested with a small sample size (10 respondents) to ensure the clarity of the question and its structure. The questionnaire begins with demographic information, general questions about family, and the frequency of respondents' staycation. It proceeded with the question about staycation motivation and consumers' preference for the specific hotels that would be the destination for their staycation. After the respondents finished, they proceeded to the main question about the membership benefits. The respondents were asked about their preference (WTP and the degree of importance) for two alternatives of each paid subscription feature. The features consist of:

- Discount benefit (B1). Respondents are asked whether they prefer a 15% discount (B1a) or a free room upgrade (B1b) for 12x visits within a year of subscription.
- Point reward benefit (B2). Respondents are asked whether they prefer point rewards for unique amenities attraction tickets (B2a) or free family rooms for a night (B2b) when they reach specific points.
- Meal benefit (B3). Respondents are asked whether they prefer free breakfast (B3a) or free dinner (B3b) for 12x within a year subscription.
- Facilities and services benefit (B4). Respondents are asked whether they prefer reflexology (B4a) or SPA (B4b) for 12x within a year subscription.

A convenient sampling method was used, considering the cost-effectiveness and speed of data collection. However, this method has several limitations, such as a lack of generalizability and diversity in sampling, which will be noted as research limitations. The recruitment process involved reaching out to individuals within the author's network and promoting the survey through various social media platforms and online forums related to travel and hospitality. Participants were also contacted through direct invitations sent via whatsapp to potential respondents who had previously expressed interest in hotel staycations.

The ethical considerations for this research were thoroughly addressed to ensure the protection and confidentiality of all participants. Before the commencement of the survey, participants were informed about the purpose of the study, the voluntary nature of their participation, and their right to withdraw at any time without any penalty. Consent was obtained electronically

at the beginning of the questionnaire, where participants were required to acknowledge their understanding and agreement to participate by selecting a consent option. If the respondents do not send their approval, they will be led to the final page without asking any questions. The responses were recorded anonymously, and all data were stored securely, accessible only to the researchers.

The questionnaire was administered online using Google Forms, a widely accessible and user-friendly platform. Google Forms was chosen for its ease of use, cost-effectiveness, and ability to collect and organize data efficiently. The author collected 49 respondents as research objects for quadrant analysis based on the work of Suroso (2018). There are 21 men and 28 women based on the gender grouping. Lower-income respondents dominate the sample with a monthly expense of around 1 to 4.9 million rupiah. Half of the respondent's age is around 18 to 30 years old.

The degree of importance and willingness to pay for each benefit and alternative option are measured using the Likert scale (on a scale of five). The quadrant analysis was conducted based on respondents' importance ratings and willingness to pay. The average value of importance and willingness to pay divides the region into four quadrants. The result of quadrant analysis will map the consumers' perception of each subscription benefit, and only the first and second quadrants indicate a potential for monetary value for the ideas.

After the quadrant is mapped, the monetary value is investigated to know the Real Rupiah value of each benefit. The financial value of WTP for each benefit is asked (in Rupiah) and compared with the benchmark value of a four-star hotel. The four-star hotel used in this research is Episode Hotel in Gading Serpong. The rate is recorded from the official published rate on the website during the regular season in May 2024. Each paid subscription feature is based on the published rate of Episode Hotel for the family rooms, meals, SPA, and reflexology facilities. The author hypothesized that the Rupiah Value of Willingness to pay respondents is lower than the published benchmark rate for each benefit. Here is the benchmark rate for each benefit based on the rate of four-star hotels:

Table 1- Benchmark Rate of Four-Star Hotels

Staycation Subscription Benefits	Alternative (A)	Alternative (B)
Discount benefit	1,500,000 x 12 x 15% = Rp 2,700,000	500,000 x 12 = Rp 6,000,000
Point reward benefit	255,000 x 2 = Rp 510,000	2,000,000 x 1 = Rp 2,000,000
Meal benefit	250,000 x 12 = Rp 3,000,000	250,000 x 12 = Rp 3,000,000
Facilities & services benefit	500,000 x 12 = Rp 6,000,000	500,000 x 12 = Rp 6,000,000
<b>Total Financial Value (Yearly)</b>	<b>12,210,000</b>	<b>17,000,000</b>

Source: Author

After the quadrant analysis, this paper will investigate whether the Rupiah value of willingness to pay is lower than the published rate of each feature in the subscription program. The research hypotheses that would like to be tested are:

**H1:** The Rupiah Value of Willingness to Pay for Subscription Membership Alternative (A) is lower than the published rate's total financial value (yearly).

**H2:** The Rupiah Value of Willingness to Pay for Subscription Membership Alternative (B) is lower than the published rate's total financial value (yearly).

Both hypotheses will be analyzed using a t-test with this formula:

$$t_{stat} = \frac{\bar{X} - \mu}{s/\sqrt{n}}$$

Where:

$\bar{X}$  = sample means the Rupiah Value of Willingness to Pay for each benefit alternative.

$\mu$  = published rate of Total Financial Value (yearly) for each benefit alternative.

s = sample standard deviation Rupiah Value of Willingness to Pay.

n = number of samples

#### 4. Research Result

##### Quadrant Analysis

The responses from the sample are recorded and administered in Google Sheets. The value of willingness to pay and the degree of importance of each paid subscription feature are averaged. The average value of willingness to pay and the degree of importance are presented in Tables 2 and 3. This average value will be the cutting point in quadrant analysis. The average value of WTP will divide the Y-axis, while the average value of importance will divide the X-axis. After splitting the quadrant into four areas, each respondent response is mapped using the degree of importance as X and WTP as Y input. The result is shown in Figures 2, 3, and 4.

Based on the quadrant analysis of alternative (A), only meal benefits (free breakfast 12x) indicate substantial potential business value as a feature on subscription programs. More than half of the respondents were grouped within the first quadrant for this feature. Respondents remain indecisive about a 15% room discount and point reward benefits for specific amenities. For the facilities and service benefits (reflexology), our respondents grouped within the third quadrant, which indicates no business potential for this feature. Details of this result can be seen in Table 2.

Table 2- Percentage of Respondents of Each Quadrant for Alternative A

Alternative (A)	Q1	Q2	Q3	Q4	No-Q	Avg Importance	Avg WTP
Discount benefit	20.41%	14.29%	24.49%	8.16%	36.65%	4.04	3.00
Point reward benefit	34.69%	22.45%	34.69%	8.16%	0%	3.06	2.84
Meal benefit	53.06%	0.00%	34.69%	12.24%	0%	3.73	3.37
Facilities & services benefit	40.82%	2.04%	44.90%	12.24%	0%	3.31	3.04

Source: author's analysis

The subscription features for alternative (A) consists of:

- 15% room discount for 12x annually.
- Point reward exchange to Taman Safari Indonesia for two visitors.
- Free breakfast for 12x annually.
- Reflexology services for 12x annually.

From the primary data, this research found that the average degree of importance score for discount and meal benefits is relatively high, 4.04 and 3.73, respectively. Point reward exchange for specific amenities is the lowest priority among the other features (3.06). However, the average willingness to pay for each subscription feature is relatively low, except for meals. The result suggests that commercial value for a 15% room discount remains low despite the importance of the discount benefits.

The quadrant analysis for alternative (B) suggests that three features—a free room upgrade, a point reward for a free one-night staycation, and dinner benefits—have a lot of potential as subscription features. Our result classifies these features in the first quadrant. The spa benefit is considered non-potential for the facilities and services, which, in this case, is grouped within the third quadrant. The details of this result are presented in Table 3.

Table 3- Percentage of Respondents of Each Quadrant for Alternative B

Alternative (B)	Q1	Q2	Q3	Q4	No-Q	Avg Importance	Avg WTP
Discount benefit	51.02%	2.04%	36.73%	10.20%	0%	3.67	3.49
Point reward benefit	46.94%	8.16%	26.53%	18.37%	0%	3.82	3.41
Meal benefit	55.01%	4.08%	22.45%	18.37%	0%	3.78	3.51
Facilities & services benefit	40.82%	4.08%	46.94%	8.16%	0%	3.25	3.20

Source: author's analysis

The subscription features for alternative (B) consists of:

- Free room upgrades for 12x annually.
- Point reward exchange to free one-night stay.
- Free dinner for 12x annually.
- Spa services for 12x annually.

The result of (B) features seems more promising as subscription benefits than the previous alternative. The average degree of importance of the three benefits is higher than 3.00, except for the spa services. The average score of willingness to pay for these benefits is also higher than 3.40, which makes them considered in the first quadrant. The spa services remain un potential as a paid membership feature, like the reflexology services in the previous option. The visualization of each quadrant for each subscription benefit can be seen in Figures 2, 3, and 4.

The first paid subscription feature is a discount benefit. Two alternatives were asked of the respondents, the quadrant analysis of which is shown in Figure 2. The left side is alternative (A), and the right is (B). In alternative (A), the 15% room booking discount feature is less feasible than the complimentary room upgrade in alternative (B). Most respondents fall in the third quadrant in the first alternative, which indicates this feature is less favorable for staycation guests in their paid subscription membership.

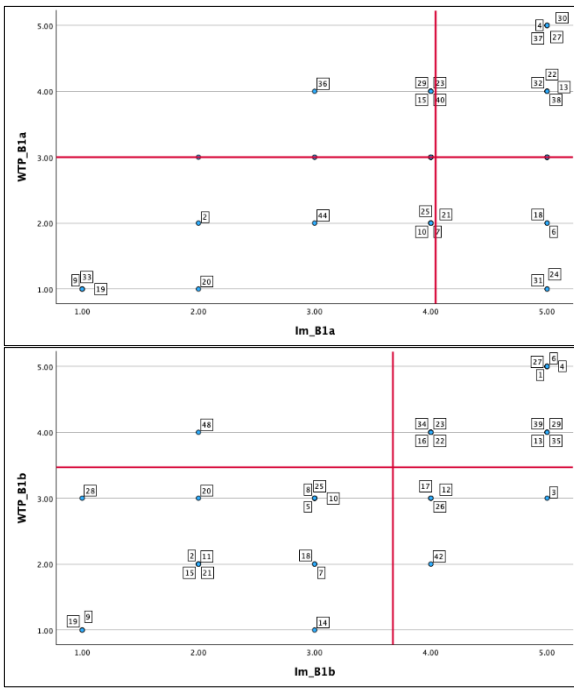


Figure 2- Quadrant Analysis for Alternative B1a and B1b (source: author's analysis)

Figure 3 presents the quadrant analysis of the paid subscription feature in point reward redemption. Alternative (A) asked the respondents whether they wanted to redeem the point reward to visit Taman Safari Indonesia for part of the amenities, while alternative (B) asked whether guests wanted to exchange their points for a free one-night stay. The result suggests that respondents tend to need more clarification about alternative (A) as most of the respondents fall into the third and first quadrants. For alternative (B), most respondents are clustered in the first quadrants. This indicates that integrating the features for a complimentary one-night stay as a paid subscription program.

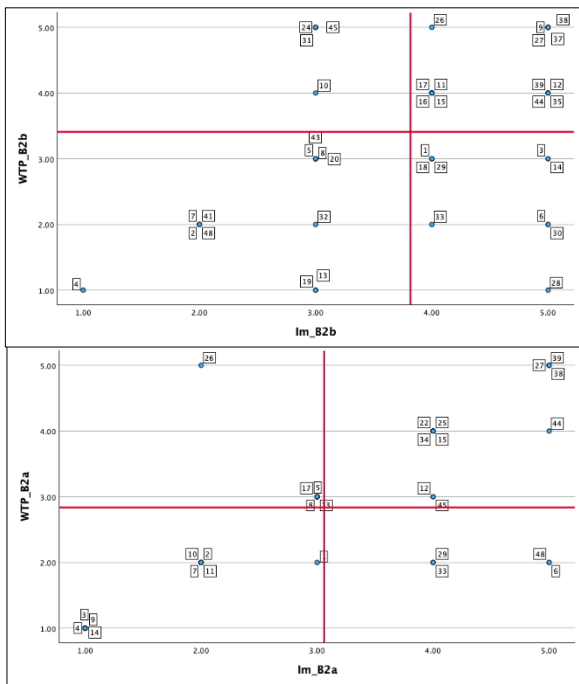


Figure 3- Quadrant Analysis for Alternative B2a and B2b (source: author's analysis)

Figure 4 presents the quadrant analysis of the third feature, meal benefits. The meal benefits have a potential value for the business in both alternatives. Most respondents agree that breakfast and dinner are essential and have monetary value to transact for them, which, in this case, are clustered in the first quadrant. Hotel businesses can consider integrating meal programs into their paid subscription benefits. Meal benefits can help hotel guest itineraries by reducing breakfast and dinner time outside the hotels and making their traveling time very efficient unless they have culinary goals in their schedule.

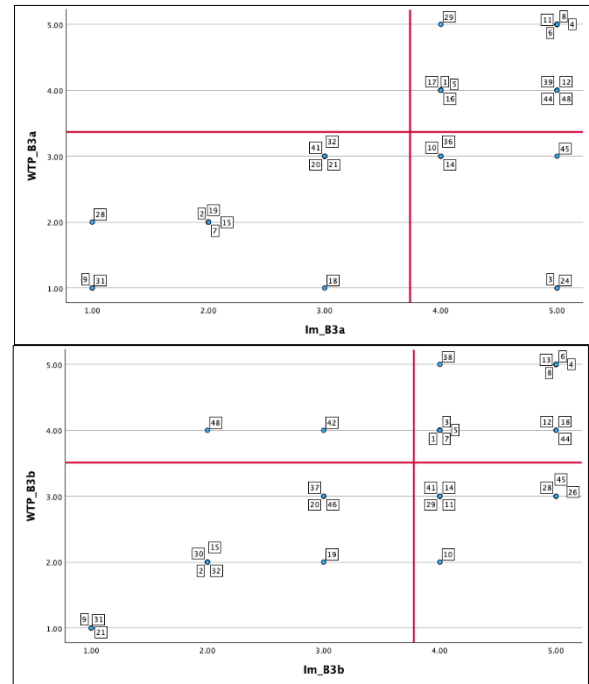


Figure 4- Quadrant Analysis for Alternative B3a and B3b (source: author's analysis)

Figure 5 shows the quadrant analysis for facilities features such as reflexology (in alternative A) and SPA (in alternative B). Our respondents are not interested in these features, and many of them are grouped in the third quadrant. Both reflexology and SPA facilities are not feasible due to low willingness to pay, and visitors don't think such features are essential to be offered in paid membership programs. Based on this finding, our respondents value room upgrades and meal programs more than the other features.

The quadrant analysis visualization helps us understand the difficulty of implementing a subscription membership business model in the hotel industry. Only meal benefits have great potential to be offered by hotels and are consistently found within the first quadrant regions. The other benefits, such as facilities, services, and point reward benefits, indicate low business value. Based on this finding, implementing a subscription business model will pose a challenge because consumers perceive most subscription benefits as inherent loyalty programs that should be free. Big hotel chains use the strategy to improve customer engagement and drive loyalty rather than a subscription business (Xie & Chen, 2014).

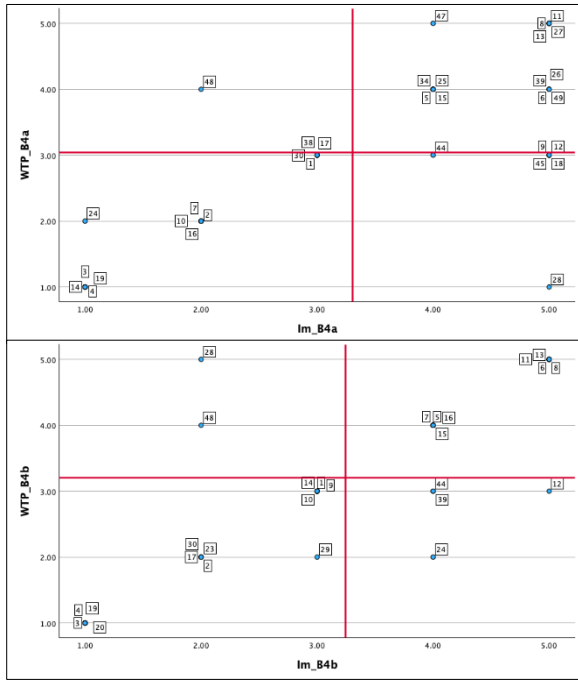


Figure 5- Quadrant Analysis for Alternative B4a and B4b (Source: author's analysis)

The quadrant analysis results indicate that developing a paid subscription program as an alternative revenue stream could need further exploration. Learning from the branded hotel chains, several features that will be created as paid subscriptions are more suitable to boost guest loyalty and long-term profitability by creating repetitive visits. The descriptive finding suggests that these features have a low value in consumers' willingness to pay. The effect of each feature is worth investigating in future research on brand value and revisiting the behavior of staycation guests.

**Consumers' Willingness to Pay (Rupiah Value)**

The second part of this research investigates the rupiah value of consumers' willingness to pay for each subscription benefit. After completing the quadrant analysis questions, each respondent is asked about their Rupiah Value for every feature offered in the subscription. This value's mean and standard deviation are presented in Tables 4 and 5.

Table 4- Mean of Rupiah Value (WTP)

Staycation Subscription Benefits	Alternative (A)	Alternative (B)
Mean, discount benefit	1,258,804.35	1,204,534.88
Mean, point reward benefit	765,972.22	1,234,761.91
Mean, meal benefit	705,357.14	686,111.11
Mean, facilities & service benefit	533,076.92	738,452.38
<b>Mean for Total Financial Value</b>	<b>2,888,924.31</b>	<b>3,521,364.79</b>

The average total financial value for the subscription features is 2.89 million for alternative (A) and 3.52 million for alternative (B). The highest rupiah value is in the discount benefits for the rooms in alternative (A) and point reward in alternative (B). From this rupiah value, we can understand that our respondents are

only willing to pay 3.52 million for subscriptions for an entire year of benefits. This number only accounts for 20.52% of the published rate of the subscription feature in alternative (B) (Rp 17,000,000). This value aligns with the initial finding in quadrant analysis that the rupiah value for each subscription feature is meagre, which will be challenging to develop into a new business model.

Table 5- Standard Deviation of Rupiah Value (WTP)

Staycation Subscription Benefits	Alternative (A)	Alternative (B)
Std Dev for discount benefit	1,496,610.68	1,320,548.59
Std Dev for point reward benefit	1,003,870.24	1,545,593.64
Std Dev for meal benefit	925,511.32	885,995.13
Std Dev for facilities & service benefit	614,000.70	964,460.22
<b>Std Dev for Total Financial Value</b>	<b>3,106,156.29</b>	<b>3,889,060.47</b>

The standard deviation of the rupiah value of each alternative spans between 3.1 and 3.89 million rupiahs. For meal, facilities, and service benefits, our respondents tend to have similar variations on these features. However, the variation is relatively high regarding discount and point reward benefits.

In this paper, the author hypothesizes that the rupiah value for subscription features is below the published rate of a four-star hotel, which makes implementing a subscription business model for staycation hotels quite challenging. To test this hypothesis, the independent t-test is applied for each subscription feature and the total rupiah value of the subscription rupiah value. The result of the independent t-test is presented in Table 6.

Table 6- Statistical Test for Subscription Features

Staycation Subscription Benefits	t-critical (One-tailed 1%)	Alternative (A)	Alternative (B)
t-stat, discount benefit	-2.407	-6.741*	-25.420*
t-stat, point reward benefit	-2.407	1.785	-3.466*
t-stat, meal benefit	-2.407	-17.355*	-18.281*
t-stat, facilities & service benefit	-2.407	-62.326*	-38.188*
<b>t-stat for Total Financial Value</b>	<b>-2.407</b>	<b>-21.006*</b>	<b>-24.260*</b>

(\*) significant at 1% one-tailed test

The independent t-test found that most subscription features are significantly below the published rate, at the 1% significance level. From this finding, we conclude that applying a staycation premium subscription is not feasible considering the low rupiah value that those willing to pay by our respondents. This finding suggests that features such as room discounts, meal benefits, point reward benefits, and facilities & services benefits are not considered valuable to be paid by our respondents. These features are only feasible as a loyalty program that is expected to be free rather than paid separately in premium membership programs.

Hotel membership programs induce long-term loyalty (Xie & Chen, 2014). However, shifting the membership program to premium subscription membership is not a great idea due to the deficient rupiah value of consumers' willingness to pay. Hotel membership programs create self-esteem among the members; therefore, they build loyalty and are prevalent in big hotel chains (Shin et al., 2022). This article suggests future research could address other subscription features different from hotel membership programs to find suitable subscription staycation programs.

The finding also indicates that exploring the effect of brand loyalty and value on revisiting staycation guests is a promising avenue in hotel management. Non-subscription loyalty programs might indirectly increase hotel revenues and profitability. The mediation effect of loyalty programs is worth investigating.

The long-term impact of loyalty programs could be beneficial as they bring extra income by creating revisit intention and behavior.

## 5. Research Limitation

While this study provides valuable insights into consumer preferences and willingness to pay for staycation membership programs, several limitations must be acknowledged. Firstly, the use of a convenient sampling method, although cost-effective and practical, limits the generalizability of the findings. The sample may not accurately represent the broader population, as it was drawn from easily accessible respondents who may share similar characteristics. Additionally, the self-reported nature of survey data is subject to social desirability bias, where respondents might provide answers they deem favorable rather than their valid preferences. The study also relied on hypothetical scenarios to gauge willingness to pay, which might only partially capture consumer behavior in real-world settings. Lastly, the research was conducted within a specific geographic and cultural context, which may affect the applicability of the results to other regions or demographics. Future research should consider employing random sampling techniques, using actual purchase data, and expanding the geographic scope to enhance the robustness and external validity of the findings.

## 6. Conclusion

This study aimed to evaluate the viability of a paid subscription-based membership model within the staycation sector of the hotel industry by examining consumer preferences and willingness to pay (WTP) using quadrant analysis. The primary objective was to identify whether such a model could offer a sustainable revenue stream for hotels by aligning subscription features with customer expectations and financial value.

The findings from this research reveal several vital insights. Firstly, the quadrant analysis indicated that while some features, such as meal benefits and room upgrades, hold significant potential as subscription offerings, others, like reflexology and spa services, do not. This suggests that customer preferences are particular and that successful subscription models must carefully match the most valued benefits with what customers are willing to pay for. However, the actual WTP for most features was found to be lower than the current market rates, posing a substantial challenge to implementing such a model profitably.

Despite these findings, the study acknowledges several limitations. Although practical and cost-effective, the use of a convenient sampling method limits the generalizability of the results. The sample may only partially represent the broader population, leading to potential biases. Additionally, relying on self-reported data and hypothetical scenarios may not accurately reflect consumer behavior in real-world settings. Moreover, the geographical scope of the study was limited, which may affect the applicability of the results to other regions or demographics.

For future research, it is recommended to employ random sampling techniques and use actual purchase data to enhance the robustness and external validity of the findings. Exploring different methodologies, such as conjoint analysis, could provide deeper insights into consumer preferences and their trade-offs.

Additionally, investigating other potential features for subscription models beyond traditional loyalty programs, such as exclusive access to local attractions or bundled services with other tourism providers, could uncover new opportunities for creating value.

These findings have significant practical implications for hotel managers and the tourism industry. To overcome the identified challenges, hotel managers should focus on tailoring their subscription offerings to include features with high perceived value and aligning them with customer willingness to pay. Effective marketing communication and consumer education about the benefits of subscription models could also enhance customer acceptance and perceived value. Moreover, integrating subscription models with broader tourism and hospitality services could give customers a more comprehensive and appealing value proposition, ultimately driving loyalty and profitability.

In conclusion, while the subscription model offers a novel approach to enhancing customer loyalty and operational stability, its success depends on a deep understanding of consumer valuation of proposed benefits. Addressing the limitations and exploring new strategies will be crucial for future implementation and success in the staycation sector.

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