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The Effect of Price Transparency on Young Travellers' Choices: An Experimental Study of Resort Packages

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Abstract: Product bundling has gained significant traction in the hospitality industry, with an increasing number of businesses offering all-inclusive resort packages to attract consumers. With the increase in online travel purchases, both academics and industry professionals are increasingly interested in understanding the factors influencing consumer travel package choices. This study employs a 2 x 5 mixed-design experiment where participants evaluated both an all-inclusive and a non-inclusive resort, with variations in price presentation. Pricing was presented either transparently or non-transparently, and package savings were displayed in multiple formats. The results reveal a strong consumer preference for all-inclusive resort packages, regardless of the perceived value. Moreover, how pricing information is presented plays a crucial role in shaping consumer purchase decisions. These findings highlight the importance of price presentation strategies in the marketing of travel packages and offer valuable insights for both marketers and practitioners in the hospitality sector.

Keywords: *All-Inclusive Resorts, Price Bundling, Price Presentation, Mixed Design Experiment, Travel Package.*

1. Introduction

Tropical destinations increasingly offer all-inclusive vacation packages to boost tourist arrivals, a trend that is expected to grow (Cozzio, Tokarchuk & Maurer, 2023; Issa & Jayawardena, 2003). The all-inclusive concept is considered a key factor driving the development of resort destinations. But what exactly makes these packages so appealing? Two major components contributing to their popularity are time and value (Tiliute & Condratov, 2014). Vacations are meant to be relaxing, so travellers often seek to minimize the time and effort spent calculating costs. Consumers also expect service providers to handle all their needs. For consumers seeking a stress-free travel experience, choosing an all-inclusive package often feels essential (Tiliute & Condratov, 2014). This trend is especially prominent in today's digital society, where most travel purchases are made directly by travellers online, bypassing traditional intermediaries such as travel agents.

Despite the growing demand for all-inclusive resort packages, there is limited research on how travellers evaluate and choose travel packages online (Kim, Bojanic & Warnick, 2009; Tanford, Baloglu, & Erdem, 2012; Tanford, Erdem, & Baloglu, 2011). Earlier research in service marketing suggests that similar to other service products, consumer choice is influenced by the perceived value of a product bundle (Zeithaml, 1988). Consumers often associate bundling with discounts, expecting bundled products to be more cost-effective than purchasing individual components separately (Heeler, Nguyen & Buff, 2007; Song, Noone & Mattila, 2023).

Bundling multiple products also reduces the effort required for travel planning, offering a clear advantage over searching different channels for the best deals on lodging, food, and activities separately. While there is a clear preference for bundled packages, this raises questions: does the preference hold if the value between bundled and non-bundled packages is the same? How does the presentation of price savings affect consumer choice? Do consumers favor itemized pricing for each component, and can the way savings are presented influence their purchase decisions?

This research aims to answer these questions by exploring the impact of price-saving presentations on consumer preferences for travel packages. Specifically, it investigates the role of all-inclusive resort bundling, price transparency, and savings presentation in shaping purchase decisions for online travel packages. The study seeks to understand the underlying factors that affect consumer decision-making in the online purchasing environment. These insights can help practitioners effectively present their products and services and offer guidance on when to opt for all-inclusive or non-inclusive pricing. Theoretically, this research will contribute to a deeper understanding of price bundling and presentation strategies in the context of online travel purchasing.

2. Literature Review

Package Bundling

When travel operators offer at least two separate products or services at a single price, they are utilizing a marketing tool called bundling (Guiltinan, 1987). Sellers adopt bundling strategies to sell more at lower costs, create added value, and ensure a high level of customer demand. These benefits have enticed the hospitality industry to adopt bundling, offering product packages across segments such as lodging, dining, events, and tours (Naylor & Frank, 2001). As digital transformation continues to shift more travel decisions online, there is growing literature on price bundling in the online purchasing environment.

Carroll, Kwortnik, and Rose (2007) suggested various bundling strategies for hospitality companies to gain a competitive edge. Research by Tanford et al. (2011, 2012) investigated the influence of price transparency, bundling, and the perception of savings on online purchase decisions. Their findings indicate that price is a primary driver of consumer choice, with favorable evaluations of resorts increasing when transparent pricing is used.

Recent studies have further supported these findings, suggesting that consumers purchase a bundle if they perceive it to offer better value than assembling products individually. Wei, Yu, and Li (2024) argue that perceived uniqueness and variability in bundled offers can enhance their appeal, suggesting that customizing packages with exclusive perks (e.g., free activities or upgrades) can increase perceived value. Furthermore, Dominique-Ferreira & Antunes (2020) showed that mixed bundling, where consumers can add optional services, is particularly effective in the hotel sector, as it provides flexibility without overwhelming the consumer with choices.

While bundling reduces search costs, including time, money, and effort, it also minimizes the risk of product incompatibility and leverages volume discounts (Harris & Blair, 2006). However, there are associated risks, such as the potential for waste (not using all components), undesirable elements, and limited freedom of choice. These cost-benefit tradeoffs significantly influence consumer decisions. Xue & Jo (2024) highlighted that time pressure can also play a role in this dynamic, with consumers under time constraints being more inclined to opt for pre-bundled packages as a means of simplifying their decision-making process.

Price Presentation

Price is one of the primary determinants of consumer purchase intentions (Zeithaml, 1988). However, there is still limited understanding of how the presentation of travel package pricing influences consumer decision-making. Two critical factors in price presentation are the amount of information provided and the format of the presentation (Rewtrakunphaiboon & Oppewal, 2008). In their study, they found that students responded more favorably to packages where price was the primary information, although the presentation was sometimes overshadowed by the destination's name. Tanford et al. (2012) found that transparency in information significantly affects consumer decision-making, especially in the context of price.

The amount of price information available on websites, known as rate transparency, can increase or decrease perceived risk. Bai, Chu, Fam & Wei (2022) demonstrated that consumers tend to favor packages where savings are clearly shown, which enhances trust and reduces perceived risk. Detailed price information can heighten consumer evaluations, as it helps them perceive value (Choi & Mattila, 2006). This finding is consistent with Meyer's (1981) notion that incomplete price information leads to higher uncertainty.

The format of price discounts also influences consumer behavior. Recent studies emphasize the importance of discount framing. For instance, Song, Noone, and Mattila (2023) found that presenting bundled offers as "free with purchase" is often more persuasive than standard percentage discounts, particularly for hedonic products like vacations. Similarly, McCabe & Illodo (2019) highlighted that consumers respond positively to "bagging a bargain," suggesting that the psychological appeal of a deal can drive purchasing behavior. These findings extend the earlier research by Munger & Grewal (2001) on framing effects, demonstrating that the method of presenting discounts (e.g., dollar-off, percentage-off, or combined) significantly affects consumer evaluations.

Are We All Natural Misers?

Humans, unlike computers, have limited cognitive processing abilities. Thus, they are constrained by the availability of cognitive effort and time needed for optimal decision-making (Rubinstein, 1988). This leads humans to act as 'cognitive misers' (Fiske & Taylor, 1991), opting for mental shortcuts or heuristics to conserve cognitive resources (Tversky & Kahneman, 1974).

Recent literature continues to support this concept in the context of travel purchases. Jin et al (2022) argue that when consumers evaluate bundled travel packages, they often use simplified evaluation criteria, such as clear savings indicators, to quickly judge value without extensive analysis. This aligns with Shah & Oppenheimer's (2009) theory that people use accessible informational cues to minimize cognitive effort.

In the realm of travel packages, consumers often seek to simplify their thought process by relying on clear, salient information that reduces the need for deliberate thinking. Tanford et al. (2012) found that while itemized prices can decrease uncertainty, they can sometimes complicate the thought process, particularly when savings are not explicitly shown. This is echoed by Wei, Yu, & Li (2024), who suggested that bundling strategies that highlight exclusive perks or savings could act as heuristic cues, guiding consumers towards quicker decision-making.

Building on Fiske and Taylor's (1991) cognitive miser theory, this study seeks to understand how price presentation in all-inclusive travel packages influences consumer decisions in online environments. By incorporating insights from recent studies, it becomes evident that strategies emphasizing transparency, simplicity, and perceived exclusivity are likely to succeed in enhancing consumer evaluations and driving sales. The following hypotheses are therefore postulated:

H1: The presentation of savings (e.g., percentage vs. dollar off) significantly affects the perceived value of an all-inclusive resort package.

H2: Consumers perceive all-inclusive resort packages with non-transparent price presentations (without itemized breakdowns) as more appealing than those with transparent pricing that itemizes each component.

3. Research Methodology

Subjects

The research used a convenience sample of 230 undergraduate students enrolled in a hospitality program at a public university in the southern part of the U.S. state of Nevada. To qualify for the study, participants were required to be at least 18 years old and to have booked or purchased a travel product (such as vacation packages, hotel rooms, or flight tickets) within the past 12 months. This criterion helped ensure that participants had recent experience with travel purchases, making their responses more reflective of real-world behaviors. Participants made a hypothetical travel choice for a Spring Break vacation in Cancun, a destination consistently popular among college students (Brown, 2012; Be, 2014). Given that Spring Break travel is a significant event among college students, this setting was chosen to reflect a realistic scenario where participants would make similar decisions to those they might face in real life.

The demographic profile of the sample was diverse, enhancing the generalizability of the findings within the context of the Spring Break travel market. Nearly half of the participants were seniors (59%), while the remainder consisted of sophomores (15.2%) and juniors (33.9%). The sample included 60% females and 40% males, with the majority (92.6%) aged 29 or younger. The ethnic composition was varied, with 45.2% identifying as Asian, 33.5% as Caucasian, 13.5% as Hispanic, 3.9% as African-American, and 3.9% as other ethnicities. As expected from a student sample, income levels were relatively low, with more than 50% of participants reporting annual earnings below $15,000. This demographic profile not only provided insights into a key segment of the travel market (college students) but also allowed for a better understanding of the preferences and behaviors of younger, budget-conscious travellers.

Design and Procedure

The study employed a 2 (inclusiveness: all-inclusive vs. non-inclusive) × 5 (price presentation format) mixed factorial design. This experimental setup was designed to explore the effects of inclusiveness and various pricing presentations on consumer decision-making, enabling the researchers to analyze both within-subjects

and between-subjects effects.

Manipulation of Inclusiveness: Inclusiveness was manipulated as a within-subjects factor, meaning that each participant was exposed to both an all-inclusive and a non-inclusive resort package scenario. The all-inclusive option presented participants with a total package price covering all essential elements of the vacation (e.g., lodging, meals, beverages, and activities). In contrast, the non-inclusive option displayed the room price per night, with additional costs for meals, beverages, and activities itemized as separate, optional add-ons. This setup allowed for a direct comparison of how participants perceived and evaluated each type of vacation package.

Manipulation of Price Presentation: Price presentation was treated as a between-subjects factor, with five different formats used to explore how the method of displaying prices and savings could influence participants' perceptions and choices:
Scenario A: Control Condition: Neither savings nor itemized prices were provided, offering a straightforward presentation of the all-inclusive package price.
Scenario B: Transparent - Higher Value Condition: This condition displayed a detailed itemization of costs if the components were purchased separately, with the all-inclusive package offering higher value (total cost of components exceeded the package price).
Scenario C: Transparent - Same Value Condition: Similar to the previous condition, but the itemized costs matched the package price, indicating no additional savings, thus testing participants' perceptions when no clear financial advantage was presented.
Scenario D: Dollar Savings Condition: Savings information was presented as a specific dollar amount (e.g., "$150 off") to highlight the financial benefits of the all-inclusive option over the non-inclusive setup.
Scenario E: Percentage Savings Condition: Savings were expressed as a percentage (e.g., "15% off"), offering an alternative framing to the dollar savings condition.
These conditions allowed the researchers to explore how consumers respond to price transparency, explicit savings information, and different ways of framing discounts. Figure 1 below illustrates the full set of price-savings presentations used in the experiment:

Figure 1: Price presentation scenarios

Scenario	Resort A	Resort B
A	All Inclusive 4 Days/3 Nights Package **$ 870** Package includes lodging, all buffet and á la carte meals, unlimited alcoholic and non-alcoholic beverages, and motorized water sports.	Room Rate **$ 190** Per room/night Meals, beverages and motorized water sports can be purchased separately.
B	All Inclusive 4 Days/3 Nights Package **$ 870** Package includes: **Cost if purchased separately** Buffet and á la carte meals $ 105 Unlimited Alcoholic & Non-Alcoholic Beverages $ 105 Motorized Water Sports $ 105	Room Rate **$ 190** Per room/night The following add-ons are available for separate purchase: Onsite Meals $ 50/day Unlimited Alcoholic & Non-Alcoholic Beverages $ 50/day Motorized Water Sports $ 50/day
C	All Inclusive 4 Days/3 Nights Package **$ 870** Package includes: **Cost if purchased separately** Buffet and á la carte meals $ 150 Unlimited Alcoholic & Non-Alcoholic Beverages $ 150 Motorized Water Sports $ 150	Room Rate **$ 190** Per room/night The following add-ons are available for separate purchase: Onsite Meals $ 50/day Unlimited Alcoholic & Non-Alcoholic Beverages $ 50/day Motorized Water Sports $ 50/day
D	All Inclusive 4 Days/3 Nights Package **$ 870** YOU SAVE $150!! Package includes lodging, all buffet and á la carte meals, unlimited alcoholic and non-alcoholic beverages, and motorized water sports.	Room Rate **$ 190** Per room/night **The following add-ons are available for separate purchase:** Onsite Meals $ 50/day Unlimited Alcoholic & Non-Alcoholic Beverages $ 50/day Motorized Water Sports $ 50/day
E	All Inclusive 4 Days/3 Nights Package **$ 870** YOU SAVE 15%!! Package includes lodging, all buffet and á la carte meals, unlimited alcoholic and non-alcoholic beverages, and motorized water sports.	Room Rate **$ 190** Per room/night **The following add-ons are available for separate purchase:** Onsite Meals $ 50/day Unlimited Alcoholic & Non-Alcoholic Beverages $ 50/day Motorized Water Sports $ 50/day

Procedure

The survey was conducted using a pen-and-paper format, and participants were randomly assigned to one of the five price presentation scenarios. Within each assigned scenario, participants viewed a side-by-side display of Resort A (all-inclusive) and Resort B (non-inclusive). The scenarios were distributed across several undergraduate classes at the end of the semester, approximately four months before the Spring Break period, ensuring that the timing was relevant to participants' real-world travel planning.

Random assignment ensured each experimental condition received 43 to 47 participants, meeting the minimum requirement of 39 per group to detect medium-sized differences with 80% power at a 0.05 significance level (Cohen, 1992). Survey packets were prearranged randomly within each class to mitigate selection bias.

Instrument

The survey presented participants with choice scenarios involving two Cancun resorts, one all-inclusive (Resort A) and one non-inclusive (Resort B). Cancun was chosen for its popularity as a Spring Break destination, known for offering a wide variety of all-inclusive packages. Real images of actual resorts from Cancun were used, with modifications to prevent participants from recognizing specific properties, thus ensuring the focus remained on the price presentation and inclusiveness factors. A sample of the stimulus used is illustrated in Figure 2.

Figure 2: Stimulus Sample

RESORT A	RESORT B
	
All-Inclusive Cancún resort near shops, nightlife	Beachfront resort adjacent to Mayan ruin
This newly renovated resort has the biggest white sand beach, a prime location for the only deluxe resort in Cancun offering beach on both sides of the property. The hotel stretches between the vibrant Caribbean Sea and the tranquil waters of the Nichupte Lagoon and is only 6 miles from the Airport and minutes away from restaurants, marinas and night clubs. The resort offers distinguished travelers the opportunity to rejuvenate in the energizing waters of the Caribbean Sea and its white sand beaches. In any of its four inviting pools or the spa. The exhilaration of championship golf, various water activities, and unique culinary experiences makes it the best choice for travelers looking for a renewal vacation experience.	This resort, with its tranquil setting overlooking the turquoise Caribbean Sea, is a truly magical area, where endless days begin. Located on the widest stretch of beach in Cancun, the resort is 5 miles from shopping and dining at Plaza Kukulc. Beaches, pools, and sundecks with thickly cushioned teak lounge chairs provide sunbathing comfort. The health-and-beauty spa offers treatments in air-conditioned rooms, open-air cabins on stilts with raw-pole walls and thatch roofs, and open-air thatched-roof palapas on the beach. Restaurants provide a taste of Mexican, Italian and International specialties. Just minutes from Cancun`s nightlife yet in the middle of paradise, this resort offers the ideal location for your vacation needs
All Inclusive 4 Days/3 Nights Package **$870** Package includes lodging, all buffet and à la carte meals, unlimited alcoholic and non-alcoholic beverages, and motorized water sports. *Terms and conditions apply	Room Rate **$190** Per room/night The following add-ons are available for separate purchase: Onsite Meals $50/day Unlimited Alcoholic & Non-Alcoholic Beverages $50/day Motorized Water Sports $50/day *Terms and conditions apply

YOU SAVE $150!!

Participants were asked to evaluate both resorts on a 7-point Likert scale (ranging from 1 - Strongly Disagree to 7 - Strongly Agree) across the following metrics:
Resort Appeal: "The resort is appealing to me."
Perceived Value: "The resort offers good value for money."
Suitability: "The resort is a good choice for Spring Break."
Price Fairness: "Based on the quality, the price charged is fair."
Likelihood to Choose: A 7-point semantic differential scale from "Highly Unlikely" to "Highly Likely."

These metrics allowed for an in-depth analysis of how inclusiveness and various price presentation formats influenced participants' perceptions and intended purchasing behaviors. The survey concluded with demographic questions to gather background information on participants, including age, gender, ethnicity, and income level.

4. Results

The study analyzed the effects of inclusiveness (all-inclusive vs. non-inclusive) and different price-saving presentation formats on consumer preferences using a 2 (inclusiveness) × 5 (price-saving presentation) repeated measures ANOVA. Inclusiveness (i.e., resort type) was treated as a within-subjects factor, while price presentation was treated as a between-subjects factor.

Main Effects of Inclusiveness

There were significant main effects of inclusiveness on all measured outcomes, including appeal, perceived value, choice, price fairness, and likelihood to choose. The results are summarized in Table 1, indicating that participants consistently reported a more favorable evaluation of the all-inclusive resort across all variables. These findings suggest a strong consumer preference for all-inclusive packages over non-inclusive options. The following are the key findings:

Appeal: Participants rated the all-inclusive resort as more appealing ($M = 5.925$) than the non-inclusive resort ($M = 5.222$), with a significant difference ($F(1,225) = 50.301$, $p < .000$, $\eta^2 = .183$).
Good Value: The all-inclusive resort was perceived as offering better value ($M = 5.580$) compared to the non-inclusive resort ($M = 4.852$), showing a significant effect ($F(1,225) = 38.103$, $p < .000$, $\eta^2 = .145$).
Good Choice: Participants were more inclined to view the all-inclusive resort as a good choice ($M = 5.685$) versus the non-inclusive option ($M = 5.062$), with significant results ($F(1,225) = 29.244$, $p < .000$, $\eta^2 = .115$).
Fairly Priced: The perception of fairness was higher for the all-inclusive resort ($M = 5.513$) than the non-inclusive ($M = 4.800$), showing a significant main effect ($F(1,225) = 32.398$, $p < .000$, $\eta^2 = .126$).
Likelihood to Choose: Participants expressed a stronger likelihood to choose the all-inclusive resort ($M = 5.830$) over the non-inclusive option ($M = 4.672$), demonstrating a highly significant main effect ($F(1,225) = 62.088$, $p < .000$, $\eta^2 = .216$).

These results highlight a consistent trend across all measures, reinforcing the appeal of all-inclusive packages in travel decisions, likely due to the reduced cognitive load and ease of planning they provide.

Table 1: Main Effects for Inclusiveness

Variable	All Inclusive	Non-Inclusive	F	Sig.	η^2
Appeal	5.925	5.222	50.301	.000	.183
Good Value	5.580	4.852	38.103	.000	.145
Good Choice	5.685	5.062	29.244	.000	.115
Fairly Priced	5.513	4.800	32.398	.000	.126
Likelihood to Choose	5.830	4.672	62.088	.000	.216

Note: $p < 0.05$

Interaction Effects Between Inclusiveness and Price Presentation

A significant interaction effect was observed between inclusiveness and price presentation ($F(4, 225) = 4.656$, $p < .005$, $\eta^2 = .068$), indicating that the format of price presentation influenced participants' likelihood to choose differently across the all-inclusive and non-inclusive options. This suggests that consumers' preferences could shift depending on how the price information is presented.

To further understand this interaction, separate analyses were conducted for Resort A (all-inclusive) and Resort B (non-inclusive), focusing on how different price presentation formats impacted consumer evaluations.

Simple Effects of Price Presentation for the All-Inclusive Resort

The simple effects analysis revealed that price presentation significantly affected consumer evaluations of Resort A (the all-inclusive resort). Significant differences were found across the following variables:

Appeal: The analysis indicated significant differences ($F(4, 229) = 3.661$, $p = .007$), with the highest appeal, observed when the package showed percentage savings ($M = 6.41$). Itemized pricing without savings information (transparent-same value) had the lowest appeal ($M = 5.23$).

Good Value: Significant effects were noted for perceived value ($F(4, 229) = 7.192$, $p < .000$). Packages that displayed percentage savings were perceived as offering the highest value ($M = 6.23$), whereas transparent-same value had the lowest ($M = 4.60$).

Good Choice: The likelihood of choosing Resort A as a good choice was higher when savings were shown, particularly in percentage format ($F(4, 229) = 4.345$, $p = .002$).

Fairly Priced: Participants perceived Resort A as more fairly priced when presented with non-transparent packages that showed percentage savings, compared to the transparent-same value ($F(4, 229) = 3.418$, $p = .010$).

Likelihood to Choose: The likelihood to choose was significantly higher for packages that showed percentage savings ($F(4, 229) = 2.504$, $p = .043$), reinforcing that explicit savings information positively influences consumer preference.

Table 2: Simple Effects of Price Presentation for All-Inclusive Resort

Price Presentation	Appeal	Good Value	Good Choice	Fairly Priced	Likelihood to Choose	F	Sig
Package price only	5.83ab	5.57a	5.43ab	5.28ab	5.62ab	3.661	.007
Transparent-same value	5.23a	4.60b	5.00a	4.90a	5.42a	7.192	.000
Transparent-higher value	6.06ab	5.54a	5.68ab	5.60ab	5.94ab	4.345	.002
Dollar savings	6.09ab	5.95a	6.00b	5.77ab	5.98ab	3.418	.010
Percent savings	6.41b	6.23a	6.32b	6.02b	6.20b	2.504	.043

Notes: Means without common subscripts are significantly different at $p < .05$.

Discussion

The purpose of this study was to explore the influence of package bundling and price presentation on consumer evaluation and decision-making. The results indicate a strong preference for all-inclusive resorts over their non-inclusive counterparts. These findings align with Fiske and Taylor's (1991) cognitive miser principle, which posits that humans tend to conserve cognitive resources by using mental shortcuts. Opting for all-inclusive resort packages simplifies travel planning by reducing the need for decisions about meals, beverages, and activities, thus aligning well with the cognitive miser model. This simplification reduces the number of decisions a consumer must make, leading to a more streamlined and stress-free vacation experience.

Preference for All-Inclusive Packages and Cognitive Processing

The observed preference for all-inclusive packages can be attributed to their ability to reduce cognitive load, a finding supported by Jin et al (2022), who emphasized that bundling minimizes consumer search efforts by providing a comprehensive solution that satisfies multiple needs simultaneously. The simplicity of choosing an all-inclusive package appeals to consumers who seek convenience and wish to avoid the hassle of managing separate purchases. This reflects earlier findings by Tversky and Kahneman (1974) on heuristic decision-making, where consumers rely on accessible cues rather than detailed evaluations when making choices.

The findings indicate that consumers prefer revealed savings to itemized pricing information. Revealed savings acted as a heuristic cue, bringing consumers' attention toward the package's perceived value. Previous research by Song, Noone, and Mattila (2023) supports this, demonstrating that framing discounts as percentage savings can significantly enhance perceived value, especially when consumers are presented with a bundle that suggests comprehensive savings. These mental shortcuts are in line with Fiske and Taylor's (1991) theory, which suggests that individuals conserve mental effort by using simplified decision rules.

Impact of Price Transparency and Savings Presentation

The results revealed significant differences when comparing the transparent-same value condition to other price presentation formats. The transparent-same value condition was the only scenario where the all-inclusive package did not show a clear financial advantage over the non-inclusive option. This may have led consumers to perceive less value in the all-inclusive package, as itemized breakdowns can prompt more detailed mental accounting, increasing cognitive effort and reducing the overall appeal. Similar observations were made by Bai et al (2022), who found that consumers are more likely to favor bundled options when the presentation minimizes the need for detailed comparisons between itemized costs.

Interestingly, the most significant differences were observed in the percentage savings condition. Consumers found percentage savings easier to process than itemized components, which require more mental effort to assess. This supports findings from Frisch (1993), who noted that the framing effect can lead to different consumer responses depending on how information is presented. While it might have been expected that dollar savings would be preferred due to their explicit value, the results suggest that percentage formats could be more effective in certain contexts. Wei, Yu, and Li (2024) also observed that consumers perceived bundles with percentage-based savings as offering more value, suggesting that this format makes the savings appear larger and more appealing, even if the actual discount is equivalent to a dollar-off format.

The Role of Heuristics in Consumer Decision-Making

This study builds on the understanding of how cognitive heuristics affect consumer decision-making, particularly in the context of digital purchases. Fiske and Taylor's (1991) cognitive miser theory is further validated by these findings, as consumers are seen to rely on simplified mental shortcuts when making purchasing decisions. Recent work by Le, Carrel, and Shah (2022) highlighted that online shopping environments can overwhelm consumers with information, leading to decision fatigue. Bundling and the presentation of savings in a simplified manner serve as tools to alleviate this cognitive burden by reducing the number of choices and the effort needed to evaluate each option.

In line with Shah and Oppenheimer's (2009) research on the path of least resistance, this study confirms that consumers are inclined to choose options that simplify the decision-making process. By presenting packages in a way that minimizes the need for mental arithmetic (e.g., using clear percentage savings), travel operators can guide consumers toward quicker and more favorable purchasing decisions. This is particularly relevant in online environments where consumers are faced with multiple options and may be more susceptible to simplified cues that suggest value.

5. Managerial Implications and Recommendations

For practitioners, this study suggests that non-transparent, percentage-based savings presentations may be the most effective strategy for promoting all-inclusive packages. Recent industry research by Xue and Jo (2024) supports this notion, indicating that consumers often perceive percentage-based discounts as more substantial than dollar-equivalent savings, even when the actual monetary savings are the same. This preference is likely due to the ease of processing percentage discounts, which consumers can quickly relate to perceived value increases.

Additionally, the results imply that detailed, itemized pricing could deter consumers by increasing the cognitive load required to make decisions. Therefore, travel operators should consider using simplified, bundled pricing presentations that emphasize savings, ideally without breaking down the components unless it is necessary to convey added benefits. This strategy aligns well with the principles of the cognitive miser theory and could

enhance consumer satisfaction and conversion rates.

Directions for Future Research

This study catalyzes future researchers to further explore the context and cues that influence modern consumer behavior, especially in digital purchasing environments. Future research could examine how varying levels of package complexity impact consumer decision-making across different demographic segments, such as families, business travellers, or older consumers. Additionally, exploring how time constraints or urgency affect the preference for bundled packages might provide insights into optimizing marketing strategies. For instance, Xue and Jo (2024) found that time pressure can significantly alter consumer perceptions, making simplified, all-inclusive packages even more appealing.

Future studies could also examine the effectiveness of bundling strategies across different online platforms, such as travel agency websites, direct hotel booking sites, and mobile apps; to identify which digital environments best promote all-inclusive packages. Given the rapid advancement of artificial intelligence and personalized marketing, examining how AI-driven recommendations could refine bundling strategies by tailoring them to individual consumer preferences could be an exciting area of research.

Conclusion

This study contributes to the body of knowledge on consumer decision-making by providing insights into how package bundling and price presentation formats influence perceptions in the online travel market. The findings support the cognitive miser theory, demonstrating that consumers rely on mental shortcuts to simplify their purchasing decisions, particularly when presented with well-structured, easy-to-understand savings information. As the digital purchasing environment continues to evolve, understanding the factors that drive consumer preferences will be crucial for travel operators looking to optimize their marketing strategies and enhance customer satisfaction.

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