

Boutique hotel attributes and guest behavioural intentions

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Nur Farahwati Ahmad
Mohamad Abdullah Hemdi*
Dayang Nadiah Abang Othman

Faculty of Hotel and Tourism Management,
Universiti Teknologi MARA Cawangan Selangor, Malaysia
moham984@salam.uitm.edu.my

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Abstract

The objective of this paper is to investigate customer's revisit intention toward boutique hotel attractive attributes through identifying the factors that drives the customer to visit the hotel. Specifically, this study attempts to determine which of the boutique hotel attributes will affect customer's revisit intention after having an experience of staying at the hotel. Furthermore, this study proposed an association between boutique hotel attributes and customer satisfaction and their revisit intention. This study intended to distribute surveys to collect the accurate data from the customers. This study will be able to assist potential boutique hotel operators or future researchers to gain substantial insight and information to market and promote their boutique hotel in the industry.

Keywords:

Boutique hotel, hotel attributes, behavioral intention, customer satisfaction

1 Introduction

Accommodation is one of the fundamental factors of tourism product to the tourists. As said by Samadi and Yunus (2012), a growing number of travelers have become tired of staying in chain hotels that accommodate many guests. Many travellers have begun switching to book their lodging at new and different types of

hotels. Bed and breakfasts (B&B), home stays, guest houses, farm stays, health farms, country inns, stately homes, wilderness or nature lodges, and boutique hotels or inns represent a rapidly growing sector of the hospitality industry. One aspect of this growing differentiation of the hotel industry is a boutique hotel. A study conducted by McIntosh and Siggs (2005) investigates that boutique hotel consumers choose to stay in these hotels rather than more traditional accommodation. Their finding concludes that there are five key dimensions setting the boutique hotel sector to differ from traditional offerings. These are the “unique character,” the “personalized or personal touch,” the “homely feel of the accommodation,” the “high-quality standards offered” and the “value-added” nature of the physical location and knowledge and culture of the hosts. It can be described as a type of hotel with a unique setting, offering service that meets its customer lifestyle and mostly is furnished in theme.

Due to the growth of tourist arrivals to Malaysia, the development of the hotel itself plays an essential role in serving the guest needs. Commercial accommodations (hotels, bed & breakfast, etc.) are the top choice for international travelers to Malaysia with almost 96% of the arrivals utilizing commercial accommodation in 2014. Success in the hotel and tourism industry depends on understanding the key factors of customer satisfaction. Poon and Low (2005) describe that customer satisfaction leads to purchase repetition, intention to revisit, and potential increased future patronage of the hotel. Satisfying customers during their first visit and prolonging their stay can also help develop customer loyalty and thereby encourage the desire to revisit the destination (Syaqirah & Faizurrahman, 2014). Customer retention or customer loyalty in this study refers to the repeat purchase of return or using the same service again. In addition, according to Zeithaml and Bitner (2000), through the service quality and customer satisfaction, many firms recognize that they compete more efficiently due to the importance of service quality evaluation which can be demonstrated by the fact that when a firm delivers an excellent service, this typically leads to the higher satisfaction, which implies for the customer retention and consequently an increase in profits.

2 Literature Review

2.1 Boutique Hotel development, concept, and attributes

During the past decade, product differentiation and segmentation in the accommodation sector has been growing due to the direct response to changing markets, shifting production of accommodation, and to new consumer trends that reject the homogeneous character commercial accommodation (Albrecht & Johnson, 2002; Timothy & Teye, 2009). Across the international experience, different kinds of the hotel now include the all-suite hotel, lifestyle hotels, the airport hotel, heritage hotels, and boutique hotels (Albrecht & Johnson, 2002; Rutes, Penner, & Adams, 2001). Among others, Horner and Swarbrooke (2005) attribute this process of

segmentation and product differentiation to consumers “seeking out increasing numbers of niche product and services to satisfy their (accommodation) demands.” Internationally, the emergence of boutique hotels is identified as “one of the most interesting developments in the hospitality sector of the leisure industry.” It has been acknowledged to be an innovative response to the standardization and commoditization of the hotel and of international hotel developments occurring during the 1970s and 1980s (Albrecht & Johnson, 2002; Rutes et al., 2001; Victorino, Verma, Plaschka, & Dev, 2005).

The systematic standardization of the hotel product precipitated a countermovement towards the establishment and growth of what became variously styled as design, lifestyle, or boutique hotels (Freund de Klumbis & Munsters, 2005). Post-Fordist tourism stresses “unique experiences and variety, adds high value to the tourism commodity chain.” The origin of boutique hotels is widely attributed to hotel innovations by Ian Schrager and Steve Rubell in New York and Anouska Hempel in London (Adner 2003; Callan & Fearon, 1997; Lea, 2002). Schrager and Rubell adopted the term “boutique hotel” as they described their first boutique hotel—Morgans in New York— as similar to a boutique rather than a department store.

The scholarship on boutique accommodation stresses the experiential nature of this form of accommodation (Chang & Teo, 2008; McIntosh & Siggs, 2005; Yuan, 2009; Teo & Chang, 2009). Although the definition of the “boutique hotel” is contested, it is considered to represent a “one-of-a-kind lodging experience” with emphasis upon stylistic uniqueness, high service standards, and individual guest attention (Countryman & Jang, 2006; McIntosh & Siggs, 2005). In one of the earliest academic investigations on boutique accommodation, McIntosh and Siggs (2005) identify five dimensions that set the boutique sector apart from traditional offerings. They are the unique character of the property, personal touch, the homely feel of the accommodation, the high quality of the standards offered and the value-added nature of the physical location, and knowledge and culture of the hosts. Likewise, Horner and Swarbrooke (2005) highlight five distinguishing features of boutique hotels, including a smaller hotel with a more intimate feel, an emphasis on designer fixtures and fittings and appropriate electronics, each hotel seen as having an individual identity despite the presence of a “soft brand” in some circumstances, a focus on modern styles using key designers to develop the concepts and personalized service but the hotels do not always have full service facilities such as restaurants and bars.

Lim and Endean (2009) describe the boutique hotel as “the combination of service quality characteristics, individual design, location, and facilities.” From a different perspective, Teo and Chang (2009) consider that central to the concept of the boutique hotel “is the importance of the touristic experience of place histories and cultural identities.” According to Van Hartesvelt (2006), the defining characteristics of boutique hotels are that they typically range from 20–150 rooms, are at least four stars, have a successful restaurant on the premises, are exclusive, and are typically

“housed in older, unique structures that have been converted from another use”. The conclusion of the overview of Aggett (2007) of international definitions of boutique hotels was that “boutique hotels are contemporary design-led hotels with up to 100 bedrooms, which offer unique levels of personalized service and high-tech facilities.” It was contended that the design element and uniqueness of boutique hotels are recognized as a differentiation strategy that allowed them to compete with branded hotel chains. Design and uniqueness, variously expressed in terms of architecture, buildings, and pieces of furniture, are acknowledged to be a major driving force behind the growth of the boutique hotel sector.

Lee and Jeong (2012) defined physical environment as an environment created by service provider including overall layout, design, decoration, and aesthetics. According to Han and Ryu (2009), the importance of creating an attractive physical environment has gained growing attention among scholars and hospitality managers as it is a key factor in attracting and satisfying customers in the hospitality industry. Olga (2009) stated that boutique hotel is small and the range of their rooms is from 3 to 50 and can sometimes reach to 200 guest room. Forsgren and Franchetti (2004) believe that boutique hotels are a type of accommodation which is highly modern and spiced up with contemporary design and high-tech facilities. Boutique hotels have friendly, hardworking, multitasking staff who can deal with customers in a very warm and friendly way (Van Hartesvelt, 2006 & Lea, 2002). Olga (2009) stated that most of the boutique hotels enforce the recognition of guest names by all hotel staff members, an experience that's hard to achieve in a large-scale hotel. One of the mutual characteristics that boutique hotels are likely to share is the provision of personalized services (Mun Lim & Endean, 2009). In the smaller hotel, there is a unique situation when employees know their customers and their preferences; there is a vivid communication between them.

Olga (2009) added that boutique hotels mostly appeal to leisure and business travelers in term of generous amenities and unlimited entertainment such as easy access to the internet, live music and performances, hip restaurants, lounge, and bars with impressive decorations. Olga (2009) mentions that style, distinction, warmth, and intimacy are the best key words used to describe the architecture and the design of boutique hotels. Boutique hotels are attractive to their guests because of the dramatic impression they create using the architecture, design, colors, lighting, art, and music. They are also connected with more small-scale properties (Price Water House Coopers, 2007). According to Lea (2002), most of the well-known and famous boutique hotels usually try to come out with new, unique and different products.

2.2 Customer satisfaction

Customer satisfaction with the hotels involves many elements, such as the ambiance of the hotel and hospitality of the service provided to the client (Choi & Chu, 2001). Mohajerani and Miremadi (2012) postulated that the clients' satisfaction would

occur when customers' perception is met or exceeds customer's expectation. Ekinci, Dawes, and Massey (2008) found that consumer satisfaction had positive effects on intention to return to a restaurant or hotel, as did Clemes, Gan and Ren (2011), who confirmed that increased customer satisfaction strengthens the likelihood that a customer would return to a hotel. Numerous researchers agree that customer satisfaction is significantly associated with revisit intention (Han & Back, 2007; Han & Kim, 2010; Han & Ryu, 2007; Ryu & Han, 2010). An empirical study by Han and Kim (2010), and Han and Back (2007) confirmed that customer satisfaction had a significant effect on repeat visit intention to hotels. An empirical study by Huang and Hsu (2009) also found that satisfaction had a positive effect on revisit intention. Some tourism and hospitality studies have documented the influenced of customer satisfaction upon behavioral intention.

2.3 Revisit intention

Behavioural intentions are considered to include revisit and word-of-mouth intentions (Jani & Han, 2011). These behavioral intentions are either favorable or unfavorable. The favorable includes positive word of mouth, more spending with the service provider, paying a price premium and remaining loyal. The unfavorable includes leaving the service provider, negative word of mouth, less spending with the company and taking legal action (Ali, Omar, & Amin, 2014, Ladhari, 2009). In tourist behavior research, repeat visitation has been used to assess tourist destination loyalty. Repeat visitation is conceptually similar to two of the three customer loyalty indicators, namely, intention to continue buying and intention to buy more. Following the literature review on the proposed study variables and the conceptual framework, the following propositions are proposed:

- Prop 1: There is a positive and significant relationship between boutique hotel attributes and revisit intention.
- Prop 2: There is a positive and significant relationship between boutique hotel attributes and customer satisfaction.
- Prop 3: There is a positive and significant relationship between customer satisfaction and revisit intention.
- Prop 4: Customer satisfaction mediates the relationship between boutique hotel attributes and revisits intention.

Figure 1 below is the proposed of the conceptual framework with dimensions of boutique hotel attributes and the relationship between these variables.

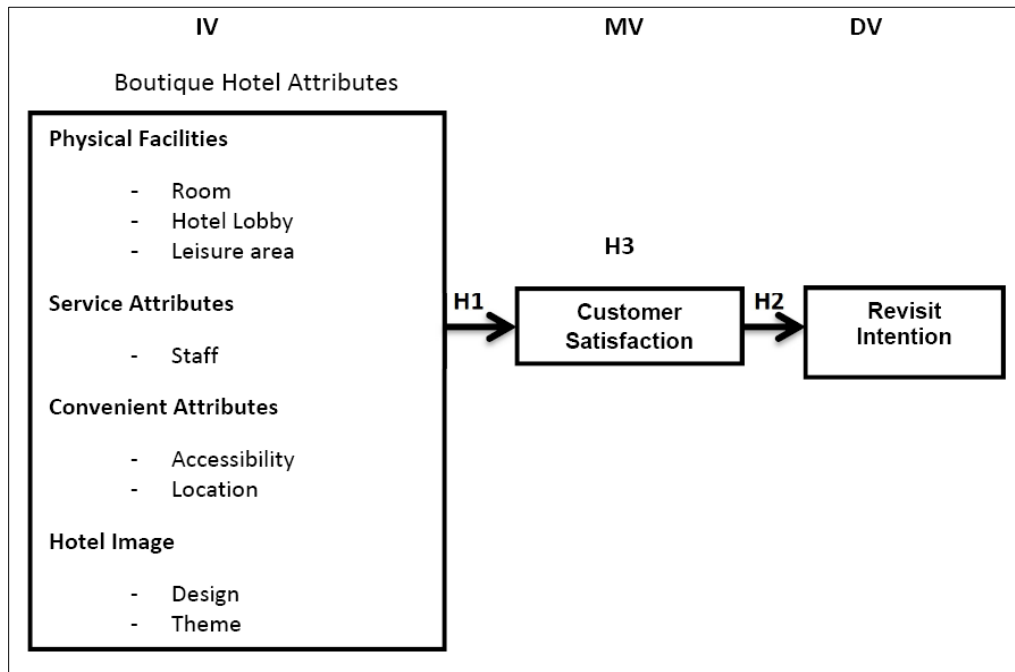


Figure 1: Conceptual framework

3 Methodology

Since there is no complete listing of boutique hotels, all boutique hotels listed located in Klang Valley on the MAH website will be involved in the data collection process. To obtain the sample size of the respondents, the researcher will search the total number of boutique hotels and their total number of rooms that will be divided with average occupancy rates for all the hotels and finally will obtain the final result of respondents. The questionnaires will be designed and divided into four major sections. First is Section A; the questions will be focusing on customer's agreement towards boutique hotel attributes after having experience of staying and this section will be applied using 5-point Likert scale (strongly disagree, disagree, neither agree or disagree, agree and strongly agree) to obtain accurate information and result. Second is Section B which will be focusing on the level of satisfaction towards boutique hotel attributes, and this part will be using a 5-point Likert scale to determine the level of satisfaction towards the boutique hotel attributes. Moreover, the questionnaires regarding revisit intention to the hotel will be asked under Section C and this section will be using 5-point Likert scale to indicate the data information. Section D will be the last part of the questionnaire section which researcher will focus on the traveling information and socio-demographic factors or profile of the respondent.

4 Plan for Data Analysis

The plan for data collection will be using the drop-off method which means the researcher will drop the questionnaire at selected boutique hotels in Klang Valley area and after certain of time agreed between the researcher and the hotel, the questionnaires will be collected. The researcher will visit boutique hotels that are located in Kuala Lumpur area to explain the purpose of the survey to the manager and obtaining their permission to drop the questionnaires. This cost-effective convenience sampling approach will be adopted because of lack of sampling frames on the total number of tourists visiting boutique hotels in Klang Valley. The data will be tested using normality test and applying the Exploratory Factor Analysis (EFA). The reason for using EFA is to identify the structure of the relationship between the variables and the future respondent. Next, the data will be analyzed descriptively which contains several factors to obtain the data. Frequency will be utilized to get the total number of data and percentage of the result, mean method to obtain an average number of data results, after obtaining the result of mean, the standard deviation will be used to determine the variation between each data point is related to the mean. To analyze the reliability of the questions of the survey, Cronbach's Alpha testing will be utilized. For a reliable and valid structure of the set of questions, the Cronbach's Alpha must be more than 0.7 which is the standard measure of the test. This research also will be using correlation analysis to analyze the strength of a relationship between numerous variables. The data will then be analyzed using the multiple regression analysis to confirm the hypotheses development.

5 Conclusion

As this study is still under investigation, significant academic contributions to the existing body of knowledge will be accomplished by way of testing the hypotheses and confirming whether they are supported or rejected and relating the findings to empirical evidence drawn from the literature. The results of this study are hoped to provide further support for the propositions set earlier and adds to the existing body of knowledge on the topic of behavioral studies and its relation to the types of hotels.

6 About the authors

Nur Farahwati Ahmad is a Bachelor's Degree holder in Hotel Management from Universiti Teknologi MARA Puncak Alam, Malaysia. She is currently undergoing her Postgraduate studies in Master of Hospitality Management at Universiti Teknologi MARA Cawangan Selangor, Malaysia.

Prof. Dr. Mohamad Abdullah Hemdi is the Dean of Faculty of Hotel and Tourism Management, Universiti Teknologi MARA Cawangan Selangor, Malaysia. He received his PhD at Universiti Sains Malaysia and he did his Master studies at Sheffield Hallam

University, United Kingdom. His research interest includes hospitality human resource management and tourism management.

Dayang Nadiah Abang Othman is a Bachelor's Degree holder in Hotel Management from Universiti Teknologi MARA Puncak Alam, Malaysia. She is currently undergoing her Postgraduate studies in Master of Hospitality Management at Universiti Teknologi MARA Cawangan Selangor, Malaysia.

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