SATISFACTION OF HERITAGE HOTELS’ PATRONS IN PENANG ISLAND: A RESEARCH NOTE

Kee-Mun Wong
University of Malaya

Christy Yen-Nee Ng
Institute for Tourism Studies, Macao

Vincent Valerian
Taylor’s University

Marco Giovanni Battistotti
Sunway Resort Hotel & Spa

ABSTRACT

Georgetown in Penang Island, a World Heritage Town that attracts large number of tourists eventually created high competition among hoteliers within the hotel industry. As the competition escalating among hoteliers, it is always a question of customer satisfaction that may ensure the sustainability of heritage hotels in Penang Island. Realising the competitive situations, this study examines, (1) The demographic profile of heritage hotels’ patrons in Penang Island (2) The relationship between satisfaction attributes and overall satisfaction among the heritage hotels’ patrons (3) The impact of demographic factors to the patrons’ satisfaction attributes. Four satisfaction attributes (ambience, service, price, and brand) have been studied against the overall satisfaction of the heritage hotels’ patrons. By purposive convenience sampling method, 135 usable questionnaires were further analysed, indicating a final 45% response rate. Entertainment, layout, facilities, staff responsiveness and competence, price positioning, and brand identification are among the highest rated satisfaction items among the heritage hotel patrons. Regression analysis shows that only price and brand indicated a significant positive relationship with overall satisfaction. Demographic variables of gender, age, and nationality demonstrate a significant relationship with the four satisfaction attributes and overall satisfaction. Theoretical and practical contributions of the study have been discussed as well.

Keywords: Heritage hotel; Satisfaction; Penang Island; World Heritage Town.

Corresponding Author: Faculty of Business and Accountancy, University of Malaya, 50603 Kuala Lumpur, Malaysia. Tel: +(60-12) 208 9791. E-mail: keemunw@gmail.com
1. INTRODUCTION

Georgetown in Penang Island was announced by UNESCO as a World Heritage Town on July 2008 (World Heritage Site, 2012). This draws in a large number of tourists either from inbound or outbound, causing the number of new hotels escalates tremendously in Penang Island since then. This translates to more choices for hotel patrons, but higher competition among hoteliers within the hotel industry in the small island market. Thus, in order to have substantial business sustainability, it is essential for the hotels to ensure high customer satisfaction level through great value for money and increased level of service. Bearing the World Heritage Town title, the island needs to retain its cultural heritage amenities at all times, such as the heritage hotels. As the competition escalating among hoteliers, it is always a question of customer satisfaction that may ensure the sustainability of heritage hotels in Penang Island.

Realising the competitive situations, this study served three main objectives, (1) To examine the demographic profile of heritage hotels’ patrons in Penang Island (2) To explore the impact of demographic factors to the patrons’ satisfaction attributes (3) To determine the relationship between satisfaction attributes and overall satisfaction among heritage hotels’ patrons in Penang Island. Four satisfaction attributes have been selected to be researched in this study against the overall satisfaction of the heritage hotels’ patrons. The satisfaction attributes are ambience, service, price, and brand.

Though the study of satisfaction in the hotel industry may not be something new, the understanding of heritage hotels’ satisfaction in particular is rather limited. This research gap made the study unique in particular to support heritage tourism and destination marketing of heritage sites. It also contributes to the extension of the body of knowledge in the heritage hotels studies.

Following introduction of this study, literature reviews will be presented, highlighting the definition of heritage hotel, heritage cities in Malaysia, and the four main satisfaction attributes in this study. Methodology employed will be presented next. Findings and discussions to be presented before the final concluding remarks.

2. LITERATURE REVIEW

2.1. Heritage hotel

According to the Ministry of Tourism, India (n/a) guidelines, an accommodation establishment can be considered as a heritage hotel with the following criteria:

(1) Converted lodging property from palaces / castles / forts / havelies / hunting loges / residence that was built before 1950. It could be of any size.

(2) The facade, general construction, and architectural features should possess distinctive qualities and ambience in remaining its traditional way of life of that particular area.

(3) Traditional architectural styles shall be kept though alterations or improvements are required in the existing structures.
(4) Constructional techniques that harmonize the new with the old structures shall be employed.

(5) Upon alterations or improvements, the new built up area should not exceed 50% of the total built up area including both the new and old structures.

George Town in Penang Island alongside with Malacca received the World Heritage Site label from UNESCO on July 2008 (World Heritage Site, 2012). These two cities set remarkable examples of European colonial influenced heritage cities in Southeast Asia that blend in different cultures of Malay, Chinese, and Indian through trading activities, over a period of 500 years. Being a heritage city, Georgetown portrays its historical side through distinct worship places of multi-religious citizens, different celebrated festivals, spoken languages, cultural activities, arts, cuisine, and lifestyle of its multi-ethnic society. The city showcases an exceptional range of shop houses and townhouses from different eras, providing snapshots of building styles and types. Lasting imprints of traditional architectures are blending well with its modern developments, forming a unique culture and cityscape. With the World Heritage Site label, a number of old residences and shop houses in Penang Island have been transformed into heritage hotels, to retain its heritage root of the city alongside with the purpose of tourist attraction sites.

2.2. Hotel satisfaction dimensions

Physical environment plays a critical role in determining the youth satisfaction and loyalty (Boo, 2011). The dimension of ambience in this study covers five distinct items, specifically décor, entertainment, façade of the hotel, layout, and facilities. According to Hill (2009) and Nam, Ekinci, and Whyatt (2011), the functional benefits such as décor of the hotel will leads to customer satisfaction. It is essential for the heritage hotel to maintain its traditional ways and to ensure an interesting and relevant façade as it is themed accordingly (Hill, 2009; Poon & Low, 2005). Besides, satisfaction also influenced by symbolic benefits such as fun, fantasy, and excitement (Nam et al., 2011), which may be the result of entertainment provided in the heritage hotel. Layout refers to the way in which objects (e.g. furnishings, equipments, and machinery) are arranged within the environment. According to Ryu and Han (2010), spatial layout that makes people feel constricted may have a direct effect on customer quality perceptions, and excitement level. Kim and Moon (2009) conducted a research on themed restaurant, and their result showed that facilities’ aesthetics had a major impact on customers’ pleasure feeling. According to Barsky and Labagh (1992), facilities, attitude of hotel staff, location, room price, reception, and service, contribute significantly to guest satisfaction. Xue and Cox (2008) research showed common facilities were one of the most important factors that influence Chinese business travellers when selecting a hotel.

The items to measure the dimension of service in this paper include responsive service, competent service, hotel equipment, information and communication technology adoption, and well-trained staff. Travellers in Hong Kong hotels found to be satisfied with the staff performance and the variety and efficient service (Qu et al., 2000). The customer’s satisfaction of a hotel brand is dependent on functional benefits such as employees’ service competency.
Employees’ competency and responsiveness may be the end product of well-trained employees that ensure loyal patrons’ experience in the hotel industry (Kwortnik & Han, 2011), particularly in small hotels (Avcikurt, Altay, & Ilban, 2011). Heritage hotels are suggested to equip itself with well-maintained bedroom, dining hall, and bar (Hill, 2009) while Kim and Moon (2009) supports the importance of equipment in a theme restaurant. Avcikurt et al. (2011) study’s on customer satisfaction in small hotels around the Aegean region of Turkey found that the availability of information and communication technology plays an important role. In fact, it is more powerful than employee's service in this context. Multilingual staff also contributes to travellers’ overall satisfaction (Choi & Chu, 2000).

Price is an amount of money at which certain item is valued, or the value which a seller sets on his goods to the market and which the item is bought or sold, or offered for sale. Price is clearly influencing customer satisfactions in a restaurant context (Correia, Moital, Costa & Peres, 2008). The dimension of the price covers items such as value for money, reasonable room rate, perceived value, and price positioning. Travellers’ who stayed in Hong Kong hotels found to have satisfied with the item of value for money (Qu et al., 2000). Asian travellers give higher attention to room rate at a hotel attribute to their satisfaction level as compared to the western travellers (Poon & Low, 2005). Perceived price suggested by Chiang and Jang (2006) as an indicator of consumer value, which may be a reference point to customer satisfaction. Thus, this item is worth adopted as a factor in this study. Services provided between a five star hotel and a budget hotel is very much different (Poon & Low, 2005). Price positioning affects the evaluation of hotel star rating, particularly for a theme hotel such as heritage hotel.

“Brand” can be referred to a name, symbol, design, or mark that enhances the value of a product beyond its functional purposes (Farquhar, 1989). In this study, the brand dimension covers brand identification, brand image, brand personality, and brand successfulness. Brand identification and self-congruence were found as key determinants of brand equity in Nam et al. (2011)’s study on customers’ satisfaction in the hotel industry. Besides, they also suggested that self-congruence has close links to brand image (Sirgy, Grewal, & Mangleburg, 2000). According to Zeithaml and Bitner (1996), the image is considered to have the ability to influence customers’ perception of the goods and services offered. Brand personality often used in strategising brand positioning in the hotel industry. This is particularly practical when replication of the brand as a regional business expansion is the main agenda of the hotel management. O’Neill and Mattila’s (2004) study showed that hotel brand with higher levels of guest satisfaction achieved higher average daily rates (ADR) and greater percentage increases in their ADR over time.

2.3. Customer satisfaction

Customer satisfaction is essential to long-term business success (Pappu & Quester, 2006). Most of the researchers state that customer satisfaction refers to evaluation of a product or service after purchasing it, and they use it (Olsen, Wilcox, & Olsson, 2005; Yuksel & Rimmington, 1998; Gundersen, Heide, & Olsson, 1996). Kotler and Keller (2006) described customer’s satisfaction as the after purchase appraisal of the product or service given to the expectations
before they purchase it. Furthermore, studies have shown that customer satisfaction was positively related to positive word-of-mouth endorsement and return intention (Ryu, Lee, & Kim, 2012; Fornell, 1992). Customer satisfaction also determines the willingness of a customer to pay for a product and service. The higher the customer satisfaction level, higher will be the willingness to pay (Bansal & Taylor, 1999).

3. METHODOLOGY

This research adopts the SERVPERV (Cronin & Taylor, 1992) concept in examining heritage hotel patrons’ satisfaction. Instead of measuring service quality, this study will measure the patrons’ satisfaction attributes and overall satisfaction. The SERVPERF approach has been proven to outperform the SERVQUAL (Parasuraman et al., 1985) approach (Cunningham, Young, & Lee, 2004). Measuring satisfaction attributes enable researchers to consider dimensions that were not included in service quality, making a more meaningful contribution to both academics and practitioners. Qu et al. (2000) provided an example of study on hotel attributes to overall satisfaction.

A questionnaire was constructed through previous literature reviews. 5-point Likert scale has been adopted in measuring satisfaction attributes while a 10-point Likert scale for the single-item overall satisfaction in order to achieve higher accuracy. A set of 50 samples of pilot studies has carried out, where no major reconstruction of the questionnaire was required, except for the minor grammatical error. Cronbach alpha was reported to be good (Hair, Black, Babin, Anderson, & Tatham, 2006), above 0.8 for all four independent variables. The purposive convenience sampling method has been adopted in this study. A total of 300 survey questionnaires were distributed to six heritage hotels in Penang Island between the periods of December 2011 to February 2012. The six heritage hotels are Eastern and Oriental Hotel, Penaga Hotel, Yeng Keng Hotel, Muntri Mews, 23 Love Lane Hotel, and 1926 Heritage Hotel. These hotels were chosen according to the definition of heritage hotels by the Ministry of Tourism, India (n/a), where all of them were built prior to 1950 and mainly converted from old residences and shop-houses. 160 questionnaires were returned, but 25 were discarded due to incomplete and unclear data inputs, indicating a final 45% response rate.

The data has been further analysed by SPSS version 19.0. The Cronbach’s alpha coefficient has been used to measure reliability as it is the most commonly used measurements for internal consistency (Malhotra, 2010, p.319). In addressing the first research objective, descriptive analysis was performed. Next, t-test and one way ANOVA was employed to address the next two research objectives, exploring the hypothesis of:

\( H1 \): There is an impact of demographic factors on patrons’ satisfaction attributes.

Finally, multiple regression was carried out to test the following hypothesis:

\( H2 \): There is a significant relationship between satisfaction attributes and overall satisfaction among heritage hotels’ patrons in Penang Island.
4. FINDINGS AND DISCUSSIONS

About 51.9% of the respondents are male, and the majority of them age 35 years and below. Slightly more than half (55.6%) of the respondents earn an income of US$ 2,000 and below while 47% of them hold at least a bachelor’s degree. South-East Asian nationalities dominate the respondents’ profile (66.7%), followed by those from Other Asia and America, each 11.1%, Europe (7.4%), and Oceania (3.7%). Exploratory factor analysis has not been performed due to small sample size, where Cattell (1978) recommended minimum of 250 samples. All four satisfactions attribute obtained good reliability (Hair et al., 2006) as shown in Table 1.

To test Hypothesis 1, independent sample T-test and One-Way ANOVA have been performed. The T-test indicates that gender satisfaction differences are found to be significant with the dimension of Price (p = 0.000) and Overall Satisfaction (p = 0.003). Male tends to have higher satisfaction on the price dimension (µ = 15.79). Perhaps, this indicates that a male has a lesser expectation on price as compared to females, thus higher satisfaction would be achieved among male patrons. Musa, Doshi, Wong, and Thirumoorthy (2012) suggested that female tourists spend three times more than male tourists. This phenomena may well support the finding of this study where the female has a higher overall satisfaction means at 7.63 (male’s µ = 7.43). Surprisingly, all dimensions found to have significant differences within and between all age groups’ satisfaction level. This shows that regardless of their age groups, heritage hotel patrons’ would have a different level of satisfaction. One-Way ANOVA also shows the income groups’ satisfaction has significant differences for the dimension of Ambience (p = 0.014) while the education groups’ satisfaction has significant differences with Ambience (p = 0.002), Service (p = 0.001), and Price (p = 0.000). Between the nationality groups, significant satisfaction differences found in the dimension of Ambience (p = 0.002) and Price (p = 0.005). These results show that different groups of age, income, education, and nationalities would have different requirement and taste over heritage hotel’s ambience. The finding echoes the suggestion of Hill (2009) and Poon and Low (2005) that heritage hotel needs to be interesting and relevant to its theme. An ambience that provides fun, fantasy, and excitement (Nam et al., 2011) would be essential to cater to different groups of patrons. All significant results come with a confidence level at at least 0.05 levels. Thus, demographic factors do have impacts on patrons’ satisfaction attributes.

Table 1: Reliability Test of the Dimensions

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>No. of items</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambience</td>
<td>5</td>
<td>0.9071</td>
</tr>
<tr>
<td>Service</td>
<td>5</td>
<td>0.9146</td>
</tr>
<tr>
<td>Price</td>
<td>4</td>
<td>0.8952</td>
</tr>
<tr>
<td>Brand</td>
<td>3</td>
<td>0.8670</td>
</tr>
</tbody>
</table>

Satisfaction of Heritage Hotels’ Patrons in Penang Island: A Research Note
As highlighted in Table 2, heritage hotel patrons are most satisfied with the service ($\mu = 4.096$). This is closely followed by ambience ($\mu = 4.094$), brand ($\mu = 3.950$) and price ($\mu = 3.788$). It is interesting to find out that entertainment, layout, and facilities, with a $\mu$ of 4.11 each, are the most satisfied items of the Ambience dimension, supporting the findings of Nam et al. (2011) and Ryu and Han (2010). Staff responsiveness and competence were rated among the highest satisfaction items within the dimension of Service. Both items have a $\mu$ of 4.26 each. This finding supports the claims of Hill (2009), Kwortnik and Han (2011), Nam et al. (2011), and Qu et al. (2000), especially for a small hotel (Avcikurt et al., 2011), such as heritage hotels. Within the Price dimension, most respondents are satisfied with the price positioning ($\mu = 4.00$) of heritage hotels in Penang Island while brand identification ($\mu = 4.11$) dominates patrons’ satisfaction on the dimension of “brand”. Price positioning of heritage hotel is quite distinct as compared to general-themed hotel. Its own star ratings (Poon & Low, 2005) are very much transparent by the price set, thus making it a clear price positioning and brand identification among its patrons.

### Table 2: Mean score of satisfaction dimension items

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ambience</strong></td>
<td>4.094</td>
<td>2.324</td>
</tr>
<tr>
<td>Façade</td>
<td>4.07</td>
<td>0.606</td>
</tr>
<tr>
<td>Décor</td>
<td>4.07</td>
<td>0.606</td>
</tr>
<tr>
<td><strong>Entertainment</strong></td>
<td>4.11</td>
<td>0.499</td>
</tr>
<tr>
<td><strong>Layout</strong></td>
<td>4.11</td>
<td>0.499</td>
</tr>
<tr>
<td><strong>Facilities</strong></td>
<td>4.11</td>
<td>0.499</td>
</tr>
<tr>
<td><strong>Service</strong></td>
<td>4.096</td>
<td>3.962</td>
</tr>
<tr>
<td>Responsive service</td>
<td>4.26</td>
<td>0.969</td>
</tr>
<tr>
<td>Competent service</td>
<td>4.26</td>
<td>0.753</td>
</tr>
<tr>
<td>Hotel equipment</td>
<td>4.00</td>
<td>1.022</td>
</tr>
<tr>
<td>Information and communication technology</td>
<td>4.07</td>
<td>0.982</td>
</tr>
<tr>
<td>Multilingual staff</td>
<td>3.89</td>
<td>0.835</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>3.788</td>
<td>3.182</td>
</tr>
<tr>
<td>Value for money</td>
<td>3.89</td>
<td>0.835</td>
</tr>
<tr>
<td>Reasonable room rate</td>
<td>3.67</td>
<td>0.906</td>
</tr>
<tr>
<td>Perceived value</td>
<td>3.59</td>
<td>1.032</td>
</tr>
<tr>
<td><strong>Price positioning</strong></td>
<td>4.00</td>
<td>0.864</td>
</tr>
<tr>
<td><strong>Brand</strong></td>
<td>3.950</td>
<td>2.197</td>
</tr>
<tr>
<td><strong>Brand identification</strong></td>
<td>4.11</td>
<td>0.878</td>
</tr>
<tr>
<td>Brand image</td>
<td>3.81</td>
<td>0.671</td>
</tr>
<tr>
<td>Brand personality</td>
<td>3.93</td>
<td>0.903</td>
</tr>
</tbody>
</table>
Overall satisfaction that was evaluated with a 10-point Likert scale records a mean score of 7.52 and standard deviation of 1.429. This indicates that in general heritage hotel patrons in this research are satisfied with heritage hotels that they have experienced in Penang Island.

Multiple regression analysis is a statistical tool used to analyse the relationship between a single dependent variable and several independent variables (Hair et al., 2006). Thus, this analytical technique has been performed to address Hypothesis 2. The result (refer to Table 3) shows a significant adjusted R square value of 0.776 and a p value of 0.000, indicating the model has a significant relationship and explains about 78% of the heritage hotel patrons’ overall satisfaction. Among the independent variables, Service, (p = 0.019), Price (p = 0.000), and Brand (p = 0.000) indicate a significant positive relationship with overall satisfaction at 0.05 level, partially supports Hypothesis 2. The regression results also well support the means comparison findings discussed earlier. “Brand” is the most important satisfaction indicator (B = 0.560), follows by Price (B = 0.343), and Service (B = 0.132). “Brand” represents what the company does, and more importantly, what the company is. Thus, Nam et al. (2011) highlighted the notion of brand equity in their research, where it is among a company’s most valuable asset that must be carefully identified, developed and managed. The positive relationship between the dimension of brand and overall satisfaction echoes O’Neill and Mattila’s (2004) suggestion that hotel brand with high satisfaction level can achieve higher ADR and greater increment percentage over time. The positive relationship between price and overall satisfaction indicates an unusual phenomenon within the general consumer behaviour or marketing study. This could be well explained that heritage hotels are regarded as a themed-service, having its own set of brand positioning and identification. The higher the price is, the more distinct its perceived value (Chiang & Jang, 2006; Qu et al., 2000), position and identification will be from usual hotels, thus patrons tend to be more satisfied. Lastly, the positive relationship found between service and overall satisfaction in this study reflects the findings from Choi and Chu (2000) and Qu et al. (2000).

Table 3: Regression of Satisfaction Dimensions with Overall satisfaction

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Standardized Coefficient</th>
<th>Beta</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambience</td>
<td>0.042</td>
<td>0.388</td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td><strong>0.132</strong></td>
<td></td>
<td><strong>0.019</strong></td>
</tr>
<tr>
<td>Price</td>
<td>0.343</td>
<td></td>
<td><strong>0.000</strong></td>
</tr>
<tr>
<td>Brand</td>
<td><strong>0.560</strong></td>
<td></td>
<td><strong>0.000</strong></td>
</tr>
<tr>
<td>Adjusted R square</td>
<td>0.776</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F value</td>
<td>117.162</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P value</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: * Significant at 0.05 level.
5. CONCLUSION

This paper provides a new insight into satisfaction attributes of heritage hotels’ patrons towards overall satisfaction, which less visited in the heritage tourism area. The findings suggest that heritage hotel owners should concentrate and ensure their hotel service and brand are identified with the concept of heritage hotel at all times, commensurate with the rates charged to its patrons, in order to ensure high satisfaction among the patrons. Perhaps, that is what the patrons are paying for. Besides, the price should be well-positioned between affordability and brand identification and service provided. It will not be easy, but not something impossible. In fact, current patrons seem to be highly satisfied with the existing price positioning of heritage hotels in Penang Island. As female tends to have higher overall satisfaction than male, it shows that females can be a good gender target to influence the overall experience of heritage hotels. The owners should bear in mind that different age, nationalities, income and education levels of their patrons will have different perceptions toward Ambience and Price. Thus, it will not be an easy task to have a shoe that fits all. Nevertheless, the owners should be guided by the fact that Ambience should always correspond with the brand identity while Price should correspond with the price positioning of the heritage hotel itself. That is the ultimate result the patrons are looking forward in a heritage hotel experience.

As this is an exploratory study, it limits the researchers to access to most heritage hotels in the island, thus causing lower response rates and small sample size. However, this study is able to provide a meaningful first hand quantitative view of some heritage hotels’ satisfaction attributes towards overall satisfaction of the patrons. Theoretically, the research extended the understanding of the hotel patrons’ satisfaction level in the heritage tourism field. Practically, it provides hints and guides to the heritage hotel marketers to concentrate on significant factors that may affect patrons overall satisfaction level, such as Price and Brand, which may be different from conventional hotel marketing strategies. The ability of the marketers to offer effective and relevant product and services is essential for small hotels, such as heritage hotels to survive in the long run. Future researchers should further expand the sampling area, perhaps to include samples from Malacca, another World Heritage Town.

REFERENCES


