

Why Tourists are Attracted to Boutique Hotels: Case of Penang Island, Malaysia

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ABSTRACT

The primary objective of this paper is to identify tourists' perception toward boutique hotel attractive attributes through the detection of those factors that drive guests to this special type of accommodation. Furthermore, this study attempts to find the underlying dimensions of attractive attributes of boutique hotel from tourist after actual experience of this type of accommodation. The empirical study is supported through data from a sample of 133 individuals who stayed in Penang Island boutique hotels. The findings show that hotel guests' perceptions of boutique hotels characteristics have four dimensions, namely: special services, room features, convenient and hotel design. However, results revealed that boutique hotels attractive elements after the actual experience of tourists have four slightly different dimensions special services, hotel facilities, price and location, and hotel design and image. From findings of this research practical suggestions are made to help hotel operators and those wishing and willing to enter the market. Furthermore, this study can help marketers gain substantial insight in order to market and promote this particular segment of the accommodation industry.

Keywords: Boutique Hotels, Key Attributes, Penang Island, Malaysia

INTRODUCTION

During the past decade, the international accommodation sector witnessed the evolution of different types of tourist lodging all over the world (Timothy and Teye, 2009). Scholars believe that this significant evolution in lodging industry is a direct reaction to changing markets and the shifting production of accommodation (Freund de Klumbis and Munsters 2005; Aggett, 2007). Other key factors include new consumer trends which reject the homogeneity which characterizes the commercial accommodation sector (Rogerson, 2010; Timothy and Teye, 2009). This paper considers one aspect of this growing differentiation of the hotel industry, namely boutique hotel.

Boutique hotel is a niche market started in North America and the United Kingdom to describe the modern and luxurious design along with quirky hotel environments (Olga, 2009). Boutique hotel define as “a small hotel, with an intimate and individualistic atmosphere and style” (The Chambers Dictionary, 2003, p. 175). These hotels are contemporary, design-led hotels with up to 100 bedrooms, which offer unique levels of personalized service and high-tech facilities (Agget, 2007). They were created to focus on the needs of travelers who were tired of sleeping in the same room with the same furnishings in every city they visited (Freund de Klumbis, 2005; Freund de Klumbis and Munsters, 2005; Pine and Gilmore, 1999; McIntosh and Siggs, 2005; Van Hartesvelt, 2006). This futuristic type of accommodation is now a sub kind of those hotels that are becoming a destination in themselves. Horner and Swarbrooke (2005) identified “the emergence of boutique hotels as one of the most interesting developments in the hospitality sector of the leisure industry” (p. 369).

The growth of the boutique hotel sector internationally is widely reported (Caterer Search, 2005). A recent Key Note Market Report on hotels (Drewer, 2005, p. 6) relates this growth to consumers searching for a more unique or special hotel, and reports “rather than simply viewing the hotel as accommodation, clients are looking at the hotel to provide an experience in itself.” Hotels in general have managed to gain a higher profile as destinations (Drewer, 2005) and there appears to be scope for further development of boutique hotels, with the sector currently outperforming general UK hotel trading (Caterer Search, 2005). Freund de Klumbis and Munsters (2005) conclude that one of the main forces driving the growth of the boutique sector is an increased interest in art, culture and history (typical models of the concept behind boutique or design hotels).

Even though, Malaysia is a relatively new entrant into developing boutique hotels as compared to other players in this sector in recent years, particularly in Penang Island, due to the influx of global tourists. Chang and Teo (2008) states that Penang offers a comparative base to understand the advantage of architectural values in developing cities. Since in Malaysia generally and particularly Penang Island, the Chinese shop-house represent the typical Malaysian urban form, in contrast to mega projects that are seen as an anonymous international form common to every city in the world. In Georgetown (Penang), the restoration of a Chinese courtyard house as an international hotel was awarded the Malaysian National Architectural Award (1995) and the UNESCO Asia-Pacific Award for Culture Heritage Conservation (2000). Later in 2007, George Town (historic city centre of Penang Island) was officially recognized as a UNESCO World Heritage Site because of its rich living heritage, culture and history.

Soon after, Penang Island became a well-known destination for international travelers and according to statistics released by the official website of the Tourism Ministry of Malaysia (2010), in 2009, Penang Island received around 6 million hotel guests, counting domestic and international tourists. Ling and Shaw (2009) states that the recent rapid development of the Penang Island in terms of theme and industrial parks, hotels and beach resorts, has been disruptive to this Island's rich cultural legacy. Besides places of worship like the temples, mosques, synagogues and churches, one of the significant heritage characteristics of George Town is reflected in the predominant prewar buildings, especially the two storey shop-houses that are found in the inner city of George Town. The unique structure of these shop-houses which now can function as boutique hotels in many cases shows the influences and the merging of diverse cultures (Fels, 2002).

Dolnicar and Otter (2003) states that due to the high costs that are typically involved with investments in the hotel industry, it makes a lot of sense to study which product components travelers appreciate. In addition to their statement, this study also believes that an inclusive understanding of driving factors affecting tourists' accommodation selection is essential for determining hotel guest satisfaction.

Indeed the idea of a study about Boutique hotels in Malaysia is rather new. The Ministry of Tourism in Malaysia in the Guidelines for Tourist Accommodation Premises Classification (2009) mentioned that there is no complete and actual information on Boutique hotels due to the difficulty of coming to terms with an apt definition of this accommodation segment. Consequently this research may be very useful and helpful for those who are working in the accommodation industry to better understand the concept of boutique hotel through the identification of attractive attributes for guests of these hotels. Furthermore the identification of attributes of boutique hotels will allow related associations to create grading systems.

This study attempts to define the factors attracting guests to boutique hotels, fulfilling their special inclinations and desires hence the major goal of this study is to provide enough information regarding the specific attributes of boutique hotels. Consequently, this research may unearth attributes that drive the consumer's decision making towards boutique hotels. The findings will help enabling trade bodies and relevant associations to design their marketing strategies, and better serving the hotel industry and setting specific quality boundaries in the hotel industry for all those establishments wishing and willing to call themselves "boutique hotels".

Another important contribution of this study is to attempt to reach an understanding of guests' perception regarding this kind of accommodation, especially focusing on the tourist destination of Pinang Island. Therefore, the primary objective of this research is to better understand the concept of boutique hotel through the identification of attractive attributes of these hotels for their guests. Moreover the identification of important attributes from hotel guests' point of view will allow related associations to create effective marketing strategies and policies to attract and satisfy more consumers.

LITERATURE REVIEW

Knowing important attributes that determine accommodation choice or those boutique hotels attributes which guest care about is crucial for boutique hotel operators to make best possible hotel development decision. Hotel attributes are those characters playing a big role in guests' minds upon determining to choose accommodation options. There are some special elements in products that will influence customers to purchase in accord to their needs and preferences. These attributes or elements are divided into two main parts, namely tangible and intangible (Chang and Wong, 2005). Tangible characteristics or physical attributes are those elements that can be seen such as price, the form of facilities, the location, the existence of choices, word of mouth communication, and advertising, a familiar name and past experience. Intangible characteristics are security, dependability, service quality, reputation and staff behavior.

Lewis (1984) explained that the base of hotel selection is related to the attributes of hotels and different kinds of attributes can simply differentiate between different kinds of hotels. Therefore, the type of attributes is significant and determinant when guests choose and stay in

a hotel (Ryan et al., 2004). Various studies have investigated boutique hotels attributes driving travelers' attentions. Among these attributes communalities can be identified within the areas of individualized services, friendly staff, homely environment, high-tech facilities, location, size, aesthetic, unique architecture and interior design and style. Other factors appear in individual studies only and are thus cannot be generalized. A review of boutique hotel attributes have suggested a variety of factors influencing consumer selection, developing ideas from Aggett, 2006 and McIntosh & Siggs, 2005 studies. Table 1 shows the comprehensive review of the literature related to the major attributes attracting boutique hotel guests to this type of accommodation.

Table 1. Boutique Hotel Elements in Literature from 1997 to Present

<i>Author(s)</i>	<i>Boutique hotel attributes</i>	<i>Author(s)</i>	<i>Boutique hotel attributes</i>
Callan & Fearon (1997)	<ul style="list-style-type: none"> • Size • Ownership • Service • Decoration • Provision of restaurant or leisure facilities • Design feature • High skilled and friendly staff 	Teo et al. (1998)	<ul style="list-style-type: none"> • Mutual characters • Small size • Low staff • High level of personalizes services
Nobles & Thompson (2001)	<ul style="list-style-type: none"> • Size • Design • Service 	Anhar (2001)	<ul style="list-style-type: none"> • Size • Ownership • Service • Decoration • Provision of restaurant or leisure • Facilities • Design feature • Quirky • Cozy place
Sangster (2002)	<ul style="list-style-type: none"> • Great locations • Unique architectural designs • Abounding amenities • Personalized service • High-tech development • Stress-free/ relaxing environment • Well-known luxury brand 	Rowe (2003)	<ul style="list-style-type: none"> • Design • Location • History • Size • Old modernization buildings • Places of historical importance
Albazzaz et al. (2003)	Distinctive architecture and design offering warmth and intimacy	Victorino et al. (2005)	<ul style="list-style-type: none"> • Offering different lifestyle amenities • Contemporary or very simple furnishing
Caterer Search (2005)	<ul style="list-style-type: none"> • Size • Design • Location • Stylish 	McDonnell (2005)	<ul style="list-style-type: none"> • Old modernization buildings • Places of historical importance • Style • Distinction warmth and intimacy

Freund de Klumbis (2005)	<ul style="list-style-type: none"> • Individual design • Particular style • Personalized service • Modern technology 	McIntosh & Siggs (2005)	<ul style="list-style-type: none"> • Unique characteristics • Personalized service • Homely • Quality • Value added Location
Price water house Coopers (2005)	<ul style="list-style-type: none"> • Size • Personal service • Individuality • Design and style • Type of building • Technology 	Onstott (2006)	<ul style="list-style-type: none"> • History of the building
Price water house Coopers (2006)	<ul style="list-style-type: none"> • Size • Location • Quirky • Contemporary and specialized de'cor • Being able to make the guest feel special 	Aggett (2007)	<ul style="list-style-type: none"> • Distinctiveness of buildings • Design feature • Personalized service • Uniqueness and design elements
Olga (2009)	<ul style="list-style-type: none"> • Entertainment • Personalized services • Style • Dissimilarity • Intimacy • Unique architecture • Distinctive interior design 	Forsgren & franchetti (2004)	<ul style="list-style-type: none"> • Highly modern • Having contemporary design • High-tech facilities • High level of personalized services • Less than 100 rooms per hotel

Even though the definition of boutique hotel may vary especially among primary players in the hotel industries, as Anhar (2001) explained, the majority of boutique hotel operators, creators and owners agreed on the identification of some common Boutique hotel features such as; size, ownership, service, decorating and on-side restaurant or leisure facilities. Callan and Fearon (1997) also used these features to describe boutique hotels characteristics. Furthermore, McIntosh and Siggs (2005) studied the UK's boutique hotel attributes and discovered that location, quality, uniqueness, services provided and the personalized levels of service offered are the top five attributes attracting respondents to Boutique hotels. Lim and Endean (2009) explain that in fact, the combination of service quality characteristics, individual design, location and facilities could help describe characteristics of a boutique hotel.

Horner and Swarbrooke (2004) cited that the criteria set by BHRI (Boutique Hotels and Resorts International) to define Boutique hotels are great locations, unique architectural designs, abounding amenities not found at chain hotels, and most importantly personalized service that is second to none. PricewaterhouseCoopers (2005) reported the defining characteristics of a boutique hotel include size, personal service, individuality, design and style. However, in 2006 they added further characteristics, including:, contemporary and specialized decor and being able to make the guests feel special and more comfortable, as if they were in their own house. Search (2005) used the terms size, design and location in his definition of boutique hotels. Rowe (2003) applied characteristics including design, location, history and size, while Nobles

and Thompson (2001) specified size, design and service. Moreover, Swig (2002) suggested that boutique no longer means small and personal, but individual and unique.

An analysis of the literature reveals several classifications that help determining a useful conceptual framework for this study. This study therefore proposes the following driving attributes of boutique hotels, which are also summarized in Table 2 and are discussed below as well.

Table 2. Summary of Underlying Elements of Boutique Hotels from Existing Literature

<i>Authors</i>	<i>Individualized/personalized services</i>	<i>Friendly staff</i>	<i>Homely environment</i>	<i>High-tech facilities</i>	<i>Small/Cozy place</i>	<i>Location</i>	<i>Size</i>	<i>Aesthetic</i>	<i>Unique architecture</i>	<i>Uniquely interior design</i>	<i>Style</i>
Callan & Fearon (1997)	×	×		×			×			×	
Teo et al. (1998)	×	×			×						
Anhar (2001)					×		×			×	×
Nobles & Thompso (2001)	×						×			×	
Sangster (2002)						×		×	×		
Rowe (2003)						×	×	×	×	×	
Albazzaz et al. (2003)		×	×					×	×	×	
Forsgren & franchetti (2004)	×			×	×				×		×
Freund de Klumbis (2005)	×			×							
Search (2005)						×	×				×
McDonnell (2005)		×	×						×		×
McIntsh & Siggs (2005)	×		×			×					
victorino et al. (2005)											
Price water house Coopers (2005, 2006)	×			×		×	×	×	×	×	×
Onstott (2006)			×	×				×	×		
Aggett (2007)								×	×	×	
Olga (2009)	×	×	×				×	×	×	×	

Location

Location of a boutique hotel is one of the key factors in attracting guests (PricewaterhouseCoopers, 2006). Those Boutique hotels located in the city center are very popular among the business travelers (Teo, Chia & Khoo, 1998). As Anhar (2001) cited the location is one of the most significant factors and a priority in Boutique hotels' guests' lists. Moreover, Olga (2009) explained that the location is not only matter of convenience, but also of "trendiness" and "chicness" of the respective neighborhoods.

High-tech Facilities

Modernization and the elucidation of the 21st Century technology are also those characteristics that Boutique hotels use to attract their guests. 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. In some Boutique hotels, the nonexistence of technological devices in the guestrooms such as DVD players, computers with fast internet connection are different to what it is possible to experience in other type of accommodation. On the other hand guest rooms and suites may be fitted with the all high tech facilities, but equally may have none of those, focusing on quiet and comfort rather than gadgetry (Olga, 2009).

Being in Small and Cozy Places

As Anhar (2008) illustrates, boutique hotels in resort destinations are quirky, small and warm. Boutique hotels try to give their guests a good chance to explore the local feeling without using only luxury design and other stuff. Olga (2009) also believes that style, dissimilarity, warmth and intimacy are key words that differentiate boutique hotels from all other kinds of hotels and make them unique and special.

Individualized and Personalized Services

One of the mutual characteristics that boutique hotels are likely to share is the provision of personalizes services (Teo et al. 1998). According to Olga (2009) few examples of boutique facilities offered in resort destinations are traditional spa, rose petal baths, private individual plunge pools, honeymoon packages, and art and painting sessions. In addition Agget (2007) states that boutique hotel is considered as modern and very stylish hotels which propose exceptional personalized services and high-tech facilities. McIntosh and Siggs (2005) found personalized services as one of the major characteristics of boutique hotels in his study. Finally, Horner and Swarbrooke (2004) explain that personalized service that is second to none is one of the most important criteria set by BHRI on boutique hotel characteristics.

Size

A further boutique hotel attribute which has been widely confirmed is size. As Lea (2009) reported a boutique hotel has a maximum of 400 rooms. According to Nobles (2006), there is no high limit on how many rooms a boutique hotel should have. Olga (2009) also adds that boutique hotels are small and the range of their rooms is from 3 to 50, and can sometimes reach 200 guests rooms (Olga, 2009).

Aesthetic, Unique Architecture and Interior Design

One of boutique hotels attributes that appears to be in little dispute is the nature of beauty and artistic characteristics of this type of accommodations including aesthetic, unique architecture and unique interior design. While confirming the uniqueness attribute of boutique hotels, Nobles (2006) believes that boutique hotels are so special and different because of the way they are furnished and themed. Hotel design and selection of the architecture type are those factors differentiating boutique hotels from other type of hotels available on the market. Style, distinction, warmth, and intimacy are the best key words used to describe the architecture and the design of Boutique hotels (Olga, 2009). Boutique hotels are attractive to their guests because of the dramatic impression they create by means of the architecture, design, colors, lighting, art, and music. They are also connected with more small scale properties (PricewaterhouseCoopers, 2005). Most of well known and famous boutique hotels usually try to come out with new, unique and different products (Lea, 2002).

Friendly Staff and Homely Environment

Researchers, marketers and hoteliers believe in enhancing the positive connection between the guest and the hotel staff members. Boutique hotels in particular have amiable friendly, hardworking, multitasking staff who can deal with customers in a very warm and friendly way (Lea, 2002; Van Hartesvelt, 2006). Most of boutique hotels enforce the recognition of guest names by all hotel staff members, an experience that is clearly difficult to achieve in a large-scale hotel (Olga, 2009). According to Callan and Fearon (1997), the turnover staffs in boutique hotels are very low because boutique hotels always recruit staff with charm and personality. Consequently, staff has to be comprised of highly skilled and motivated people who help to create a very homely and nice environment in the hotels, making guests feel comfortable and happy.

METHODOLOY

Elicitation Study

In summation, previous research of boutique hotels areas emphasized on many tangible and intangible aspects of the boutique hotel rooms and facilities. However, there has been no attempt in literature to conduct an elicitation study to develop a reliable framework of driving attributes of a boutique hotel. This study therefore sought to obtain additional evidence of prime characteristics for further analysis, via an interview with boutique hotel managers and tourists. Interviews with fourteen tourists, five boutique hotel sales and marketing manager and five hospitality experts from hotel associations specified a couple of additional attributes, such as quality, food and beverage, reputation, price and variety of entertainment and activities offered by the hotel. Based on the literature indicated above, and the input came from interview with tourists and professionals, this study included 17 items in order to survey the key attributes of boutique hotels from guests' point of view.

The Questionnaire

After an extensive literature review, this study was further expanded by conducting a survey on boutique hotel guests to clarify and identify what are the most attractive attributes of boutique hotels through the detection of those factors that drive guests toward this special type of accommodation. To accomplish the objective of this study a quantitative research method was used as an academic approach. Moreover a survey questionnaire has been used as an instrument to collect and analyze data.

The first part of the questionnaire includes eight factors connected to the personal characteristics employed as demographics. The second part of the questionnaire includes two questions related to the traveling purposes of the respondents, and how respondents got particular travel information. The third part of the questionnaire included 17 specific elements identified as the attributes of boutique hotels perceived by tourists. These elements have been adopted from previous studies (Dolnicar and Otter, 2003; McIntosh and Siggs, 2005; Aggett, 2007; Olga, 2009). Moreover, in the fourth part of the questionnaire the same elements utilized to investigate the exceptional attributes of Penang boutique hotels after the actual experience of tourists. This section was designed based on 5-points Likert scales in order to let the respondents rate their level of agreement. The five points rate from “strongly disagree” (1) to “strongly agree”(5).

Data Collection

This study employed simple random sampling. This is a method in which individuals are randomly selected from a group or list (Israel, 2009). Consequently respondents were selected among guests of boutique hotels in Penang Island. Only respondents who were experiencing boutique hotels for the first time were asked to answer the questionnaire. This research was conducted on five boutique hotels in Penang that officially labeled themselves as “boutique hotels”.

After the pilot study, a finalized and reviewed version of the questionnaire was sent to the elected boutique hotels in Penang. The survey was conducted for duration of 25 days from 5th to 30th December 2012. Consequently, a total number of 390 questionnaires were sent to the front office of the five boutique hotels. However, they only accepted a total of 300 questionnaires for distribution due to lack of time during the busy New Year holiday seasons. Out of 300 questionnaires, a total number of 195 questionnaires were collected from the respondents, and the return rate constitutes approximately a 65%. However, of the 195 returned questionnaires, only 133 could be use in data analysis, because 62 questionnaires contained either incomplete or improper answers. Data analysed by using SPSS version 17.0.

KEY FINDINGS

The collected data were analyzed using SPSS. A range of descriptive and inferential statistics has been used to identify the key driving attributes of boutique hotels. An explanatory factor analysis (EFA) was therefore used to assess the underlying dimensions of boutique hotel attractive elements.

Socio-demographic Variables and Purpose of Travel

The findings indicate that majority of respondents were female (53.4%), married (63.2%), between the age of 25 to 34 years old and have a bachelor degree (39.8%). Respondents were mostly from Asia (48.3%) and Europe (29.5%). Moreover, in terms of income, most of respondents earned less than 7500 USD per month. Analysis of the respondents travel motivation showed that the main travel motivation of respondents to travel to Penang was rest and relaxation (35%), followed by business purposes (24%). Ultimately, advertisement and internet was the main source of information for boutique hotels' guests.

Table 3. Frequency Table of Demographic and Travel Related Characteristics

<i>Frequency Table</i>			
Gender		Annual income	
Male	46.6%	Less than \$2500	11.3%
Female	53.4%	\$2500 to \$5000	24.8%
		\$5001 to \$7500	36.1%
Age		\$7501 to \$10000	15%
18-24	9%	More than \$10001	12.8%
25-34	37.6%	Travel Motivation	
35-44	30.8%	Rest and Relaxation	35.3%
45-55	12%	Visiting Friends And Relatives	18%
Above 55	10.5%	Business	24.1%
		Education	9.8%
Marital Status		Culture	9%
Single	24.1%	Sports	2.3%
Married	63.2%	Others	1.5%
Divorced	9%		
		Information Source	
Education		Travel agency	9%
High School	21.1%	Friend/Family	26.3%
Bachelor's degree	39.8%	Advertisements & Internet	39.9%
Advance's degree	39.1%	Newspaper	10.5%
		Media	8.3%
Nationality		WOM	6%
Australian	14.3%		
Asian	48.3%		
Europe	29.5%		
America	8.3%		
Total	133	Total	133

Boutique Hotels Attractive Attributes Perceived by Hotel Guests

Upon collecting the data, analysis was overtaken for each one of the attributes. Factor analysis was performed on 17 items to categorize the most attractive attributes of boutique hotels from guests' point of view. The results are shown in Table 4. The KMO was 0.81 and Bartlett's test of

sphericity was significant at less than 1%. The anti-image correlation matrix ranged from 0.89 to 0.74, so there were sufficient correlations among the items. Four factors were extracted with 70.24% of the variance. Factors were labeled as Special services, Room features, Convenient, and Hotel design. Out of 17 items, three items were deleted due to loading problems.

Table 4. Results of the Factor Analysis of Important Attributes in Boutique Hotels

Variables	Components			
	1	2	3	4
Special services				
Individualize and personalize services	.189	.206	.710	.295
Friendly staff	.260	.191	.850	.002
Homely environment	.086	.179	.778	.325
Service Quality	.141	.173	.798	.089
Room features				
High tech facilities in the room	.405	.134	.351	.707
Being in small and cozy place	.322	.087	.336	.758
Convenient				
Entertainment (night life, bar, lounge etc.)	.734	.013	.147	.460
Variety of activities offer by the hotel (special tours, etc.)	.752	.108	.013	.302
Price of accommodation	.671	.172	.316	.005
Convenient to down town	.700	.250	.176	.155
Convenient to air port	.781	.219	.139	.055
Hotel design				
Aesthetic	.165	.760	.257	.024
Unique architecture (façade, entrance)	.173	.893	.185	.088
Uniquely interior design (lobby, room, facilities)	.325	.623	.423	-.039
Eigenvalue	7.497	2.017	1.335	1.112
Variance Explained [%] – Total 70.24%	20.59	20.51	16.01	13.12

Furthermore Cronbach's alpha (α) was used to analyze the reliability of the instruments. The results of this analysis are shown in Table 6. All variables are accepted and have good internal consistency based on Cronbach's alpha above 0.70. In this study, Cronbach's alpha ranges from 0.706 to 0.939 which means totally good (Sekaran, 2003). Items were only dropped if the deletion of those items substantially improved the Cronbach's coefficient alpha for that factor. However, since all constructs in this study had a Cronbach's alpha above 0.7, there was no need for deleting the items.

Table 5. Reliability Statistics

<i>Constructs</i>	<i>No of Items Remain</i>	<i>Cronbach Alpha</i>	<i>n</i>
Special Services	4	.706	133
Room features	2	.883	133
Convenient	5	.907	133
Hotel design	3	.914	133

The Exceptional Attributes in Penang’s Boutique Hotels

Similarly, factor analysis was conducted on 17 items of the exceptional attributes in Penang’s Boutique Hotels. The results are presented in Table 6. The KMO was 0.82 and Bartlett’s test of sphericity was significant at less than 1%. The anti-image correlation matrix ranged from 0.87 to 0.86, so there were sufficient correlations among the items. Four factors were extracted with 72.55% of the variance. Factors were labeled as Special services, Hotel facilities, Price and location, and Hotel design and image. Overall, out of 16 items, four components extracted, and only one item was deleted due to loading problems.

Table 6. Result of the Factor Analysis of the Exceptional Attributes in Penang Boutique Hotels

<i>Variables</i>	<i>Components</i>			
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
Special services				
Individualize and personal Services	-.101	.391	.086	.656
Friendly staff	.285	.200	.096	.721
Homely environment	.336	-.010	.189	.800
Hotel facilities				
High tech facilities in the room	.151	.826	-.066	.269
Being in small and cozy place	.125	.816	-.071	.284
Food and beverage (restaurant, bar, etc.)	.220	.739	.099	.081
Entertainment (night life, bar, lounge, etc.)	-.022	.842	.295	-.066
Variety of hotel activities (special tours, etc.)	.085	.748	.415	.072
Price & location				
Price of accommodation	.117	.086	.898	.183
Distance to down town	.083	.142	.891	.049
Hotel Design & image				
Size of hotel	.594	.058	.328	.274
Aesthetic	.766	-.013	.120	.169
Unique architecture of hotel(façade, entrance)	.917	-.006	.014	.063
Uniquely interior design of Hotel	.887	.073	.047	.125
Reputation	.839	.231	.038	.025
Quality	.840	.291	.103	.102
Eigenvalue	6.401	2.910	1.731	1.292
Variance Explained [%] – Total 72.55%	26.40	21.14	13.44	11.56

Cronbach's alpha (α) was used to analyze the reliability of the instruments. The results of this analysis are shown in Table 7. All variables are accepted and have good internal consistency based on Cronbach's alpha above 0.70. In this study, Cronbach's alpha ranges from 0.706 to 0.939. However, since all constructs in this study had a Cronbach's alpha above 0.7, there was no need for deleting the items.

Table 7. Reliability Statistics

<i>Constructs</i>	<i>No of Items Remain</i>	<i>Cronbach Alpha</i>	<i>n</i>
Special Services	3	.839	133
Hotel Facilities	5	.939	133
Price & location	2	.851	133
Hotel Design & Image	6	.876	133

Descriptive Statistics

Additionally descriptive statistics of all the variables in this study are illustrated in Table 8. The means and standard deviations for each factor were computed to understand the variability of the subscales derived from the factor analyses. Regarding the importance of factors involved in a hotel choice, the results show that “Special services” (mean = 4.18) has the highest mean compared to other factors. It means that hotel guests pay particular attention to the special services when they want to choose their hotel anywhere and in Pulau Penang as well. On the other hand, the descriptive statistics indicate that “convenient” has the lowest mean, which signify that this factor is not that important for hotel guests. Moreover, the results shown that hotel design and image (mean = 4.08) are one of those factors that hotel guests highly care about in their perception of boutique hotel and their actual experience.

Table 8. Descriptive Statistics of All of the Study Factors

<i>Important Boutique Hotels Attributes Perceived by Hotel Guests</i>	<i>Mean</i>	<i>Std. Deviation</i>
Special Services	4.18	0.72
Room features	3.89	0.92
Convenient	3.78	0.80
Hotel design	4.03	0.76
<i>Exceptional Attributes in Penang's Boutique Hotels</i>	<i>Mean</i>	<i>Std. Deviation</i>
Special Services	4.07	0.59
Hotel Facilities	3.83	0.72
Price & Location	3.56	0.84
Hotel Design & Image	4.08	0.71

CONCLUSION AND IMPLICATION

The current study was undertaken to empirically examine attributes which attracted guests to boutique hotels as their preferred accommodation type. Based on the findings of this study, 1- Special services 2- Room features, 3- Convenient, and 4- Hotel design are indicated as the most attractive attributes for guests of boutique hotels (See Figure 1). This research also examined specifically Penang's boutique hotels attractive attributes to find out the difference between the guests perception and the actual experience during their stay in this type of accommodation. Results illustrated that exceptional attributes of Penang Island's boutique hotels have four dimensions_ special services hotel facilities, price and location, and hotel design and image. Furthermore, results revealed that there is not much difference between guests perception of boutique hotels attractive attributes with their idea after their actual experience.

Findings of this study provide confirmation of the previous work conducted by Aggett (2007) and McIntosh and Siggs (2005) which concluded that individual and personal services

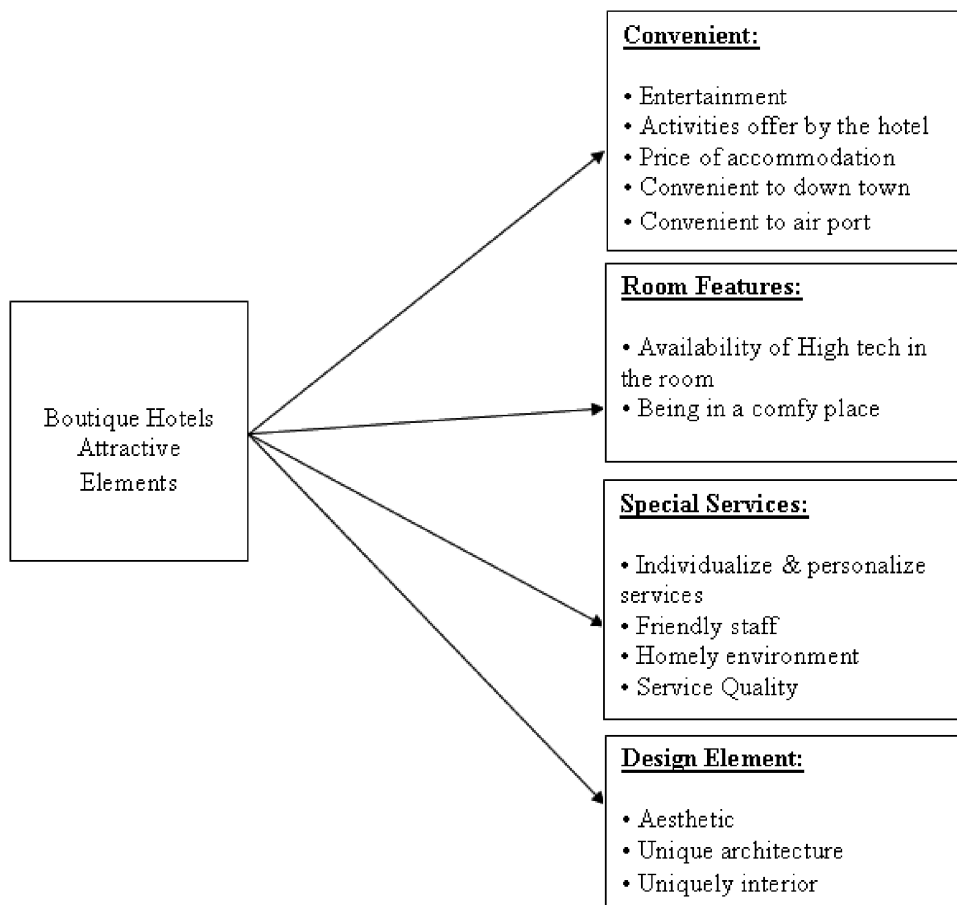


Figure 1. Perception of Guests toward Boutique Hotel Attractive Elements

along with the attention from friendly staff in a homely environment with unique architecture consider as the main reasons of boutique accommodation type selection. Figure 1 illustrated the findings of this study which identified during the literature review and confirmed with the empirical data.

However it is worth mentioning that boutique hotel' attractive elements which introduced in Aggett (2007) and McIntosh and Siggs (2005) study and confirmed by this study as well, are in contrast with the provision of traditional hotel accommodation and therefore it should be considered that standard attributes and ordinary characteristics of traditional hotels are not attractive for consumers seeking for alternative types of accommodation. In this study, the uniqueness of boutique hotels as cozy places with specific architecture and special interior design is recognized as an innovation differentiation strategy. This allows boutique hotels to compete with branded hotel chains, and consequently it is recommended that uniqueness became the major driving force behind the consumer's decision making toward boutique accommodation.

This research is of significant importance to marketing and sales managers who are interested to understand the consumers' desires and the factors that attract them to boutique hotels. This study's results will suggest boutique hotels' owners and managers how to improve the design of their products and the level of provision of their services. The findings will also help boutique hotels' owners and managers to develop strategies in order to optimize their resources more efficiently. By obtaining the imperative information of why guests choose to stay at boutique hotels, hotel managers are able to recognize those attributes which drive guests' purchasing decisions. Understanding the guests' needs and desires is very useful and helpful when creating strategies for improving a company's image. At the same time, findings of this study could be of particular interest to anyone willing to enter the market and also those landlords with small properties or hotels in planning to convert them into boutique hotels.

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