

EXPLORING FACTORS AFFECTING THE SERVICE QUALITY OF BOUTIQUE HOTELS IN HO CHI MINH CITY

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ABSTRACT:

This study is to determine key themes affecting the service quality of boutique hotels in Vietnam. This study is conducted by using 250 guest online reviews about 10 hotels in Ho Chi Minh City via Online Travel Agents (OTAs). This study is expected to help hotel owners better understand what customers expect from the hotel. Hence, hotel owners can have solutions to make customers more satisfied in the future. Some factors including Design, Space, Location, Staff, and Facilities are important factors affecting the boutique hotel's service quality.

Keywords: boutique hotels, Ho Chi Minh City, factors, service quality.

1. Introduction

In recent years, Vietnam's tourism industry is on the rise with impressive growth numbers. According to statistics of the World Tourism Organization (UNWTO), with the growth rate of visitors from 2015 to 2019 reaching 22.7%, Vietnam ranks 6th in the 10 fastest growing tourist destinations in the world. According to the latest data of the National Administration of Tourism, the number of international visitors to Vietnam in 2019 has reached 18 million, and total revenue from tourists reached 726,000 billion. In which, more than 50% of total revenue comes from accommodation business, which is quite high compared to other developed tourism industries.

A new trend in the recent period is the development of boutique hotels and has become increasingly competitive in recent times. Boutique hotels are always impressed by outstanding, luxurious but equally youthful and modern design styles. This form became one of the most popular

ones of lodging of the decade as, only in 2015, generated room revenues of over \$13.7 billion worldwide (Skinner, 2016). Good service quality will help the hotel retain repeated customers, create a loyal customer group and attract new potential customers, through which the hotel can increase the selling price, optimize the costs incurred and increase profits as well as increase its competitiveness. Therefore, it is essential for hotel businesses to constantly improve service quality to be able to meet the increasing demands of customers. In the context of boutique hotels, service quality is one of the issues that need to be paid the most attention to provide good experience for the guests as hospitality groups prefer to have between 200 to 400 rooms for a boutique hotel, along with personalized or tailor-made services (Gütz, 2015).

This research is going to organize into four main parts. First, a literature review is provided to present about background information of boutique

hotels and the development of this type of property. Methodology is described in the second section. Third, findings are presented to discuss about factors that affect service quality from the perspective of the guests using online guest reviews. The final section will include a summary and some conclusions of the paper. This paper contributes to providing basis for researches on boutique hotels in the context of Vietnam.

2. Literature Review

2.1. Boutique hotel definitions

There are no specific concepts of boutique hotel (Henderson, 2011). According to The Chambers Dictionary (2003), Boutique Hotel is defined as “a small hotel, with an intimate and individualistic atmosphere and style”, which reinforces its main attributes: size and atmosphere. Jones et al (2013) conducted research that concluded that Boutique Hotels consider the “emotional response of guests a defining element”, while Henderson (2011) defined Boutique Hotel as a “property with no more than 100 rooms which is not affiliated to a large chain, emphasizes personal service and strives to be unique”. As mentioned, the small size is a determinant factor of a Boutique Hotel, as the few rooms available give the guest the sense of coziness (Khosravi et al., 2014). However, some parts of this description may be challenged (Henderson, 2011); for example, large hotels with more than 300 rooms have been classed or class themselves as Boutique, although smaller capacities make it easier to deliver the high quality and personalized service (Henderson, 2011). Due to such factors, authors and researchers commonly tend to agree that Boutique Hotels should not have more than 100 rooms (Henderson, 2011), since it’s challenging for large hotels to deliver the level of personalized service found in most Boutique accommodations. According to Henderson (2011), large scale hotels with numerous staff members struggle to maintain effective interactions between each guest and the employees, which reduces the ability of delivering tailored service. Besides, hotels with more than 100 rooms struggle to maintain the flexibility and intimate environment often found in Boutique Hotels (Loureiro et al., 2020).

Regardless of the definition of a “boutique hotel,” all hoteliers agree that this type of hotel is special and offer a unique experience that cannot be found at traditional hotels, 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.

2.2. Service quality in the hotel business

Service quality has many different definitions depending on the research object and research environment. Understanding service quality is the key to improve the quality of services offered by enterprises. Therefore, the definition of service quality is not only important in setting development goals but also orienting businesses to promote their strengths in the best way. There are many different definitions of service quality, in which, Lehtinen and Lehtinen (1982) argue that service quality must be assessed on two aspects: (1) Service delivery process and (2) Service results. Gronroos (1984) also gave a definition of service quality including two elements of service quality: (1) Technical quality and (2) Functional quality. Where service quality is concerned with what is served, while functional quality is concerned with how they are served. Service quality is the most influential factor on customer satisfaction (Sridhar, 2001; Naik, Ghantasala and Venugopal, 2010). If a service provider provides customers with quality products that satisfy their needs, that business has initially made customers satisfied.

Service quality plays an important role in the hotel business, the quality dimension is an

important factor in creating the purpose for a business. According to Voss (2006), the contribution of service quality is indispensable, so service quality tends to be rejected. But Sandholtz (2016) show that the tendency to standardize service organizations is only in terms of quantity standardization, away from the use of superficial quality standards. Finally, according to two authors, Bery and Parasuraman, the standards and indicators of service quality in the hotel bring the most consistency, in which there are suggestions or raised possibilities that can be achieved. Quality criteria through two basic factors: facilities - hotel equipment and through staff - staff system directly serving customers. Based on the criteria of service quality or its attributes so that hotels can know the position of their products.

The relationship between service quality and customer satisfaction has been a topic of constant discussion by researchers over the past decades. Numerous studies on customer satisfaction in service industries have been carried out. Some authors believe that there is an overlap between service quality and customer satisfaction, so these two concepts can be used interchangeably. However, through many studies, service quality and customer satisfaction are two distinct concepts. Parasuraman et al. (1993), said that there are some differences between service quality and customer satisfaction, the main difference being the issue of "cause and effect". And Tien (2021) argues that customer satisfaction is affected by many factors such as product quality, service quality, price, situational factors, and personal factors.

3. Methodology

In some hotels which use the online bookings, the favorable reviews increase the probability of bookings (Vermeulen & Seegers, 2009). The reviews, which not only help the customers understand more about the products, are also a powerful tool for marketing. Based on the reviews, the management of businesses can increase both the services and quantities, to meet

customer's requirements. The hotel as well as restaurants' managements have also started using them to understand customers' attitudes (Dellarocas, Zhang, & Awad, 2007). Therefore, Online reviews is a useful platform to analyze the guest expectation and find out if the service quality meets the guest's needs. This study focuses on the method of collecting online reviews from OTAs such as Booking.com, Traveloka, Agoda, and Ivivu with the total of 250 reviews from 2020 to 2022 at 10 different boutique hotels; including: Ma Maison Boutique Hotel, M boutique hotel, The Odys Boutique Hotel, Mia Luxury Boutique Hotel Saigon, Amanaki Saigon Boutique Hotel, Meraki Boutique Hotel, Little Saigon Boutique Hotel, Paradise Saigon Boutique Hotel, Erato Boutique Hotel, and Ben Thanh Boutique Hotel.

Table 1. List of hotels reviewed

OTAs	Boutique Hotels	Reviews
Booking.com	Little Saigon Boutique Hotel	25
	Ma Maison Boutique Hotel	25
	Erato Boutique Hotel	25
Traveloka	Amanaki Saigon Boutique Hotel	25
	Meraki Boutique Hotel	25
Agoda	M Boutique hotel	25
	The Odys Boutique Hotel	25
	Ben Thanh Boutique Hotel	25
Ivivu	Mia Saigon - Luxury Boutique Hotel	25
	Paradise Saigon Boutique Hotel	25
Total		250

(Source: The author)

25 reviews were randomly collected from each hotel. Then, they will be categorized in positive and negative ones.

4. Findings and discussion

The following table is presenting theme that are mentioned most frequently by OTAs (Booking.com, Traveloka, Agoda, and Ivivu), including: Design, Space, Location, Staff and service quality, Facilities.

Table 2. Online guest reviews on boutique hotels via different boutique hotels in Ho Chi Minh City

	Positive	Percentage	Negative	Percentage	Total
Design					
Agoda	30	94%	2	6%	32
Booking.com	35	90%	4	10%	39
Traveloka	10	91%	1	9%	11
Ivivu	3	75%	1	25%	4
Total	78	91%	8	9%	86
Space					
Agoda	20	87%	3	13%	23
Booking.com	10	71%	4	29%	14
Traveloka	7	88%	1	13%	8
Ivivu	2	67%	1	33%	3
Total	39	81%	9	19%	48
Location					
Agoda	35	88%	5	13%	40
Booking.com	24	80%	6	20%	30
Traveloka	8	73%	3	27%	11
Ivivu	3	60%	2	40%	5
Total	70	81%	16	19%	86
Staff					
Agoda	37	90%	4	10%	41
Booking.com	31	82%	7	18%	38
Traveloka	9	82%	2	18%	11
Ivivu	5	83%	1	17%	6
Total	82	85%	14	15%	96
Infrastructure					
Agoda	5	25%	15	75%	20
Booking.com	6	22%	21	78%	27
Traveloka	1	25%	3	75%	4
Ivivu	2	29%	5	71%	7
Total	14	24%	44	76%	58

(Source: The author)

There are relatively few comments about space, out of a total of 250 comments collected, there are a total of 48 comments about Space, of which on Agoda there are 20 positive comments (87%) and 3 negative comments (13%). On Booking.com, there are 10 positive commenters (71%) and 4 negative commenters (29%). Overall, reviews of the boutique hotel's Space are positive. The comments about space are positive such as: cozy, and friendly space. However, there are some negative comments about space such as: small space, there are no large spaces like big hotels.

The number of comments about Location of Boutique hotels is relatively large with the total of 70 comments about Location, of which on Agoda there are 35 positive comments (88%) and 5 negative comments (accounting for 13%). On Booking.com, there are 24 positive commenters (80%) and 6 negative commenters (29%). Overall, reviews about the location of the boutique hotel are positive. Positive comments are: the location is located in the city center, convenient to travel, near many beautiful locations... However, there are some comments that do not like about the space such as: the location is too

close to street, so it's very noisy at night; and the way to the hotel is small.

The number of compliments on service quality and staff is relatively high. The total number of comments related to service quality is 96, of which there are 82 positive comments (accounting for 85%) and 14 negative comments (accounting for 15%). Thus, one of the strengths of a boutique hotel is its relatively good service quality. Although it cannot be as complete and good as a 5-star hotel, most people find it suitable and preferred.

There are not too many comments about Infrastructure, but the number of negative comments is more than positive comments. There are a total of 58 comments about infrastructure, of which on agoda.com there are 5 positive comments (25%) and 15 negative comments (75%). On booking.com, there are 6 positive comments (accounting for 22%) and 21 negative comments (accounting for 78%). Positive

comments praise boutique hotels with new infrastructure, but there are many negative comments saying that boutique hotels lack facilities such as gyms, spas, etc. Especially many services are closed during Covid - 19.

5. Conclusion

The data analyzed has showed that design, space, location, staff and infrastructure are mentioned most frequently by the customers in boutique hotels in Ho Chi Minh. It is obvious that the customer perspectives on boutique hotels in Ho Chi Minh are positive towards design, space, location and staff while the feature of infrastructure found quite high negative reviews. This study provides common themes from the customers' collective insights of boutique hotels in Ho Chi Minh city. This can contribute the foundation for boutique hotels' owners in improving service quality as well as providing basics for further researches ■

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NHỮNG YẾU TỐ CẦN THIẾT KHI ĐÁNH GIÁ CHẤT LƯỢNG DỊCH VỤ TẠI CÁC KHÁCH SẠN BOUTIQUE TẠI THÀNH PHỐ HỒ CHÍ MINH

● ThS. **NGUYỄN VƯƠNG HOÀI THẢO**

● **NGUYỄN VĂN GIANG**

Khoa Quản trị Du lịch và Khách sạn

Trường Đại học Kinh tế Tài chính

TÓM TẮT:

Nghiên cứu này tập trung vào việc tìm kiếm các chủ đề chính có thể có tác động đến chất lượng dịch vụ của khách sạn boutique trong bối cảnh Việt Nam. Nghiên cứu này sử dụng 250 đánh giá trực tuyến của khách được thu thập từ 10 khách sạn tại Thành phố Hồ Chí Minh thông qua Đại lý Du lịch Trực tuyến (OTA). Kết quả của nghiên cứu này có thể mang lại lợi ích cho chủ khách sạn trong việc hiểu khách hàng mong đợi gì ở khách sạn, để họ có thể mang lại sự hài lòng cao hơn cho khách trong tương lai. Một số yếu tố như: Thiết kế, Không gian, Vị trí, Nhân viên và Cơ sở hạ tầng được xem là những yếu tố cần thiết khi đánh giá chất lượng dịch vụ tại các khách sạn boutique tại Thành phố Hồ Chí Minh.

Từ khóa: khách sạn boutique, Thành phố Hồ Chí Minh, yếu tố, chất lượng dịch vụ.