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Backpackers Expectation and Satisfaction towards Budget Hotel: a Case Study in Penang

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ABSTRACT

Penang has been the popular cultural heritage tourism attractions in Malaysia. Penang has great potential to develop and offers its cultural and heritage products and experiences to local and foreign visitors. Georgetown is one of the most visited sites in Penang. Georgetown is awarded the UNESCO listing for its unique architecture and cultural townscape. The variety of cultures on display within the heritage area, such as Muslim, Chinese, Indian and European, is unique to Georgetown. The city is also known as Malaysia's food capital, home to multicultural distinct cuisines, cheap and delicious open-air hawker centers. Apart from that, Georgetown also offers unique and affordable budget hotels to enrich backpacker's experiences. The main objective of this study is to evaluate the facilities and services provided by budget hotels in Georgetown. The evaluation was based on backpackers' opinions on the importance and performance rating of the listed attributes. This study adopted the simple random sample method of data collection. About 30 questionnaires were distributed to the backpackers during weekdays and weekends. The socio-demographic data were evaluated using Frequency Analysis. The data showed the different socio-demographic, socio-economic, and trip characteristics of the backpackers. The demographic and trip characteristics data provided the information of visitor's motivation and activity during their visit to Penang. The Importance-Performance Analysis (IP Analysis) was used to evaluate the overall budget hotels' facility and service attributes, and the final result has been translated into Importance-Performance action grid. The action grid showed all the 23 attributes of general and specific facilities, and services provided were plotted on the High Importance and Performance quadrant. Attributes plotted on the action grid showed that all of the attributes were evaluated high on importance and performance suggested that the cultural village management should maintain the

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status of performance in all attributes area. The Ratio Analysis indicated the ranking of priority which needed special attention from the management of the budget hotels. From the analysis, availability of mini bar, hotel safe box availability, and hotel F&B are value for money were ranked at the highest priority and needed special intention from the management of the budget hotels. Overall, the result of the study was, all of the attributes were evaluated as High Importance and High Performance. The management of the budget hotels in Georgetown has to keep up the good work and maintain the attributes. Hopefully, the findings of this study will be useful for the management of budget hotels to manage and maintain the facilities and services provided to enhance the quality of backpackers' experiences.

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Introduction

The hotel sector is one of the major components in the country's tourism industry that make up a substantial proportion of the industry receipts and therefore it needs to be managed effectively. The Malaysian hotel industry has been expanding very drastically in line with the robust development in the country's tourism industry. The growth of the tourism industry has expanded the number of hotels from 1,49 in 2000 to 2,25 in 2005. Consequently, hotel rooms rose by 37.3 percent from 124,41 in 2000 to 170,57 in 2005 (Ninth Malaysian Plan 2006-2010). With the increased tourist visiting Malaysia, and especially to Penang, the management of local budget hotels must make serious efforts to fully understand the needs, expectations and satisfactions of this segment in order to capture this lucrative market. Initiatives are needed to improve the quality and services of the hotels and as well to benefit backpackers.

This study examined the satisfaction level of backpackers towards facilities and services of local budget hotels, which set as a preliminary step towards establishing an effective hotel marketing programs for the local and foreign backpackers. The study only focused on the different level of satisfaction towards the facilities and services provided at the budget hotel due to backpackers' different preferences and behavior. This study also included backpackers' profiling in Georgetown, Penang. It is hoped that this study will obtain useful information and provide recommendation for the future improvement of budget hotels and the backpackers' experience.

The main objectives of this research to evaluate the importance of different facilities and services attributes in influencing backpackers' decision to stay at budget hotels and to evaluate the performance of different facilities and services attributes to meet backpackers' expectations for their stay at budget hotels in Georgetown, Penang. This research also identifies the strengths and weaknesses of facilities and service attributes for the management of budget hotels in Georgetown, Penang. This study also profiling the backpackers in Georgetown, Penang.

1. Literature Reviews

1.1 Importance-Performance Analysis (IPA) Technique

Martilla and James (1977) explained that IPA technique has been vastly used in several different fields for both non-recreational and recreational research. The analysis is based on research findings that show participant experiences, judgments, satisfaction and expectation about attitude of a program and agency performance. In this particular research, the survey asked a series of questions evaluating the importance and the performance rating of the listed specific facilities and services attributes of the budget hotels to the selected backpacker respondents. According to Fletcher, Kaiser, and Groger (1992), Importance-Performance Analysis (IPA) identifies salient qualitative features and asks respondents to rate product attributes in terms of importance and performance. Hammit, Bixter and Noe (1996) stated that importance measures of the level of importance attached to an attribute by a respondent on a Likert-type, 1-5

scale. In this study, the importance and performances measured the level of satisfaction of a respondent with the provision of the attributes on the same 1-5 scale.

1.2 The Importance of Facilities and Services Evaluation Study

Study on the evaluation of facilities and services are essential to assess the current performance of the products offered by the budget hotels. Backpacker's satisfaction towards the facilities and services provided will enhance the agency's reputation and achievement. Furthermore, the study is the key factor determining how successful the agency will be in customer relationship (Reichheld, 1996) and increase the profits of the agency. Uysal and Howard (1991) indicated that IPA involves five steps that include: (1) development of attributes; (2) administration of a survey to measure the product or services; (3) estimation of perceived importance and performance of each attribute through the calculation of the mean importance and performance values for each attribute on a two dimensional grid; (4) assessment of attributes based on grid location; (5) perceptions of respondent translated into management grid action.

1.3 Satisfaction

The evaluation of visitor's satisfaction towards facilities and services provided were essential to the management of the budget hotels. The management has the opportunity to understand visitor's expectations and satisfy their needs through the study. Satisfaction has been defined by Beard and Ragheb (1980), which state that a major goal of recreation and leisure is to contribute to individuals' satisfaction and the pursuit of happiness and the importance of leisure and recreation as an aid in the process of 'need gratification'. Identification of the visitor's satisfaction can help the management authorities to understand the characteristics in facilities and services provided will meet their expectations and satisfy their needs. This study also provides the information about visitors' on-site behavior. The management then can develop facilities and visitor services, which can enhance their desired experiences by identifying visitors' satisfaction. Buchanan (1983) added that this study will also help the management to understand and identify the specific psychological benefits which participants feel they are receiving from recreation participation so that the quality and importance of recreation services can be more fully evaluated.

2. Research Methodology
2.1 Area of Study

Georgetown is awarded the UNESCOs' World Heritage Cultural site on 7th July 2008 for its unique architecture and cultural townscape. The variety of cultures on display

within the heritage area, such as Muslim, Chinese, Indian and European, is unique to Georgetown. The city is also known as Malaysia's food capital, home to multicultural distinct cuisines, and cheap and delicious open-air hawker centers. There are many guesthouses and hotels in Georgetown, Penang. In the last few years, a few of the old buildings along Chulia Street have been renovated and turned into great boutique style budget hotels to accommodate the growing local and foreign tourist. Penang budget hotels have significant growth catering to the new customer low budget tourism demand- backpackers.

2.2 Survey Instrument

The study used a set of questionnaire consisted structured questions of listed attributes. The questions were conducted in English Language and *Bahasa Melayu*. The questionnaire consisted three sections, which includes: Section A (Importance of Attributes), Section B (Satisfaction Evaluation on attributes), and Section C (Demographic and Trip Characteristics Data). The satisfaction towards facilities and services provided at budget hotels were measured using the Likert Scale. Respondents specified their level of agreement or disagreement on a symmetric agree-disagree scale for a series of statements of the established attributes. Burns, Alvin; Burns, Ronald (2008) stated that the results of the analysis of multiple attributes, if the items are developed appropriately, reveals a pattern that has scaled properties of the kind Likert identified. In Section A, variables in Likert Scale are 1 to 5, where 1-2 indicated negative perceptions (not important), 3 is for neutral perception on importance level, and 4-5 indicated positive perceptions (important) of the visitors. While in Section B, variables in Likert Scale are 1 to 5, where 1-2 indicated negative perceptions (not satisfied), 3 is for neutral perception on satisfaction level, and 4-5 indicated positive perceptions (satisfied) of the visitors.

On-site Survey

The survey has been conducted at Georgetown, Penang for a three day period, starting from 11th December 2015 until 13th December 2015. The survey period covered weekdays, and weekends. The questionnaire forms distributed to backpackers along Chulia Street, Georgetown, Penang. The survey has been carried out from 1pm to 6pm.

Sampling
Convenience Sampling

A convenience sample will be drawn from the survey. Sampling was conducted by distributing questionnaires to the respondents at different times of the day, for a three day period.

Data Analysis
Demographic Analysis

Descriptive analysis involved the analysis of socio-demographic and trip characteristic questions according to frequency and percentage analysis. According to Ronald (1982), a frequency distribution is a display of occurrence of each score value. The social-demographic data obtained indicated various social backgrounds of the respondents. While the trip characteristics data obtained refer to the behavioral study of the visit.

Ratio Analysis

Oliver (1980) mentioned that the Important-Performance Analysis can only portray the relative perceived importance and performance of the attributes, further information and non-confirmation paradigm has to be studied in term of backpackers' satisfaction. The comparison between perceived importance and actual performance may result in confirmation (when performance meets importance) or non-confirmation (when the performance does not meet expectation). The ratio of five-point Likert-scale Section A (Backpackers' Expectation) over Likert-scale Section B (Backpackers' Satisfaction) were calculated. Ranking of priority was given to the ratio that falls below 1, (negative non-confirmation) where respondents were not satisfied with performance of attributes. While, confirmation (positive, non-confirmation) on attributes were observed together with results from I-P Analysis in order to make a decision on management action.

3. Results And Discussions
3.1 Socio-Demographic and Economic Characteristics

The socio-demographic background showed the variety of backpackers at Georgetown, Penang as shown in Table 1. The variables were considered important in influencing the level of visitor participation, perception, preference and at the same time to ease the administrators' effort to identify the target group better.

The number of male visitors (63.3%) is higher than the female visitors (36.7%). The majority of the visitor's age was between 18-25 years old (56.7%). Most of the visitors are Malaysian. The local visitors came from Kuala Lumpur (10.0%), followed by Selangor (10.0%), Kedah, Sarawak, Sabah, and Perak each (6.7%), and Malacca (3.3%). Meanwhile, a total of 50% visitors involved in this study were foreigners. Most of the foreign visitors were from the United States, Australia, and China each (10.0%), followed by Canada and Singapore each (6.7%). While least visitors came from Germany and Denmark, each represents (3.3%). The majority of local backpackers were Malay (23.3%), followed by Chinese (16.7%), Indian (3.3%), Bidayuh (3.3%), Iban (3.3%). The employment status has been categorized into four groups; which are student, employed, unemployed, and pensioner. The employee was ranked as the highest group of visitors (60.0%). Followed by students (36.7%), and at last but not least the pensioners (3.3%). The table was also shown in the income group of visitors; which are no salary (16.7%), Less Than RM1000.00 (16.7%), RM1001.00-RM5000.00 (36.7%), RM5001.00-RM10000.00 (26.7%), and Above RM10001.00 (3.3%).

Table 1: Socio- Demographic and Economic Background of Backpackers

Variable	Number of Respondent	Percentage (%)
GENDER		
Male	19	63.3
Female	11	36.7
AGE		
12-14years	0	0
15-17years	1	3.3
18-25years	17	56.7
26-40years	12	40.0
41-60years	0	0
61+ years	0	0
NATIONALITY		
Malaysian	15	50
Foreigner	15	50
COUNTRY		
United States	3	10.0
Canada	2	6.7
Australia	3	10.0
Singapore	2	6.7
Germany	1	3.3
China	3	10.0
Denmark	1	3.3
Local	15	50.0
STATE		
Selangor	3	10.0
Kuala Lumpur	3	10.0
Kedah	2	6.7
Sarawak	2	6.7
Sabah	2	6.7
Perak	2	6.7
Malacca	1	3.3
Foreigner	15	50.0
ETHNIC GROUP		
Malay	7	23.3
Chinese	5	16.7
Indian	1	3.3
Iban	1	3.3
Bidayuh	1	3.3
Foreigner	15	50.0
EMPLOYMENT STATUS		
Student	11	36.7
Employed	18	60.0

Unemployed	0	0
Pensioner	1	3.3
INCOME		
No Salary	5	16.7
Less Than RM1000.00	5	16.7
RM1001.00-RM5000.00	11	36.7
RM5001.00-RM10000.00	8	26.7
Above RM10001.00	1	3.3

3.2 Trip Characteristics

The trip characteristics showed the pattern of backpackers at Georgetown, Penang. The trip characteristics consist of day of visit, duration of visit, frequency of visit, place information source, and recreational activity involved with the visitors as shown in Table 2. The Georgetown, Penang was most visited on Friday-Saturday (86.7%), followed by Monday-Thursday (10.0%), and Sunday (3.3%). The duration of visits by the respondents were categorized into one night stay (3.3%), two night stay (53.3%), and others (43.3%). Most of the backpackers gained information of Georgetown, Penang through their electronic media (56.7%), and Friends (43.3%). The most participated activity was Experience Cultural and Heritage (43.3%), Experience Penang Cuisine (23.3%), and Nature-based Recreation Activity (20.0%).

Table 2: Trip Characteristics of Visitors

Variables	Frequency	Percentage (%)
DAY OF VISIT		
Monday-Thursday	3	10.0
Friday-Saturday	26	86.7
Sunday	1	3.3
DURATION OF VISIT		
One Night	1	3.3
Two Nights	16	53.3
Others	13	43.3
FIRST VISIT		
Yes	21	70.0
No	9	30.0
FREQUENCY OF VISIT		
First Time	21	70.0
Less Than Three Time	9	30.0

SOURCE OF INFORMATION		
Friends	13	43.3
Electronic Media	17	56.7
RECREATIONAL ACTIVITY		
Beach Recreation Activity	1	3.3
Nature-based Recreation Activity	6	20.0
Experience Penang Cuisine	7	23.3
Experience Cultural and Heritage	13	43.3
Organized Special Event/ Program	3	10.0

3.3 Importance-Performance Analysis (IPA)

The importance and performance of the 23 attributes were calculated and the mean result of attributes determined the location of each attribute on the Importance-Performance Action Grid. Based on Table 3, Hotel room is value for money, room cleanliness, hotel activities info services, in-room temperature control, and availability of mini bar rated the highest mean score of Importance by the backpackers. While, the highest score of attributes for Performance were Hotel activities info services, staff are polite and friendly, Staff are helpful, Hotel laundry services, In-room temperature control and Staff have multilingual skills. Hotel parking space was the lowest mean score for general facility attributes of both Importance and Performance analysis.

Table 3: The Mean Value of Attributes for Importance and Performance Analysis

Code	Attribute	Importance Score (Mean)	Performance Score (Mean)
STAFF SERVICE QUALITY			
1	Staff are polite and friendly	4.40	3.76
2	Staff are helpful	4.53	3.70
3	Staff understand your requests	4.50	2.80
4	Facilities for baggage handling	4.30	2.70
5	Check-in and check-out are efficient	4.53	3.46
6	Staff provide efficient services	4.70	3.50
VALUE FOR MONEY			
7	Hotel parking space	2.56	2.86
8	Hotel F&B are value for money	2.90	2.63
9	Hotel room is value for money	4.83	2.90
CORE PRODUCT QUALITY			
10	Room cleanliness	4.80	3.03
11	Room quietness	4.50	2.90
12	Room service is effective	4.76	3.26

13	Cleanliness of F&B	3.66	3.00
GENERAL FACILITIES			
14	Hotel laundry services	4.66	3.50
15	Hotel activities info services	4.83	4.33
16	Hotel wake-up call is reliable	3.56	3.10
17	Hotel safe box is available	3.73	2.06
ROOM QUALITY			
18	In-room temperature control	4.96	3.46
19	Audiovisual equipment	4.46	3.20
SECURITY			
20	Responsible security personnel	4.10	3.36
21	Reliable fire alarms	4.00	3.16
MINI BAR FACILITY			
22	Availability of mini bar	4.86	1.70
MULTILINGUAL SKILLS			
23	Staff have multilingual skills	4.23	3.30

3.5 Ratio Analysis

The Ratio Analysis of facilities and services of budget hotels in Georgetown, Penang was tabulated. It shows the ratio between the importance scores against the performance scores as in Table 4. From these values of ratio, a priority ranking is drawn for the attributes that need special attention. Naturally, the attributes shown here are those, which reveal a lower performance score as compared to the importance scores. Specifically, the backpackers experienced positive non-confirmation if the attributes performance exceeds importance scores and negative non-confirmation if the performance fails to reach perceived importance.

Table 4: Ratio of Performance over Importance for Attributes

Code	Attribute	Performance Score (Mean)	Importance Score (Mean)	Ratio
1	Staff are polite and friendly	3.76	4.40	**1:0.85**
2	Staff are helpful	3.70	4.53	**1:0.81**
3	Staff understand your requests	2.80	4.50	**1:0.62**
4	Facilities for baggage handling	2.70	4.30	**1:0.62**
5	Check-in and check-out are efficient	3.46	4.53	**1:0.76**
6	Staff provide efficient services	3.50	4.70	**1:0.74**
7	Hotel parking space	2.86	2.56	**1:1.16**
8	Hotel F&B are value for money	2.63	2.90	**1:0.90**
9	Hotel room is value for money	2.90	4.83	**1:0.60**
10	Room cleanliness	3.03	4.80	**1:0.63**

11	Room quietness	2.90	4.50	**1:0.64**
12	Room service is effective	3.26	4.76	**1:0.68**
13	Cleanliness of F&B	3.00	3.66	**1:0.81**
14	Hotel laundry services	3.50	4.66	**1:0.74**
15	Hotel activities info services	4.33	4.83	**1:0.89**
16	Hotel wake-up call is reliable	3.10	3.56	**1:0.86**
17	Hotel safe box is available	2.06	3.73	**1:0.55**
18	In-room temperature control	3.46	4.96	**1:0.69**
19	Audiovisual equipment	3.20	4.46	**1:0.71**
20	In-room temperature control	3.36	4.10	**1:0.82**
21	Responsible security personnel	3.16	4.00	**1:0.79**
22	Reliable fire alarms	1.70	4.86	**1:0.34**
23	Availability of mini bar	3.30	4.23	**1:0.77**

Conclusion and Recommendations

Conclusion

From the analysis, it was found that the most influencing backpackers' decision to choose and stay at budget hotels in Georgetown, Penang was the value for money (with a mean score of 4.83) as seen in table 3. The backpackers were most satisfied with hotel activities information services, staff are polite and friendly, staff are helpful, hotel laundry services and in-room temperature control attributes. All of the attributes were located at the High Importance and Performance. The management of budget hotels in Georgetown, Penang should maintain and improve the status of performance. However, there are certain attributes, such as availability of mini bar, hotel safe box is available, hotel F&B are value for money, facilities for baggage handling and staff understanding of requests attributes locations on the Importance-Performance Grid were tabulated close to High on Importance but Low in Performance in Importance-Performance Action Grid, and they were analyzed as requiring managerial attention. Ratio Analysis also applied to determine which attributes selected as the highest priority for improvement of work. Attributes which needed priority for improvement were Reliable fire alarms, Hotel safe box is available, Hotel room is value for money, Staff understands your requests, and Facilities for baggage handling.

Recommendations

The suggestions were recommended based on the backpackers' comments written in the questionnaires distributed during on-site survey period. Backpackers suggested that the management must manage and preserve (maintain) the facilities and services of the budget hotels. The specific facilities must improve their quality in availability of mini bar, hotel safe box is available, and hotel F&B are value for money, facilities for baggage handling and staff understanding of requests. The management should improve specific facilities, such as availability of mini bar and safe box, and services

such as baggage handling and understanding of guests' requests to attract more local and foreign backpackers to stay at their budget hotels.

Suggestion for Further Research

Evaluating the budget hotels' performance needed a comprehensive concept, as such more survey effort required to explore and choose the appropriate attributes that need to be evaluated. This is an order to gain a better understanding of its characteristic. Future research should consider other attributes such as facilities' condition, and vandalism and the role of budget hotels in Georgetown, Penang in promoting Penang as a must visit tourism sites. As this study specifically looks into the attributes of importance and performance aspect, therefore it is suggested that in the future studies should include statistical analysis using multiple regression and correlation. This is to find the relationship between the specific attributes and its influences towards the socio-demographic, economic, and behavioral factors.

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