

# CONSUMER PERCEPTION OF BOUTIQUE HOTEL: A PILOT STUDY

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## **Introduction**

In most situations, consumers purchase or use built-in products and services; however, it is sometimes necessary to customize products to satisfy consumers' needs and desires. In the hotel industry, for instance, customers have begun to prefer unique experiences. The newest concept in the hotel market today is the boutique (Hartesvelt, 2006). Boutique hotels are upscale, luxury properties that tend to be smaller than conventional hotels, are frequently located in urban areas or city centers, have historical or other interesting aspects, and individually designed for the delivery of personal service (Lim & Endean, 2008). The primary purpose of this study is to identify a profile of hotel consumers with higher awareness of and more positive attitudes toward boutique hotels. Further, this study is to elaborate on marketing strategies that arise from an improved understanding of the profile of this segment of hotel consumers.

## **Literature Review**

According to Niculescu and Rabontu (2009), the term, "boutique hotel," can be defined by approaching its two components separately. "Boutique describes a small, luxurious store that sells products in small quantities, while a hotel is a building in which travelers stay for a short time in furnished rooms. By combining these definitions, one can define a boutique hotel as a small, luxurious hotel that has furnished rooms. The boutique hotel represents a new way to look at the hospitality industry with a special emphasis on a pleasant reception and customized services.

Boutique hotels have gradually become popular. A study conducted by the consulting firm, Jones Lang LaSalle, indicated that the demand for boutique hotels has increased. It was expected that at least 2,830 new rooms would be added to boutique hotels' inventory by the end of 2009 (Niculescu & Rabontu, 2009). Attitudes play an important role in consumer behaviors (Kennedy et al. 2008); in particular, attitudes are important predictors of conscious consumer behaviors (Roberts, 1996). According to previous research on the roles of attitudes toward hotel behaviors, overall image, gender, and age have an impact on hotel customers' decision-making process. Customers who have positive attitudes toward specific hotels are willing to stay at these hotels, to recommend these hotels to others, and to pay more to patronize them (Han, 2009). An understanding of consumer attitudes is very helpful in developing a business direction and

approach in the hospitality industry (Hartmann, 2005). An individual's past experience with a hotel may be strongly associated with that individual's intentions to revisit that hotel, to recommend it to others, and to pay more to stay there. Hotel customers who have stayed at boutique hotels are aware that these properties offer chances to experience unique services and atmospheres. On the other hand, customers who have never stayed at boutique hotels may not be aware of the various services and benefits associated with hotels of this type (Han et al., 2010). Creating strong brand awareness among potential customers who are not aware of one's brand name contributes to better judgments, increased purchase intention, and decreased search behavior. Additionally, building awareness of a brand name gives potential consumers opportunities to internalize price in a positive direction (Oh, 2000).

## **Methods and Findings**

Online self-administered questionnaires were distributed to residents in the midwest area of the United States. The total valid sample size consisted of 61 individuals. In the first section, items addressed aspects of the hotel experience in regard to general hotels and boutique hotels, and the purpose of the stay. The next section contained items that measured awareness and attitude toward boutique hotels, using a seven-point semantic differential scale adopted from Oh (2000) and Han et al. (2010). Multivariate analysis of variance (MANOVA) was employed to test whether or not selected groups appear to be different on a set of dependent variables together. The relationships of demographics (age, gender, and household income) and past hotel experience (types of hotels they stayed, purpose of stay, and boutique hotel experience) to three dependent variables (attitude and awareness) were examined by a multiple-way MANOVA. We found that the variables regarding past hotel experience variables had the most effect on attitude and awareness. The results indicate that hotel customers who stayed at upscale hotels and had stayed at least once at boutique hotel(s), had the higher awareness of and a more positive attitude toward boutique hotels.

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