

## **Enhancing Georgetown's Heritage Boutique Hotel Marketing Strategies: The Case of 1881 Chong Tian Cultural Hotel, Malaysia**

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### **Abstract**

Organizations has longed been searching for an effective problem identification tool. This study provides an improved method to root-cause analysis tool for practitioners, integrating mixed method research with problems identification technique. It also discovers the primary causes to unfavorable performance for heritage boutique hoteliers. 1881 Chong Tian Cultural Hotel, one of the 18 heritage boutique hotels in Penang, reported a 23% financial loss in 2010, recovered in 2011, yield some profits in 2012 and 2013. However, growth in boutique hotel industry has been a challenge over the years. The sequential approach methodology, begins with sem-structured interviews, quantitative surveys on 100 general public and 56 hotel guests, and analysis on unpublished company data, were summarized using a root-cause analysis tool called the Symptoms Versus Problems (SVP) Framework that questioned on the occurrence of the symptoms for the first three Tiers of the framework. The remaining symptoms and core problems are identified based on findings from all the three methods above plus field observations, concurrently. Two major symptoms are identified, specifically, unfavorable cultural service quality and ineffective marketing strategies. The unfavorable cultural service quality is due to ineffective cultural ambiance; unproductive display of heritage, cultural artifacts and infrastructure; as well as, unfavorable cultural related services. The ineffective marketing strategies are due to low technology adoption of websites and social media; and ineffective customer relationship management (CRM) implementation. Thus, the recommended solutions bring to life the practices of Qing Dynasty cultural ambiance, ceremonies, historical shows and the royale reception. Information on artifacts and infrastructure is readily available. Website development and social media updates on latest Chong Tian Hotel activities are being developed. Embracing delegates using Qing Dynasty traditions at airports and hotels can be a real experience for the growing tourists from Japan, Australia, UK and Middle East.

### **Keywords**

Heritage Boutique Hotels, Symptoms Versus Problems, Root-Cause Analysis Tool, Cultural Hospitality Services, Georgetown Penang.

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## Introduction

“Heritage boutique” refers to the concept of the hotels being unique and small, primeval architecture, culturistic interior decorations, with less than 100 room occupancy, as well as, history and cultural identity offered to the customers (Henderson, 2011). The industry started to emerge in the beginning of 1980s’ in Europe, at the same time where the concept and practice of customer relationship management (CRM) evolved in the business world.

According to Lucienne Anhar (2001), the definition of boutique hotel differs based on the primary features known as architecture and design, service, and target market. Developing or evolving customers’ habits addresses the growth of the global boutique hotel segment. It came along with the movement of customers’ preference towards more personalized service apart from traditional services offered by most of the service providers.

1881 Chong Tian Cultural Hotel is one of the heritage boutique hotels in Georgetown, Penang that offers Chinese tradition, heritage and cultural experience in promoting its hotel domestically and globally. However, the hotel is unable to meet its targeted revenue. Capturing the market has been a real challenge for the hotel management.

The objective of this study to provide an improved method to root-cause analysis tool for heritage boutique hoteliers in identifying core problems, by differentiating symptoms from the problems, to derive at more effective solutions. Specifically, this study contributes on how the mixed method research are combined with the improved method to problem identification, and provide a more effective approach in determining the solutions. Interestingly,

the improved method discovers the primary causes to Chong Tian Cultural Hotel’s unfavorable performances. Thus, the study leads to the discovery of critical success factors for heritage boutique hotel business performance.

## Tourism in Malaysia and Penang

Tourism Malaysia (2014), Facts and Figures, Tourists Arrivals and Receipts to Malaysia 2013 reported, the country’s GDP for accommodation and restaurant increased by 72% from year 2005 to 2013. The number of tourists increased by 56% since 2005; and so do their spending, which increased by 104% respectively. There is a consistent of 6 million tourists annually to Penang, and 1.5 million are from target segment countries, namely, Japan, Australia and United Kingdom. These countries are the target segment which are listed as the top 10 countries of tourists visited Malaysia for the last 10 years.

Georgetown, Penang is one of the top tourist destinations in Malaysia (Badaruddin, 2012). Opalyn Mok (2013, September 18) reported in The Malay Mail Online, ever since Georgetown was inscribed as a UNESCO World Heritage Site in 2008, the state has become a major heritage and arts tourism site for tourists. The Penang state government, who is banking on the services industry that is growing rapidly, due to the increase of domestic and international tourists (Tourism Malaysia, 2014). There are a lot of restoration activities taken place giving birth to Georgetown Heritage and Cultural boutique hotels in this historic city. Basically, there are 18 heritage boutique hotels available in Georgetown, particularly in the heritage zone. The industry holds 12% of the market share in the Penang hotel industry. Yet, the these heritage boutique hotels in Penang face various challenges to capture the market.

## Company Background

1881 Chong Tian Cultural Hotel, a heritage cultural boutique hotels is located in the buffer part of the Georgetown heritage area which is recognized as a UNESCO World Heritage Site. The company had started the business in late 2011, offering eleven types of rooms and as well as restaurant as part of its service.

According to Tourism Malaysia (2014), the average occupancy rate (AOR) for Penang state has increased by 3% since 2010. However, despite all the growth, 1881 Chong Tian Cultural Hotel is reported to be consecutively, not being able to meet the targeted revenue, and struggling to fill up its 11 rooms hotel. Referring to the hotel's financial statement submitted to Suruhanjaya Syarikat Malaysia (SSM), 1881 Chong Tian Cultural Hotel suffered a 23% loss (2010), breakeven (2011) and earned some profits for the consecutive year (2012-2013).

The hotel is not able to meet its targeted revenue due to deprived sales generated from room occupancy, number of events and restaurant activities (F&B) conducted in the hotel. Being a heritage cultural hotel, cultural services and strategic marketing activities to capture the increased number of tourists into Penang is a real challenge.

Mr. Seah, the hotel owner, said, *"Currently 60% of the sales come from the event and restaurant (F&B), and the remaining 40% come from room occupancies. However, the contribution margin for events and restaurant is only 30% due to its high direct operating cost; with the major expenses are from the raw materials such as food and beverages itself"*.

On the other hand, the contribution margin for a room is much higher, estimated at 70%. This is due to the room facilities,

housekeeping and amenities have been set up at a low cost. The average room occupancy rate is at 50%. It is lower than the Penang's average hotel room occupancy rate at 64% in 2012 (Tourism Malaysia, 2012). From the interview conducted, Mr. Seah acknowledged that the room occupancy rate is still low. It differs depending on peak and non-peak season.

*"On a non-peak season, the room occupancy rate is at 30% maximum only. As the hotel has 11 rooms only, it means only 2 to 3 rooms are occupied at one time. On the other hand, the room occupancy rate could reach up to 70% during weekdays of a peak season", said Mr Seah.*

The peak season will be during January to February, and June, as it is the holiday season for European countries. While September to March is a holiday season for Asian countries. On weekends, the business performs better as it could reach up to 95% occupancy; 10 out of 11 rooms are being occupied.

Mr Seah, the owner, confirms that 70% of the hotel's guests are from Europe, United States and Japan. According to Mr. Seah, the hotel conducted a few events such as wedding celebrations, corporate lunches or dinners, birthday celebrations and family gathering sessions. Events include the food and beverages but could not conduct cultural shows for various reasons. These events usually take place in the hotel restaurant and the areas surrounding it.

The hotel received such request on average 3 to 4 events per month. There is room for more events to be conducted in the hotel. Apart of being a dining area for events and in house hotel guests, the restaurant is open for public as well. However, according to Mr. Seah, the walk-in restaurant customers are less than 15%, leaving the restaurant empty almost all the time.

## Methodology

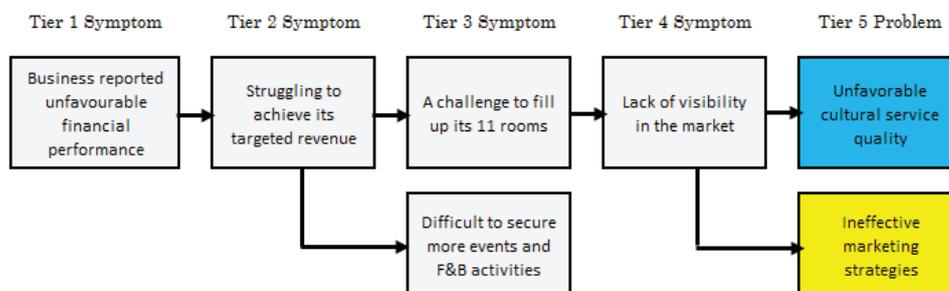
This study introduces a research methodology that integrates mixed method research with problem solving technique that differentiate the symptoms from the core hidden problems deep within organizational practices, providing practitioners with better views in making practical and workable solutions. The sequential processes on data collection, begins by interviewing the hotel owner, analysis of unpublished company data, followed by quantitative surveys to 100 general public and 56 hotel guests through convenience sampling. Then, concurrently, ten interviews, unpublished data analysis (when provided) and field observations are conducted to the following representatives (one each) from Malaysia and Penang Tourism board, local municipal council, Malaysia Airport Berhad, taxi driver, travel agency, followed by two advertisement companies and two vendors. The findings are summarized on a root cause analysis tool called the Symptoms Versus Problems (SVP) Framework adapted from Kader Ali et al. (2014).

The SVP illustrates the horizontal and vertical relationship structurally between the symptoms and the problems. The sequential process from the first interview and data analysis summarize the signal of weakness (Tier 1 symptom), whose causes are explained by the facts (in this case, Tier 2, 3 and 4) identified. The causes to Tier 4 symptom is explained by hidden causes found in concurrent

findings and survey results, called the variables (in this case, Tier 5). All other symptoms that explain the existence of the variables are called the elements (in this case, Tier 6 to Tier 9) are also found from the concurrent findings and survey results. When the causes reaches the end of line, its called a deadlock or problem (in this case, Tier 10 or Tier 11). Analysis through the SVP Framework (Kader Ali et.al., 2014) allows for better understanding and differentiation between symptoms and the hidden problems, in horizontal and vertical relationships, deep within company's policies, procedures, practices and poor controls. Better visibility of problems results in more effective, practical and doable solutions to the problems. Such solutions become inputs to build the company's "House of Pillars" to ensure if the organizational goals are met, or otherwise.

## Major Signal of Weakness

The facts from the sequential process found during interview with the owner and analysis of unpublished company data are summarized as Tier 1 Symptom in the SVP framework adapted from Kader Ali et al. (2014). 1881 Chong Tian Cultural Hotel reported an unfavourable financial performance and growth from its targets between 2011 and 2013 performance due to the struggle to achieve its targeted revenue, caused by unfavorable cultural service quality and ineffective marketing strategies; as describe in Figure 1 below.



**Figure 1. SVP Framework – Causes of Unfavorable Financial Performance**

The cultural service quality in figure 1 shows that the hotel has difficulty in providing the uniqueness of cultural and heritage concept to its customers, which hurdled the business from rising among the market players as a heritage and cultural icon in the industry. The SVP Framework (Kader Ali et.al., 2014) in this study shows that the hotel is deprived in portraying its cultural ambience, ineffective usage of cultural infrastructure and ineffective cultural related services.

The ineffective marketing strategies in figure 1 also shows that the hotel does not have comprehensive and organized marketing plans to promote the hotel globally. The survey results, interviews and unpublished data indicate that the issues are caused by low technology adoption in marketing efforts and ineffective customer relationship management (CRM) that affect the overall capability to attract customers. The SVP Framework (Kader Ali et.al., 2014) in this study also indicates that ineffective CRM is caused by four major symptoms, namely; ineffective customer satisfaction survey, inappropriate promotional channel, unresponsive towards online customer feedback and inadequate follow up service.

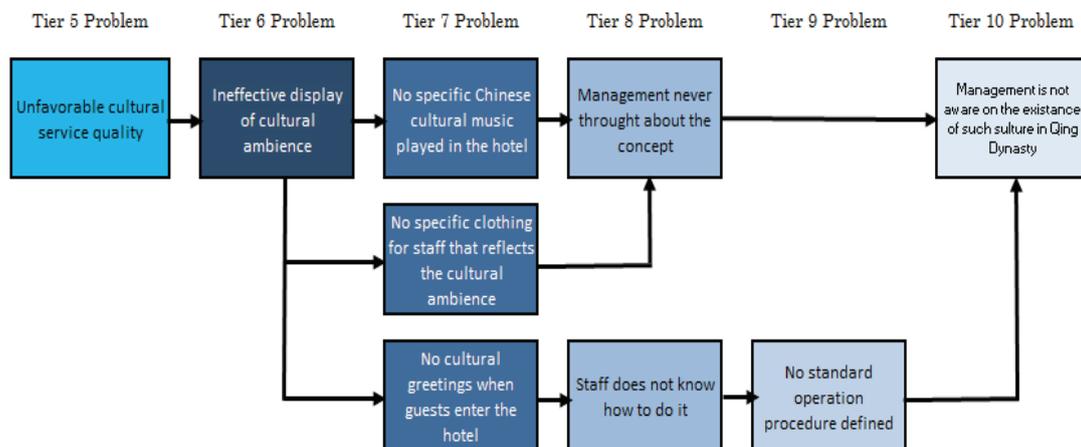
**The Hidden Variables and Elements**

***Cultural Service Quality - Displaying of Cultural Ambience***

The current services that the hotel provided are far from the uniqueness of the classic Qing Dynasty’s cultural and heritage concept. Field observations indicate the hotel’s display of cultural ambience focuses on 20th century chinese cheongsam and tang suit , chinese music, display of sculptures, paintings, and common Chinese greetings. Yet, these services hurdled the business from being able to rise among the market players as a heritage and cultural icon in the industry. Why? From the cultural ambience aspects; music, clothing and greetings are not in place to elevate the Qing Dynasty cultural experience. Based on the interview with the hotel owner, Mr. Seah said,

*“My believe is that by having the staff wearing the standard Chinese traditional wear such as cheongsam is sufficient. The music from Qing Dynasty may not be interesting to the guests. And we have yet to master the the old dynasty’s language”.*

He never thought of the idea having the staff to wear the classic Qing Dynasty as an alternative. Refer Figure 2 for details.

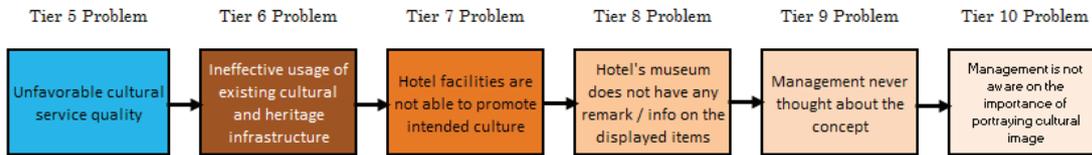


**Figure 2. SVP Framework - Ineffective Performance in Displaying Cultural Ambience**

*Cultural Service Quality - Usage of Cultural and Heritage Infrastructure*

Observations at the hotel interiors indicate culturistic furnitures, decorations and heritage values of the Qing Dynasty. However, it does not provide any relevant

information for guests and tourists to appreciate the values. During the interview, Mr. Seah acknowledged that the museum, decorations and furnitures presented, are without any historic information that can spur tourists appreciation. Refer Figure 3 for reference.

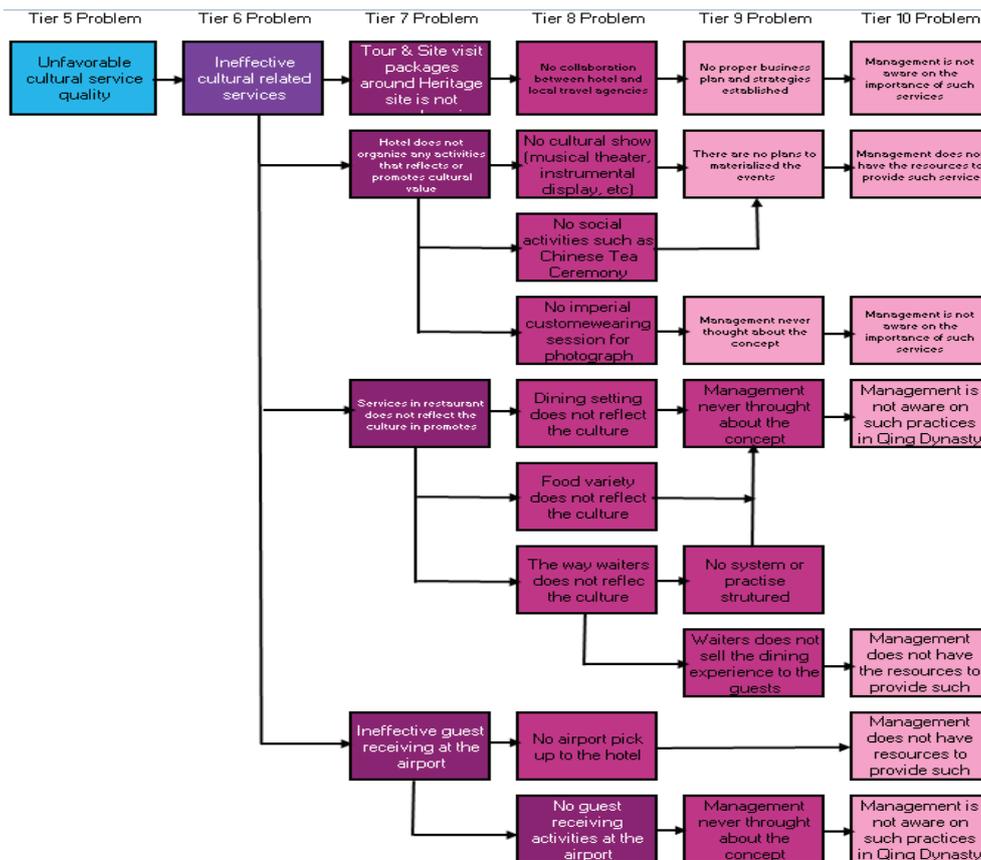


**Figure 3. SVP Framework - Ineffective Usage of Cultural and Heritage Infrastructure**

*Cultural Service Quality - Cultural Related Services*

Interviews, field observations and survey results from this study shows the cultural related service elements (as outlined in

Figure 4) that focus on tours and sightseeing services are not comprehensive. The hotel does not collaborate with local travel agents in Penang to provide tour and sightseeing services to the hotel guests.



**Figure 4. SVP Framework - Ineffective Cultural Related Services**

Currently, the hotel does not organize any activity that promotes the cultural values of the 19th century Qing Dynasty. For example, cultural shows, imperial tea and dining ceremony, imperial costume sessions would provide invaluable experience to the hotel guests.

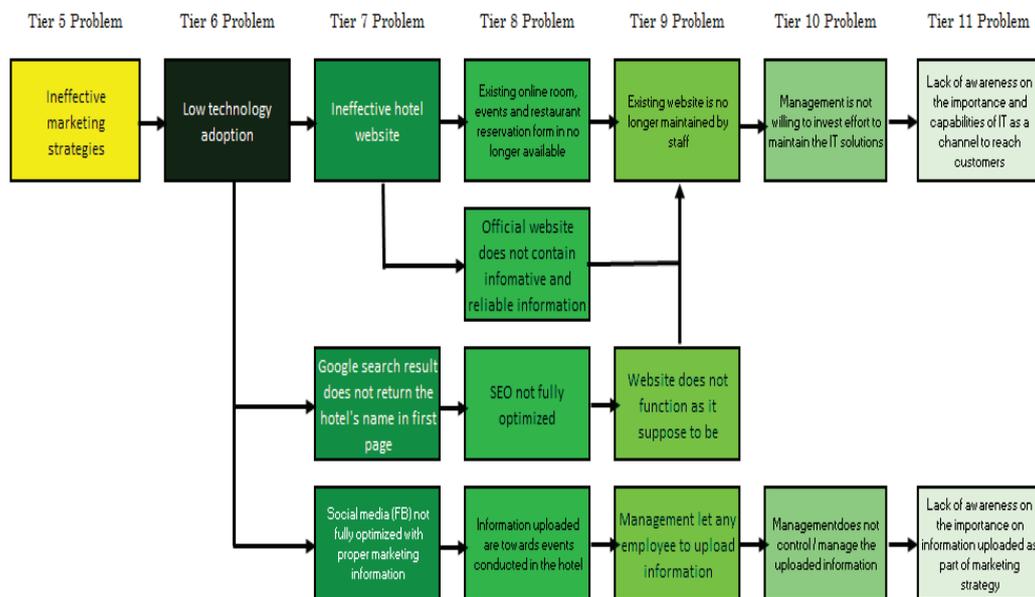
Field observations indicate the services provided in the restaurant, do not reflect the cultural uniqueness of 19th century Qing Dynasty. The dining setting, the food varieties and serving techniques do not portray the ambiance of the Qing Dynasty Imperial palace environment. The hotel serves the local cuisines of Penang Chinese dishes to their customers. Management lacks the knowledge, talents and resources on such imperial palace practices.

The hotel does not provide receiving of guests services at the airport, such as airport pick up, nor plan any simple tourist welcoming reception activities, as part of the greetings ceremony to Penang, despite

knowing 70% of the hotel's customers are foreigners, who enter Penang through Penang International Airport. Discussions with management indicates poor awareness and fail to explore the possibilities to conduct such event, due to unavailable skillsets, talents and resources.

**Marketing Strategies – Low technology adoption**

This study found that the hotel management does not have comprehensive and organized marketing plans to promote the hotel globally. Interviews and unpublished data indicate the low technology adoption in marketing that affects the overall capability of the business to attract its targeted customers. The SVP Framework analysis (Kader Ali et al., 2014) in Figure 5 below indicates three Tier 7 symptoms, namely ineffective website, insufficient search engine optimization and ineffective social media usage, have been identified as key contributors to the failure.



**Figure 5. SVP Framework - Low Technological Adoption**

The hotel's website basically does not have enough capabilities such as online booking to facilitate the hotel's daily operations, namely, booking of rooms,

events, and restaurant. According to Mr. Kim, the hotel front desk employee said, all daily activities are recorded manually using a logbook.

The company's website does not contain any informative marketing information related to attractive services offered, discounted room rates nor any interesting activities and events conducted by the hotel. Review on the hotel's website indicates, the information on events and the room pricing have not been updated since 2011. The reasons pointed to employee turnover issue. The IT staff that was initially hired for this task has left the company since the future prospect is unclear.

The website analysis also indicates the Google search engine does not return the hotel's URL on to the first page of the search result. It is also found that the key words on search engine has not been properly updated. Key words like "heritage hotel", "boutique hotel", "heritage boutique", "cultural hotel", "heritage Penang" or "Gerogetown's Heritage" are unavailable.

The hotel's social media site has not been updated with informative information on Facebook, Instagram or twitter. Almost all the updates are pictures of the events conducted on the premise instead of information related to hotel's promotional details, room details or even any other informative data regarding the hotel and its offerings. Mr. Seah mentioned that his current team lack experience and website proficiency to address the issue stated. Thus, engaging external website designers means additional cost to him.

### ***Marketing Strategies – Customer Relationship Management (CRM)***

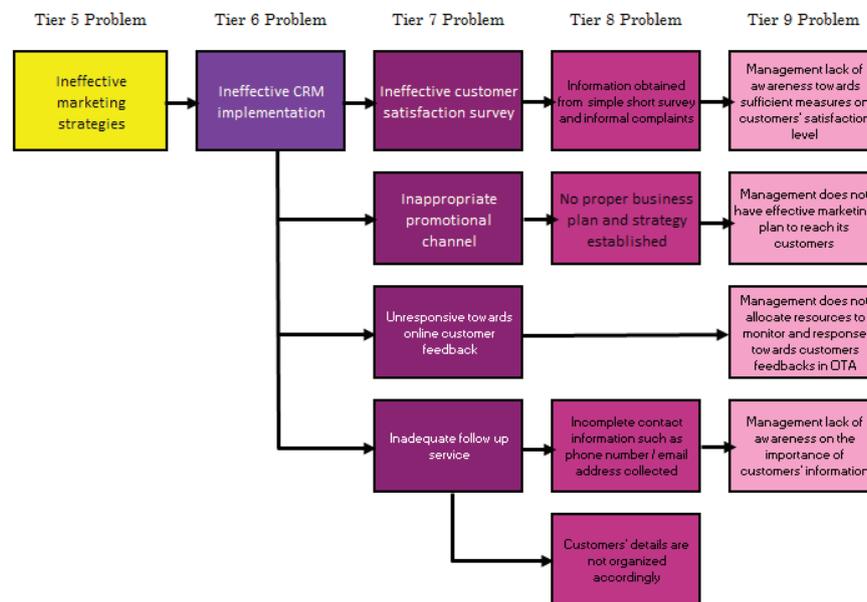
The ineffective CRM implementation by the hotel management is caused by four major symptoms (refer to Tier 7 Figure 6) that require immediate attention, specifically; ineffective customer satisfaction survey, inappropriate promotional channel, unresponsive

towards online customer feedback and inadequate follow up service.

Field observation indicate the hotel's current practice and its official website, does not provide an appropriate platform to channel customer feedback and follow-up response to the hotel's services. A simple customer evaluation form that comprises of general questions on quality of food, efficiency & friendliness of staff and the ambiance of the company, is distributed by the hotel employee to the customers prior to them leaving the premise. However, the management fails to translate the raw data into meaningful information that can measure operational performance and its productivity, effectivly.

This study also found that the hotel promotions only focus on a few Travel & Tour agencies and Online Travel Agency (OTA). According to Mr Seah's past experience, the current travel agencies and OTAs are sufficient since not all hotel guests requested for such services. There is no effort to reach to its potential customers, for instance, promotions in published airport advertisements and magazines since targeted customers are foreigners. Another excuse given is low on resources to manage such activities. Refer to Figure 6, Tier 7 below for the overall analysis about the hotel CRM issues.

The third issue relates to poor / unable / unaware to response to OTAs inquiries. Being unresponsive towards online customers inquiries and feedback results in loss of opportunity to capture the tourists to the hotel. Based on the observation on OTAs website, it is found that customers' posted inquiries, feedback and response through OTA websites have not been replied by the management representative. Interview sessions found that the management team are not aware of such feedback posted online. Communications lags with OTAs also exists.



**Figure 6. SVP Framework - Ineffective CRM Implementation**

Another issue found is inadequate hotel’s follow up service. Field observation on hotels’ current practice and interviews shows that the hotel does not practice follow up and after sales service as part of its service delivery process. Mr Seah outlined two reasons, specifically; incomplete customer information collected during their stay and ineffective organization of customer information in the hotel. Incomplete collection of customer information such as customer email address, home address and others limits the company capabilities to interact with the customer in obtaining feedback and to do continuous company promotion to the customer.

The above findings summarizes the range of inefficiencies and shortages of resources faced by boutique hotels SME such as 1881 Chong Tian Cultural Hotel.

**Recommendations**

The recommendations provided consist of practical and workable solutions, in consideration of limited available resources and management capabilities, to address each problem identified in this

case. The solutions are also customized based on the hotel customers’ needs and expectations.

The solutions for unfavorable cultural service quality covers three main aspects that are unable to reflect the cultural and heritage proposition value to the customers, specifically; cultural ambiance, cultural infrastructure and cultural related services. All three aspects comprehend each other to offer a complete elevating experience for the hotel guests – an experience to feel how it’s like to live in the Qing Dynasty period of time. This aligns with the vision and mission of the company itself.

**Cultural Ambiance**

In this research, the cultural ambiance aspect consists of cultural music, cultural greeting and cultural clothing. From a music perspective, this study recommends the hotel to go to iTunes webpage and download the available Qing Dynasty songs (iTunes, 2014). It is important for the hotel to play the right songs from Qing Dynasty within the hotel because having such music as background will reflect the

uniqueness of the ambiance that the hotel would like to share with the hotel guests (King L.M., 2010). This will elevate their experience throughout the stay. This study would like to recommend for the reception office employees to wear a replica of light coat as a uniform - worn by government servants during the Qing Dynasty. This is in reference to examples of coats from Powerhouse Museum (2014). The light coat is suitable for the employees in a humid and ward weather in Penang, while attracting the attention of hotel guests that will elevate the ambiance of the hotel.

### **Cultural Infrastructure**

The second issue is related to the ineffective usage of existing cultural and heritage infrastructure whereby management is unaware of the importance of portraying a cultural image for heritage and cultural nature of hotels. It is recommended for the hotel management to portray the entire hotel as a heritage cultural museum. At the moment, the hotel is inclusive of museum which displays antique collections of Qing Dynasty collected by the hotel owner, Mr. Seah. However, the display does not bring any value to its customers as information about the collections of artifacts are not presented to the customers. The management team requires training on display techniques to bring about the significance and importance of the heritage elements to hotel guests. As outlined by King L.M. (2010), the hotel management may consider having remarks on each of the items displayed in the hotel premise in order to provide information on the heritage and cultural infrastructures. In order to elevate the experience of their customers upon entering the hotel premise, the existing facility may be turned into cultural attraction tour within the hotel, so that the customers does not only get to experience the cultural and heritage elements of the hotel, but as well will be able to learn the history and background

of the artifacts, and thus, have the ability to value the significance of the culture that the hotel is trying to preserve and promote (King L.M., 2011).

### **Cultural Service Quality**

The third issue is related to the cultural related service elements, specifically, unavailable tours and sightseeing services; Qing Dynasty imperial palace ceremonies; imperial palace dining ambience; nor receiving guests at the airport.

This study recommends for 1881 Chong Tian Cultural Hotel to collaborate with tour agencies such as Zarika Travel Agent and Travel, who agreed to provide tour and sightseeing services during the interview session with the owner/proprietor. This collaboration enhances the Business-to-Business relationship for both, the travel agency and the heritage boutique hotel in providing comprehensive services for its customers.

This study also suggests that the hotel management implements a simple cultural greeting by the hotel staff towards the hotel guests. It is done by having the left hand became an open hand with the fingers outstretched, and the right fist was held against the left hand. It is simple, but has a significant impact towards elevating the experience of living in the Qing Dynasty era (Encyclopaedia Britannica, 2014).

This study also suggests that the hotel could easily organize culture shows that reflect the Qing Dynasty like musical theater through collaboration with the Penang Arts Center. The hotel could select 1 day a week for example Wednesday evening (5 to 7pm) to organize an evening social event such as having Chinese Tea Ceremony at the hotel. In addition, the hotel could provide in Qing Dynasty's imperial costumes such as the prince and

princes for hotel guests to experience it. The hotel could provide photography sessions and give the photos as free-of-charge souvenirs to them.

To elevate the dining experience, the hotel should serve the food using Qing Dynasty dine ware rather than plain white color ware with the hotel name on top of it. The dine ware used in Qing Dynasty was full of history. It is made from blue and white porcelain jardinière (Cultural China, n.d.). On top of having the right dining setting, the restaurant should offer the right type food that reflects the Qing Dynasty. This will be the key differentiation strategy – running away from the common Chinese restaurant available in Georgetown, Penang.

The study also recommends the hotel to provide pick up services from the Penang Airport to the hotel. 1881 Chong Tian Cultural Hotel could collaborate with Penang Airport Limo Services to pick up the hotel guests from the Penang airport to the hotel with return trip. The study also suggests that the hotel provide trained hotel reception staffs to receive hotel guests at arriving hall at the airport. In fact, the staff could wear a specific Qing Dynasty light costume, as a means of promotion of hotel services to the airport audience while waiting for the guests arrival.

### **Technology Adoption**

One of the issues causing ineffective marketing strategies is low technology adoption caused by unproductive website, insufficient search engine optimization and ineffective social media usage. The solutions discussed from the technology point of view can be categorized into 3 parts, namely website enhancement, search engine and social media optimization. These recommended solutions are basically intended to resolve and overcome the management's lack of

awareness on the importance and capability of IT based solutions, as a marketing tool to promote the uniqueness of heritage hotel services. Overcoming the first issue requires the hotel management to enhance the capabilities of the website in order to fully optimize the opportunity which lies through this channel (Turban, 2006). The management will need to invest in the IT infrastructure to completely elevate the capability of the IT platform as the tool has proven capabilities to act as desired marketing channel in order to reach mass customers globally (HospitalityNet, 2013). Considering the availability of free SEO tools such as Google Analytics SEO tools, (Google Analytics, n.d.), and Attracta SEO (Attracta, n.d.), (SEO services offered as part of Exabytes's Enterprise Solution package), the management of 1881 Chong Tian Cultural Hotel does not have to bother on high investment as part of driving the effort of optimizing their website SEO, getting higher rankings and more sales. This effort can be easily outsourced together with the website creation or enhancement. The entire task needed is for the business to include the free online analytics tool as part of the website contents and the rest will be coming together naturally. The management of 1881 Chong Tian Cultural Hotel may also outsource the effort of monitoring the website usage for its continuous improvement to the same vendor who will be creating and maintaining the website for their organization.

One of the modest approach to fix the issue related to the usage of social media tool as a marketing platform is by innovative creation on first page of the social media and the usage of the existing channels. The hotel management shall address the hotel staffs' usage and access to their company's social media site, managed and maintained by one or two employees from the IT environment. The language use on social media to be strictly monitored to enhance

the business opportunity for reaching out to the mass customer group, from domestic or international market. Social media contents published relates only to the hotel's offerings, such as cultural services and promotional activities.

It is important for hotel operators to understand that technology adoption has the capability to reach out to extensive market segment globally at a lower rate and faster time frame definitely justifies it as an effective marketing channel for businesses (Khemthong, 2006).

### **Customer Relationship Management (CRM)**

The final issue discussed in this study is the ineffective CRM implementation caused by ineffective customer satisfaction survey, inappropriate promotional channel, unresponsive towards online customer feedback and inadequate follow up service.

The hotel management should understand the customers' behavior and needs, reaching out to them through appropriate social media channels, responding to their feedbacks and perform follow up services. Building relationships and consistent deliveries will lead to customer trust (Abdul Alem & Basri, 2012). Ineffective measurement of customer satisfaction level can be resolved by enhancing the questionnaire on customer satisfaction using SERVQUAL analysis model (Parasuraman et al., 1988), as well as, providing various media channels for evaluation (Choi and Chu, 2001). The customer satisfaction survey online through its website should widen the channels for customers to direct their feedback to the company.

More than 70% of the hotel's customers are foreigners. It will be more CRM effective if the company sets up a booth or receiving counter at the airport. Reception

staffs dressed in traditional Qing Dynasty light dress code, stationed at the counter to receive and welcome the foreigners in simple but colourful, Chinese traditions, would attract the attention of other local and foreigners from Australia, United Kingdom, Japan and other countries. The booth, dress code and presentation becomes an effective marketing tool on product awareness at the airport. It also serves as a platform to promote hotel's unique services since it is a heritage, cultural, boutique that promotes Qing Dynasty traditional culture and heritage artifacts to the general public.

Integrating online customer information update, accommodation and sightseeing booking system, as well as online feedback using a software called Guestfolio Hotel CRM software will help to overcome the issue of being unresponsive towards online customer feedback and inadequate follow up service. The hotel's daily activities are beginning to be more efficient and effective, while customer complaints are seen to be reducing. Guest relationship management ( or Guestfolio), enables companies in the hospitality industry to better engage, gain insight and retain guests throughout the travel cycle by allowing the company to use Automated Hotel email for follow up service. Guestfolio will help the company enhance its service delivery process as data collection and follow up service will be done through an automated system.

### **Conclusion**

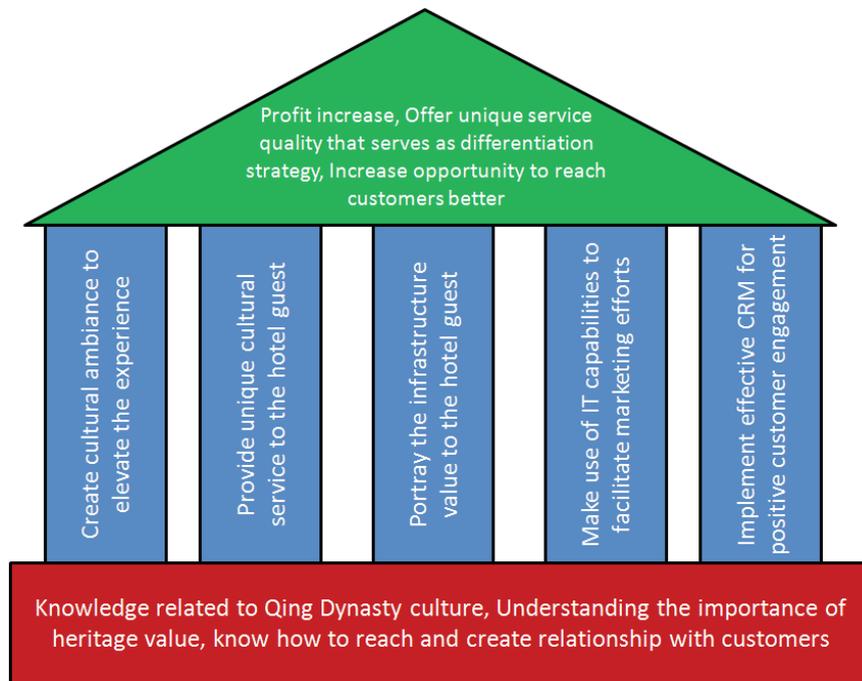
The objective of this study is to contribute to the improved method of problem identification, using SVP framework introduced by Kader Ali et al. (2014), for heritage boutique hoteliers. Symptoms and problems are frequently confused and misinterpreted resulting in organizations not addressing the core problems. The SVP framework discovers the root-causes to unfavorable business performance of

1881 Chong Tian Cultural (boutique) Hotel. The SVP framework in this study then, discovers the following structured principles that can be categorized as critical success factors to heritage boutique hoteliers, as a guide for better business performance:

- Cultural ambiance for greetings, music and clothings to uplift guests exposure
- Cultural heritage and artifacts infrastructure presentation to enhance guests knowledge

- Cultural related services quality to upraise guests experience
- Technology adoption for marketing effectiveness to promote awareness in the market
- Customer relationship management to elevate the liaison and bonding with guests

The new insights on the success factors to heritage boutique hoteliers improved business performance are summarized and linked through the “House of Pillars” shown in Figure 7 below.



**Figure 7. Heritage Cultural Boutique Hotel “House of Pillars”**

The “House of Pillars” shows that knowledge and training is important to strengthen the base “concrete” of the house, by building the talents and skillsets of the management team, embracing the heritage value and learning the art of reaching out to the customers. The fundamentals shall provide sense of appreciation and believe towards the “pillars” success factors, creating cultural ambience that uplift guests exposure, increase guests’ knowledge on artifact infrastructure value and providing guests

with the unique experiences within the related cultural services. The employees shall also embrace the IT capabilities to facilitate effective marketing and CRM by building positive relationships, bonding and trusts with guests. These actions when implemented shall lead to customer satisfaction about their encounters, that leaves them with memories that may influence for a repeat experience. This is the ultimate goal of a heritage, cultural boutique hotel in Penang, Malaysia.

On the other hand, this study is limited to the experience of one heritage cultural boutique hotel, while there are 18 boutique hotels in Penang, Malaysia. Other new insights that require further research in boutique hotels include business boutique hotels, affordable chic boutique hotels, and boutique labeled hotels. Other types of hotels that may require problem identification research in hotel industry include budget hotels and chain hotels. Further detailed research should also focus on effective web-marketing strategies for boutique hotels, to reach out to the borderless market zones available around the world.

### Notes on Contributors

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