



Perceived Service Quality and Purchase Intention of Budget Hotels: A Comparative Study Between Thais and Indonesians

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Abstract: Customers' satisfaction and return intention have long been recognized as necessary in the hospitality industry. It is, undoubtedly, the service quality that attracts, pulls, or churns the customer. Thence, the hotel primarily stressed the overall aspect of their services. This study aims to assess the customers' perception of the service quality of budget hotels in Bangkok. The online questionnaires were distributed on social media to those who experienced their stay in budget hotels. There were 440 samples returned from 220 Thai customers and 220 Indonesian customers. It found that three primary factors positively satisfy the customers: resource quality, infrastructure as tangibility, empathy, and responsiveness services. The t-test found no difference between Thai and Indonesian guests regarding satisfaction and purchase intention. On that account, the hotels should maintain their facilities neat. Concurrently, the frontline employees who interact with the customers should retain their high service performance. Addedly, the hotels could deliberately blend the service marketing mix in strategic planning.

Keywords: Service Quality, Budget Hotel, Customer Satisfaction, Purchase Intention, Bangkok.

1. Introduction

Budget hotels were known as the economical accommodation for travelers' alternative choices. Yet, the hotel does not offer luxury facilities and services comparing to five stars hotel. Nevertheless, there are many travelers who prefer to stay in budget hotel because of its reasonable fee. Recently, the demand of budget hotels has shift noticeably in Thailand in concord with the tourism growth. Meanwhile, the surge of supply side elevated to serve the needs. Henceforth, it leads to competition among them. Certainly, the service quality was raised to attract, boost the satisfaction of the guests, and competitive edge. Notably, the exceptional services are crucial for guests' loyalty and purchase intention. Literally, it is not only the service that pulls the customers, but the perception on quality and the price (Alcantara and Alcantara, 2019) are related to satisfaction. It is recognized that the perception arises from the difference between the guests' expectations and the cost they paid for the services and products (Ismail et al., 2019).

Consequently, the perception is the evaluation of purchasers in terms of quality and after sales services. They realized the benefits received associate with the total cost of the money exchanged (Zielinska and Bacik, 2020). As stated, the price mechanism is one of the important factors creating customers' satisfaction (Prabowo et al., 2020). As mentioned above, the perceived service quality is significantly shaping the customer satisfaction, loyalty that result to business success. As various studies pointed out various industries beneficial from perceived service quality. For instance, the SERVQUAL (Reginio and Kankaew, 2023) including tangibles, reliability, responsiveness, assurance, and empathy, was adopted to assess the gap between customer expectations and perceptions relating to the actual service. Where the perceived value for money and service quality were included in their study. The digital service quality in e-commerce (Ozuem et al., 2016), service personalization that tailored to the customer needs and preferences (Verhoef et al., 2017), the effective service recovery affect the perceived service quality (McColl-Kennedy et al., 2015). It is clearly can be seen that perceived service quality is a critical factor in guest's satisfaction and loyalty. Consequently, the service providers shall adapt to customers' expectations, embrace information technology and communications, provide personalized experiences, and manage service failures effectively to retain customers. To this end, this study analyzes the perceived service quality and purchase intention of budget hotels in Bangkok, comparing Thais and Indonesian guests.

Service is an activity that is hard to measure with the specific equation, and at the same time, it is unable to mention unless the individual has direct experience (Susanti, 2019). How be it, scholars (Parasuraman et al., 1985) have conceptualized the service evaluation model called SERVQUAL. It was widely employed by researchers assessing the service quality as such (Reginio and Kankaew, 2023) measured airline services

(Suksutdhi, 2022) in small hotel in Nakhon Ratchasima, Thailand, and (Ali et al., 2021) in hospitality sector. The SERVQUAL model composed of tangibility, reliability, responsiveness, assurance, empathy (Prabowo et al., 2020; Parasuraman et al., 1985). Generally, the service receiver would predetermine value response in accordance to these five dimensions. The tangibility (Prabowo et al., 2020; Sarwari et al., 2021), customer assess how the physical condition of the hotel consists of the condition of existing facilities, the equipment used, the appearance of the hotel staff, the appearance of advertising or social media of the hotels. Whereas, the reliability (Suksutdhi, 2022; Suvittawat et al., 2018) is related to the performance of the capability of the hotel staff in providing services. It revealed the hotel's employees deliver reliable services with knowledge and care that affecting guests' satisfaction. Responsiveness (Reginio & Kankaew, 2023; Suksutdhi, 2022) deals with the responsible of the hotel deliver the services that meet the needs of customers. The responsiveness embedded in hotel workforces can influence the customer satisfaction because of the prompt problem-solving action. Assurance (Parasuraman et al., 1985; Ali et al., 2021) represents how the hotel can guarantee that the services they provide safe and secure. In this sense, we assess the hotel providing a sense of security in terms of technology transactions, during customer stay, and surrounding a safe environment. Furthermore, the empathy (Reginio and Kankaew, 2023; Suksutdhi, 2022; Ali et al., 2021) responds to the level of service-minded and empathy of hotel employees toward guests during the service interaction.

Customer satisfaction as (Ali et al., 2021) said the satisfaction is the attitude of individual and the positive feeling. It may arise subjective feelings of happiness from the context of environment simulating. In service environment, it may derive from the information meets with the expectation in the services context. Frequently, it is due to the customers getting their desired response. Meanwhile, if the service is below their expectations, dissatisfaction occurs. That composes of two components, namely, perceived quality of service products and perceived quality of service provided (Shyju et al., 2021). Furthermore, (Suksutdhi and Boonyanmethaporn, 2022) cited the characteristics and definition of the budget hotel as the hotel that has the room less than 100 rooms and provides basic facilities and services. Addedly, the basic room types were offering to the guests with basic necessities, for instance, bedding, television, telephone, and bathroom. Insomuch as, the fees are low, the majority of them are managed by family with a simple structure incorporate with management office, housekeeping, and repair and maintenance. Therefore, it is interesting to investigate customer satisfaction with budget hotels' services. As a result, it will link to the return intention of the customers. The purchase intention (Reginio and Kankaew, 2023) is usually influenced by various issues, for instance; the quality of the products and services, and reviews from previous customers. The purchase intention of the hotel customers is normally impacted by previous customers' reviews of their satisfaction with the services. In the meantime, the tendency of purchase intention and expectation of the guests are getting higher related to the reviews they have seen.

2. Methodology

The data were collected by administering the questionnaires. The social media platform such as Facebook and X [Twitter] were the main source for gathering data. Purposively, the sample group were Thais and Indonesians who experienced using the budget hotel in Bangkok. The questionnaire was divided into four sections. The first section contends with the demographic of respondents. On the other hand, second section addresses the perceived service quality of during respondents stay at the hotel. The questions relate to the SERVQUAL model. Whereas, the third part mainly measures the degree of satisfaction throughout their stay at the budget hotel. And the last section is an open-ended question for suggestions. The sample groups were Thais and Indonesians. There were 440 questionnaires returned. This study employed a quantitative approach by using descriptive statistics and t-test analysis comparing the perception of budget hotels' SERVQUAL and purchase intention between two nationalities of customers.

3. Results and Discussion

The majority of respondents were female accounted for 60 percent, and 39 percent were male. There were 69 percent of them aged between 21-30 years old, 54 percent of them were students. And the questionnaires were split equally of 50 percent from Thailand and 50 percent from Indonesia. Most of the respondents at 98 percent have been to Bangkok with 38 percent of them repeated travelling to Bangkok 2- 4 times. Regarding the experience of staying in budget hotel, the total number of respondents have stayed in budget hotel with the price ranging THB 500-1000. It is found that the respondents, both Thais and Indonesians highlighted on all SERVQUAL dimensions were at a high level. However, there were slight differences in each service dimension. Concisely, the tangibility was at highest with mean score 3.93. it is followed by empathy with mean score 3.84 and responsiveness with the mean score at 3.73. On the other hand, reliability and assurance dimensions have equal mean score at 3.60 as shown in Figure 1.

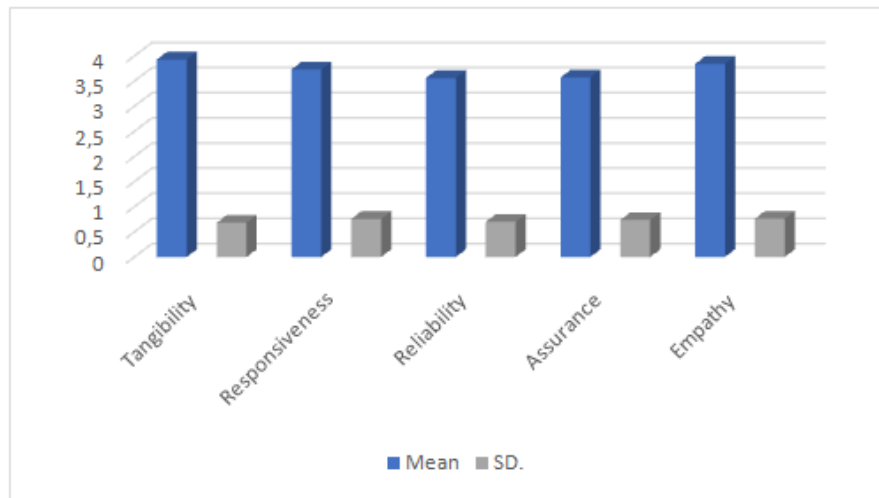


Fig 1. Service Quality Dimensions

To be more specific, the tangibility is including the appearance of physical facilities, personal appearance, and hotel's equipment are in good condition; the accessibility, the cozy clean room. Whereas, the empathy reside with the hotel's employees are attention to details of individual in providing services, understanding guests' requirements, assisting guests to solve problem and explain the solution clearly. Besides, the responsiveness involved with the staffs eager to facilitate quests and readiness to help quests. On the flip side, the knowledgeable staffs, English communication, and services are value for money are fall in reliability. While, the respondents feel safe and secure, the respect of guests' privacy are fall in the assurance. Objectively, the t-Test was manipulated to investigate whether Thai guests and Indonesian guests had the same level of satisfaction and purchase intention. The result shows that both Thais and Indonesians have no differences, as shown in Table 1.

Table 1. Comparison of Thais and Indonesians on satisfaction and purchase intention

Variables	Nationality				t	Sig	Interpret
	Thai		Indonesians				
	Mean	SD.	Mean	SD.			
Purchase Intension	4.30	0.88	4.33	0.67	0.36	0.71	Not supported
Satisfaction	4.33	0.84	4.30	0.76	0.37	0.707	Not supported

4. Conclusion

Based on the results, it is revealed that two nationalities of guests including Thais and Indonesians emphasize on all five SERVQUAL dimensions. The most significant impact on the service quality of budget hotels is the overall of facilities, rooms, and equipment used in the hotel. In addition, the cleanliness of rooms and employees' attention to detail in providing the services. Specifically, the employees promptly assist and solve the problem of guests. It sounds like the customers are well-recognized the budget hotels value for money. However, they are still required the facilities and basic equipment for guests' service function properly. In the other aspect, the customers from both countries have no differences in term of satisfaction and purchase intention. In this sense, it can be assumed that both nationalities shared the same value of Asian. As well as, the majority of sample group age between 21-30 years old, whom may look for safe and secure place, cheap and provide adequate facilities and equipment as it should be in the budget hotel services. This means they understand the nature of budget hotel services and allow them to be less demanding. Nevertheless, the hotels' owners or management should consider taking care of the hotel physical resources remain in good condition and function properly. Over and above, the frontline employees should be well-treated, motivating them both intrinsic and extrinsic for high performance. To further highlight, the combination of marketing mix elements is vital to develop effective marketing strategies (Zeithaml et al., 2018; Kotler and Armstrong, 2017), including tangible and intangible product offerings that meet the customer needs as such, product design, quality, and branding. The competitive price offering of the product and service, the availability of products, sales, and

promotion, the attitude and skills of frontline employees and the procedures to deliver services. Finally, the physical evidence or tangible elements that impact the customer's perception of the services.

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