

Abstract

Nowadays, the trend of people choosing to stay at hotels such as five star hotel or other traditional hotels when traveling abroad is no longer a choice for travelers as traveling is becoming easier and more flexible. The feeling to have a home away from home doesn't seem that necessary anymore. People prefer to choose a hotel which offers basic facilities at an affordable price. Therefore, this study chooses Tune hotels as a successful example of budget hotel chains. The aim is to investigate the visitors' perceived importance of critical success factors of Tune hotels Kuala Lumpur and what draws customers to stay in Tune hotels.

The research data was collected by a survey using self-administered questionnaires at two branches of Tune hotels in Kuala Lumpur. A total of 390 questionnaires were distributed to the visitors who had experienced and stay at one of the hotels. The Factor Analysis, Analysis of Variance (ANOVA) and independent t-test were used to test hypotheses and analysis.

In this study the findings revealed that three quarters of visitors travel for holiday and leisure, the visitors have flexible time to spend, so they therefore stayed at Tune hotel and enjoyed the guest room comparatively staying longer than business traveler and

transient travelers. This study also revealed that even though more females visited the hotel, both male and female visitors require the same quality of service and enjoy high quality services. However the male visitors focus on good facilities available in the hotel, but female visitors care more about hotel design and the look and feel of the guest room, as it gives more comfort to them. With regards to the nationalities of the visitors, Malaysians were the main visitors, followed by visitors of South East Asian countries and lastly of Australia and New Zealand. Tourists from Australia and New Zealand were more concerned about the standards of service more than the Malaysian tourists and the main concern from European visitors was the location. Visitors from South-East Asia and the Middle East focus mainly on the design and look of the hotel. The findings further revealed that economy budget level visitors constitute main visitors to stay at Tune hotel. Luxury and premium budget level visitors like to spend more money in hotels so their requirements are higher than other budget level travelers.

In this study, the findings disclosed a significant difference in the importance of critical success factors of Tune hotels to visitors' characteristics with regard to purpose of travel, gender, nationality and budget level. There are five factors identified as critical

success factors, these are customer service, customer value, promotion, core product and service quality.

The hotel operators are recommended to show more consideration about the quality of services provided and also include more facilities in the guest room based on hotel core products to keep customers loyal. There is also a need to study customer feedback focusing on the different backgrounds and expectations of visitors of various countries and nationalities. The hotels must maintain the current service standards and continue to improve on them and try to enhance customer satisfaction over longer periods of time.

Keywords: Budget hotel, Critical Success Factors (CSFs), Visitor's Characteristic, Limited service Hotel