

Research on the Key Factors of the Success of the Theme B&B Business Strategy

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Abstract

People care much about trip and accommodation in line with the change of habits and social values. Since 2001 five-workday system has implemented in Taiwan, the tourism is booming and B&B becomes trendy. The success of B& B thus motivates the research.

B&B owners have to adjust their marketing and operation to deal with high-quality management strategy. This paper explores the application of AHP with the opinions of 12 experts in the homestay industry to analyze factors such as "environment & locations, building equipment, professional skills, operational management, market positioning, and competitive potential" leading to 18 key indicators for strategy evaluation. Meanwhile, the study results not only present actual case study but also serve as practical indicators for homestay startups.

JEL classification numbers: C44, D7, D81

Keywords: Theme B&B, Business Strategy, Optimizations

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1. Introduction

1.1 Background and motivation

With the change of travel habits and social values, B&B is booming and the competition is also keen in Taiwan. Most scholars from the tourism field are concerned about operational strategy and the sustainable development. They claim that the Malaysian homestay program has created many benefits (Kelvin, Ramraini, 2019). The owners interact with the travelers and take advantage of the natural landscape features to provide accommodation, dining and guide tours of the local flora and fauna. In the late 1980s, Malaysian homestays were used by young Japanese students on the student exchange program (Hamzah, 2008) and they had the opportunity to participate in community activities. As educational tour became part of the school curriculum, the Malaysian homestay experience became attractive (Rohaslinda, Yamazaki, Ibrahim, Zarina & Lilis , 2017). In 2018, Taiwan tourism soars up to bring about 3362 hotels while B&B prevails. The successful cases of B&B thus trigger the study for exploration and discussion.

1.2 Purpose

Teng-Yuan Hsiao (2018) employed Delphi and AHP to make an evaluation for B&B management in Taiwan. The study pointed out the related regulations and policies as well as infrastructure have impact on such owners and governmental decision making. Chia-Wei Liu and Jen-Son Cheng (2018) have studied that owners distribute and use resource to recreate success and sustainability. The study intends to further understand B&B's concept and dimension such as the quality of tourism and quality management in terms of business development. When owners encounter bottleneck, more strategy is needed, for example, investing more funds to change the characteristics of their homestay, or adjust their marketing and operation. The owners want to change the operation strategy, however, their judgment tend to be a dominant management indicator. Therefore, this study uses AHP to explore important strategic quality indicators and to sort and rank the priority.

2. Literature Review

2.1 Theme B & B

Homestay is a non-traditional accommodation. The owners provide service and interaction in the countryside (Jingxue, Tsungpo, Pouwen, 2018). The earliest B&B can be traced back to the French aristocratic rural resort in the 18th century. At that time, only the royal relatives or nobles from some European countries could rent a beautiful villa in the scenic area as a resort- an early form of homestay. After the social structure and economic changes, sightseeing and tourism became well accepted by the public. The rise of green tourism encourages the public to go to the pastoral countryside and experience rural life. "B&B Plan" by the Malaysian Ministry of Tourism defines a homestay as a place to provide accommodation and home-cooked food as well as delicacies for visitors and treat them like their families

(Kelvin, Ramraini, 2019).

The importance of homestay is increasing in Thailand tourism that often associates with community which is under discussion (Nick, Anuwat & Varaphorn, 2015). Amin & Ibrahim(2016) expressed that a new way to promote Malaysian tourism is to promote homestay in cooperation with sustainable community. Sarina and Khairil (2018) explored homestay in Malaysia and focused on service and satisfaction. Mohd, Mohd, Norliza & Norazah (2016) indicated that B&B in Malaysia is unique which is distinguished from other types of accommodation. The B&B is located in a rural setting, providing guests with rooms, basic facilities while architectural styles are consistent with the surrounding. Originating from Kenting, Taiwan's B&B emphasizes special services that make it flourish. The owners add natural environment highlights to enhance the richness of their theme and showcase respective specialty. The importance of using local resources to create features and service management is evident.

2.2 Operation strategy

The homestay business is a small business developed by the owner. The success of the small business is closely related to its performance. The commercial success is an issue involving opinion, usually related to achieving or exceeding the target. Some key factors are important to success. (Kelvin Yong, Ramraini Ali Hassan , 2019) The theme B&B is a kind of "leisure service industry" which combines the characteristics of accommodation, food and sightseeing. It is crucial to find out the core resources in the operation strategy and strengthen them as competitive advantages in business. Teng-Yuan Hsiao et al.(2018) showed that natural environmental conditions and tourism resources are the most important factors in choosing the location of the hotel. Therefore, the evaluation of the hotel management strategy is the highest-level concept to the success of the hotel.

A successful B&B in Thailand is qualified for ten services including accommodation, food, safety, reception, tour, natural resource, culture, product and management as well as public relation (Tiwawan, Bungon, Nuttiya & Samerkae, 2017). It is important to maintain a long-term relationship with the client to ensure the profitability of the theme B&B; attract new customers is not a cost-effective strategy (Siti, Abdul, Azman, 2019). The major problem faced by the B&B operators is the maintenance of the cost to operate due to the lack of tourists(Kelvin Yong, Ramraini Ali Hassan, 2019). Siti Salwa Abdul Mutalib (2019) proved that the increase of satisfaction and retention lie in keeping contact with customers.

The study employs AHP to explore key factors to successful B&B business strategy including six dimensions as environment & locations, building equipment, professional skills, operational management, market positioning, and competitive potential. Further analysis renders 18 key indicators as travel resource, environment, transportation under environment & locations; living space, public safety and design planning under building equipment; reception, room arrangement and dining skill under professional skills; capital use, expense control and profit & loss

evaluation under operational management; theme & style, target customer, marketing strategy under market positioning, and complaint management, risk management and sustainable operation under competitive potential.

2.3 Optimizations

The recent B & B overdevelopment in Taiwan and mismanagement of natural resource cause detrition in environment and ecology (Teng-Yuan Hsiao , 2018). Kelvin Yong, Ramraini Ali Hassan (2019) emphasized the tie between success and performance because some performance essence defines success. Take homestay business in Kenting for example. Because of decreasing Chinese tourists and negative news, the tourism is getting sluggish. The target shall convert towards international tourists. To accommodate more foreign visitors, it is necessary to create a friendly environment that get along with international tourists, such as perfect bilingual indicators, bilingual guide maps, foreign language guides as well as restaurant and accommodation with a foreign language service. However, the majority of homeowners lack professional knowledge and management experience resulting in uneven service quality. Poor management is certain to emerge after a period of time. Therefore, despite that the number of Chinese visitors greatly reduced, the owners should adjust their operation. This study observes that most of the owners prefer investment in many online marketing and price and ignore the long-term operation so that they fail to create the normal profit model. In fact, the profit is divided by the network platform, those who make money is few.

Therefore, the owners should take the issue of sustainable management and quality service into consideration. Speaking of the price competition, to improve the quality of the room and breakfast to attract customers is one strategy. In addition, Taiwan's domestic tourism market tends to have a higher consumption level like villa. To develop the unique characteristic theme and style is the major business improvement. Chia-Wei Liu and Jen-Son Cheng(2018) listed innovation in homestay business including restaurant, bathroom and outdoor planning, building, menu, souvenir or event. Moreover, innovative service defines new or improved service by B&B, such as reception, guide tour and internet reservation. Ajeng Ramadhita Larasati, A. H. Galih Kusumah (2018) found that the interaction between hotel owners and visitors is important, and the interaction between the visitor and the locals provides different experiences and knowledge for the visitors. Adjusting operation mode with the bilingual and diverse style and characteristics can meet the needs of different travelers, which create an exotic atmosphere with creativity and beauty in order to stand out in the highly competitive tourism market.

3. Methodology and Design

3.1 AHP structure

According to data collection, arrangement and analysis, the study presents the structure as Figure 1.

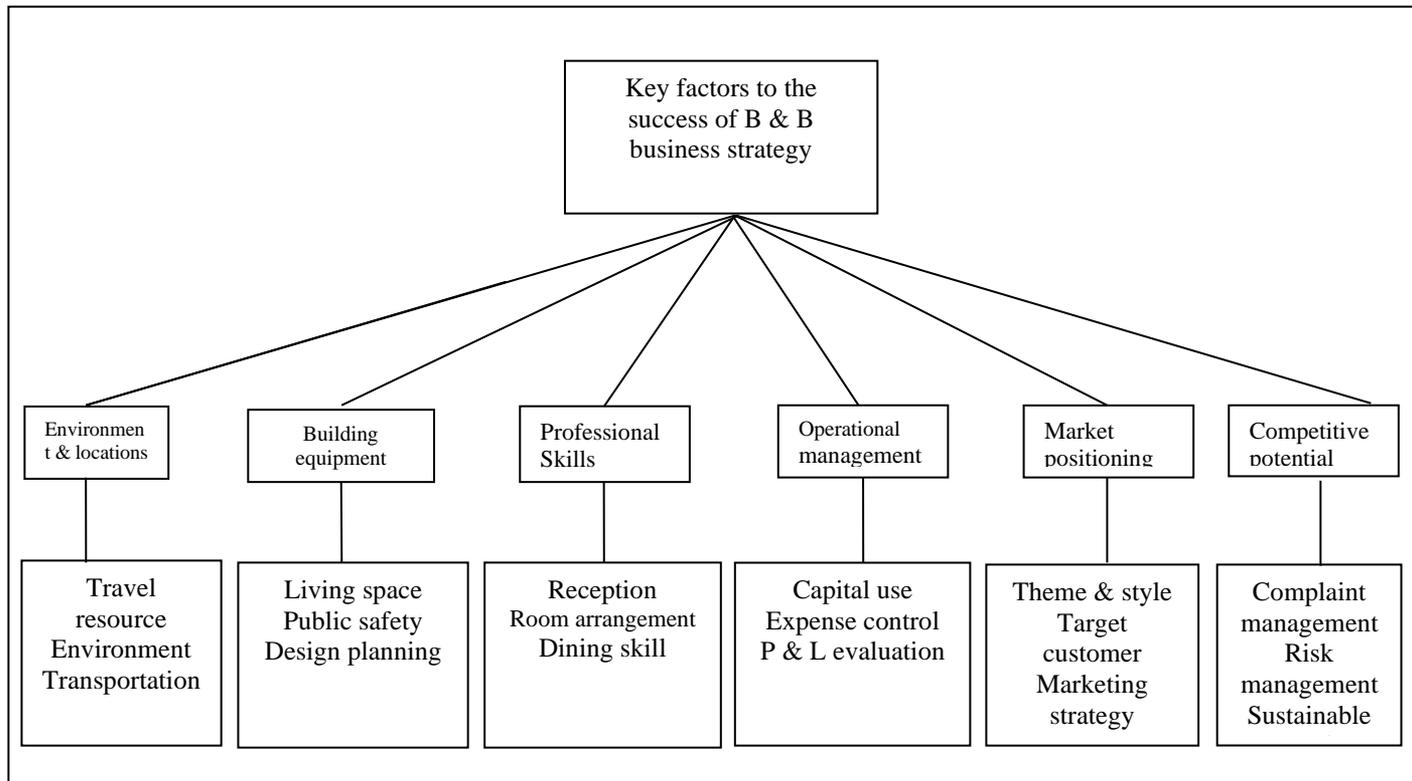


Figure 1: The hierarchy (compiled by the study)

3.2 AHP hierarchy

The key factors to the success of B & B business strategy details as Figure 1. Per AHP, the variables cover two layers as follows:

Table 1: Factors & indicators in the hierarchy

Layer A factor	Layer B indicator
Environment & locations (A-1)	If provide local travel information (B1-1).
	If provide comfortable setting (B1-2).
	If own convenient transportation (B1-3).
Building equipment (A-2)	If own legal accommodation registration (B2-1).
	If pass public safety check (B2-2).
	If own building in compliance with the law (B2-3).
professional skills (A-3)	If employees own professional reception skill (B3-1)
	If employees arrange room professionally (B3-2)
	If employees own professional dining skill (B3-3).
Operational management (A-4)	If own comprehensive capital use (B4-1)
	If own comprehensive expense control (B4-2)
	If own comprehensive profit & loss evaluation (B4-3)
market positioning (A-5)	If design unique theme & style (B5-1)
	If the target customers comply with segmentations (B5-2)
	If own diverse marketing strategy (B5-3).
competitive potential (A-6)	If employees can deal with any complaint (B6-1).
	If employees can manage any risk (B6-2).
	If own green and eco concept to operate (B6-3).

Source: compiled by the study

4. Results and Analysis

Key factors to the success of B & B business strategy are the resultant after analysis of opinions by 12 experts and AHP. Table 2 presents priority and weight ranking for such key factors.

Table 2: The resultant: the average of 12 sums

Layer A (n=6)			Layer B(n=18)			Weight(C)=(A)*(B)	
Dimension	Weight(A)	Rank	Evaluation	Weight(B)	Rank	Weight(C)	Rank
Environment & location	0.184	3	Travel resource	0.0690	6	0.0127	7
			Environment	0.0819	2	0.0150	5
			Transportation	0.0326	14	0.0060	12
Building equipment	0.133	5	Living space	0.0257	16	0.0034	16
			Public safety	0.0783	3	0.0104	9
			Design planning	0.0290	15	0.0039	15
Professional skills	0.099	6	Reception	0.0573	10	0.0057	13
			Room arrangement	0.0192	18	0.0019	18
			Dining skill	0.0223	17	0.0022	17
Operational management	0.146	4	Capital use	0.0339	13	0.0049	14
			Expense control	0.0647	9	0.0094	10
			P & L evaluation	0.0474	12	0.0069	11
Market positioning	0.238	1	Theme & style	0.0957	1	0.0228	1
			Target customer	0.0651	8	0.0155	4
			Marketing strategy	0.0776	5	0.0185	2
Competitive potential	0.200	2	Complaint management	0.0554	11	0.0111	8
			Risk management	0.0778	4	0.0156	3
			Sustainable operation	0.0672	7	0.0135	6

Source: compiled by the study

According to the analysis, the most dominant factor among 18 key indicators is theme & style followed by marketing strategy and risk management. As far as professional skills are concerned, reception, room arrangement and dining skill

weigh the least as they are the basic skills in general. In other word, market positioning and competitive potential are the primary factors.

Key factors to the success of theme B&B business strategy are summarized as follows:

1. Market positioning: theme B&B shall own unique theme, target customer and marketing strategy.
2. Competitive potential: theme B&B shall have complete complaint management, risk management and sustainable operation.
3. Environment & location: theme B & B shall own tour resource, environment and transportation arrangement.
4. Operational management: theme B & B shall implement comprehensive capital, expense control and profit & loss evaluation.
5. Building equipment: theme B & B shall emphasize legal living space, public safety and design planning.
6. Professional Skills: theme B & B shall own professional reception, room arrangement and dining skill.

The above-mentioned 18 key factors offer a path to optimize B & B strategy. The ranking is referent to theme B & B strategy and indicative for potential theme B & B owners.

5. Conclusion and Suggestion

Key factors to the success of theme B&B business strategy approved by 12 experts are reference for foreign and domestic owners that eager to optimize their strategy. With the analysis of AHP, the expert opinions on the operation of the B&B in Taiwan are actually hard to obtain, because there existed some difficulties during the process of collecting the expert questionnaires. Originally the study planned to cover the whole Taiwan. All regions must have the opinions of experts so as to reach certain reliability and validity. Finally, some interviews and investigations are excluded resulting in the source of the experts mostly in middle and south. This is the gap for further development in the future.

This study may provide the hotel owner and related academic in the field of tourism and leisure the practical examples of strategic evaluation indicators. It benefits the overall housing industry development in Taiwan in addition to B & B. Changing the business strategy is the most important and difficult decision. This study can be used as a reference guide for leisure and lodging operators in resource utilization and development planning.

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