

# Estimating the Hedonic Price of Hot Spring Hotel: A Comparison between Taiwan and Japan

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## Abstract

This research conducted empirical studies using data and information collected from hot spring hotels from Wulai, Jiaosi of Taiwan and Kanto and Kyushu of Japan. By comparing the characteristics and price differences between the hot spring hotels in Taiwan and Japan, this research hopes to establish the unique selling point for the internationalization of Taiwan's hot spring tourism market, and offer the government and business owners development plans and marketing strategies. The study shows that the three significant influencing factors of the implicit prices are location, facilities and the quality of the spring water. Moreover, the Taiwanese hotel will be better positioned in generating revenue if it's equipped with facilities for conferences and business travelers, have a nice view and a full-range spa with sauna, and maintains the quality of its spring water. The hotels in Japan, on the other hand, will be better off if they have a swimming pool and accept payment of credit cards. To be able to pay with a credit card is a specific preference that Japanese tourists value a lot, and almost 100% of hot spring hotels in Wulai and Jiaosi accept it. This is one characteristic shared by all Taiwan's hoteliers, which puts them in a good position to take in international tourists. Taiwan's hot spring hotels also offer more services for multi-entertainment and business trips. Therefore, the preparations for the internationalization of Taiwan's hot springs hotels should be sufficient, and it is suggested that businesses can implement certification systems for water qualities and hot springs qualities.

**Keywords:** hot spring hotel, Hedonic Price Method, implicit price