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Ease of Doing Business in the Municipality of Solano, Nueva Vizcaya: Perspectives of Large Enterprises

Ma. Iwella H. Aquino[1], Sophia Bianca T. Bolusan[2], Mery Rose E. Galapon[3], Mirrielle V. Hermoso[4], Jenelyn C. Pered[5], Ezekiel "Sir" John M. Ordoñez[5]
College of Business Management and Accountancy, Aldersgate, College Inc.[1,2,3,4,5,6]
Solano, Nueva Vizcaya, Philippines
aquino.mia18@gmail.com[1], sophiabolusan@gmail.com[2], galaponm19@gmail.com[3], mirrielle051302@gmail.com[4], jenelyn.peredoict19@gmail.com[5] , ezekielordonez11@gmail.com[6]

ABSTRACT

This research assesses large enterprises' views on the implementation of Republic Act No. 11032, the 2018 Ease of Doing Business and Efficient Government Service Delivery Act, in the Municipality of Solano, Nueva Vizcaya. The study employs a Quantitative-Descriptive design with qualitative integration to measure the impact of local regulatory reforms on business transactions. The research found a very high overall level of implementation, indicating that the Business One-Stop Shop (BOSS), Standard Turnaround Times (STTs), and the Automated Business Permitting and Licensing System (eBPLS) have been effectively established. However, the descriptive perspectives reveal significant operational difficulties, especially regarding Business One-Stop Shop management and the support provided by personnel in this area. In addition, one finding is that the "Zero-Contact Policy" is highly endangered due to the lack of reliable electronic payment gateways, which makes it necessary for customers to come in person to make payments. Thus, the research shows that even though Solano has a proper regulatory framework, the lack of digital payment options makes it impossible for the municipality to be recognized as a "convenient" place for business. To overcome this barrier, the study proposes installing interoperable digital payment systems and rigorously standardizing internal process management protocols to align local operations with the full intent of national law.

Keywords: *Citizens Charter, Single or Unified Business Transaction Form, Establishment of Business One-Stop Shop (BOSS), Standard Turnaround Time Government Transactions, Automated Business Permitting and Licensing Systems (eBPLS), Zero Contact Policy, Business Permits, Government Services, Efficient Government Service Delivery*

INTRODUCTION

Government effectiveness has played an essential role in the economy by promoting economic growth and development through transparency and, consequently, investment. However, economic growth, driven by commercial and industrial activities, has demanded more from local managers and politicians in terms of efficiency (Distor et al., 2022). A better business climate can create economic opportunities for both companies and the local population, while minimizing transaction costs and corruption (Gonzales & De Castro, 2024).

The Philippines received a score of 33 out of 100 in the 2022 Corruption Perceptions Index, which puts it in 116th place among a total of 180 countries, almost in the foremost one-third of the most corrupt nations (Transparency International, 2022). Corruption adds to business costs, deters investment, and undermines institutional credibility (Asian Development Bank, 2020). Transparency and accountability build trust, which in turn improves the quality of public services (Gabriel et al., 2019). The World Bank (2021) indicates that the government has been able to eliminate bribery and hasten business transactions through its transparency efforts, which not only large companies but also the whole economy can benefit from by reducing operational risks and transaction costs.

Republic Act No. 9485, or the Anti-Red Tape Act, was passed in the Philippines in 2007 to make government services efficient and transparent. It would also help reduce bureaucratic delays and corruption. Gorodetskaya (2024) reported that the government intended to present the public with front-line service procedures in almost all government offices that are transparent and simple. The Act, a long-time ally of both the government and businesses, was enacted into law on May 28, 2018, by then-President Rodrigo Duterte through Republic Act No. 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, which amends RA 9485. The act mainly aimed to open government doors to the public by removing red tape and streamlining permission-granting, licensing, and certificate-issuance processes, among others. The primary objective of the law is to reinforce the right to information under the Bill of Rights by enabling the government to communicate more openly and efficiently with its customers, thus giving them greater access to timely government services (Political Law and Public International Law, 2024). According to Section 3 of RA No. 11032, the Act will cover all government offices and agencies, including local government units (LGUs), government-operated or -controlled corporations, and other government bodies, whether in the Philippines or abroad, that deliver services in business and nonbusiness-related transactions. The law prescribes a range of measures, including the Citizen's Charter, single or unified business application forms, establishment of business one-stop shops, standard turnaround times for government transactions, and automated business permitting and licensing systems, all complemented by a zero-contact policy. Encapsulated in the Act is Incorporated in the Act is the Anti-Red Tape Authority (ARTA), under Memorandum Circular No. 2023-03, it was established and empowered to implement and oversee a national policy on anti-red tape and ease of doing business and to monitor and evaluate compliance of agencies covered under Sec 3 of RA No. 11032, and issue notice of warning to erring and/or noncomplying government employees or officials.

According to the 2024 World Competitiveness Yearbook (WCY) report, the Philippines' ranking for government efficiency rose three notches from 52nd in 2023 to 49th. This ranking is not only a sign of the country's determination but also a promise to make business regulations more user-friendly and eliminate bureaucratic inefficiencies. Despite the law's intentions, challenges persist in its implementation. The local government level still faces its own set of challenges, which contributes to difficulties in doing business in the country. Various studies in different regions of the Philippines have shown that the implementation of RA No. 11032 faces both successes and challenges. In a report released by the Ombudsman's Finance and Management Information Office (FMIO), LGUs topped the 2017 list with 3,189 cases broken down as follows: 265 cases for provinces, 1,849 cases for cities/municipalities, 1,065 cases for barangays, and 10 cases for unclassified LGUs. According to an article by Business World (2025), the central bank, which is weighing a rate cut next month, sees the corruption fallout dragging on through next year, with economic growth only returning to the 6%-7% target in 2027. According to Flores, C.K., by 2025, the local government unit (LGU) of La Union has shown remarkable improvement in working according to the law, particularly in efficiency and transparency. Nonetheless, the local government unit (LGU) faced challenges such as inadequate documentation requirements, reliance on traditional systems, and a lack of digital infrastructure. Republic Act No. 9485, or the Anti-Red Tape Act, was passed in the Philippines in 2007 to make government services efficient and transparent. It also helps reduce bureaucratic delays and corruption. Gorodetskaya (2024) reported that the government intended to present the public with transparent, simple front-line service procedures for almost all government offices. The Act, a long-time ally of both the government and businesses, was enacted into law on May 28, 2018, by then-President Rodrigo Duterte through Republic Act No. 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, which amends RA 9485. The act mainly aimed to open government doors to the public by removing red tape and streamlining permission-granting, licensing, and certificate issuance processes, among others. Furthermore, while the Citizen's Charter and other mechanisms are generally in place, business clients and service recipients vary in their awareness and understanding. Of the total number of local government units, which is 1,642, just 115 have obeyed the command of eBoss to digitize their Business Processing and Licensing Systems operations in terms of online submission of business permits, digital payment, and granting of electronic copies of permits, licenses, and clearances (ABS-CBN News, 2025).

In the 2024 provincial ranking, calculated by the total scores for five pillars- Economic Dynamism, Government Efficiency, Infrastructure, Resiliency, and Innovation- Nueva Vizcaya was the 38th out of 82 provinces (DTI, 2024). The implementation of RA No. has been evaluated through multiple studies. In various regions, research on Republic Act No. 11032 is limited, especially regarding the perspectives of large enterprises in specific localities such as Solano, Nueva Vizcaya. More rural areas tend to have more bureaucratic problems and increased corruption (Gorodetskya E., 2024). Their experiences matter most in determining how RA No. 11032 has worked in practice at the local level and where public service delivery could be improved.

Although several studies have assessed the implementation of the Ease of Doing Business Act, no study has explicitly examined the level of implementation in the Municipality of Solano, Nueva Vizcaya. Gorodetskya E. (2024) and De Vera R.M. (2024) studied and analyzed MSMEs and identified persistent issues such as inadequate information dissemination, unclear procedures, and irregular delays during peak periods. These results emphasize the need for ongoing improvements in local administrative systems to meet business operators' expectations.

Therefore, this research assesses the level of implementation of Republic Act No. 11032 as perceived by large enterprises in Solano, Nueva Vizcaya. The main question shows that they assess six key areas of the legislation - Citizen's Charter, Single or

Unified Business Application Form, Business One-Stop Shop, Standard Turnaround Time, Automated Business Permitting and Licensing System (eBPLS), and Zero Contact Policy and the challenges they experience in securing business permits and availing of government services under the implementation of RA No. 11032 in Solano, Nueva Vizcaya. The findings from this research are likely to provide much-needed knowledge for policymakers, local government administrators, and future researchers to develop strategies for effectively and transparently delivering public services, which will, in turn, foster sustainable economic development.

METHODOLOGY

The study adopted a Quantitative-Descriptive design with qualitative integration as the basis to assess the performance of Republic Act No. 11032 (Ease of Doing Business and Efficient Government Service Delivery Act of 2018) in the municipality of Solano, Nueva Vizcaya. The quantitative part is the main method, aiming to show the level of implementation of the six provisions of RA No. 11032, as per Statement of the Problem No. 1. The measurement was done using a structured four-point Likert-scale questionnaire.

The descriptive part complements the quantitative part by identifying the difficulties large companies face in obtaining permits and using government services, thereby addressing Statement of the Problem No. 2. An open-ended question was used to collect data, and a case-based analytic approach was used to analyze it.

Theoretical Framework

This research bases its findings on two important theories, New Public Management (NPM) Theory and Institutional Theory, that not only underpin the evaluation of Republic Act No. 11032 (the Ease of Doing Business and Efficient Government Service Delivery Act of 2018) but also do so from the dimension of big companies in Solano, Nueva Vizcaya.

New Public Management (NPM) Theory is an approach that emphasizes efficiency, customer-focused government, simplified transactions, digitization, openness, and accountability. These align with the provisions of RA No. 11032, such as the Citizen's Charter, Business One-Stop Shop (BOSS), Standard Turnaround Time, Unified Application Form, eBPLS, and the Zero Contact Policy. By following NPM principles, the government unit's responsible for providing services that are quick, polite, and transparent. In addition to supporting the research, this theory shows how companies assess the performance, access, and effectiveness of the service delivery portals opened by local authorities in Solano, Nueva Vizcaya. Particularly, NPM Theory answers "How well" the LGU is implementing the law in terms of efficiency and customer orientation.

Research Paradigm of the Study

This study adopted an enhanced Input–Process–Output (IPO) Model, integrating theoretical assumptions and operational variables aligned with RA No. 11032.

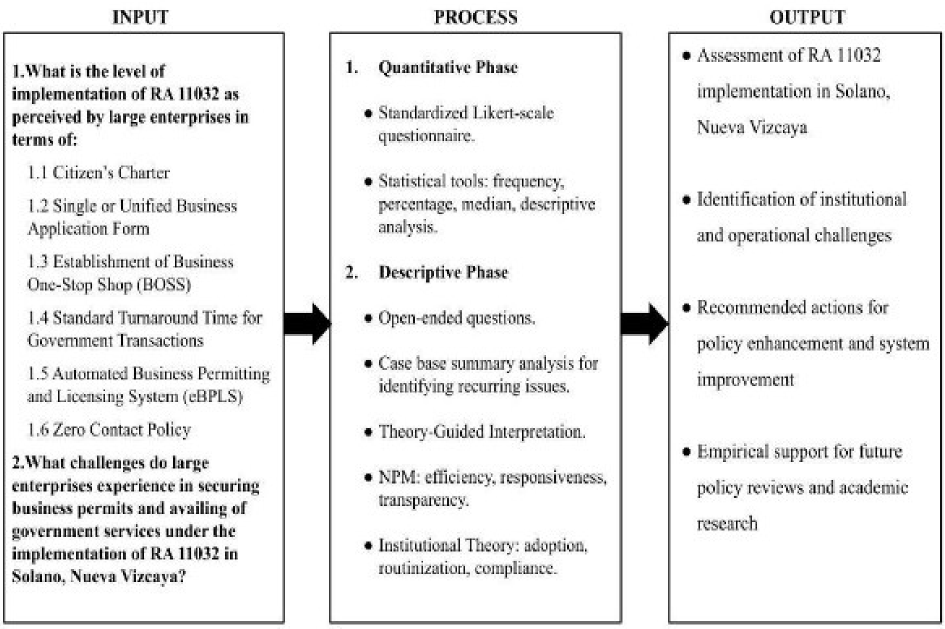

Figure 1 shows the well-known Input-Process-Output (IPO) model, which is the main idea of the research and will be set forth by the methodical progression of the inquiry that was employed in the assessment of Republic Act No. 11032, or the law that facilitates business and efficient government service delivery, through the lens of large corporations in Solano, Nueva Vizcaya. The initiation stage is made up of the law's six provisions: Citizen's Charter, Single or Unified Business Application Form, Business One-Stop Shop (BOSS), Standard Turnaround Time for Government Transactions, Electronic Business Permitting and Licensing System (eBPLS), and Zero Contact Policy, as well as the challenges that large enterprises experience in obtaining business permits and licenses. The variables are thus identified and will serve as the research's probing parameters.

The systematic phase of the research denotes the phase in the protocol where a quantitative descriptive method is adopted. During this phase, structured survey questionnaires will be used to collect both quantitative data and perceptions to evaluate the perceived degree of enforcement of RA No. 11032 in relation to the six provisions. In addition, descriptive data will be obtained through in-depth open-ended questions, giving the researchers insight into the views and experiences of business owners and local government staff, as well as the problems they face. The data gathered will be analyzed using statistical methods based on descriptive measures such as the median, IQR, and percentages to produce quantitative results. Conversely, a case-based analytic approach will be used to analyze descriptive responses and identify recurring themes and issues. By integrating these methods, the research cannot only determine the extent of implementation but also provide the explanatory depth needed to understand the findings.

The output phase showcases the research's direct and indirect contributions. These contributions include a large-enterprise perspective assessment of the RA No. 11032 implementation level report, the identification of gaps and obstacles in local business processes, and a set of proposals for policy and process improvement for the Solano Local Government Unit (LGU). Furthermore, the findings are regarded as major contributors to academic knowledge and practice, serving as a baseline reference for subsequent research, providing direction for policymakers, and helping large enterprises in the municipality become more competitive and efficient. Overall, this framework shows how the inputs, methodological processes, and findings are interconnected to provide a complete understanding of RA No. 11032 implementation in Solano, Nueva Vizcaya.

Research Setting

The study was carried out in the Municipality of Solano, Nueva Vizcaya, the province's largest commercial center, where large businesses interact frequently with the Local Government Unit (LGU) and their operations are directly influenced by the implementation of RA No. 11032. Therefore, this scenario is well-suited for measuring institutions' local compliance and the efficiency of service delivery.

The Local Government Unit (LGU) of Solano will grant access to the list of major companies registered with the Business Permits and Licensing Office (BPLO), which is in charge of their licensing. The BPLO classifies large businesses by capital investment, number of employees, and area of operation, which separates them from micro, small, and medium-scale businesses. Large companies indirectly contribute to Solano's economic growth through tax payments and the employment of local workers. By this time, these large companies will drive the city's supply chain growth and, as a result, local economic development.

The selection of Solano as the location for this study is not fortuitous, as it is a rapidly growing town that plays a major role in the provincial economy. The business community in Solano works closely with different government offices to implement Republic Act No. 11032, commonly referred to as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018. The local perception of big businesses in Solano is a good indicator of how far the EODB law is working in the locality—specifically regarding the Citizen's Charter, Single/Unified Business Application Form, Business One-Stop Shop (BOSS), Standard Turnaround Time, Automated Business Permitting and Licensing System (eBPLS), and Zero Contact Policy.

Data Gathering Tools

A researcher-developed questionnaire, validated by four experts in public administration, research, and entrepreneurship, was used to collect data. The tool was subjected to content validation, face validation, and pilot testing

The questionnaire developed for this consists of three parts that aligned with the research objectives: Part I gathers demographic data of the respondents, including the type of business, Part II consist of level of implementation of key provisions under RA 11032, focusing on the Citizen's Charter, Single or Unified Business Application Form, establishment of a Business One-Stop Shop (BOSS), Standard Turnaround Time for government transactions, the Automated Business Permitting and Licensing System (eBPLS), and the Zero Contact Policy. Each item was rated using a four-point Likert scale. Part III consists of an Open-Ended Question that allows respondents to identify challenges they encounter in relation to the implementation of these provisions.

The researchers conducted pilot testing to evaluate the feasibility and test procedures to further refine the research instrument. To ensure data quality, the researchers conducted a reliability test using Cronbach's Alpha in Jamovi. This test measures the scale's internal consistency by determining how closely related the items are as a group. The reliability test results showed that all sections met the 0.70 Cronbach's alpha cutoff except for the Zero-Contract Policy, which scored 0.65. Analysis revealed that one question had a very low correlation with other items. However, removing this question raised the section's reliability result to 0.70. Therefore, this question was omitted from the final survey, limiting this study to the remaining questions that reliably measured the construct.

Statistical Treatment of Data

This study used a quantitative descriptive data analysis approach. For quantitative data, descriptive statistics were applied to assess the implementation level of RA No. 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, as perceived by large companies. The median was calculated to reflect the average % of respondents' evaluations of the implementation of each indicator to answer statement of problem 1, while the standard deviation was used to show the spread or uniformity of the answers. The verbal interpretation of the four-point Likert scale: ale, 3.25-4.00 denoted Strongly Agree (Extremely High), 2.50-3.24 denoted Agree (High), 1.75-2.49 denoted Disagree (Low), and 1.00-1.74 denoted Strongly Disagree (Extremely Low).

For descriptive data, a case-based analytic approach was used to address Statement of the Problem 2 and interpret responses to the open-ended question.

RESULTS AND DISCUSSIONS

Section I: Level of implementation of RA No. 11032 as perceived by large enterprises

Level of Citizen's Charter Implementation

The implementation process received a High rating because the assessment results showed a composite median of 3.00 and an IQR of 0.75. The indicator, or Indicator 3, "The Citizen's Charter provides complete and clear requirements for each transaction received the highest assessment of Extremely High (Median = 3.50, IQR = 1.00). The online accessibility indicator (Indicator 2) and the processing time accuracy indicator (Indicator 5) both achieved a High rating with a Median score of 3.00, which resulted in perfect agreement among raters because they showed an IQR of 0.00. Respondents showed their strongest disagreement with physical display indicators (Indicator 5), transparency indicators (Indicator 7), and requirements that needed to be repeated only once (Indicator 8), as these factors had an IQR of 1.00.

The "Extremely High" assessment of clear requirements shows that the LGU successfully implemented all essential documentation standards, creating complete operational guidelines for large corporations. The total agreement (IQR 0.00) on online access and processing time indicates these functions operate as centralized automated systems that do not permit any personal input by users. The high variance (IQR 1.00) in physical display and transparency shows that different departments apply these rules inconsistently. The singular or outlier responses—where some respondents perceive lower implementation—may be attributed to the specific office visited; while the central BPLO might be highly compliant, peripheral offices may still struggle with "frontline visibility" or legacy bureaucratic habits.

These results align with De Vera (2021), who noted that while Charters raise awareness, local compliance often remains inconsistent. The Department of Trade and Industry (DTI 2022) reports that various local government units (LGUs) do not fulfill the "frontline visibility" requirement established by ARTA because they display their physical assets inconsistently. The disagreement over reducing repetitive requirements (Indicator 8) reflects the same pattern Frias (2021) found: large companies lack control over their paperwork even after charter agreements promise to eliminate it. The synthesis shows that national regulatory frameworks exist through RA No. 11032, yet implementation depends on personnel abilities and departmental system capabilities.

Level of Single or Unified Business Application Form Implementation

The data show that implementation reached an Overall High level, with a Composite Median of 3.00 and an IQR of 0.38. The highest-rated aspect of the study was Indicator 3, which states that "The Unified Form is easy to fill out and understand." Respondents reached full agreement on Indicator 2, which assessed online availability, because its IQR was 0.00 and they rated it at a "High" level. Responses to Indicators 1 and 4 showed the most diverse results because both indicators produced an IQR of 1.00, indicating disagreement despite high median ratings.

The "Extremely High" usability of the form suggests that the LGU has successfully moved away from technical jargon toward a more user-centric design. The perfect agreement (IQR 0.00) on online availability implies that the digital infrastructure for downloading forms is stable and universally accessible to large enterprises. However, the high variance (IQR 1.00) in Indicators 1 and 4 points to a critical "consistency gap." These varying perceptions—where some respondents did not share the majority's high rating—could be attributed to department-specific requirements. The unified form exists, but some offices need "additional" local forms together with verbal instructions that differ from their written procedures to handle particular types of major business applications. The evaluation supports New Public Management (NPM) Theory, which promotes "citizen-as-customer" methods through easy-to-use transactions.

The high usability scores support the claims of Gonzales and De Castro (2024), who noted that simplified forms are the first step toward reducing bureaucratic "red tape." The research results show that the existing standardization problem for Indicator 1 and the existing instruction problem for Indicator 4 strengthen Flores's (2025) argument that inconsistent recording standards present a major barrier to meeting obligations under RA 11032. The results show that the study's synthesis establishes that the LGU achieved Institutional Legitimacy through its use of the Unified Form, but different local government departments continue to apply the system inconsistently.

Level of Establishment of Business One-Stop Shop (BOSS) Implementation

The complete implementation assessment shows High results, with a composite median value of 3.00 and an IQR of 1.00. Three main indicators reached an Extremely High classification because the BOSS operational status (Indicator 1) and its ability to reduce office visits (Indicator 3) both achieved a median value of 4.00, while required office consolidation (Indicator 2) reached a median value of 3.50. The service quality indicators, including queuing system efficiency (Indicator 4), personnel guidance (Indicator 5), and actual processing time reduction (Indicator 6), had a median value of 3.00, indicating high implementation achievement but major differences throughout the process.

The "Extremely High" scores for operational presence and office consolidation show that the LGU has met all physical and structural requirements established by the law. Large enterprises clearly perceive the convenience of a centralized location, which eliminates the logistical burden of traveling between disparate government buildings. The service-oriented indicators show a persistent IQR value of 1.00, which indicates that BOSS implementation through its human and procedural components has not yet reached full operational capacity. This variation in perception may be attributed to "siloed" personnel training, which allows staff from different departments in one shop to maintain distinct internal protocols and communication styles, resulting in different experiences for applicants depending on which counter they visit.

The findings support Institutional Theory because the LGU achieved formal legitimacy by establishing BOSS office space, as required by RA No. 11032. The decrease in office visits demonstrates New Public Management (NPM) efficiency objectives while confirming the Ombudsman (2017) report, which showed that simplified physical workflows helped reduce corruption. The study shows that basic queuing and guidance systems show high variability because their interquartile range (IQR) measures 1.00, creating a "one-stop" experience barrier, while structural reforms create greater service quality improvements. The study shows that the structural foundation functions at an excellent level, yet practical service delivery remains inconsistent, which prevents the LGU from reaching "Extremely High" excellence standards.

Level of Standard Turnaround Time for Government Transactions Implementation

It appears that Solano, Nueva Vizcaya is executing movements as per Standard Turnaround Time, and Table 5 shows it as fully implemented. The entire implementation received a High rating because all major companies in the study reached complete agreement, with a median value of 3.00 and an IQR of 0.00. The High implementation level for Indicators 2 (Complex transactions), 3 (Highly technical transactions), and 4 (Explanation of delays) received perfect agreement from all participants because the IQR was 0.00. The three indicators maintained a median value of 3.00, with Indicator 1 (Simple transactions), Indicator 5 (SMS/Email updates), and Indicator 6 (Actual vs. Charter matching) showing minor differences because their IQR reached 0.75.

The perfect consensus (IQR 0.00) on complex and technical transaction deadlines shows that the LGU has met all "hard deadlines" requirements under the law. This total agreement likely stems from fear of administrative sanctions under RA No. 11032, which specifically penalizes delays in these categories. The variation (IQR 0.75) between "Simple transactions" and "SMS/Email updates" shows that the LGU can meet important deadlines, but its daily simple transactions show different treatment patterns among multiple departments. The LGU's digital update system exhibits a "digital divide" because some offices use modern technology while others rely on traditional communication methods.

The New Public Management) theory is strongly supported by these research results because it emphasizes efficient service delivery, which requires services to be completed within set time limits. The high reliability of turnaround times aligns with Arce (2022), who identified standardized processing times as the main achievement of the Ease of Doing Business Act. The shared understanding of delay causes in Indicator 4 supports (Sayson, 2023), which shows that transparent processing methods enable businesses to build trust with major investors. The study establishes that digital communication shows unpredictable patterns through Indicator 5 because the municipality needs to finish its "customer-centric" tasks, which include proactive updates,ates although it achieved procedural compliance with the deadline.

Level of Automated Business Permitting and Licensing System (eBPLS) Implementation

Table 6 shows the level of Automated Business Permitting and Licensing System (eBPLS) implementation. The implementation level received a High rating because most enterprises reached total agreement, which resulted in a composite median score of 3.00 and an IQR of 0.00. The system utilization indicators, online document submission indicators and user-friendliness indicators (Indicators 1, 2, and 3) received a High rating because all users reached perfect agreement (IQR = 0.00). The only outlier in consistency is Indicator 5, "Reduction of face-to-face interactions," which had a median score of 3.00 but an IQR of 0.75.

The absolute consensus (IQR 0.00) on automation and user-friendliness implies that the eBPLS is not just a "paper system" but a functional, stable digital infrastructure that large enterprises find accessible. The perfect agreement stems from the system's centralized interface: every user interacts with the same digital portal. However, the variation (IQR 0.75) in the reduction of face-to-face interactions implies that while the application is digital, the entire process is not yet 100% "contactless." The software has this limitation because it still requires physical tasks it cannot perform, including post-audit inspections and submitting original notarized documents required by certain large business categories.

The Solano eBPLS system shows high compliance, as ABS-CBN News (2025) reported, because most local government units face challenges, while only 115 of all LGUs in the country achieved full functional compliance. New Public Management (NPM) Theory succeeds through its digitalization mandate, which prevents bureaucratic "choice dilemmas" according to Flores (2025). The "face-to-face" variability (Indicator 5) provides direct evidence for Gonzales and De Castro (2,024), who found that multiple Philippine eBPLS systems function only at a "partial operational" level because they digitize the front end (application) but keep back-end (inspections and approvals) processes manual and in person. The study shows that Solano leads in digital technology use, yet the institution must remove all physical checkpoints before it reaches full institutionalization.

Level of Zero Contact Policy Implementation

Overall implementation received a High rating, with a Median score of 3.00 and an IQR of 0.75. Among the indicators, Indicator 5 ("No personnel request direct interaction beyond what is necessary") achieved the highest rating of Extremely High (Median = 3.50, IQR = 1.00). The remaining indicators, which included consistent implementation restrictions to inspect and digital communication and electronic payments, received a High rating, with a Median score of 3.00. Respondents showed the greatest difference of opinion in Indicators 1 and 4, with IQR results reaching 1.50.

The "Extremely High" rating for Indicator 5 shows that the LGU has undergone fundamental changes in its administrative culture and now views its personnel as professionals who respect the legal standards established by RA No. 11032. The implementation process shows high variability because electronic payments have an IQR of 1.50, creating different user experiences. The manual-digital hybrid state of the LGU appears to create the "split" perception problem. The central Business Permits and Licensing Office (BPLO) operates under a "zero-contact" policy, but other departments and regulatory offices required for the process still need digital systems to handle electronic payments. This situation forces large enterprises to complete face-to-face transactions for their necessary permits.

News (2025) reported that Philippine LGUs faced digital payment integration as their primary challenge. The research results indicate that Gonzales and De Castro (2024) found that Zero Contact Policies undergo "partial implementation" rather than full execution. The study shows that the LGU implemented the policy according to Institutional Theory, while NPM Theory suggests that fully removing physical touchpoints requires further development of technical systems.

Section II: Challenges Experienced by Large Enterprises Under the Implementation of RA No. 11032.

Survey respondents reported major system failures because the "Zero-Contact" objective failed when digital payment methods were unavailable. Large enterprises claimed online application submission remained available, but they still had to visit the municipal hall to pay their fees. The eBPLS system creates a "digital bottleneck" because users must visit the Treasury Office to complete their tasks. Companies see the system as unfinished because it provides only digital document processing services and does not deliver the complete financial transaction process.

Respondents reported that Business One-Stop Shop (BOSS) staff members behaved unpredictably when providing operational instructions. Businesses reported that the quality of service depends too much on which person is behind the counter. Document verification procedures vary, and personnel use different methods to check the same documents. Staff members operate without a standard "playbook," creating confusion and delays for large enterprises with extensive document-processing needs because they must process documents through an unpredictable system.

Enterprises said they did not receive any updates on the status of their applications. The business owners felt uninformed because their documents had reached the LGU, which normally complies with legal deadlines. Respondents expressed a need for simple, automated notifications, such as SMS or email, to let them know when their permit is ready or when an inspection is scheduled. Company representatives must phone or visit the office to check progress, which creates extra work and contradicts the goal of an efficient government.

RECOMMENDATIONS

Based on the findings and conclusions of this study, which indicate a successful establishment of the structural foundations of RA 11032 but reveal critical gaps in service standardization and digital completion, the following actionable recommendations are proposed:

Large Enterprise Owners

To facilitate more effective collaboration and smoother business operations:

Create a Formal Feedback Loop: Large companies should hold quarterly forums with the local government unit to provide feedback based on data on regulatory issues. This keeps the local government unit's "re-engineering" activities aligned with the intricate operational requirements of high-capital investors.

Joint Regulatory Compliance: It is advisable that large companies assign a special liaison officer whose responsibility will be to communicate with the Business One-Stop Shop (BOSS), and the local government unit will use its digital footprint to resolve compliance issues before they arise, thereby shortening the time for new investments to enter the market.

Policy Makers and System Enhancement for the Local Government Unit (LGU)

To address the identified operational challenges and enhance the municipality's attractiveness to investors, the LGU should: Legislative Support for System Sustainability: The Sangguniang Bayan of Solano is encouraged to enact a local ordinance mandating the allocation of dedicated and recurring funds to ongoing expenses needed to operate, enhance, and expand the Automated Business Permitting and Licensing System (eBPLS) backend system. This policy measure will ensure the system can handle high transaction volumes during peak times, when business permits need to be renewed, without seasonal slowdowns from overload. The ordinance will establish permanent financial support for digital governance projects, enabling the local government unit to perform system updates, increase server capacity, and ensure system availability. This system supports the goals of Republic Act No. 11032, which seeks to achieve government service efficiency through improved transparency and complete digital service delivery.

Accountancy and Business Students

To enhance professional readiness and bridge the gap between theory and practice:
Mastery of E-Governance Systems: Students must master electronic filing and digital taxation systems from a technical standpoint. They should understand the connection the research has identified between the efficiency of public administration and business compliance, as this will be a key factor in the future roles of auditors and accountants. Academic-Practitioner Engagement: Students should not be cut off from the real world, and they should participate in "Service Learning" internships with the LGU, where they would apply auditing principles to assess the transparency of local government transactions, identify procedural delays, and gain practical experience.

Future Researchers

To build upon this empirical foundation and expand the local economic body of knowledge:
Comparative and Longitudinal Inquiry: Future research could compare Solano's implementation success with other nearby cities of different income levels, which could help identify best practices for other regions or explain regional disparities in how municipalities adopt new technologies.

Economic Impact Quantification: A study is needed to determine the direct connection between these administrative reforms and local economic variables, such as the increase in the percentage of Micro, Small, and Medium Enterprises (MSMEs) and net employment growth in the city.

AI DECLARATION STATEMENT

AI-supported tools helped with grammar and structure in creating this article. No AI tools were used to collect, analyze, or interpret data; all authors are credited for their academic contributions.

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Guests' Perceptions, Preferences, and Experiences of Smart Automation in Hospitality Service Delivery

Marvin O. Galicia Jr.[1], Jolina Mary B. Omingle[2], Jay Mark L. Linda[3] Numely C. Macaranas[4], Shaira Jamil P. Ramos[5]
College of Business Management and Accountancy, Aldersgate College, Inc.
Solano, Nueva Vizcaya, Philippines[1,2,3,4,5]
marvsgaliciajr@gmail.com [1], lenzieomingle@gmail.com [2], marklucquiao031@gmail.com [3], numeleemacaranas@gmail.com [4],
ramosshaira0209@gmail.com [5]

ABSTRACT

This phenomenological study aims to understand hotel guests' perceptions and experiences to synthesize their encounters with smart automation at different stages of service delivery. The study addresses the knowledge gap regarding the subjective experiences of end users of smart automation in the hospitality industry and seeks to uncover the essential structure, or essence, of technology interactions within guests' lifeworld (Lebenswelt). Using a qualitative phenomenological design, the researchers conducted semi-structured interviews with eleven hotel guests in Nueva Vizcaya, Philippines. The researchers analyzed the data using Colaizzi's seven-step method, including horizontalization and clustering of meanings to generate themes. The findings revealed a fundamental Duality of Technological Perception. Guests viewed smart automation as a symbol of modern efficiency and luxury that empowered them with a sense of frictionless control over their stay. This was accompanied, however, by panoptic anxiety, in which guests felt that invisible automation had been placed there to watch them—surveillance, in the guests' own words. Ultimately, the experience captured the essence of the Dichotomy of Empowered Autonomy and Emotional Isolation, in which machine perfection displaced the human touch at the core of traditional hospitality. The study concludes that guests seek not full automation but a synchronized hybrid ecosystem in which automated systems handle mechanical functions while human staff provide emotional and cultural hospitality.

Keywords— *Colaizzi's method; panoptic anxiety; hybrid service model; artificial intelligence (AI); Internet of Things (IoT); Filipino hospitality; service innovation*

INTRODUCTION

Technological innovation has fundamentally reshaped the hospitality industry, making it a key sector for digital advancement through the integration of robotics, artificial intelligence, and the Internet of Things. These innovations enable more efficient service transactions, improved room and facility management, and stronger safety and security measures, ultimately elevating the overall guest experience. As hospitality establishments increasingly adopt smart systems, they are better equipped to meet the evolving expectations of modern travelers who value convenience and personalized service. As Kim and Han (2020) note, the rise of smart hotels represents a critical shift toward creating efficient, comfortable, and technologically advanced environments. This transition also supports global sustainability by promoting energy efficiency and upskilling the workforce to minimize dissatisfaction from technical inefficiencies, in line with several United Nations Sustainable Development Goals, including Quality Education, Decent Work and Economic Growth, and Responsible Consumption and Production.

Globally, smart automation is characterized by adopting these technologies to enhance operational efficiency and guest responsiveness. Internationally, smart hotels are evolving by adopting cloud computing and predictive analytics to automate functions ranging from personalized room environments to guest preference tracking. In the Philippines, this transformation reflects similar trends, with hotels integrating digital concierge services and room controls to redefine interactions while appealing to environmentally conscious travelers. Although adoption scales vary because of resource constraints, both international and domestic studies highlight automation as a central element of contemporary innovation.

Technological adoption is commonly framed through the Technology Acceptance Model (TAM), which posits perceived usefulness and perceived ease of use as primary determinants of user acceptance. Recent scholarship has integrated these constructs with affective variables such as trust, perceived value, and emotional response to capture the nuances of hospitality as contactless systems become widespread. Studies show that when guests perceive tangible gains, such as faster service, their positive attitudes rise; conversely, concerns regarding privacy or limited digital literacy tend to reduce acceptance. In the Philippine context, factors such as connectivity and staff competence shape these perceptions in ways that standard models must be expanded to explain, particularly in provincial settings.

This study is significant to several sectors. For hotel executives, the findings support informed financial decisions that prioritize customer comfort over mere operational speed. Frontline employees gain a clearer understanding of their evolving roles, shifting from routine tasks to high-value relational service. Within the academic sector, the study serves as a resource for curriculum enhancement, helping students recognize that emotional intelligence remains a vital competitive advantage. Finally, for future researchers, the study establishes a qualitative baseline for exploring human–computer interaction in the hospitality lifeworld.

A. Objectives of the Study

The primary goal of this research was to describe the lived experiences of hotel guests through the following specific objectives:

1) To describe the essential structure of the lived experience of hotel guests regarding their perceptions of smart automation;
2) To analyze the essential structure of the lived experience regarding guest preferences on the use of smart automation in hospitality service delivery; and
3) To explore the actual experiences and reflections of guests when using smart automation in hospitality settings, in order to provide a holistic understanding of the technological encounter.

B. Theoretical Framework

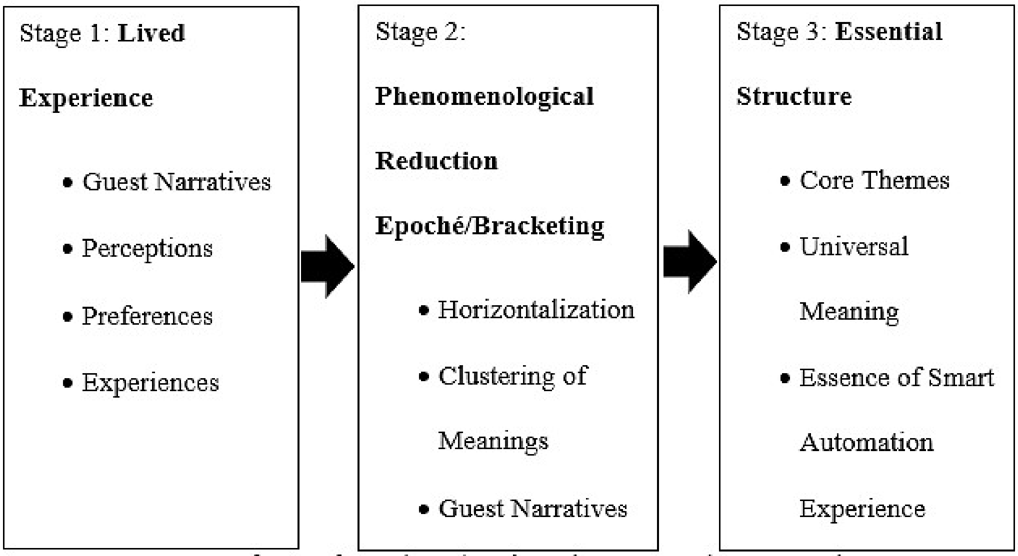
This study is grounded in phenomenology, a qualitative research approach that seeks to understand the lived experiences and meanings individuals attach to a particular phenomenon. Phenomenology serves as the primary foundation because the research aims to explore how hotel guests personally make sense of smart automation in hospitality service delivery, prioritizing guest narratives as the main source of knowledge rather than testing predefined variables. Within this orientation, themes emerge inductively from participants' descriptions of automated amenities and security systems, focusing on the universal essence of encounters centered on convenience, efficiency, trust, and human interaction.

C. Conceptual Framework

The conceptual framework adopts a process-oriented approach emphasizing the Lebenswelt, or lifeworld, of hotel guests. As established by Husserl (1970) and operationalized through Creswell and Poth (2018), the study is organized into three interrelated stages, as shown in Figure 1. The first stage, Lived Experience, focuses on direct interactions with automated features to capture raw experiential data through personal narratives. The second stage, Phenomenological Reduction, involves epoché (bracketing), in which prior assumptions are set aside so that horizontalization and clustering can identify significant statements. The third stage, the Essential Structure, synthesizes these meanings into core themes that express the universal essence of the experience, with the secondary theories applied only to compare emergent themes with existing literature.

Figure 1

Research Paradigm



Note. Lebenswelt, A. (1936). Adapted Conceptual Framework.

Figure 1. Research paradigm of the study.

The research paradigm visualizes the flow from input to output within the phenomenological tradition. It begins with qualitative input from guest narratives on smart automation. This leads into the analytical process of horizontalization and thematic clustering, in which significant statements are given equal value to prevent researcher bias. The final output is the determination of the essential structure, or essence, of the phenomenon. This paradigm ensures that the study remains a human-centered investigation of how technology is truly experienced in the hospitality lifeworld.

METHODOLOGY

A. Research Design

This research employed a qualitative approach using an interpretive phenomenological design, which facilitated the capture of in-depth descriptions of guests' thoughts, feelings, and lived experiences with automated amenities and security systems. Because these variables are subjective and experience-based, this design enabled a contextualized understanding that numerical methods cannot adequately capture.

B. Research Setting

The study was conducted in 2026 in the province of Nueva Vizcaya, a locale characterized by an emerging hospitality sector in the Cagayan Valley Region. This province provides a distinct research backdrop, as local hotels and restaurants have begun a gradual transition toward digital integration, incorporating features such as automated booking, digital check-in, and smart room controls. Selecting this setting allowed the research to move beyond urban-centered narratives and explore the nuances of technology adoption in a provincial hospitality context. While the research team used Aldersgate College in Solano as a central administrative base, participants were drawn from various hospitality establishments across the province to ensure a broader perspective of the local industry.

C. Participants

The participants consisted of eleven individuals who had direct experience with smart automation, such as IoT-enabled rooms, mobile check-in systems, and digital payment kiosks. Their encounters ranged from voice-controlled devices to tablet-based ordering systems and mobile checkout platforms. A multi-stage purposive–snowball technique was used to recruit participants, beginning with purposive sampling to ensure that initial respondents met the inclusion criteria, followed by snowball sampling to expand the pool through referrals. The final sample size was determined by data saturation, reached when additional interviews yielded no new themes, ensuring a diverse range of shared lived experiences.

D. Research Instrument

The primary data-collection instrument was a semi-structured interview guide designed to elicit in-depth qualitative narratives from hotel guests. This format aligned with the interpretive phenomenological design, allowing flexibility to ask follow-up questions and explore the subjective meanings participants attach to their experiences with smart automation. To ensure the instrument's effectiveness, the guide was finalized through an expert review process in which reviewers assessed the clarity, sequencing, and relevance of the questions to confirm that they could capture the essence of participants' lived experiences. The development of the guide was further informed by the United Nations Sustainable Development Goals, specifically Decent Work and Economic Growth (SDG 8), Industry, Innovation and Infrastructure (SDG 9), and Responsible Consumption and Production (SDG 12), in order to balance technological inquiry with societal and developmental concerns.

E. Data Gathering Procedure

Data collection was conducted through in-depth, semi-structured interviews focusing on participants' narratives within the provincial hospitality setting of Nueva Vizcaya. Ethical considerations, including participant confidentiality and informed consent, were strictly maintained throughout the research process to ensure analytic rigor. All transcripts were anonymized before analysis, and participants are identified in this report only by number.

F. Data Analysis

The data gathered from the semi-structured interviews were analyzed using Colaizzi's (1978) method to systematically extract the essence of the guests' lived experiences with smart automation. The process began with multiple readings of the anonymized transcripts to ensure a comprehensive understanding of the narratives. To maintain objectivity, the researchers employed epoché (bracketing) to suspend personal biases and prior theories regarding technology before engaging in horizontalization to identify significant statements.

RESULTS AND DISCUSSION

A. The Lived Experience of Guest Perceptions of Smart Automation

This section explores how guests cognitively and emotionally interpret the presence of smart automation in hotels. The data revealed a complex duality in how technology is perceived, captured in the major theme below.

Major Theme 1: The Duality of Technological Perception

This major theme reveals how guests appreciate smart automation as a marker of luxury and physical safety while simultaneously perceiving it as a risk to their psychological privacy.

Sub-theme 1.1: Automation as modern efficiency and elevated luxury

Participants predominantly perceived smart automation as a signifier of contemporary, high-end hospitality. Participant 4 commented that smart automation means efficiency and modern service. Participant 9 viewed the technology as a representation of luxury:

> *"It represents world-class service. It shows the restaurant cares about using the best tools available." (Participant 9)*

These statements indicate that guests interpret the financial investment in smart automation as an investment in their personal care, elevating their perception of the hotel's brand prestige.

This finding supports perceived usefulness as the most substantial factor affecting technology acceptance within the Technology Acceptance Model. Because guests view the technology as a highly valuable tool with added benefits of luxury and efficiency, their response toward it is strongly positive. The results also align with Buhalis et al. (2022) on smart tourism, who argue that advanced technology in hospitality extends beyond its operational function and occupies a central position within the luxury value offering, thereby increasing positive brand perceptions and perceived service quality.

Sub-theme 1.2: Visible automation as a safety mechanism

For guests, smart automation goes beyond luxury; it is also valued as a way to promote health and secure the environment. Participant 5 provided a vivid example:

> *"I saw a UVC robot sanitizing a hallway… This is very advanced and safe." (Participant 5)*

The same sentiment was encapsulated in a further observation that the technology represents safety, efficiency, and innovation—cleanliness combined with advanced technology. This suggests that automated cleaning technologies provide guests with visible, tangible reassurance, transforming technology into a physical safety protocol.

Within the TAM framework, both perceived ease of use and perceived usefulness are heightened because these technologies mitigate health risks without requiring effort from the guest. This reflects the shift in guest psychology documented in post-pandemic hospitality literature. As noted by Shin and Kang (2021), hygiene-related smart technologies such as UVC robots and contactless systems have moved from being novelties to essential risk-mitigation strategies that directly influence a guest's psychological comfort and willingness to stay at a property.

Sub-theme 1.3: Panoptic anxiety and the illusion of security

Conversely, the phenomenological data revealed that automation disrupted perceived comfort. While hospitality is focused on the care and well-being of the guest, invisible automation is often perceived as discomforting surveillance. Participant 1 articulated a profound unease:

> *"It feels like I'm being watched and that bothers me a lot." (Participant 1)*

This highlights an important interpretation: for certain guests, ambient smart technology in hotels is experienced as an intrusion into what was once expected to be the safe space of a hotel room, rather than as a useful addition to it.

Theoretically, this indicates a constraint of traditional TAM models. A system may score highly on perceived usefulness, yet acceptance can still fail if the technology intrudes into the user's emotional space. In recent work on digital privacy in smart hotels, Lin et al. (2022) identified technology anxiety as a significant problem: extensive use of IoT devices and AI can lead guests to feel that the technology is invading their space, with a marked effect on the quality of their stay.

B. Guests' Preferences Regarding the Use of Smart Automation

This section captures guests' lived preferences and why, highlighting complex desires for a balance between traditional hospitality and automation.

Major Theme 2: The Desire for a Synchronized Service Ecosystem

This major theme reveals that guests do not want full automation, but rather a productive combination in which technology removes tasks that require only data processing while emotional tasks are left to human staff.

Sub-theme 2.1: The hybrid service preference (routine versus emotional)

A dominant theme across the interviews was the strict compartmentalization of hotel services. Guests do not wish for a fully automated hotel. Participant 10 preferred automation for routine services and staff for guest support, while Participant 3 echoed the distinction, preferring staff for welcoming guests and digital tools for service. Participant 9 summarized the preference most clearly:

> *"I want machines to handle the data, like my name, and allergies… Then, I want the human staff to use that information to talk to me, explain the food, and make me feel welcome." (Participant 9)*

This recurring preference reveals that guests view technology strictly as an enabler rather than a replacement, establishing a clear boundary between mechanical data tasks and emotional care.

In relation to the theoretical framework, guests tend to prefer technology where they believe it enhances the efficiency of the task at hand, such as processing data, but prefer humans for tasks involving emotional complexity. This strongly supports the high-tech, high-touch position gaining acceptance in hospitality management. Bowen and Morosan (2023) argue that the most effective hospitality systems use technology to streamline the less complex parts of the service encounter, relieving hospitality workers so they can focus on what is fundamentally human and critical to hospitality practice: emotional connection and complex problem resolution.

Sub-theme 2.2: Craving genuine human warmth

Despite recognizing the efficiency of automation, guests located the core of hospitality in human connection. Participant 1 said they felt more comfortable and satisfied with the care and hospitality of human staff, and Participant 2 stated the same preference for human staff on grounds of hospitality.