

Effects of Factors Influencing Hotel Customers' Online Booking Intention using Malaysian Online Local Platform

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To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v12-i11/15610> DOI:10.6007/IJARBSS/v12-i11/15610

Published Date: 06 November 2022

Abstract

Given the rise in online hotel bookings, it is crucial for anyone working in the sector to understand what influences hotel guests' decision to book online. Therefore, this study aims to investigate the factors that influence the customer's intention to book a hotel online by using hotelsarawak.com.my. These factors include ease of use, social influence, perceived risk, and positive electronic word of mouth. An online survey was distributed to respondents who had experienced and made bookings on hotelsarawak.com.my online platform in collecting information and measuring respondents' perceptions. To test the hypotheses in this study, regression analysis was used. The findings demonstrated that three factors, Ease of Use, Social Influence, and eWOM, significantly influence hotel customers' online booking intention. Based on the results, the study's implications are presented for practitioners.

Keywords: Online Booking Intention, Ease of Use, Social Influence, e-WOM, Perceived Risk

Introduction

Since the 1980s, information and communication technologies (ICTs) have played a key part in the tourism industry's maintenance. In the history of internet development in the 1990s, the internet has been viewed as a major contributor to the tourism industry's dramatic shift and unparalleled potential (Jeng, 2019). The Internet constituted a new and potentially potent communication and distribution route for travel suppliers, filling the space between consumers and suppliers, and was central to the entire discipline of changes (Amaro & Duarte, 2015). Over the past decade, the evolution of information and communication technologies in the tourism industry has enabled booking rooms and itineraries via the internet. Online bookings are rapidly becoming a key instrument in both domestic and international businesses, resulting in the emergence of online booking companies (Standing & Vasudavan, 2000). Due to the internet, it is possible for guests to reach hotels (Birkan,

1998) immediately. In addition, they can pay via internet banking transactions through hotel websites and view the results of their bookings. Consequently, internet usage has become indispensable in today's competitive economy (Pajo, 2013; Sener, 2009). Similarly, some authors have been primarily concerned with giving evidence on most clients who make reservations via the internet as opposed to visiting a travel agent or the hotel in person (Radzi et al., 2017). Alongside this development in online bookings for the tourism industry, however, there is growing concern regarding the knowledge of the key elements that impact customers' booking decisions (Agag & El-Masry, 2016; Liu et al., 2018). Uncertain is how online information searches, reviews, and electronic word of mouth (eWOM) influence customer behaviour (Vermeulen & Seegers, 2009), specifically their willingness to book a hotel stay (Sparks & Browning, 2011).

In several studies, factors such as ease of use (Kim, 2008; Wang et al., 2015), social influence and perceived risk affect online purchasing intention (Al-Maghrabi et al., 2011; Dai et al., 2022; Martn & Herrero, 2012), and positive electronic word of mouth (Liu & Park, 2015; King & Racherla, 2015) were found to influence customer intention to purchase travel online. However, other academics stated that the online booking system's functionality, efficiency, and efficacy are more essential than its user-friendliness (Kucukusta et al., 2015). The conventional understanding of the electronic word of mouth (eWOM) is viewed as less dependable than offline word of mouth (Chatterjee, 2001). In addition, these elements are not combined in a single study, meaning that researchers have not addressed them sufficiently. Little is known about an integrated approach for these aspects, particularly in Malaysian hotels (Radzi et al., 2017). To the authors' knowledge, no research has examined the elements influencing hotel customers' online booking intent in Sarawak, particularly when using a local online platform. The generalizability of many published research on this topic is problematic; hence, there has been no solid research on the factors influencing online hotel bookings, given the contradictory results (Amaro & Duarte, 2015). Therefore, it is essential to investigate the effects of the ease of use, social influence, perceived risk, and eWOM on Hotel Customers' Online Booking Intention in Malaysia.

This article seeks to identify and analyse the key elements influencing hotel guests' intentions to make room bookings in Malaysia via Sarawak's local hotel website. Understanding the drivers of online booking intent and behaviour can aid hotel management in implementing the most effective booking strategies. Thus, the primary purpose of this study was to determine the elements that influence a customer's intent to book a hotel through hotelsarawak.com.my.

Literature Review

Online Booking Intention

Intention is the decision to engage in a given activity or action. Online booking intent is the willingness to make online reservations and stay at specified hotels (Hermanus & Indradewa, 2022). The more customers grasp technology, the more likely they are to book hotel rooms online; thus, there is a need for development that progressively fulfils consumer expectations in terms of technology and information so that hotel room reservations online are rapidly growing (Hermanus & Indradewa, 2022).

Ease of Use

It refers to a situation in which a person or individual utilises an information technology system that does not need much work and is not obtrusive. According to McCloskey (2006),

perceived ease of use primarily influences utility as a system or programme must be easy to use for people to utilise it and acknowledge its usefulness. A technology's ease of use refers to the simplicity with which it can be utilised and comprehended by a user. The definition of ease is the notion that utilising technology would be painless. The usability is simple to understand and employ (Islami et al., 2021). In addition, user-friendly websites influence customers' intentions to purchase online products and services (Kim, 2016). The technology acceptance model argues that an individual adopts a system when it is simple to use (Kim, 2016). Therefore, this study hypothesised that ease of use positively correlates with hotel customers' intention to book online.

Social Influence

Social influence is the extent to which an individual perceives the importance of others, believing he or she should use the new way (Bakar & Zaini, 2022). Entrepreneurs will utilise social media when their spouse, sibling, mentor, influencers, and firm rivals persuade them of its value. Additionally, the entrepreneur may use social media due to the influence of customers (Pentina et al., 2012). There are distinct types of people who can convince consumers and company owners to adopt social networking apps. According to prior research (Chua et al., 2018), friends, family, and coworkers can influence consumers to post on and utilise social networking apps. On the other hand, an entrepreneur is influenced by a wider variety of people, including family, siblings, mentors, clients, competitors, and influencers (Matikiti et al., 2018; Fadhila, 2018). In addition, social factors such as friends, family, and peers have a stronger influence on internet purchase behaviour than other factors (Venkatesh & Davis, 2003). Therefore, the second hypothesis proposes that social impact favours hotel consumers' intention to book online.

Perceived Risk

According to Masoud (2013), consumers' risk perception has been taken into account as a crucial aspect in the online booking decision-making procedure. Ko et al (2010) define perceived risk as the potential for loss in pursuing the desired objective while engaged in online booking; it is a combination of ambiguity and the chance of a severe consequence. Featherman and Pavlou (2002) highlighted that numerous measures had been developed to quantify the probability that individuals anticipate risky events will occur, so capturing the concept of perceived risk. In addition, the perception of risk decreases consumers' willingness to purchase products online. Several authors have observed that the perception of risk in E-commerce has a negative impact on Internet shopping behaviour, attitudes about usage, and intentions to adopt E-commerce (Zhang et al., 2012). Additionally, previous research has shown a correlation between perceived risk and online shopping (Suki, 2012). In a related manner, Vila and Kuster (2012) observed that a reduction in consumers' perceptions of risk stimulates internet users' purchasing intentions. Consequently, we suggest the following hypothesis: Online hotel reservation intent is adversely correlated with perceived risk.

Electronic Word of Mouth

Among consumers and businesses, electronic word of mouth (eWOM) is regarded as one of the most influential informal media. According to Dellarocas (2003), word of mouth is one of the earliest means of knowledge transmission and exchange. Yoon (2008) claimed that Electronic Word-of-Mouth Systems (eWOMS) are one of the most important technological

eWOM supports. Like other decision-supporting systems, its primary focus is on the goods and services offered by buyers and sellers on the internet platform. eWOMs has been a platform for individuals sharing ideas and experiences on the quality of consumed products, as well as a venue for evaluating or recommending those products or services via customer reviews or ratings on the Internet. As eWOM has been a forum for users to share their experiences, Cheung et al (2009) propose that good eWOM strengthens consumers' initial views and attitudes toward suppliers in terms of the trust. Positive eWOM enhances the association between consumers' emotional trust and their inclination to shop online, as well as the relationship between consumers' perceived integrity and attitude, according to the author's results. Previous research has established a connection between a favourable eWOM and a consumer's propensity to purchase hotel products (Liu & Park, 2015). Consequently, the following hypothesis: Positive eWOM is positively associated with customers' intention to book online.

Methodology

The Use of the Balanced Scorecard

The study sample comprised customers with experience and utilised hotelsarawak.com. , a local online hotel booking platform. Hotelsarawak.com.my, an online booking platform project, was a partnership between the Sarawak state government and the Malaysian Association of Hotels (MAH) in the state of Sarawak. When its members travel to Sarawak, the platform is committed to providing them with the lowest prices accessible. According to the website, reservations are promptly confirmed using a secure platform, and consumers' privacy is protected to the greatest standards. The gathering of data for this study occurred between May and July of 2022. Due to scheduling constraints, the survey was distributed via social media websites. Using the concept of purposive sampling, the Google Survey Form was sent to prospective responders using social media apps. In this study, 22 items were developed and employed. The assessment scales for perceived ease of use are based on (Agag and El-Masry, 2016). The social influence measures were adopted from Shih and Fang (2004), the perceived risk scales were adapted from Corbitt et al (2003), and the e-WOM items were adapted from (Tsao and Hsieh, 2012). These instruments were measured on a 5-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5). Cronbach Alpha was utilised to evaluate the instruments' reliability and validity. The internal coefficients for Ease of Use (= 0.918), Social Influence (= 0.949), Perceived Risk (= 0.976), and positive eWOM (= 0.948) are assessed as excellent. In the meantime, Online Booking Intention (= 0.874) is evaluated as good. We employed descriptive and regression analysis to assess the influence of ease of use, social influence, perceived risk, and eWOM on the online booking intention of Sarawak hotel consumers.

Findings

Respondents Profile

In order to determine the number of respondents who answered on each demographic profile element, frequency analyses have been conducted in this study. In addition, this study calculates the number and cumulative percentages of subcategories of demographic profiles. It consists of the respondent's gender, age and the purpose of using the platform. The first demographic aspect that has been asked is the respondent's gender. 77.4% of the respondents are female, while 22.6% are male. The results indicate that the female gender is the respondents' domain in this survey. The second question in the demographic profile is

the respondent's age group. The researcher formed groups of age into three sub-categories. The majority of the respondents were aged in the range of 24-34 years age group (45.3%). The second largest age group is over 34 years old (28.3%), and the last group's age is 18-24 (26.4%). Additionally, 96.2% of the respondents were using the platform to book hotels for leisure purposes, and only 3.8% were using it for business trips.

Regression Analysis

To test the hypotheses, regression analyses were performed to analyse the relationship between independent and dependent variables. The summary of regression analysis for factors (Ease of Use, Social Influence, Perceived Risk, Positive eWOM) that influence hotel customers' online booking intention using hotelsarawak.com were shown in Table 1 below.

Table 1
Coefficients

	β	t	Sig.
Ease of Use	.310	2.508	.016
Social Influence	.356	2.727	.009
Perceived Risk	.070	.924	.360
Positive eWOM	.323	3.885	.000

Dependent Variable: Online Booking Intention

The outcomes demonstrated that there is a significant relationship between the factors and customers' online booking intentions. The customers' influencing factors were able to explain 77% ($R^2=0.77$, F -change = 40.275, $p < 0.000$) of the variance in customers' intentions to book online. It showed that factors of online booking were found significantly and positively influence their customers' booking intentions; thus, the hypothesis is manifestly supported. Besides that, this study's value of the Beta Coefficient is reported. Pallant (2007) stated that the beta coefficient indicates which variable(s) is important to the model by looking at the largest value with ignoring the negative signs. This study suggests that among the influential online booking factors, social influence (0.356) has the strongest influence on customer intention and followed by positive eWOM (0.323) and ease of use (0.70). However, another factor, perceived risk, has a statistically insignificant relationship with customers' online booking intention.

Discussion and Conclusion

This study demonstrates a relationship between ease of use, social influence, perceived risk, and positive eWOM and customers' intentions to book hotels online. As hotelsarawak.com.my was a local online booking platform of the Sarawak state government and a collaborative effort with the Malaysian Association of Hotels (MAH), this outcome would help the association improve the website based on factors that affect the customer's booking intent. However, this study has certain limitations, including a lack of hotel availability on the website platform compared to Booking.com, Traveloka, and Agoda. Consequently, respondents may have some bias in their responses due to this disparity.

Previous studies have indicated a relationship between the investigative elements and the online booking intent of hotel customers. The findings of the current study are comparable to those of those studies. Following prior research by (Kim, 2016). Therefore, hoteliers can

employ readily applicable technological improvements to facilitate the online sale of travel. For example, offer service information that considers internet usability and information accessibility to help consumers make better decisions while performing online bookings. The study indicated that social influence has the greatest effect on online booking by consumers. Social influence is a psychological component that influences consumer intent to make direct bookings/reservations via websites, as evidenced by the results of this study and by earlier research (Dillon & Morris, 1996). Therefore, hoteliers should utilise social networking and establish social relationships with visitors before and after their stay.

Additionally, positive eWOM reviews result in a greater intent to book a hotel. Prospective hotel guests rely on positive testimonials from past guests. The evaluation offers the reader a deeper understanding of the hotel's services and offerings. In addition, it assists users by providing information regarding the service quality of a particular hotel. Unfortunately, the influence of perceived risk on the propensity to book hotels online was insignificant in this study. The degree of uncertainty connected with internet purchases enhances consumer perceptions of risk. According to Casalo et al (2007), customers perceive a higher level of risk when making decisions and paying for a purchase or booking online because they cannot discuss the matter with a salesperson, unlike in a physical store or hotel. In order to lower the perception of danger, hoteliers must employ appealing risk-reduction techniques. It is advised that future studies cover a bigger and more diversified sample size to examine the scenario from the views of various consumers.

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