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The Influence of Hotel's Website Quality on Customer Purchasing Intentions

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ABSTRACT

Background: This study aims to understand the influence of website quality on customers' purchasing intentions. This research provides further insights into the WebQual dimensions that is influencing customer purchasing intentions through hotels' website. There are previous researchers that have highlighted many factors that build up excellent websites but only a few were related to the customer purchasing intentions through hotels' website. **Results:** The researcher has identified a few dimensions that the customers give higher priority of importance which influences their purchasing intentions through hotels' website is the "ease of understanding", "information quality" and "trust". **Conclusion:** The weak points are from the WebQual dimension of "intuitive operation", "innovativeness" and "response time". Those weak points may be negative influencing factors in their future purchase intentions through hotel websites.

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INTRODUCTION

The quality of a website has generally been recognised as a critical step to drive business online for many Hotels. According to O' Connor and Frew (2002) many hotels have established their own hotels website to promote their service and they have gained an increased share in the online market which is eventually due to the increase in demand of online services. Currently, one of the largest application in the World Wide Web is the travel and tourism related reservation online (Leong, 2003). It is stated by Xiang and Gretzel (2010), that the users' activities, destination selection and purchasing behaviour is strongly influenced by the information that they have collected from the internet. Therefore, this could be the reason of the increased share of in the online market and the largest application in the World Wide Web.

This is because when the quality of the website is excellent the customer purchasing intention would very much influence to purchase the product or service form the website. According to Liu *et al.* (2000), in their study it's found that "A well-designed website would direct to a better customer recall and recognition and favourable attitude toward the site and its products". According to, PhocusWright (2012) it is stated that 52.3% of all hotel bookings are made online for the year 2010. Therefore, the website quality and image plays a role in the customer purchasing intention.

Literature review:

It is predicted by Yeoman and McMahon-Beattie (2006) that the digital society will change their behaviour and by 2015 majority consumers will purchase their holiday services through the internet. Indeed, there could be many website quality factors which may affect customers purchase online. Law and Hsu (2005) has investigated on how hotel perceived the hotel website attributes and they found that "customers viewed reservation information as the most important dimension, and room rates as the most important attribute", and surprisingly when the customers intends to book high quality hotel their online purchase intention is affected due to the hotels website quality. Vijayarathy (2004) and Richard (2005) have identified in their research that online purchase decision is indeed affected by website design. Similarly, Liang and Lai (2002) found that customers will more probably purchase online when the website provides greatly desirable functions, including a product catalogue, a search engine, intelligent agents for price comparisons, shopping carts, e-payment methods and tracing mechanisms.

Website quality can be measured by a model produced by previous researchers. Research on hotels' website quality can be analysed based on WEBQUAL model. WEBQUAL model is a measure of website quality

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introduced by Loiacono, *et al* (2002). This model is commonly used to assess an organisation website and identify the driving forces to influence the customers to purchase online. The model consists of five higher level concepts which are then expanded to fifteen dimensions. The five higher level of concept are ease of use, usefulness, entertainment, complementary relationship and lastly, customer service. This WEBQUAL model will be used as the theory for this research paper.

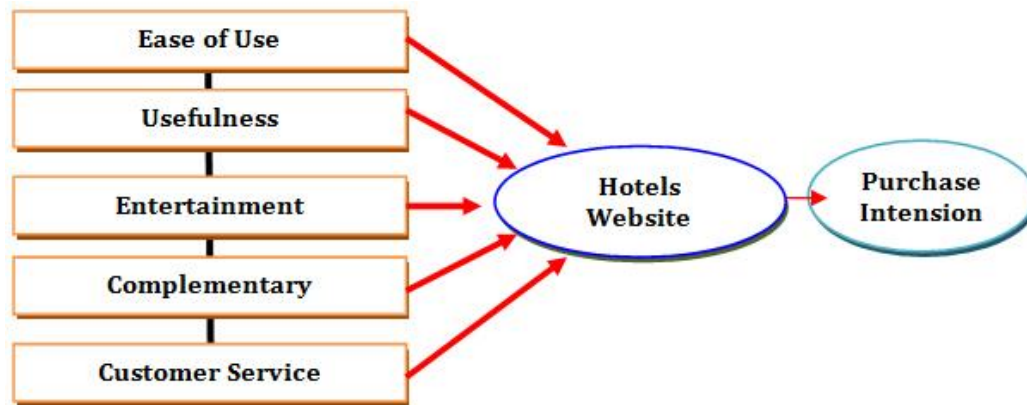


Fig. 1: WEBQUAL model.

1) *Ease of use:*

The first concept is ease of use which is divided into two dimensions Ease of understanding and ease to operate. Both this dimension will eventually enhance the ability of the customers to purchase online. It is identified that one of the three important factors of websites are the price range, secure payment methods and lastly user – friendly system (Law and Wong, 2003). This concept is based on the use-friendliness of the website as when the website is easy to be used and understand it will eventually boost the influence level of the customers to purchase online.

a) *Ease of understanding:*

It is the ability of the customers to read and understand the details published on the Hotels website and find related information easily. When the customer are comfortable and finds it easy to understand the website attributes they will eventually be able to operate the application and services available on the website. According to Loiacono, *et al* (2002), ease of understanding is when the customer finds it easy to read and understand the website.

b) *Intuitive operation:*

According to Loiacono, *et al* (2002), intuitive operation is the easiness of the customer to operate and navigate within the website. The customer has to search and navigate themselves on the website as there is no interaction with the personnel online. Therefore, if the hotel website are too complicated and there no ease of use on the website customers will most likely quit utilising the website. According Liu *et al.* (2000) has found that a well designed website will most probably lead to a better customer recall and recognition and also a positive mind-set towards the website and the products.

2) *Usefulness:*

Usefulness is the second concept of WebQual which is divided into five dimensions. The five dimensions are information quality, functional Fit-to-task, interactivity, trust and lastly response time and lastly.

a) *Information quality:*

According to Loiacono, *et al* (2002), Information quality of a website play a vital role in WebQual modal which gives priority and importance to the accuracy of the information, the degree of relevant information according to the organisations website and the update of current information. When the information quality is up-to-date it will eventually increase the influence of customers purchase intention. According to Sheldon (1997) travel products are unique and it is required in communicating a great quantity of varied information from the suppliers to the consumers. Kim and Kim (2004) have stated in their study that there are two main factors which influences online purchase intentions which is online satisfaction and completeness of information. When the information available on the hotel website is complete it would eventually influence the travellers purchase intentions. Tourist demands websites to provide more accurate information to accommodate with their information need (Chung and Law, 2003)

b) Functional Fit-to-task:

Functional fit-to-task is the degree of information the website can offer according to the customer's tailored made requirement (Ho *et al.*(2007). For example, in the hotel website, customers are able to customise the services according to their need such as additional bed and breakfast to be included. According to Loiacono, *et al* (2002), the information offered by the website meets the task needs for the customer to go ahead with their performance. When the hotel offers adequate information that meets the customer needs of performing a reservation online the customers purchasing intentions will eventually be influenced.

c) Interactivity:

Interactivity is the degree of tailored communication available between the organisation and the customers according to Loiacono, *et al* (2002). When the organisation provides many modes of communication and also customising the communication method it enhances the communication between both the parties.

d) Trust:

Trust is one of the key factors that influence an individual to purchase online through the organisations website. When the communication and the customer private details are secured the customers are most probably influenced to purchase the product or service. As a result from Yoon (2002) research result claimed that customer online purchase intention is influenced by trust. In addition, McKnight *et al.* (2002) has "argued that structural assurance can help develop consumer trust". One of structural assurance example is the legal security of online transactions. When the hotel website has legal online transaction security the customer online purchase intentions will be positively influenced. The protection of customer's privacy signifies transaction reliability and influences transaction decisions argued by Liu *et al.* (2004). Eastlick *et al.* (2006) has stated that trust is vital in building long term online business to customer relationship in the industry.

e) Response time:

Since, the reservation service offered in most of the hotels websites is 24/7 customer would be delightful if they are able to receive immediate response for their queries online. Nevertheless, reservation can be done online through the system quickly such as the available dates, room rates and etc because the system will be automatically up-dated. Kaynama& Black (2000) has explained that an online responsiveness is the promptness of the website response to the customers. In addition, Udo and Marquis (2001 – 2002) have stated the most important factor which indicated the effectiveness and reliability of a website is through the time take to download the website.

3) Entertainment:

The third concept is entertainment which is divided into three dimensions which are visual appeal, innovativeness and lastly flow. Abel *et al* (1997) have found out that a well organized and structured website with linkage to other relevant sites may influence the increase of customers purchasing online. In addition the researchers have also stated that a website with good appearance could also increase the customer purchasing intention online.

a) Visual appeal:

According to Loiacono, *et al* (2002), "visual appeal is the aesthetics of the website". For example when a customer intends to make a reservation online the overall first impression of the website should give a great aesthetic pleasure to the customer. Wong and Law (2005) have identified nine attributes of website quality which influences the customers to purchase online and one of the attribute as visual attractiveness.

b) Innovativeness:

The creativity and uniqueness of the website is combined in this dimension (Loiacono, *et al*, 2002). In addition Wong and Law (2005) has also identified that web features are one of the driving forces from the nine attributes identified which has a positive impact on customer purchasing decision on hotel website. According to the research of Milan (2007), millions of travellers log into travel websites daily to experience web content through hotel generated past reviews of cutovers, photos and written text. It was also stated that 84% of customers visiting the website finds the reviews and hotel rooms photos much more convincing than other features of the hotels. This indicates that the innovativeness of hoteliers' publishing their hotels photos plays a huge role in the customers' purchasing intentions through hotels' website.

c) Flow:

According to Loiacono, *et al* (2002) flow is the emotional effect of customers utilising the website in the degree of involvement between the customer and the website. When the website is structured well and the flow

of the information and transaction is efficient the customer will more likely be emotionally affected to utilise the website in the future,

4) Complementary relationship:

The fourth concept is complementary relationship which consists of three dimensions which online completeness, better than alternative channels and lastly consistent image. These entire dimensions are combined into one concept because the common features of the dimension are to enhance the overall website quality.

a) On-line completeness:

In this dimension it is understood that the number of services offered online through the website and the completeness of the service. When the organisation offers online transaction services the customers would feel hassle free as they can reserve the hotel room online and also do the payment at the same time.

b) Better than alternative channels:

Website has become one of the best and preferred sources of information and transactions to be done on the same time. This is because customers find it convenient rather than other alternative available. According to Dion and Woodside (2010), in their research it is stated that World Wide Web efficiently provides better information source compared to all the alternatives available in the tourism industry especially. The previous researcher has also mentioned that if the website is well structured it will eventually boost the convenience of the customers to utilise the online reservation system on the hotel websites.

c) Consistent image:

The website contents should overall match the organisation's business. For example, when an organisation sells products or services which are not related to the organisation image and business objectives the customers will most probably be not influenced to purchase the services and products from the website. As this will create doubt for the customers on the reliability of the website and the organisation too.

5) Customer service:

According to Loiacono, *et al* (2002), customer service is the degree of hotel employees' response to the customers' inquiries, comments and feedback. This is the crucial part where the organisation has to freely accept comments and feedbacks for improvement and also respond to customer's inquiries promptly. In the hotel industry service is a vital role because the industry is purely based on service therefore the care and service offered to the customers has to be efficient.

Influence of website quality on customer purchase intentions:

The purchase intentions of individuals in this era have changed as every individual has and are becoming more concerned on their purchasing behaviour. It is the same situation in every business method either physically in the market or also in the virtual market. Especially when customer tends to compare and contrast the products and services online before purchasing. For example in the Hotel industry there are many players in the industry and there are high possibilities that the customer may switch to another hotel for a better value and trustworthy of the website. The level of purchase intentions depends powerfully on the customer's satisfaction level and trust on the website (Lee, 2002)

According to Law and Hsu (2005) it is found that website quality affects customers' purchase intentions when they are looking for high quality accommodations. Information satisfaction is also a vital consideration for customer to reserve their hotel rooms online. Jeong *et al.* (2003) has found in their research that the information satisfaction level of customers happens to be the key online behavioural intentions and it is also stated that the website quality is important for information satisfaction.

For instance, Wong and Law (2005) have identified a few attributes of website quality which encouraged travellers to make purchase online. The attributes are: "the necessary time for booking, visual attractiveness, linkage to other web sites, price information, useful information, number of hotel web features, time required to search through a site, sensitive information and price competitiveness". All the mentioned attributes above have both directly and indirectly influence the travellers to book the services online.

In addition from another research done by Law and Wong (2003) the researchers have proposed three main dimensions which are secure payment method, user-friendly system and different price range of product or services which encourages customers to purchase tourism product and services online. Law and Bai (2008) have clearly stated in their research that customer satisfaction is positively impacted by website quality and customer satisfaction will eventually lead a positive impact on customer purchase intentions. Therefore, the suitable concept that can be used in order to evaluate the influence of hotels' website on customers' purchasing intentions is by the WebQual model.

Method:

This study employs a quantitative approach intended to deduce the theory. The positivism paradigm used to verify the existing body of knowledge. This study focuses on hundred (100) respondents in a stratified random sample. The questionnaires were distributed in a particular well established tourism hub in Malaysia. The area focussed is at Bukit Bintang, Kuala Lumpur because there are a mixture of local citizens and also international tourist at the area. The assumption of more respondents there is because the area has many hotels', shopping complexes located nearby and its one of the main area to be visited by local citizens and international tourist.

RESULTS AND DISCUSSIONS***The importance of hotel website quality to customers purchase intentions:***

The importance that the respondents have rated on the hotel website quality takes an average mean of 4.63 to 3.87. The top three means were "Accuracy and effectiveness of information" 4.63, followed by "Sufficiency of information" 4.61 and "secure communication and information privacy" 4.58. This shows that the respondents pay high degree of importance on sufficiency and accuracy of information, on the security of communication and information privacy. Similarly, the least important attributes average mean is 3.87 for the attribute of "Visual appeal". Therefore, it can be identified that the visual appeal of hotel website is not given the vital importance from the customer's point of view.

Table 1: The mean for the importance of hotel website quality to customers

Attributes	Mean
Sufficiency of information	4.61
Accuracy and effectiveness of information	4.63
Ease of understanding the information	4.52
Interactiveness	4.11
Response time	4.33
Secure communication and information privacy	4.58
Online completeness	4.34
Easy accessibility	4.31
Booking customisation	4.17
Ease to operate and navigate	4.18
Visual appeal	3.87
Innovativeness	4.02
Consistent image	3.95

The customers satisfaction level on hotel website quality:

Most of the respondents were very much satisfied with the "secure communication and information privacy" with the total mean of 3.89. This indirectly shows that most of the hotel are emphasizing and practicing good information system to communicate with their customers. Nevertheless, there were three attributes which has drawn the lowest mean value such as "Ease to operate and navigate" 3.26, "Response time" 3.3 and "Innovativeness" 3.3. This shows that the current weaknesses of hotel's website quality are those three attributes.

Table 2: The mean for the satisfaction level of respondents on hotel website quality

Attributes	Mean
Sufficiency of information	3.54
Accuracy and effectiveness of information	3.39
Ease of understanding the information	3.63
Interactiveness	3.35
Response time	3.3
Secure communication and information privacy	3.89
Online completeness	3.61
Easy accessibility	3.45
Booking customisation	3.36
Ease to operate and navigate	3.26
Visual appeal	3.39
Innovativeness	3.3
Consistent image	3.52

The results from the data analysis have further help the researcher in attaining the research objectives. Through the data analysis it clearly shows that Hotels' websites quality does play a vital role in influencing the customers purchasing intentions online. Moreover, by identifying the common attributes which were not satisfying the respondents' previous purchase, this could help other hotel organisations to improvise those areas.

According to the data analysis gathered it is learnt that there are two main important concepts from the WebQual model which the respondents have rated highly. The concepts are ease of use and usefulness. From the

concept of ease of use the ease of understanding dimension and from the concept of usefulness the dimension of information quality and trust will be discussed in detail below. From a previous research by Law and Hsu (2005) they found that customers viewed reservation information as the most important dimension. To support further, Kim and Kim (2004) have stated in their study that there are two main factors which influence online purchase intentions which are online satisfaction and completeness of information.

Conclusion:

As predicted by Yeoman and McMahon-Beattie (2006) that the digital society will change their behaviour and by 2015 majority consumers will purchase their holiday services through the internet, indeed through this research it is found that yes majority respondents prefer to purchase their travel services through the internet. In support by the previous research of Dion and Woodside (2010), it is stated that World Wide Web efficiently provides better information source compared to all the alternatives available especially in the tourism industry. Further research can be done focusing on respondents from the same employment status and income range to identify the specific dimensions of WebQual model influencing their purchase intentions. Relevant stakeholders can also take necessary action from policy planning to implementation in order to develop the hotel industry in a sustainable manner by understanding customers' purchasing behaviour.

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