

Influencing of e-Service Quality to e-Loyalty of Thai Consumers toward Online Hotel Booking

Thichakorn Visansakon and Pisit Prougestaporn

Abstract—Internet has changed many business industry, also has significantly revolutionized travel industry in the last decade. The internet has also shifted the hotel industry's distribution model from traditional service to online service provided through internet websites. However, the hotel service providers need to find new things to attract customers to their online service. Therefore, electronic service (e-service) possibly be the key to long-term advantages in the digital times. Meanwhile, In e-commerce, loyal customers have been considered extremely valuable. Loyalty was generally attributed to satisfaction with the quality of service. And despite many studies concerning traditional service quality, relatively few studies have been conducted in the Internet market, and even less on online travel service quality particularly in asian countries like Thailand. This paper as a result proposed to analyse the influencing of the e-service quality factors to e-loyalty toward online booking hotel with the case study of thai consumers. The methodology used were survey method by questionnaire to thai consumers, and the data gained was analysed by linear regression with the significant value of .05.

Index Terms—E-loyalty, e-service, e-service quality, online hotel booking, thai consumers

I. INTRODUCTION

Internet had gradually come to play a major role in the world as it was an advance technological tool provided several benefits to human being. According to [1], with the rapid development of information and communication technology, Internet and World Wide Web (WWW) have become important tools in business, which has a major impact on business world.

Further more, internet has changed many business industry, also has significantly revolutionized travel industry in the last decade. [2] stated that for the travel industry, the positive impacts of the internet include more effective distribution channels and disintermediation. In the early stage of Internet market, several online travel service companies had competed with traditional travel service companies by providing service with lower prices [1].

In the meantime, similarly to other business within the travel industry, the internet has also shifted the hotel industry's distribution model [3]. According to [4], during 2005, more than 64.8 million people used the web to make travel plans, with an additional 14.2 million travelers seeking information online prior to making a reservation through alternative channels. The shift to e-commerce can reduce

costs, allow hotels to interact directly with customers, improve the reservation and sales process through the availability of more timely information, and results in an organization outperforming its competition [5]-[7]. Also like other service business, in the beginning of online hotel reservation, low-price was the main key used for competing with traditional mode of reservation.

However with an increasing number of travel companies participating in the Internet market, the initial price advantages in online travel service has nullified, and low price has become a minimum qualification to compete in the Internet market [8]. Thus, travel business operators operating in the Internet market including hotel service providers need to find new things to attract customers to their online service. [9] stated that electronic service (e-service) possibly be the key to long-term advantages in the digital times, and e-service quality gradually become even more critical for companies to retain and attract customers in the digital age [9]. Meanwhile, In e-commerce, loyal customers have been considered extremely valuable. Loyalty was generally attributed to satisfaction with the quality of service [10].

Although several companies have realized the importance of online travel service to customers, they seem not to understand customer's perception of online travel service and how customers assess their online travel service quality. And despite many studies concerning traditional service quality, relatively few studies have been conducted in the Internet market, and even less on online travel service quality [1]. This paper as a result proposed to analyse the influencing of the e-service quality factors to e-loyalty toward online booking hotel with the case study of thai consumers. This paper would begin with the background of online booking hotel, online booking hotel in Thailand, review of e-service quality and e-loyalty, followed by the presentation of conceptual framework, hypothesis, methodology, result, and end with conclusion.

II. ONLINE HOTEL BOOKING

The major shift to the online-based hotel booking system generated several advantages for the industry, as it built high possibility of global distribution due to the accessibility of 24 hours a day and seven days a week [11]. According to [11], because of the self-serving website, it could help hotel to less stress relying on staffs for such task. In addition, hotel amenity and accommodation information provided online has been oftenly create more accurate and consistent than telephone sales due to the lack of human interaction, so error, can be updated faster than training employees in policies and procedures [11].

In fact, the hotel industry was slow to adopt online

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distribution. The early online reservation systems were primarily dominated by third party wholesalers such as Expedia and Travelocity [12]. The growth of these third party distributors resulted in loss of revenue in the form of commissions and fees, and more importantly, decreased control over information presented to the consumer [11]. Further stated that noting the consumer move to booking hotel rooms via the internet, hotels have attempted to regain control over their distribution from third party entities again.

III. ONLINE HOTEL BOOKING WITH THAI CONSUMERS

Thai consumers have gradually adopted this new trend of booking hotels online. There were the increasing number of people who switched from traditional hotel reservation system to online hotel booking system particularly new generation consumers as the extending of internet network as well as the easy procedure to perform booking without consuming time to wait the long telephone call. According to [13], there were increasing numbers of Thai people reserving hotel through the internet due to the new life style of technology usage of Thai consumers especially in Bangkok. There was 67% of Thai consumers who access the internet for online shopping in year 2010 and the number of percentage expected to increase more and more (Sasiwimon B., 2011).

IV. E-SERVICE

An e-service defined as the provision of service over electronic networks such as “the internet” and includes the service product, service environment, and service delivery that comprise any business model, whether it belongs to a goods manufacturer or a pure service provider [14].

V. E-SERVICE QUALITY

As the increasing of e-service adoption in business field, the importance of measuring and monitoring e-service quality in the virtual world has been recognized, and e-service quality simply became the interesting topic to concern worldwide. In research field. Some academic researches have already been conducted to develop e-service quality measurement [1]. However much of the studies in e-service quality take a combination of traditional service quality dimensions and web interface quality dimensions as the starting point [1]. [15] conducted a research work on the dimensions of e-service quality focusing on website design, and proposed that 7 dimensions of e-service quality could be illustrated as the basic parameters in the judgement of e-service quality: website design, reliability, delivery, ease of use, enjoyment and control.

Ref. [16] stated e-service quality as overall customer appraisal and judgments in relation to the excellence and the quality of e-service delivery in the virtual marketplace. E-service quality also can be examined as the extent to which a websites facilitates efficient and effective purchasing, and delivery of products and services [17]. And currently, the e-service quality becomes an important criterion to measure

the websites and there are many researchers have developed key of e-service quality dimension to measure the consumer or user’s perception of quality [1]. In this paper, five e-service quality dimensions would be proposed based on the study of previous literatures as follows:

- 1) Web Design: The web design was significantly important as the websites have to be designed for a targeted customer segment and it was directly related to the user interface [18]-[20]. [21] indicated that online consumers would be more pleased with websites that were localized to their particular cultural preferences. Web design elements could be classified as symbols, color, layout, language and content [22]. In currently, web design received a more illustrious than the earlier period of e-business which it expanded to encompass design elements as defined by the design community [23]-[25].
- 2) Reliability: Reliability refers to the consistency of performance and dependability of companies [26]. It was the capability to perform the promised service accurately and consistently, which it could be including the frequency of website update, prompt reply to customer enquiries, also the accuracy of online purchasing and billing. Reliability is the most important dimension of e-service quality, as it is vital to make customers to trust that the company is going to perform what it promises to do [1]. [26] stated that the reliability was the most important dimension in services.
- 3) Privacy: The privacy could be defined as an individual’s ability to organize or manage his/her personal information which was acquired and used [27] and [28]. [17] defined privacy as the degree to which the site is safe and protects customer or user information and it significantly influence on consumers or users’ evaluations of websites as well as their satisfaction toward the websites [29].
- 4) Responsiveness: Responsiveness refers to willing to help customers and provide prompt service [26]. Responsiveness was effective handling of problems and returns via the Internet. Company’s prompt service to customers via the Internet could make customers feel more comfortable during purchasing and continue purchasing without interruption [1]. [20] mentioned that responsiveness dimension can be stated as that of the traditional servqual and it can be measured a company’s ability and willingness to provide prompt service when customers have queries/issues. It also defined as an effective handling of problems or issue and how well it returns through the websites [17]. [30] stated that responsiveness is related to willingness of the company that helps consumers or users and to provide prompt service when consumers have problems.
- 5) Web Customization: This variable become more importance and is a particular part of online service quality. The web customization dimension could be understood as the empathy dimension of the traditional SERVQUAL [20]. Web customization could reflected the degree to which information or service is customized / made to order to meet the needs / requirements of the individual visitor [31].

VI. E-LOYALTY

Ref. [32] defined e-loyalty as “the customer’s favorable attitude toward an electronic business, resulting in repeat purchasing behavior”. [33] defined e-Loyalty or online loyalty as a consumer’s intention to use or purchase from the website and that consumer will not change to another websites. [34] also mentioned e-loyalty as intention to revisit a website in the future. [35] defined loyalty as a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, thereby causing repetitive same brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

VII. CONCEPTUAL FRAMEWORK AND HYPOTHESIS

The conceptual framework drawn to analyse the result shows below:

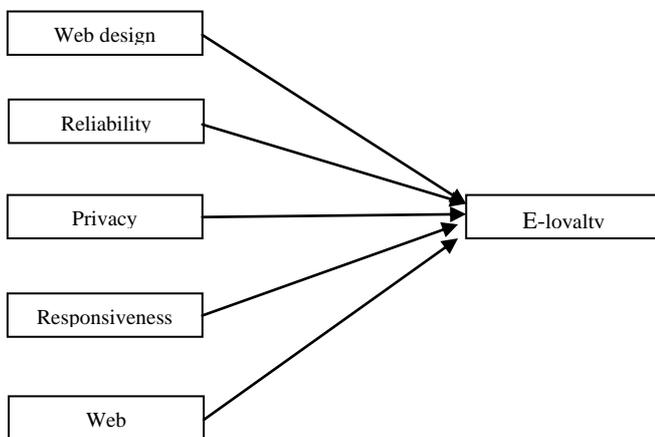


Fig. 1. Framework.

From the conceptual framework presented, following hypothesis was set to analyse:

H1₀: There is no significant influencing of e-service quality in term of web design, reliability, web customization, privacy, and responsiveness to e-loyalty of thai consumers toward online hotel booking service.

VIII. METHODOLOGY

The target population of this research were thai consumers who ever used online hotel booking service at least once, both male and female, age at least 18 years old.

Sample size used for collecting the data is calculated based on the formula of $n = Z^2pq/E^2$

N = number of items in sample

Z = the confidence level in standard error units = 1.96

p = estimated proportion of success = 0.5

q = 1- p , or estimated proportion of failures (1-0.5) = 0.5

E = the maximum allowance of error between the true proportion and the sample proportion = 0.05

The sample size equal to at least 385 respondents.

The instrument selected to collect the data from respondents is questionnaire. The questionnaire designed for this research was in 5 likert scales measurement to rate the

opinion toward e-service quality factors and to level the e-loyalty toward online hotel booking service.

For data analysis, Linear regression analysis with significant value of .05 was applied to test the influencing of e-service quality factors to e-loyalty toward online hotel booking service of thai consumers.

IX. RESULT

Based on the analysis done by linear regression on the data surveyed from 400 thai consumers, it could be summarized in the below table:

TABLE I: SUMMARY RESULT OF INFLUENCING OF E-SERVICE QUALITY FACTORS TO E-LOYALTY

	Beta	Std error	Sig.	R	R Square
Web design	0.343	0.041	0.000	0.382	0.146
Reliability	0.395	0.038	0.000	0.452	0.204
Privacy	0.404	0.039	0.000	0.454	0.206
Responsiveness	0.387	0.038	0.000	0.444	0.197
Web customization	0.429	0.040	0.000	0.469	0.220

Table I indicates that all five given factors of e-service quality were significantly influence to e-loyalty of thai consumers toward online hotel booking service due to the significant value was below .05 in every measurement between each of 5 e-service quality factors and e-loyalty. As a result: H1₀: There is no significant influencing of e-service quality in term of web design, reliability, web customization, privacy, and responsiveness to e-loyalty of thai consumers toward online hotel booking service is rejected.

In addition based on R value, it indicates that the most influencing factors to e-loyalty of thai consumers was Web customization with the R value equal to 0.469, followed by Privacy with the R value equal to 0.454, and third to fifth factors were Reliability , responsiveness, and Web design with the R value equal to 0.452, 0.444, and 0.382 respectively.

Therefore, all five factors of e-service quality were the influencing factors to e-loyalty of thai consumers toward online hotel booking service, which could be implied that any online hotel booking service operators must strictly concern to these five e-service quality factors while operating their online hotel service websites and actively develop their websites to meet the requirement of customers in terms of these five e-service quality factors. Thus, it could generate e-loyalty to customers for returning to use those online hotel book service websites again and possibly to gain new customers based on the recommendation of existing customers.

X. CONCLUSION

This paper was proposed to analyse the influencing of e-service quality factors to e-loyalty of thai consumers toward using online hotel booking service websites. Based on the data in Table I, all five e-service quality factors reviewed in this paper were significantly influence to e-loyalty of thai consumers toward using online hotel booking service, and the most influencing factor was web customization. The

result could be implied that to create e-loyalty among Thai consumers to use online hotel booking service websites, such operators need to develop their service websites to meet the requirement of customers in these five e-service quality factors.

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