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Assessing Email Responsiveness: The case of Hotels in Malaysia

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Abstract:

The advancement of Information Technology (IT) has given tremendous effects on hotel industry. IT has been perceived as the competitive weapon to survive in the intense competition in the hotels business. As a result, in 2003, 63% of hotels listed by the Ministry of Culture, Arts and Tourism of Malaysia provided their e-mail as a medium of communication for its online patrons. Despite the successful technology *initiation* among hotels in Malaysia, the effectiveness of *implementation* of technology in relation to customer service still remains unknown. Do these hoteliers responsively reply the customer e-mail? The aim of the study is to investigate the quality aspect of the online customer service in Malaysian hotel industry. In 2004, 200 hotels with the e-mail addresses were sent a typical room query and their responses were recorded to examine their e-mail quality. Even though, the hotels performed well for each quality variable, the overall finding showed that the chance that a guest would receive a quality reply was only at 12 out of 200 or 6%. Practical and theoretical contributions are also discussed in this paper.

Keywords: Customer Service, E-mail, Responsiveness, Malaysia

INTRODUCTION

The effects of Information Technology (IT) on hotel industry are enormous. Most often reasons for investment in IT are related to cost, quality and speed (Aksu & Tarcan, 2002). As a result, many hotels now adopt IT in their daily operations. E-mail is one of examples of IT adoption and is the most popular Internet activity (cited from Nguyen, Murphy, & Oлару, 2003). In Malaysia, 63% of hotels listed in the directory of Ministry of Culture, Arts and Tourism had e-mail addresses in 2003.

E-mail is the key customer service and customer relationship tool (Newell, 2000). That explains why many hotels have e-mail for their online customers. However, research has found that the lodging industry lags in IT implementation (Namasivayam, Enz, & Siguaw, 2000). Besides that, the quality of the e-mail response is also still questionable. Do these hotels answer the e-mail promptly, politely, personally and professionally? The main purpose of this study is to explore the level of e-mail quality response by the hotels in Malaysia. The second objective is to examine whether or not organizational factors such as hotel ratings, size and location influence the quality of the e-mail responses.

LITERATURE REVIEW

IT and quality customer service

Consumers of service desire services to be tailored to their needs with speed and flexibility. This is especially true of the hotel industry as today's hotel guests are better traveled than previous generations and have clearer notions of the meaning of good service (Chacko, 1998). IT enables the hotels to provide a good customer service (Aksu & Tarcan, 2002).

Gamble (1991) states that IT has changed the hotel operations to be information-intensive (Law & Lau, 2000). Hoteliers utilize hospitality information to enhance operational efficiency, to provide personalized guest service and control costs, and to provide performance indicators such as profit margins and financial condition (Law & Lau, 2000). Additionally, the arrival of the WWW adds significantly to the distribution channels available to hotels. They could now promote directly to customers and sell their rooms inventory more cheaply than using the expensive call centers, global distribution system (GDS) and central reservation system (CRS) of their hotel affiliation (Sigala, Lockwood, & Jones, 2001). Besides that, IT would also able the hotels to build stronger relationship with its customers through a data mining

approach. With this system in place, profiles of hotel customers could be stored and retrieved in order to develop suitable strategies based on customer preferences (Min, Min, & Emam, 2002).

E-mail

E-mail is a text-based, asynchronous medium offering inexpensive and rapid exchange and forwarding of messages on a one-to-one or one-to-many basis (Levy, 1998). E-mail is beginning to dominate the day-to-day communications within business organizations (Murphy, Hildebradt, & Thomas, 1997). In fact, e-mail is the key to customer service (Newell, 2000). However, organizations are still having problems in dealing with e-mail. These e-mail “defects” are related to information deficiency, poorly targeted e-mail, media section, interruption and processing and filling of e-mail (Burgess, Jackson, & Edwards, 2005). This study only focuses on the quality of the e-mail response because research has found that poor e-mail customer service in organizations (Nguyen et al., 2003) and in the hotel industry (Frey, Schegg, & Murphy, 2003). In Malaysia, as far can be gathered, there is no research that has been done to investigate the level of e-mail quality in the hotel industry.

Diffusion of Innovations

Past research has been using diffusion of innovations to explain the phenomena in technology adoption (Rogers, 1995). In this case, the diffusion of innovations would explain the adoption of e-mail in the hotels. Internal factors such as hotel rating, size, and location would be examined in relation to the quality of the e-mail response. Failure to answer e-mails suggests poor e-service implementation (Nguyen et al., 2003).

HYPOTHESES

The hypotheses of the study were developed to test the relationship between e-mail quality response and hotel rating, size, and geographic location.

Hotel rating

Hotel star rating signals the quality of service in a hotel (Israeli, 2002). Past research has proven that the hotel rating and performance of hotel are related. Overall, the higher the star rating, the better the performance will be (Pine & Phillips, 2005). The star rating is also found to be a good predictor of pricing and quality (Israeli, 2002). Hence, this study posits that, hotel rating will influence the quality of the e-mail response.

H_{A1}: Based on the hotel rating, quality of the e-mail response would be higher for higher rated hotels.

Hotel size

There are obvious economies of scale to be gained from having big property (Pine & Phillips, 2005). Larger organizations will have greater resources and a stronger need for strategic planning (Rogers, 1995). Larger and higher rated hotels also adopt more technology (cited from Frey et al., 2003). On the other hand, smaller tourism companies use computers in very limited ways (Mutch, 1995). As a result, larger organizations have significantly more e-presence than smaller organizations have and they answer the e-mail query more often than smaller organizations do (Nguyen et al., 2003). Therefore, relationships between hotel size and quality of e-mail response was hypothesized as:

H_{A2}: Based on the size of the hotel, quality of the e-mail response would be higher for higher rated hotels.

Location

Besides rating and size, hotel studies have shown technology adoption differences based upon location (Frey et al., 2003). Small and medium-sized hospitality organization are often located in peripheral regions, where IT revolution has not always been as fast and profound as in the urban centers (Anckar & Walden, 2001). Hence, it was also hypothesized that:

H_{A3}: Based on the location, quality of the e-mail response would differ.

METHODOLOGY.

This study used *actual* e-mail responses to measure Information Technology adoption in hotel rather than stated behavior. It was an adaptation of research carried by Frey et al. (2003) in the Swiss hotel industry. This study attempted to compare the result across culture as suggested by the authors.

In 2004, there were 524 hotels, which had rating from 1-5 from the Ministry of Culture, Arts and Tourism. Among the rated hotels, 328 hotels (63%) had e-mail addresses. This study randomly stratified 200 samples across the rated hotels that had e-mail addresses.

A short message was sent to the hotels asking for room availability and special room rate during the Malaysian Independence Day. The query was in English. The e-mails were sent on Tuesday, July 13, 2004. The Bcc (Blind carbon copy) function was used to send multiple e-mails simultaneously. Quality of the e-mail reply was assessed using the variables suggested by Frey et al. (2003).

Quality of the e-mail reply

The quality of the e-mail reply were based on eight items: (1) used dear, (2) used informal expression, (3) customer addressed by name, (4) thanked guest, (5) identified sender, (6) identified hotel, and (7) used attachment. The hotel should address its customer professionally by using dear and customer's name. The informal expression such as 'hi' should be avoided. The hotel should also thank its customer, identify the personnel who answer the query, and identify the hotel. Finally, the use of large attachment was discouraged because it would slow down the process of downloading.

Hypotheses testing

For nominal data, the hotel location, Pearson's chi-square was used to test hypotheses and for ordinal data such as the hotel rating and size, the Kruskal-Wallis test was used.

FINDINGS

Response rate

The result showed that 143 of the 200 or 71.5% hotels never replied the email. It means than only 57 or 28.5% of the hotels replied the email query. Of those hotels that replied, nine of them (15.8%) replied in less than an hour, 24 (42.1%) replied in 1-24 hours, and 24 (42.2%) replied in more than one day.

Quality

In term of the quality reply, generally 75.4% of the hotels thanked the guest, 82.5% used the expression 'dear', 75.4% addressed the guest by his name, 63.2% identified the hotel identity, and 94.7% provided the sender's name. However, there were only 61.4% of them that identified both the hotel's identity and the sender's name. The use of informal expression was only 19.3%. Finally, only 5.3% of the hotels used the attachments in responding to the e-mail. Overall, the chance that the guest would receive a quality reply was only at 12 out of 200 or 6%. Figure 1 shows the findings.

Table 2 shows the analysis of the quality variables and their relationship with factors such as star rating, size, and location. The results showed that the first hypothesis was not supported at 95% confidence level. Hence, higher rated hotels would not necessarily have better e-mail quality than the lower rated hotels. However, at 90% confidence level, it was found that the e-mail response quality differed by rating for only variable "used dear". This finding means that the rating somehow influences the hotels to address their online customer by using the "dear" expression.

The hypothesis that quality of response would differ by size was also not supported in this study. Size is not a significant factor for an online customer to receive a better e-mail response at 95% level of confidence. Again, at lower level of confidence (90%), quality of response differed by size for the use "dear expression".

Finally, the findings also did not fully support the third hypothesis. There was no significance difference between location and most of the quality variables except used informal expression. In other words, the use of informal expression was found to be significantly related to the location of hotels.

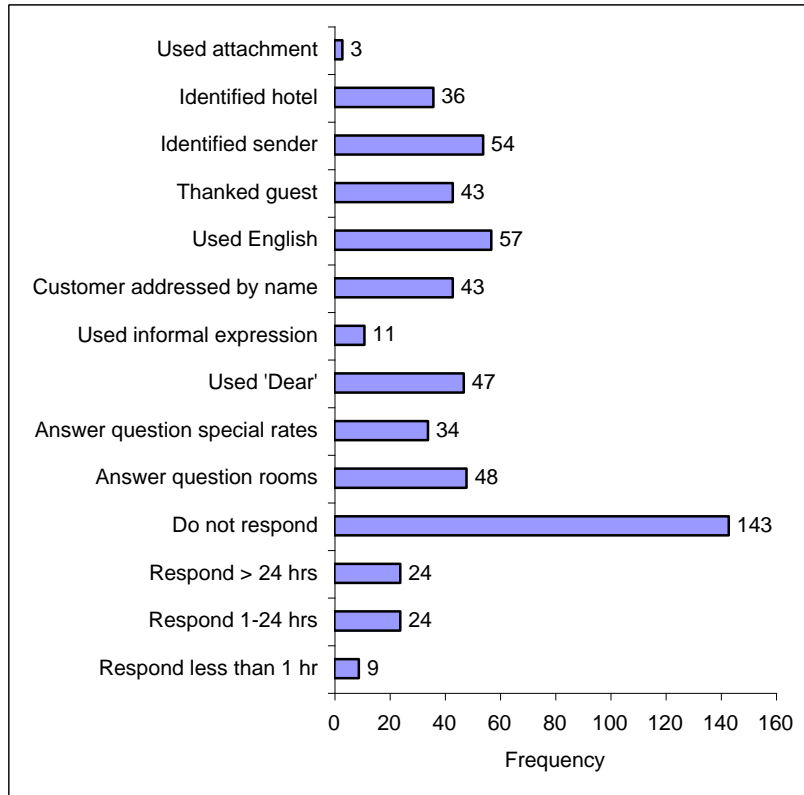


Figure 1: Frequency for the responsiveness and reply quality variables.

Table 2: Analysis of quality variables

	Used 'Dear' (a)	Used informal express (b)	Customer addressed by name (c)	Thanked guest (d)	Identified sender (e)	Identified hotel (f)	Used attachment (g)
Rating							
<i>1 star</i>							
% within rating	100%	0%	50.0%	100%	100%	0%	0%
% within (a)/(b)/(c)/(d)/(e)/(f)/(g)	4.3%	0%	2.3%	4.7%	3.7%	0%	0%
<i>2 stars</i>							
% within rating	80.0%	30.0%	80.0%	90.0%	90.0%	60.0%	%
% within (a)/(b)/(c)/(d)/(e)/(f)/(g)	17.0%	27.3%	18.6%	20.9%	16.7%	16.7%	.0%
<i>3 stars</i>							
% within rating	57.1%	35.7%	57.1%	71.4%	85.7%	57.1%	14.3%
% within (a)/(b)/(c)/(d)/(e)/(f)/(g)	17.0%	45.5%	18.6%	23.3%	22.2%	22.2%	66.7%
<i>4 stars</i>							
% within rating	92.3%	0%	84.6%	69.2%	100%	53.8%	0%
% within (a)/(b)/(c)/(d)/(e)/(f)/(g)	25.5%	0%	25.6%	20.9%	24.1%	19.4%	0%
<i>5 stars</i>							
% within rating	94.4%	16.7%	83.3%	72.2%	100%	83.3%	5.6%
% within (a)/(b)/(c)/(d)/(e)/(f)/(g)	36.2%	27.3%	34.9%	30.2%	33.3%	41.7%	33.3%
Chi-square (Kruskal-Wallis)	9.165	4.713	4.457	2.248	4.489	7.194	3.613
<i>P</i>	0.057	0.318	0.348	0.690	0.344	0.126	0.461
Size							
<i>1-30 rooms</i>							
% within size	0%	0%	0%	100%	100%	100%	0%
% within (a)/(b)/(c)/(d)/(e)/(f)/(g)	0%	0%	0%	2.3%	1.9%	2.8%	0%
<i>31-50 rooms</i>							
% within size	75.0%	25.0%	75.0%	75.0%	100%	50.0%	0%
% within (a)/(b)/(c)/(d)/(e)/(f)/(g)	6.4%	9.1%	7.0%	7.0%	7.4%	5.6%	0%
<i>> 50 rooms</i>							
% within size	84.6%	19.2%	76.9%	75.0%	94.2%	63.5%	5.8%
% within (a)/(b)/(c)/(d)/(e)/(f)/(g)	93.6%	90.9%	93.0%	90.7%	90.7%	91.7%	100%
Chi-square (Kruskal-Wallis)	4.933	0.298	3.079	0.326	0.299	0.868	0.299
<i>P</i>	0.085	0.861	0.215	0.850	0.861	0.648	0.861
Location							
<i>West-coast P Malaysia</i>							
% within location	80.0%	12.5%	72.5%	75.0%	95.0%	62.5%	5.0%
% within (a)/(b)/(c)/(d)/(e)/(f)/(g)	68.1%	45.5%	67.4%	69.8%	70.4%	69.4%	66.7%
<i>East-coast P Malaysia</i>							
% within location	83.3%	0%	66.7%	83.3%	100%	66.7%	0%
% within (a)/(b)/(c)/(d)/(e)/(f)/(g)	10.6%	0%	9.3%	11.6%	11.1%	11.1%	0%
<i>East Malaysia</i>							
% within location	90.9%	54.5%	90.9%	72.7%	90.9%	63.6%	9.1%
% within (a)/(b)/(c)/(d)/(e)/(f)/(g)	21.3%	54.5%	23.3%	18.6%	18.5%	19.4%	33.3%
Pearson Chi-square	0.713	11.708	1.856	0.250	0.662	0.040	0.662
<i>P</i>	0.700	0.020	0.395	0.883	0.718	0.980	0.718

CONCLUSION

Firstly, the response rate that hotels answered the e-mail query was very low. This finding shows the weakness of the hotel in Malaysia in implementing IT in its daily operations. It also somehow would reflect the quality level of the e-mail that a customer would receive. Further, the analysis suggests that the level of quality was very poor as only 6% of the respondents met with all the quality assessment.

Practical contribution

The findings suggest that hotels should first answer the e-mail from its online customers. The facts that technical problems associated with e-mail such as “server down”, “unknown server”, and “host not found” should be solved by hotels if they want to effectively communicate with their customers. The online customer could have a bad impression towards the hotel if these problems continue.

Secondly, the hotels should answer the question from their online customer professionally. In other words, hotels should address customers by using dear and name, thank the customer, and identify sender and hotel identity. As being found in this study, a lot of the hotels have done so for each quality assessment variables. However, the weakness is that the hotels do not consistently apply professionally across all variables. It means that, for example, a hotel may address its customer by using dear but fail to address its customer by name and etc.

The reasons for poor quality e-mail response may be caused by lack of training among staffs that reply the guest e-mail (Burgess et al., 2005), digital divide between managers and technical people (Law & Lau, 2000), increase interconnectivity among distribution channels (Sigala et al., 2001) and organizational structure (Chacko, 1998). These are potential areas for future research.

Theoretical contribution

The study shows that organizational factors such as rating, size, and location do not influence the quality of the e-mail responses except for the use of informal expression and use of dear expression. However, the generalization of the results should be done with caution because the analysis includes only 57 hotels that respond to the e-mail query. Future research could be carried out in larger samples for a better generalization of the findings.

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