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A Conceptual Model of Interactive Hotel Website: The Role of Perceived Website Interactivity and Customer Perceived Value Toward Website Revisit Intention

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Abstract

Malaysian hotel websites have received many online visitors but failed to convert it into online booking. Based on a synthesis of literature, this article illustrates a conceptual business model to enhance customer intention to revisit hotel websites to book for hotel rooms. The conceptual model proposes that customer perception on hotel website interactivity influences customer perceived value and intention to revisit the hotel website in the future. This article contributes to the existing body of knowledge by highlighting the importance of each dimension of perceived website interactivity in hotel sector. Its applications in the hospitality business and implications for future research were also discussed.

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1. Introduction

Hospitality management scholars demonstrated that online reservation tools can improve financial performance of hospitality businesses (Sanchez & Satir, 2005). As further evidence, Guo, Ling, Yang, Li, and Liang (2013)

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claimed that dynamic pricing strategy through effective use of online booking system benefits both hoteliers and customers. In addition, Tso and Law (2005) also pointed out that effective management of online market could help hoteliers to capture a high-yield business. Unfortunately, Malaysian hotel customers prefer traditional method of room reservation (Abu Bakar & Hashim, 2008). Travellers in Malaysia, Indonesia and Thailand are more likely to go online merely to browse (Nielsen.com, 2014). They used the Internet just for travel information search but did not complete the booking process through hotel website. In support, a study revealed that only 22% of Malaysia Internet user used Internet for tours or hotel reservation (Kamaruzaman & Handrich, 2010). For hoteliers, this brings to the need to better understand the factors influencing hotel website usage. For instance, by understanding the determinants of customers’ intention to revisit hotel website, hoteliers could maximize online hotel booking adoption. Therefore, research to understand the factors influencing customer intention to revisit hotel booking website is needed.

Most of the literature on customer website adoption were written in the context of general online stores and studied in western countries (Kim, 2011; Yoo, Lee, & Park, 2010). However, the literature on this topic pertaining to Asia’s tourism and hospitality industry is rather limited. Though some studies attempted to investigate the Internet related variables (e.g. convenience, usefulness, and attractiveness) as determinants of online hotel booking website adoption (Abu Bakar & Hashim, 2008; Li-Ming & Wai, 2013), research to understand the role of perceived hotel website interactivity toward website revisit intention has been ignored. Moreover, fewer studies have investigated the mediating role of customer perceived value in bridging the relationship. Therefore, this article proposes a conceptual business model to investigate the role of perceived website interactivity toward hotel website revisit intention through customer perceived value as mediator variable.

To this end, the present article is organized under four sections. The next section provides elaborations on the proposed predictors for hotel website revisit intention. The proposed conceptual model and related propositions are given in section 3. Finally, this article ends with conclusions and suggestions for future research in section 4.

2. Literature review

2.1 Perceived website interactivity

One of the advantages of Internet is its potential for interactivity. Hence, the concept of interactivity has received much interest from scholars in various disciplines (Kim, 2011). However, this article adopted Steuer's (1992) definition of interactivity, “the extent to which users can participate in modifying the form and content of a mediated environment in real time” because it is the most cited work (Mollen & Wilson, 2010, p.920). In literature, the most common components of interactivity are two-way communication, synchronicity, and controllability (Mollen & Wilson, 2010). In this article, the two-way communication is conceptualized as the two-way information flow which enable user to respond back (Kim, 2011). Synchronicity refers to the site’s ability to provide users with fast response, real-time feedback, and the messages and transactions processing speed (Yoo et al., 2010). Controllability or user control is another fundamental element of interactivity construct. It is conceptualized as user input and choice capability (Yoo et al., 2010), in which user able to choose the timing, content and sequence of communications (Dholakia, Zhao, Dholakia, & Fortin, 2001). Other than these three core constructs, sociability is a newly emerging component of interactivity. It represents the site’s capability to allow users to connect with other people through chat rooms, blogs and social networking tools (Macias, 2003). Although most businesses may be unable to provide live conversation among customers and between customers and salespeople, many have attempted to allow their customers to play an active personality and achieve social value by interacting with other customers on their website. In addition, customizability has also not been proposed in the previous studies on interactivity. It reflects the extent to which products and/or services can be tailored to meet the unique requirements of each user (Dholakia et al., 2001). Another aspect of interactivity that allows customer to examine products or view tangible cues of services is called demonstrability. Following Huang (2003), demonstrability is defined as the extent to which a site simulates or incorporates humanlike characteristics to present product information. Hence, this article proposes perceived website interactivity, consisting two-way communication, synchronicity, controllability, sociability, customizability, and demonstrability dimensions as independent variable for the proposed model.
2.2 Customer perceived value

Although the concept of customer value and its importance have been discussed extensively in the literature (Kim, 2011), value measurement and optimization are still considered nascent and infancy in service research (Ostrom et al., 2010). Zeithaml's (1988, p.142) definition of customer perceived value, “the consumer’s overall assessment of the utility of a product based on what is received and what is given” receives the highest acceptance in literature. However, researchers have proposed several additional components of benefit and sacrifice for online context (Lexhagen, 2008). The present article conceptualizes customer perceived value in terms of three components, namely, monetary benefits, non-monetary benefits, and security and privacy. Since online booking platforms enable hotel customers to compare prices and book hotel rooms at lower price, monetary benefits is conceptualized as monetary savings and economic value (Chiu, Wang, Fang, & Huang, 2014). The non-monetary benefits is conceptualized as the benefits gained by customer such as functional-convenience value, emotional value, social value, and control and freedom of choice value (Sigala, 2006). The effect of security and privacy in online environment has been discussed in many online shopping research. Hence, perceived security and privacy dimension is included in the proposed model and conceptualized as customer’s perception of protection against security threats and control of their personal data information in an online environment (Lallmahamood, 2007).

2.3 Website revisit intention

Many scholars have studied the determinants of website adoption in business research. However, successful implementation of Internet technology depends on user’s continued usage intention rather than the initial adoption (Chou, Min, Chang, & Lin, 2010). Because of that, the concept of website revisit intention receives managerial and research attention (Ku & Chen, 2014). Following Reynolds and Ruiz de Maya (2013), the present article conceptualizes website revisit intention as the customer’s likelihood to revisit the website. Even though, the study of customer’s actual behavior is more ideal than the intentional behavior (Morosan & Jeong, 2008), in reality it is difficult to obtain the cross-sectional setting (Sharma, Chen, & Luk, 2012). Nonetheless, the evidence for a strong relationship between the intentional behavior and actual behavior can be found in many studies (Karjaluoto & Leppäniemi, 2013). Thus, the study of website revisit intention is considered justifiable.

3. Proposed conceptual model

As a result of the above discussions, a conceptual model is developed and illustrated in Figure 1. The conceptual model was constructed on the basis of various research on website interactivity (Dholakia et al., 2001; Huang, 2003; Kim, 2011; Macias, 2003; Mollen & Wilson, 2010; Yoo et al., 2010), customer perceived value (Chiu et al., 2014; Hilton & Hughes, 2008; Lallmahamood, 2007; Meuter, Ostrom, Roundtree, & Bitner, 2000; Sigala, 2006; Sweeney & Soutar, 2001; Zeithaml, 1988) and website revisit intention (Ku & Chen, 2014; Reynolds & Ruiz de Maya, 2013). The conceptual model is supported by Stimulus-Organism-Response (S-O-R) theory (Jacoby, 2002). Stimulus refers to factors that can influence an individual’s internal states. Organism is defined as internal processes and structures acting as mediator between stimulus and an individual’s final actions, reactions, or responses. Response represents an individual’s final outcomes such as intention and behaviour (Chang, Eckman, & Yan, 2011).

Empirical data to support the proposed model could be collected from hotel customers who have visited hotel websites. It is predicted that customers perception on website interactivity (second order construct) influences customer perceived value (second order construct). The present article also proposes the customer perceived value construct as mediator variable to study the indirect relationship between the perceived website interactivity and website revisit intention. While Dholakia et al. (2001) suggested future research to study the link between perceived website interactivity and revisit intention, van Noort et al. (2012) have shown significant relationship between website interaction and customers’ cognitive, affective and behavioural responses. Hence, the following proposition is developed:

**Proposition 1:** There is a positive relationship between perceived website interactivity and website revisit intention.
Kim (2011) studied the relationship between web-interactivity dimensions and customer experiential values for apparel websites. Similarly, Yoo et al. (2010) examined the linkage between three interactivity dimensions (controllability, synchronicity, and bi-directionality) and consumers’ perceived value (utilitarian and hedonic values) in e-shopping environment. The study indicated that bi-directionality influences hedonic value but synchronicity affects utilitarian value. Thus, the following proposition is developed:

**Proposition 2:** There is a positive relationship between perceived website interactivity and customer perceived value.

Kim, Galliers, Shin, Ryoo and Kim (2012) studied the effect of online shopping website qualities on perceived value (utilitarian and hedonic values). The above study also examined the influence of the perceived value on customer satisfaction and repurchase intention. It was found that both utilitarian and hedonic shopping value have positive relationship on consumer repurchase intention. Hence, the following proposition is developed:

**Proposition 3:** There is a positive relationship between customer perceived value and website revisit intention.

Zhang, Lu, Gupta, and Zhao (2014) found a significant indirect relationship between perceived website interactivity and customer’s intention to participate in social commerce website and therefore the following proposition is developed:

**Proposition 4:** Customer perceived value mediates the relationship between perceived website interactivity and online hotel booking intention.
4. Conclusions and suggestions

The proposed conceptual model aims to extend knowledge on the role of perceived website interactivity in influencing website revisit intention. Furthermore, the proposed model includes customer perceived value as a mediator. It is expected that the more interactive the hotel website (as perceived by hotel customer), the higher the customer perceived value. In consequence, it may contribute to the customer favourable behavioural response (website revisit intention).

The proposed conceptual model adds value to both theory and practice. For the business world, the proposed conceptual model may be considered imperative because it provides preliminary idea to hoteliers on the possible factors that could lead to successful utilization of online booking technology. Hoteliers have invested huge amount of money to develop hotel websites. Thus, the investment on the hotel website should provide favourable returns to them in terms of yield per available room, yield per customer, sales revenue and profits. In addition, hoteliers may gain benefits in terms of reduction in labour cost through elimination of few service employees in performing such traditional booking. For hotel customers, hotel website allows them to search for hotel information, to reserve hotel rooms, make advance payment, manage (change or cancel) their reservation, and complain or give feedback on their service experience through hotel website without any intervention with service employees. Another advantage of online booking via hotel website is the possibility of personalised experience. Guest profile entered into online booking system allows the hotels to know the customers better and enables the hotels to ensure a perfect trip customized to the customers’ unique needs and preferences. Besides, the guest profile makes booking process for revisiting customers a simpler process and loyal customers may be given priority. In terms of transaction security, hoteliers normally assure the customers that their website operates under the highest security standards.

Theoretically, the proposed model has its own novelty in terms of applications in the field of hotel industry. Though scholars have studied the role of perceived website interactivity in online shopping context, most studies did not differentiate the product or service category that the customer purchased online. Thus, the previous findings and conclusions might be misleading because customers’ expectations on website interactivity features are vary across product segments. For example, demonstrability features might not be important enough when customer purchases homogeneous product such as electronic goods from online stores. However, for heterogeneous services like hotel accommodation, customer might want to have more detailed information and demonstration (e.g. photos, videos, virtual tour, 3D images etc.) to help them to make purchase (or online booking) decision. In the future, research on the effect of each perceived website interactivity dimensions on customer perceived value dimensions is needed as it could provide more detailed and meaningful conclusion. The conceptual model could also be customized and tested with other predictors that might affect customer perceived value.

References


