The Factors Influencing Tourists’ Online Hotel Reservations in Thailand: An Empirical Study

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The travel agency plays an important role in travel industries which fulfill customers’ requirements, such as booking hotel reservations, whenever needed. Travel agencies work as an intermediary between customers and travel agent. This intermediary has now developed as an online travel agency due to the involvement of the internet. The internet has had a huge impact upon this intermediary. Travellers can easily research information from the internet and make a clear decision about hotel bookings. The effect of internet development has had a huge impact on hotel distribution and the price of their products, as well as on services in the hotel industry. It has been shown that distribution in tourism has been switching automatically into the modern era, from the traditional era World Wide Web. In light of this, the hotel industry made an important decision in adopting online distribution, and the provision of opportunities for third party wholesalers like Expedia and Travelocity to dominate the industries. The objective of this study is to examine the key factors which impact hotel bookings for visitors through online travel agencies. Convenience sampling methods have been used with a non-probability approach. The survey involved 750 questionnaires, with 710 people responding. However, the researcher used 680 questionnaires, and the remaining questionnaires were discarded. Furthermore, the investigation expands the analysis through numerous relapse investigations by considering web-based booking reservations as a dependant variable. The result show that travellers are more likely to focus on three factors, which are rooms, food and customer reviews.

Key words: Online Reservation, Hotel Reservation, Tourism in Thailand, Online Booking Intention.
Introduction

According to de Carlos, Araújo, and Fraiz (2016), the internet and its application helps visitors by providing information regarding their hotel booking. Travellers typically use it for information searches about service and cost. Nowadays, the internet is widely used as a global tool in most companies (D. Wang, Xiang, Law, & Ki, 2016). As technology is improving day by day, consumers increasingly look for easy sources to obtain information from, such as from social media and other related online platforms.

Furthermore, due to low costs, the use of the internet has spread rapidly between users. It has become one of the major factors in human life (Saengchai & Jermsittiparsert, 2019). It can be used whenever required, and for any purpose, such as to collect online reviews about a travel destination, hotel services and costing (Masiero & Law, 2016; Chang‘ach, 2018). By using the internet, travellers are able to access necessary information beforehand and gather whatever additional information they need, based on their expectations before planning their vacations. Travellers can now easily find out about fares and room rates and can even compare rates between hotels. Once satisfied, travellers can easily complete their bookings online.

Furthermore, the information that travellers obtain from the internet is constantly updated by authorised people. Therefore, room rates are normally the latest rates offered. Travellers can also check the availability status of rooms, as well as the weather conditions of a locale. Besides this, they can also foresee the upcoming events which will help them to further plan their vacations (Bilgihan & Bujisic, 2015). For example, Guttentag (2015) explained that among first-time travellers to a holiday destination, 73% of them are likely to use an online search engine as their travel advisor.

Table 1: Online Booking Percentage among Different Age Groups in Thailand

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>Online Booking Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24 years</td>
<td>18.5%</td>
</tr>
<tr>
<td>25-34 years</td>
<td>34.9%</td>
</tr>
<tr>
<td>35-44 years</td>
<td>25.5%</td>
</tr>
<tr>
<td>45-54 years</td>
<td>14.7%</td>
</tr>
<tr>
<td>55-64 years</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

Table 1 shows the percentage of online hotel booking patterns among Thai citizens. The table demonstrates the differences in online booking percentages in terms of age group. Citizens aged between 25 to 34 years old contribute to the highest online booking percentages (34.9%), followed by 35 to 44 years (25.5%), 18 to 24 years old (18.5%), 45 to 54 years old (14.7%) and 55 to 64 years old (6.5%). It can be concluded that, among Thai citizens, medium aged citizens have more of a tendency to book hotels through online platforms.
Moreover, it is an obvious fact that the younger generation has an addiction to technology so they are more likely to use the internet when travelling (L. Wang, Law, Guillet, Hung, & Fong, 2015). This situation has evolved because the internet is an information-based service, and a global information-based medium.

As shown in Figure 1, the e-commerce sector in Thailand will continue to compete intensively for at least another five years, reducing the number of big players from just four to two. While the e-commerce sector in Thailand is relatively small, at around 3% of the retail market, Thailand is expected to grow from US $3 billion to $13 billion by 2025. A wide range of global suppliers and consumers is ideal for online platforms. In addition, as a core area in the tourism industry, hotel reservations are also largely integrated online (Law, Leung, Lo, Leung, & Fong, 2015). Therefore, this study attempts to find out why visitors are likely to book hotels using online travel agencies, and most importantly, repurchase services from the same service providers. By knowing visitors’ intentions towards online booking, tourism authorities can look after the development of websites and related materials.
Background of Study

The Internet Travel Network (ITN) was the first to start online bookings in 1995. After that, the global distribution system (GDS) brought out a new online booking system in 1996, named Travelocity. Later that year Microsoft created a system called Priceline which was launched in 1998. Priceline started selling tickets for various airlines. The developers of Priceline used a technology called a “demand collection system” whereby demand from customers led directly to suppliers.

A travel agency is a mediator between customer and suppliers of travel industries whereby customers obtain valuable information and assistance regarding their travel destination. Nowadays, agencies offer online facilities for booking air tickets or online hotel bookings. Travellers usually visit their websites on the internet and make a decision about their travel costsing and facilities without wasting time with physical visits (Patwary, Roy, Hoque, & Khandakar, 2019). Importantly, the online travel agency only deals with information; it does not provide any physical products. This type of travel agency is also known as a third-party distributor, and is also known as an online wholesaler or e-mediator (Ling, Dong, Guo, & Liang, 2015).

Sun, Fong, Law, and Luk (2016) declare that e-mediaries refer to a mediator which works as a middleman with the support of electronic resources. According to some researchers, e-mediaries are also known as e-mediaries. Computer reservation systems (CRS’s) and global distribution systems (GDS’s) both used e-mediaries to surround themselves with new electronic players, as well as traditional ones. Gössling and Lane (2015), have included the suppliers, such as hotels and the airline industry, who use the internet service to facilitate e-commerce directly with consumers.

All the reasons mentioned earlier are among the driving factors. The implementation of internet usage helps travel agencies to change their business method. The reasons for the changes include increased competition through globalisation and deregulation, as well as increased customer demands and corresponding expectations. Besides this, nowadays, customers have increased knowledge of automated technologies (Ukpabi & Karjaluoto, 2017).

It cannot be denied that the existence of the internet has both positive and negative results in the travel industry. The positive impact of using the internet is that it is user friendly, provides customer satisfaction and costs less money. The use of the internet helps online travel agencies promote their assistance in a reasonable and collective way. So, there are no service providers or particular staff required for customer services. Therefore, it is necessary to take into consideration improvements in online booking or reservation systems, as a vast number of consumers rely upon these systems these days.
Currently, in the travel industry, online travel agencies are in high demand across the world. However, they are still competing with each other with respect to features and terms. This is largely due to travellers’ information seeking behaviours. According to Kaushik, Agrawal, and Rahman (2015), technology has the ability to increase and decrease the cost of online searches as well as providing people with the ability to assess the alternatives and improve the quality of their decisions. For instance, travellers can check the information between service providers and can compare - prices before buying to suit their needs.

According to Özbek, Günalan, Koç, Şahin, and Kaş (2015), a stressful situation arises when customers are in decline. This can be caused by a lower degree of confidence in price and content accuracy. This situation is in line with Asia Pacific hotel’s survey findings which indicated that travellers are increasingly comparing travel agents’ offers and reading reviews before making online bookings. Apart from that, customers usually tend to change to other online travel agencies if a particular service provider does not provide convenient services to them (Sahli & Legohérel, 2016). This paper aims to identify the factors influencing travellers most, when booking hotels through online travel agencies.

**Literature Review**

**Room**

Rooms are an important asset of any hotel and comfortable room facilities plays a very important role in the popularity of hotels. For example, if a tourist enjoys their stay, and feels satisfied and comfortable with the rooms provided by the hotel, then they are likely to become attached to the particular hotel and may return to the same hotel in the future (Del Chiappa, Lorenzo-Romero, & Gallarza, 2015). Therefore, it is vital to provide comfortable rooms to customers in order to retain their business.

In recent times, the distribution of hotel rooms through the internet has grown rapidly. Consumers are now using the internet to book hotel rooms more often than any other method (Fong, Lam, & Law, 2017). Park, Ha, and Park (2017) have identified that hotels have a variety of internet distribution channels in order to help them sell rooms, including sites known as online travel agents. Although hotels may want to sell rooms via their own websites, hotels still heavily rely on the efficiency, the effectiveness and the convenience of online travel agents to sell their rooms. Moreover, travellers, especially business travellers, have expressed a strong interest in booking hotel rooms through the web (Moro, Rita, & Oliveira, 2018).

According to research conducted by Pan and Yang (2016), it was found that travellers considered room quality as the most influential factor on their willingness to book a particular hotel. In order to satisfy this type of customer, hotels should focus and invest more on the
quality of their hotel rooms, which includes room design, facilities and temperature control. The hoteliers, or the online travel agents, would be well advised to highlight the available facilities inside the room on their websites when they design their advertisements, as it may help them to further attract customers.

Besides, pictures and videos of rooms is one of the most important elements in attracting customers. By utilising internet technologies, hoteliers and online travel agents can upload pictures and videos, such as views of the room, the interior design of the room, as well as showing the facilities inside the rooms. High quality pictures and videos of hotel rooms will provide potential hotel guests a clearer picture of what to expect prior to actually booking a reservation (Couture, Arcand, Sénécal, & Ouellet, 2015).

Furthermore, according to the study conducted by Li, Peng, Jiang, and Law (2017), the importance of having photos on web sites was the most frequently mentioned factor in the participants’ assessments of hotels websites. Approximately 70% of the responses mentioned sites use of photographs and the importance of this to them as customers.

**Food**

In the hotel industry, sustaining the quality of food and service is the responsibility of the Food and Beverage Department (F&B). They also have other work, such as food costing, and the management of bars and restaurants. Some outlets in Food and Beverage are divided into different categories, like lounge, restaurant, bar and room service. Room service is also known as ‘in room dining’ (Stangl, Inversini, & Schegg, 2016). Of late, food and beverage departments are recognised as key contributors in the hotel industry. This plays an important role in positioning within hotel markets. Food with high quality, and good hygiene, as well as good taste, will encourage guests to choose the same hotel service during their next vacation. Saw, Goh, and Isa (2015) illustrated that food and beverage departments play as vital a role in hotel room revenue, which has an effect on the hotel’s total asset value. On top of that, high quality food and beverages is key to a hotel’s ability to differentiate itself from others.

Schuckert, Liu, and Law (2015), mentioned that hotels have to deal with hygiene and food safety training as increasingly important aspects of the hotel industry. In the survey carried out by the State of Training & Development in the Hospitality sector, about 84% of the respondents in the Council of Hotel and Restaurant Trainers (CHART) gave more importance to food safety training. It is preferable if the ingredients and allergen listings are available both via online travel agency websites and on restaurant menus for guests when ordering their meals as it can help travellers with food sensitivities to make better decisions about which menu items they can eat.
The number of Muslim tourists has increased from year to year and this group represents a large tourist niche market (Abdullah, Jayaraman, Shariff, Bahari, & Nor, 2017). As the numbers increase, the demand for halal food has also increased. Halal food is defined as food that Muslims can safely eat and drink. There are some foods in Islam which cannot be eaten according to the rule of Shariah. In terms of Islam, haram foods are not safe and are harmful to health. Lastly, when foods are in processing, packaging, storage or transportation, they must be kept physically separate from non-halal food that does not follow shariah rules. Therefore, understanding Muslim tourists’ needs and behaviours is an important element in order to promote and differentiate a hotel from its competitors. On top of that, a better understanding of Muslim tourists will help hotel companies to significantly improve their retention rates.

**Customer Review**

Law et al. (2015) state that the internet has become one of the most valuable parts of our everyday life, as the growth of trip advice websites has presented customers with several alternatives in the evaluation of hotels. As service providers with a belief in becoming a successful e-business, they need to pay attention to customer feedback as best practice (Law et al., 2015). For instance, Skyscanner.com helps travellers by providing information for choosing the right place when travelling, such as rating the experience of staying in hotels, which place people should visit etc. This information helps travellers learn about quality and costing.

The availability and easy access to travel websites helps customers convey their point of view easily on the websites. This is because customers are requested to provide both qualitative and quantitative reviews such as their destinations, hotel or other travel experiences which they have experienced on the website. Later, this information is amalgamated in order to generate different types of ratings.

Online reviews are important due to their dual role, in that they provide information about products and services, as well as providing recommendations to other customers (Berbegal-Mirabent, Mas-Machuca, & Marimon, 2016). Online reviews are known as informants due to the fact that they provide reviews about products and service along with additional user-oriented information. The recommendations about products or services will either be positive or negative. Besides, online reviews provide enjoyable and reliable information, as well as up to date information (Hua, 2016). Star ratings of hotels are determined according to the quality of the hotel. It is one kind of guideline that hotel guests can use to choose the desired hotel and reserve the room. According to Amaro, Amaro and Duarte (2015), the leading online travel agencies like Orbitz, Travelocity, Expedia and Priceline have their own star rating systems as well as ratings generated by customers, which are also available on some of these websites.
For example, TripAdvisor and Expedia allow customers ratings which reflect their service quality from customers’ perspectives on their websites, as mentioned by Law et al. (2015) in their study regarding “Analysing hotel star ratings on third-party distribution websites”.

**Online Booking Intention**

E-commerce online booking is one of the most preferable segments for travellers. According to Bicen and Sadikoglu (2016), internet based electronic commerce has transformed considerably as physical goods, digital products and services were increasingly sold online. The system of online booking is that customers need to pay up front and experience the service face to face later. In the online booking situation, there is no physical distribution after booking, which is totally different from online shopping for physical goods (Bicen & Sadikoglu, 2016; Elci, Abubakar, Ilkan, Kolawole, & Lasisi, 2017).

According to Gössling (2017), the number of online businesses is rapidly increasing every year. This has happened not only due to the increasing number of web-based service providers but also due to the increased number of multi-channel service providers who conduct the business on both an online and offline basis. This multi-channel strategy gives service providers a competitive edge over other service providers who are focusing solely on online distribution channels.

Bicen and Sadikoglu (2016) mentioned that it is the inevitable choice for travel enterprises to provide online reservations for improving service efficiency, improving service quality and gaining a competitive advantage. For example, online travel agents (OTA) such as Expedia, Priceline, Ctrip and Elong have gained extensive attention since the beginning of electronic business development. The online travel agency mainly focuses on online bookings for hotels, travel car rentals and other tourism related services (Patwary & Rashid, 2016). Now, they are well established as a successful model for tourism and electronic based business given that the market of online travel agency is so prosperous, even in developing countries.

Moreover, from the customers’ point of view, online booking can be an advantageous factor in many ways since it enables the customer to carry out comparisons and gather the qualitative information they need, allows for speed in transactions, cost advantages and rapid booking confirmations as well. Baltescu (2015) mentioned that most travellers are searching numerous websites of hotels or online travel agents in order to check prices before making any decisions. Besides, online booking allows customers to directly communicate with suppliers at any time and any place.

Furthermore, the reservation transaction information is easily accessible and clearly displayed. At the same time, information regarding room rates, availability and policies are also displayed.
clearly on the websites. As the room rates and availability are crucial information, the online travel agency provides accurate information and websites are updated on a regular basis. Moreover, the basic contact and access information such as telephone number, address, e-mail, and transportation options from airport to hotel are also available on the website. That information is usually available in a printer friendly format, so if the traveller feels it is necessary for them, they can print out a hard copy. With the above literature, this paper has developed the research framework.

**Figure 2. Research Framework**

![Research Framework Diagram]

*Technology Acceptance Model Theory (TAM)*

The researcher used a technology acceptance model (TAM) as an underpinning theory for this study as this study involves technology, and technology is accepted widely by users. This study mainly focuses on online travel agency websites. The rapid developments of technology allow the online travel agency to easily penetrate into tourism and hospitality markets (Goethals, 2016). The online travel agency minimises travellers’ workloads as they can easily access the information that they require via these websites.

**Research Methodology**

In this study, the researcher has chosen quantitative approaches as quantifiable data is appropriate and easier to investigate. Moreover, the researcher used a self-administered questionnaire in order to collect the data. Besides this, the researcher distributed the questionnaire by hand to each of the respondents and collected it once they had answered the questionnaire.

The researcher decided to use a questionnaire survey because it is one of the most popular methods of collecting data in quantitative approaches, as it can cover huge numbers of the population (Beritelli & Schegg, 2016). For this study, the researcher used a 5-point Likert scale as this scale is suitable to examine which factors most influence travellers when booking hotels through online travel agency.
Table 1: Measurement of the Variables

<table>
<thead>
<tr>
<th>Variable Name</th>
<th>Number of Items</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room</td>
<td>5</td>
<td>Pan and Yang (2016)</td>
</tr>
<tr>
<td>Food</td>
<td>6</td>
<td>Schuckert et al. (2015)</td>
</tr>
<tr>
<td>Customer Review</td>
<td>8</td>
<td>Law et al. (2015)</td>
</tr>
<tr>
<td>Online Booking Intention</td>
<td>5</td>
<td>Bicen and Sadikoglu (2016)</td>
</tr>
</tbody>
</table>

In order to achieve the objectives and hypothesis of the study, the primary data has been collected through field survey. Therefore, a self-administered questionnaire was developed, and the items were taken from previous literature, hotel websites and also adapted from previous studies as shown in Table 1. In this study, questionnaires were given to those respondents who have experienced using online travel agency services.

Analysis and Finding

Reliability Test

Reliability is the degree by which measures are free from error and therefore yield consistent results (Kusumasondjaja, 2015). It is about the consistency and stability of a score from a measurement scale, especially of the multi-items type. Even though there are no proper rules available on what constitutes a reliable measure, a minimum value of between 0.5 and 0.6 is acceptable for exploratory research.

Table 2: Reliability Test of the Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>No of Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room</td>
<td>5</td>
<td>0.802</td>
</tr>
<tr>
<td>Food</td>
<td>6</td>
<td>0.913</td>
</tr>
<tr>
<td>Customer Review</td>
<td>8</td>
<td>0.927</td>
</tr>
<tr>
<td>Online Booking Intention</td>
<td>5</td>
<td>0.912</td>
</tr>
</tbody>
</table>

Table 2 sums up the results of the measures’ reliability with a number of items used for each variable of the study. The Cronbach’s alpha coefficient is the most common way of measuring internal consistency that expresses the average correlation among all items of the scale. Sekaran suggests that a Cronbach’s alpha slightly lower than 0.60 is acceptable. Therefore, the above result shows high reliability and internal consistency.
Table 3: Summary of Regression Analysis for Room, Food, Customer Review and Online Booking Intention

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficients</th>
<th>Standard Error</th>
<th>t-value</th>
<th>p value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room</td>
<td>.346</td>
<td>.028</td>
<td>12.497</td>
<td>0.000</td>
</tr>
<tr>
<td>Food</td>
<td>.133</td>
<td>.027</td>
<td>4.862</td>
<td>0.021</td>
</tr>
<tr>
<td>Customer Review</td>
<td>.127</td>
<td>.025</td>
<td>5.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

R² = 0.275; F= 125.867
Sig. = 0.000

*Dependent variable: Online Booking Intention

Based on the regression analysis and the above outputs, room, food and customer reviews have significant influence on online booking reservations. As shown in Table 3, overall significant levels from independent variables towards dependent variables is p=.000, 0.021 and 0.000 respectively, which shows highly significant level. F-statistic (F=125.867, p<0.05). The R² = 0.275 value indicates that Room, Food and Customer Review has 27.5% of the variance on Online Booking Intentions.

Discussion and Conclusion

The online reservation system plays an important role in today’s hotel and airline booking procedures. Based on results from multiple regressions, the variables have a significant relationship with repurchase intention. Based on the outcomes, the beta for rooms is 0.346 and significant at 0.000. This factor has a significant relationship because it allows travellers to easily look at the picture of the room and related facilities via the website. Besides, online booking is open 24 hours and 7 days to 126 receive reservations (Jin & Wang, 2016). These convenience elements will attract customers to repurchase services through the same online travel agency.

Food features have a significant relationship with online booking intentions where the beta is 0.133 which is significant at 0.021. Moreover, online booking allows customers to easily access special offers and promotions (Emir et al., 2016). These elements will attract customers to online booking.

Next is hotel basic infrastructure where the beta is 0.127 and significant at 0.000. Customer reviews online will lead to online booking intentions because nowadays travellers are looking for what kind of reviews and ratings have been given by other consumers for certain hotels. These are the aspects that travellers look for before booking a hotel. Moreover, Elci et al. (2017) has pointed out that customer reviews can also differentiate a hotel from its competitors.
Even though, there is a trend these days for weddings to be conducted in hotels, Ozturk and Gogtas (2016) stressed that couples want a high level of service which can be provided by a luxury hotel or resort, but that the customer will look for this feature only once in their lifetime, which is only for their wedding. Therefore, this is the reason that leads the result to show a negative relationship between these two variables even though it is significant.

In conclusion, this study achieved the objectives regarding the identification of factors that travellers search for when booking hotels. At the same time, this study also identifies the relationships and the factors that most influence travellers when booking hotels. Therefore, this study is in line with the objectives of the study. There are several suggestions for this study. Firstly, future researchers should carry out in-depth studies through interview methods and open-ended questionnaires in order to gain data from respondents. Secondly, in future, the survey should cover at least all the places in Thailand, in order to obtain more accurate data from respondents. By obtaining data from a larger number of respondents from various places, it will help online travel agencies to achieve a better understanding of potential customers. Finally, this study also identifies the relationships and the factors that most influence travellers when booking hotels. Therefore, this study is in line with the objectives of the study.
REFERENCES


