Understanding the determinants of hotel booking intentions and moderating role of habit

Gomaa Agag a,*, Ahmed A. El-Masry b

a Department of Management, University of Plymouth, Sadat City University, Drake Circus, Plymouth PL4 8AA, Devon, United Kingdom
b Department of Finance, University of Plymouth, Umm Al-Qura University College of Business, Saudi Arabia

A R T I C L E   I N F O

Article history:
Received 4 August 2015
Received in revised form 3 January 2016
Accepted 12 January 2016
Available online 29 January 2016

Keywords:
Intention to purchase
Hotel online bookings
Commitment–trust theory
Technology acceptance model (TAM)
Habit

A B S T R A C T

When there are more and more online hotel consumers, it is important for industry players to know why consumers prefer one online booking channel among others. Grounded in the commitment–trust theory (KVM) and the Technology Acceptance Model (TAM), this paper seeks to develop and empirically test a comprehensive framework to examine which factors influence consumer intentions to book hotel online. Using SEM to analyse the data collected from a sample of 1431 Internet users, the results indicate that consumers’ intentions to book hotel online are determined by commitment, trust, attitude, and their antecedents. Finally, commitment, trust and attitude have higher influence on intention to book hotel online for low-habit customers. Implications were offered for practitioners based on the results.

© 2016 Elsevier Ltd. All rights reserved.

1. Introduction

Information Communication Technologies, especially the Internet, is leading to great developments in the tourism industry (Buhalis and Law, 2008). Internet has come as a new way of communication and selling for travel companies (Law and Wong, 2003; Llach et al., 2013). In recent years, Egyptian hotels have faced massive challenges due to the changing character of the travel industry. For decades, hotels sector industry had been dependent on intermediaries to sell their products to consumers. Internet as a new distribution channel will help hotel providers, particularly the hotel industry, to reach consumers directly and help travel providers to save money (Zhou, 2004). Furthermore, the emergence of the internet brought lower prices and time savings for consumers (Heung, 2003).

The Internet is now a paramount distribution channel for travel companies (Lee and Morrison, 2010). Travel business on the internet accounts for 15 percent of overall travel sales (US Census Bureau, 2003). A forecast from the Market Intelligence Centre (MIC) (2009) reported that the online travel product category is the Internet’s largest commercial area (48.9%), generating a worldwide revenue over 446 billion United States dollars (USD) in 2014. Sales of online travel worldwide grew 10% between 2011 and 2014 and predictions until 2016 have shown that Sales of online travel worldwide will grow at 8% yearly (Statista, 2015).

A survey research reveals that the success of online shopping is determined mostly by consumer intentions to purchase (Park, 2010). Unlike Internet consumers in Egypt and other emerging economies, however, Egyptian consumers are well known for fickle consumption patterns and lack of e-commerce loyalty, both of which pose major challenges to online shopping businesses (El Ansary and Roushdy, 2013). Egypt is currently one of the leading nations especially in the Middle East area with a well-established e-commerce environment and advanced IT infrastructure, but rapid growth of e-commerce will soon occur in other nations with similar consumption patterns. Thus, examining and understanding how to maximize Egyptian consumers’ intention to book hotel online is critical to the success of Egyptian online hotels and can help firms to develop a general reference model for online hotel shopping business success.

Numerous studies have attempted to identify factors leading to consumers’ intentions to purchase travel online, emphasizing customer value creation (Francis and White, 2004), consumer trust and commitment (Chen, 2006; Kim and Chihyung, 2009; Kim et al., 2011a,b; Ponte et al., 2015; Mukherjee and Nath, 2007), perceived usefulness (Amaro and Duarte, 2015), and attitude (Ayeh, 2015; Amaro and Duarte, 2015). However, little attention has paid to the integration of these factors into a comprehensive model (Wang, 2008; Kim et al., 2012). Such an integrated approach is also lack-
ing in the studies of Egyptian online hotels. Furthermore, Law et al. (2009) noted that relationship marketing research in tourism and hospitality industry focuses mainly on the supplier marketing activities of firms and less attention has been paid to the consumer side of the exchange process. Research addressing online travel shopping presents contradictory results and is typically fragmented (Amaro and Duarte, 2013). There is a scant of research on trust in online context for tourism products (Kim et al., 2011a,b). Therefore, the findings of the preceding studies support the significance of the current study.

Previous studies pointed out that the effects of the antecedents of intention to purchase may be contingent on online shopping habit (Khalifa and Liu, 2007). The moderating influence of habit on the relationship between trust and intention to purchase has been examined by many studies (Chiu et al., 2012; Hsu et al., 2015). Therefore, in this study, habit is included in our model to test its moderating effects on the relationships between intention to book hotel online and its determinants (i.e., commitment, trust, and attitude).

This research adopts a distinctive way to analyse the factors influence consumers intentions to book hotel online, by proposing and empirically testing an integrated model, with contributions from well-grounded theories, namely Commitment–Trust theory (KMV) (Morgan and Hunt, 1994) and the Technology Acceptance Model (TAM) (Davis, 1986) contributing to the current literature since, to the best of knowledge, this has not been done in any other study. Therefore, the current study aims to contribute to the literature of tourism and hospitality: (1) identify the determinants that effect consumer intention to book hotel online; (2) by integrating two well-recognized technology adoption theories: the commitment–trust theory and the Technology Acceptance Model (TAM), we help to understand the intention of consumers to book hotel online; (3) we also examine the moderating role of habit on the association between consumer intention to book hotel online and its determinants. The findings will help online hotels’ managers to evolve strategies that enhance the intention of consumer to book hotel online.

Our study is organized as follow; the next section represents literature pertaining to the study variables and theories as well as the hypotheses development. Then we demonstrate our data collection and measures operationalization. Finally, we explain the study results, discussion, and managerial implications as well as demonstrating the limitations and future research.

2. Development of theoretical framework

2.1. commitment–trust theory

In their research, Morgan and Hunt indicated that “relationship marketing” – the act of establishing and maintaining successful relational exchanges – constitutes a major shift in marketing theory and practice. Morgan and Hunt (1994) developed the commitment–trust theory of relationship marketing (KMV). They proposed a model where trust and commitment mediate the relationship among five antecedents (shared value, relationship termination cost, relationship benefits, opportunistic behaviour, and communication) and five outcomes (co-operation, uncertainty, conflict, acquiescence, and propensity to leave).

Trust and commitment are both particularly important in the context of e-commerce, because customers are unlikely to shop online if they do not trust the website on which they are shopping (Kim et al., 2011a,b). Studies have analysed the antecedents of consumers’ trust and commitment, and these help hotels’ managers to design their websites in such a way that consumers perceive the transactions to be trustworthy. In this research, we examine, in relation to hotel websites, the antecedents of trust and commitment that, according to Morgan and Hunt (1994), are related to consumers’ perceptions, such as shared value, opportunistic behaviour, and communication. Perceived privacy/security is also relevant to consumers’ perceptions of the trustworthy of an e-commerce company (Ponte et al., 2015; Kim et al., 2011a,b). Hence, the current study adds perceived privacy/security as antecedents to consumer trust to online hotel website. We analyse these factors for hotels’ websites because only a few studies have examined the antecedents of trust and commitment in online travel (Kim et al., 2011a,b; Escobar-Rodríguez and Carvajal-Trujillo, 2014).

2.2. Technology acceptance model (TAM)

Based on the prior studies, numerous studies applied several theoretical perspectives in order to explain and understand consumers’ acceptance and use of new technology. Of these, the TAM considers the most effective approach to investigating consumer acceptance and use of technology related application (Ayeh, 2015; Kim et al., 2009a,b). The technology acceptance model was initially proposed by Davis (1986).

The TAM theory postulates that individuals’ perceptions about ease of use and usefulness are two cognitive factors that determine their acceptance of information system. TAM has received substantial empirical support in explaining consumer acceptance of various types of technology e.g. technology based services (Zhu and Chan, 2014), smart phones (Joo and Sang, 2013) and the new media (Workman, 2014).

In tourism and hospitality context, numerous studies applied TAM to understand and explain consumer acceptance of new technology including hotel front office systems (Kim et al., 2008a,b), consumer intention to shop travel online (Amaro and Duarte, 2015; Casaló et al., 2010), biometric systems adaptation in hotels (Morosan, 2012), and restaurant computing systems (Ham et al., 2008). The findings of these studies show that perceived ease of use and perceived usefulness are crucial determinants of consumer acceptance of technology. Therefore, our study examines the important role of perceived ease of use and perceived usefulness in understanding consumer intention to book hotel online.

2.3. Online purchase intentions

The main dependent variable of the model is consumer intentions to book hotel online. This variable has been derived from Theory of Reasoned Action (TRA), which postulates that behavioural intention is the main predictor of actual behaviour (Fishbein and Ajzen, 1975). Behavioural intentions have been used as a strong predictor of actual behaviour in online shopping context (Ajzen, 2011; Lin, 2007; Casaló et al., 2010). Furthermore, in the context of online travel shopping, behavioural intentions have been posited as the best predictor of actual behaviour (Moital et al., 2009; Amaro and Duarte, 2015; Ponte et al., 2015). Therefore, due to the difficulties regarding measuring consumer real behaviour, we focus on behavioural intentions as the best predictor of consumer actual behaviour.

3. Research model and hypotheses

Based on the preceding review, the research model and its hypotheses are shown in Fig. 1. In general, integrating commitment, trust and their antecedent, perceived usefulness, perceived ease of use, and attitude, are useful to explore the determinants of intention to book hotel online. The hypothesized relationships are discussed in the following section.