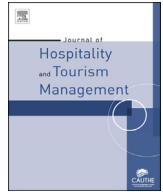




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## The determinants of intention to use electronic booking among young users in Thailand



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### ABSTRACT

Tourism is one of the largest and fastest growing industries worldwide. It helps to support the economic growth and development of many countries, Thailand included. A key engine of the growth of tourism has been the Internet, especially over recent years. One of the objectives of the Second ICT Master Plan in Thailand is to promote the use of ICT, namely the Internet, e-commerce, online marketing, payment systems, and reservation systems for businesses associated with tourism. Although more businesses and users have embraced e-commerce and online reservation systems (e-booking), very few studies have been conducted on their usage and adoption especially in the context of a developing country like Thailand. This study attempts to identify the factors and the degree of influence that each factor has on the intention to use e-booking. The findings of the study, including academic and practical implications, and recommendations are provided.

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### 1. Introduction

Tourism is one of the largest and fastest growing industries worldwide. It helps to support the economic growth and development of many countries, Thailand included. A key engine of the growth of tourism has been the Internet, especially over recent years (Buhalis, 2004). This is because the Internet, along with other information technology (IT), allows information to flow with great efficiency, thus encouraging users to rely on this form of communication for its low cost, security, and accuracy. Without a doubt, the Internet is an extremely important medium in the marketing communication process (Lagrosen, 2005; Law, Qi, & Buhalis, 2010; Lin & Lee, 2010).

The advent of the use of IT applications in the distribution of tourism products has raised the level of sophistication in business practices, not just in terms of effectiveness but also in terms of cost efficiency (Golmohammadi, Jahandideh, & O'Gorman, 2012). This change has come about as a result of the increasing number of online users who are now familiar with using e-commerce and

other transactions, which are widely supported by the e-payment system.

The Internet has become more important in Thailand and is now an integral part of everyday life, used for working, communicating, scheduling, and even traveling. Thai travelers use the Internet to search for information in preparing for their travels, book accommodation, arrange transport, choose and book a restaurant, or buy travel-related products such as package tours (Chaiprasit, Jairangprasert, Chomphunut, Napat, & Jaturapataraporn, 2011). The hotel industry now allows the booking of rooms via the Internet, and online booking has become very important for both domestic and international business and has led to the emergence of online hotel booking companies. Expedia, Priceline, Travelocity, Orbitz, and Booking are well known online booking companies focusing on international business, while Agoda, Hotelsthailand, Sawasdee, and Asia Web Direct are well known online booking companies in Thailand. Hotels also offer online room bookings through their own websites, for example Bangkok Asia Hotel developed its online booking system five years ago to support free independent travelers (FIT) (Boonlert, 2010). Such websites provide full details of the hotels and room rates.

Online hotel booking has been around in Western countries for at least ten years, whereas Thailand has been utilizing it for around eight years. Four- and five-star hotels in Thailand have changed

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their sales strategies from 80% reliance on agents to the current online booking system. This has resulted in direct room bookings all around the world, and has led to a 40% increase in bookings, which is expected to rise to 60% in the near future. Online hotel booking websites, both international and domestic, are now focusing on Thai travelers and have added the Thai language into their websites. Examples of these are [thailand.hotels.com](http://thailand.hotels.com), [hotelsthailand.com](http://hotelsthailand.com), [agoda.co.th](http://agoda.co.th), [thaihoteltravel.com](http://thaihoteltravel.com), [ThaitravelCenter.com](http://ThaitravelCenter.com), and [TripDD.com](http://TripDD.com) (Boonlert, 2010).

In order to continue to develop Information and Communications Technology (ICT) in Thailand, the Second ICT Master Plan (2009–2013), consisting of six strategies, was proposed. The sixth strategy focuses on the “use of ICT to build sustainable competitiveness capacity for Thai industries” with an emphasis on the use of ICT in both the strategic manufacturing sector as well as the service sector. One of the objectives is to promote the use of ICT, namely the Internet, e-commerce, online marketing, payment systems, and reservation systems for businesses associated with tourism. This is also in line with the First ICT Master Plan, which placed emphasis on the development of ICT for e-commerce (Ministry of ICT, 2009).

It is clearly evident that the Thai government realizes the importance of the utilization and growth of ICT in tourism, especially in the form of e-commerce. Although more businesses and users have embraced e-commerce and online reservation systems (e-booking), very few studies have been conducted on their usage and adoption especially in the context of a developing country like Thailand. Therefore, this paper proposes two research objectives to address this issue. By undertaking these research objectives, the study will fill in the gaps of research undertaken on e-booking in the context of a developing country.

The two objectives are as follows:

- 1 To identify the factors and the degree of influence that each factor has on the intention to use e-booking.
- 2 To identify the factors that have the highest degree of influence on the intention to use e-booking among Thai users.

A literature review of the technology acceptance model (TAM) and e-booking is provided in the next section. This is followed by the research model and hypotheses proposed for this study and the research methodology, which includes instrument development and data collection. An in-depth analysis of the data and results and the conclusions and implications are presented in the subsequent sections.

## 2. Literature review

### 2.1. E-booking

E-booking means making a reservation or appointment for a service via the Internet. Landvogt (2004) defines e-booking or online booking engines as tools to store, publish, and update the dynamic data availability and prices, and additionally provide the users with a regular reservation process. Mobile travel booking, as a new way of booking, refers to the consumer using a mobile phone, computer or other portable mobile terminal equipment, through GPRS, 3G, WiFi, and other wireless networks to book air tickets, hotels, resorts and other tourism products or services (Yang, Chu, & Yang, 2006).

The use of the Internet for communicating and transacting with customers has been increasing rapidly in the worldwide tourism and hospitality industry. There has been a rapid increase in online booking in the hospitality and tourism industry, e.g., e-booking of hotel/motel rooms, airline tickets, travel packages, etc., due to the

ease of checking information, making inquiries, and making reservations online—in other words, the overall convenience of communicating electronically via the Internet.

E-booking allows service providers to sell or distribute their services both directly to customers or indirectly (via the network or partner distribution channels, such as online travel agents). The adoption of e-booking in the tourism and hospitality industry began and grew rapidly because the nature of its services appeared to fit in well with information technology and its systems (Crnojevac, Gugić, & Karlovčan, 2010). Both sellers and buyers of tourism products find their comfort zones when they use the electronic distribution system for completing their transactions.

Unarguably, online tourism has successfully emerged as a platform that enables direct bookings, electronic payment, Business to Business (B2B) and Business to Consumer (B2C) trading among product marketers, travel agents, resellers, and customers. It has been reported that online booking in the hospitality industry (including hotel/motel, airlines, travel packages, etc.) is rapidly increasing, especially at the lower rate end. Yang et al. (2006) reported that online hotel room bookings had increased sixfold from 1999 to 2002 (from \$1.1 billion in 1999 to \$6.3 billion in 2002). While the e-booking of airline tickets reached about 26% of total annual sales in 2002, online hotel room booking accounted for just half of that proportion—13% of total annual hotel room bookings.

More significantly, the groups who now book online are business travelers and well heeled vacationers who tend to travel more frequently than the average public. Targeting great deals as they do their online searches, such online bookers claim that more often than not they are able to book a hotel room at a much lower rate online compared to traditional phone reservations or traditional travel agents (Yang et al., 2006).

Given the growing number of customers making e-bookings, hospitality businesses need to improve the way they conduct their business operations via the Internet (O'Connor & Frew, 2004). Nowadays, a majority of hotels and airlines depend heavily on websites for direct bookings, either their own website or the websites of travel agencies. It is highly crucial that these organizations make sure that they provide the latest information and offer attractive deals for customers (Almeida, Silva, Mendes, & Oom do Valle, 2012).

While online hotel booking has been around internationally for over ten years, in Thailand it has been popular for around eight years. Hotels in Thailand, especially four- and five-star hotels, have changed their sale strategies to the point where 80% currently use online booking. This has resulted in a 40% increase in sales, which is expected to rise to 60% in the near future. Nowadays, online hotel booking websites, both international and domestic (for example, [thailand.hotels.com](http://thailand.hotels.com), [hotelsthailand.com](http://hotelsthailand.com), [agoda.co.th](http://agoda.co.th), [thaihoteltravel.com](http://thaihoteltravel.com), [ThaitravelCenter.com](http://ThaitravelCenter.com), and [TripDD.com](http://TripDD.com)), have begun to focus more on Thai travelers and have begun presenting travel information in the Thai language (Boonlert, 2010).

There are several factors that have led to the growth of online bookings in Thailand. There are approximately 17.5 million Internet users in Thailand, and more than 2.5 million of them enjoy online shopping. This number increases every year because online shopping is convenient, secure, and it offers a wide variety of products and services. The online market in Thailand for travel is 10%–20% cheaper than traditional travel agents. Moreover, Thailand's online travel market has undergone rapid growth, averaging a 30% online booking rate increase per year (Manager 360 PRNews, 2012). As a result, Expedia, the world's leading online travel company, has joined with AirAsia and expanded its business in Thailand in 2012 by launching [www.expedia.co.th](http://www.expedia.co.th) to offer attractive prices for hotels and travel destinations worldwide for Thai travelers (Manager 360 PRNews, 2012).

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