

Research note

Branding on the web: Evolving domain name usage among Malaysian hotels

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Abstract

The Internet helps tourism enterprises extend both their market reach and operational efficiency, yet few studies have examined the evolving nature of Internet use in developing countries. This study investigates 494 Malaysian hotels' use of domain names for online branding and as a reflection of evolving Internet adoption. In line with diffusion research in other countries, there were significant positive relationships with hotel size, category and affiliation and progressive levels of Internet use. The results extend hospitality diffusion research to Malaysia and support branded domain names as a measure of advanced Internet use.

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Keywords: Domain names; Brands; Websites; Email; Diffusion of innovations

1. Introduction

Offline, and even more so online, brands are important to consumers; online consumers substitute brand names for product information (Ward & Lee, 2000). Branded domain names, such as *hilton* in Hilton's respective website and email addresses—www.hilton.com and reservations@hilton.com—offer online branding opportunities. Studies highlight the importance of using branded domain names (Murphy, Raffa, & Mizerski, 2003) and suggest that their use may reflect advanced Internet adoption (Murphy, Olaru, Schegg, & Frey, 2003; Murphy & Tan, 2003). Branded websites and email addresses increase online familiarity and confidence.

Research has examined tourism and information technology in developed nations (Frew, 2000), but to the authors' knowledge there is no research of Internet use by Malaysian hotels and little research on the role of domain names. In addition, academics call for further research of evolving Internet use (Morrison, Taylor, & Douglas, 2004; Yuan, Gretzel, & Fesenmaier, 2005). This paper helps fill

these gaps by using Rogers' (2003) diffusion of innovations (DOI) to investigate evolving email, website, and branded domain use by Malaysian hotels.

2. Literature review

2.1. Online branding

When buyers need goods or services, they often seek a trusted brand. Customers loyal to a brand usually have a positive perception of its quality and will repurchase the brand (Reicheld & Schefter, 2000). Online, a brand is an important factor related to purchasing (Rowley, 2004) and to the company's integrated communication strategy (Murphy, Raffa et al., 2003). Businesses leverage their brand name to generate awareness of their online presence, e.g. mcdonalds.com, dell.com, and ibm.com (Ilfeld & Winer, 2002). A branded website address can reassure consumers that the business is reliable and trustworthy, saving buyers time because they know what to expect and need not seek online alternatives.

Brand names also guide consumers to websites; for example loyal offline Hyatt customers should seek hyatt.com. An effective online strategy lets existing or potential

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visitors remember or guess the correct website address (Ilfeld & Winer, 2002). As a participant in Coyle and Gould's (2002) study commented on guessing the correct website address, "Most every well-known company has its own website, so I didn't have to search for the address with a search engine because I assumed that Panasonic had its own website. I assumed right, because it did."

2.2. Domain names

To increase brand visibility and reinforce familiarity, companies should match their domain name and brand (Clauser, 2001). In hyatt.com, *hyatt* represents the name and *.com* represents the domain. A study of domain name branding found that most of the world's top brands owned their brand name in the global *.com* (96%), Australian *.au* (77%) and French *.fr* (80%) domains (Murphy et al., 2003). The former, a global domain, is available to anyone and costs about US\$10 annually. Global domains include *.com*, *.biz*, *.net* and *.org*. The latter, *.au* and *.fr*, are two of over two hundred country domains.

The Internet Corporation for Assigned Names and Numbers (www.icann.org) manages global domains and delegates country domains to the respective countries' representatives. Mynic (www.mynic.net), the registrar for Malaysia's *.my* domain, assigns names on a first come first serve basis to Malaysian citizens for about US\$10 per year. Having the right domain name, however, is just one-step towards Internet success.

2.3. Evolving internet adoption

Hotels do not need a domain name to go online. Websites such as Yahoo!, Lycos and Geocities offer free, albeit limited space, for hosting websites. Yet, a website address from these free services, such as www.geocities.com/jem3030/HotelABC.html, is difficult to type and hard to remember. Furthermore, compared with www.HotelABC.com, the free website address inspires less trust.

For instance, Hotel Bintang Warisan in Malaysia has the branded website address www.bintangwarisan.com, but an email address of maxcarry@tm.net.my. The hotel could also use the email address of warisan@tm.net.my, but this may still confuse the consumer. The domain name *tm.net.my* represents an Internet service provider and has no mention of the words 'Bintang' or 'hotel'. As Hotel Bintang Warisan owns bintangwarisan.com, it should match the email domain name to the website domain name, such as info@bintangwarisan.com or reservations@bintangwarisan.com.

3. Conceptual framework and hypotheses

DOI offers a rich perspective on individual and organisational adoption and diffusion of innovations. Most individuals go through five phases in adopting a technology: awareness, interest, evaluation, trial and

adoption (Rogers, 2003, p. 170). Organisations, however, go beyond the yes/no adoption decision and continue towards integrating the technology effectively throughout the organisation (Rogers, 2003, p. 421). For example, small to medium sized enterprises' (SMEs) Internet adoption evolves through four stages of growth: brochureware, business opportunity, business support and business development (Levy & Powell, 2003). Combining DOI theory with structuration theory, Yuan et al. (2005) illustrate the evolutionary nature of Internet adoption from a simple brochure-like website with limited information to a 'one-stop shopping' website with online transactions, interactivity and customised services.

Adding email and branded domain names to the evolution of Internet use leads to the following proposition.

Malaysian hotels evolve from having email to having branded websites and then matching website and email domain names.

Business variations in structure, scope, size and geographic location can encourage or discourage technology adoption (Yuan et al., 2005). Swiss and US studies support that hotel size, affiliation and star rating relate positively to Internet adoption (Murphy, Olaru et al., 2003; Sigauw, Enz, & Namiasivayam, 2000). Thus:

H1. Hotel size will show a significant positive relationship with (a) email presence (b) branded website presence and (c) matching email and website domain names.

H2. Hotel star-category will show a significant positive relationship with (a) email presence (b) branded website presence and (c) matching email and website domain names.

H3. Compared with non-affiliated hotels, affiliated hotels will have greater (a) email presence (b) branded website presence and (c) matching email and website domain names.

4. Methodology

This study used hotels from four technologically advanced Malaysian states—Kuala Lumpur, Selangor and Pulau Pinang and Johor. Given no comprehensive Malaysian database of email and website addresses, the study started with the 2003/2004 Malaysian Accommodation Directory (MAD) published by Tourism Malaysia, which provides hotel star rating (1–5 stars), number of rooms and email addresses.

A census of the MAD for the four states yielded 494 hotels, with 185 hotels having a star rating (see Table 1). To update the MAD information, keying each hotel name into Google and Yahoo! helped find the hotel websites. Visits to the websites in August 2005 yielded the hotel's website domain name, email address and chain-affiliation status. With conflicting information, this study chose information from the hotel's 2005 website over information in the printed 2003/2004 MAD directory.

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