RESEARCH ARTICLE

MOBILE HOTEL BOOKING ADOPTION AND BENEFITS IN HOSPITALITY MARKETING TO CONSUMER LOYALTY.

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Manuscript Info

Abstract

This study aims to explain how does loyalty influence Mobile Hotel Booking adoption and benefits in hotel marketing to the customer loyalty. This research uses a descriptive quantitative approach. The study population is consumers ordering budget hotel online basis and its sample is 100 respondents taken randomly and using convenience sampling techniques and data collection methods using questionnaires. To know the dependent variable has influence the independent variable, linear regression analysis is used in SPSS. The study results indicate the adoption of MHB PEOU (perceived ease of use), compatibility, and satisfaction have a significant effect on loyalty, except Convenience has no significant effect on Loyalty.

Introduction:

The phenomenon that occurs in Indonesia for Mobile Hotel Booking (MHB) greatly affects consumers in convenience. MHB makes it easy for people to book hotel rooms online and can be tailored to the needs of consumers. Utilization of online services to tourists provides the benefits of comfort and convenience (Wen et al., 2011). It has claim that the convenience perception where consumers feel shopping at web-based stores will increase purchasing power, as well as the consumers feel ease to have interaction in the website and can receive product information they needed. Based on a survey in Indonesia on February 2018, 71.44% of respondents have used an Online Travel Agency (OTA) for booking hotel or flight ticket reservations in the last six months and 83.95% of respondents used to smartphone to access OTA services, (Daily Socials OTA 2018).

PHRI Survey (Indonesian Hotels and Restaurants Association) said that online travel agents are an effort to reach wider consumers and to help consumers choose hotels and provide benefits for hotel entrepreneurs (PHRI, 2017). Hotels Classification according to Subakti, 2016 is divided into several levels, namely Upscale Luxury Hotels (5 stars), Boutique Hotels (4 stars), and Economy or Budget Hotels (3 stars). Average Daily Rate (ADR) in 2018 for all hotel levels rose 1.1%, Year Over Year (YOY) at the end of 2018 reached USD 80 or around Rp. 1.12 million and it is projected that ADR in 2020 can reach USD 81 (Colliers, 2018). Budget hotels ADR for 2018 are above 70% (Colliers, 2018) therefore what we want to learn is the effect of online bookings for budget hotels in Indonesia. Online sites commonly used by consumers in Indonesia are Traveloka, Tiket.com, and Agoda (Centerklik, 2018).

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The population of internet users in Indonesia reaches 123 million people in 2018 according to the e-marketer market research institute. Online reservation system on hotel websites, utilizing internet media to search for lodging information online, as well as the use of hotel intermediaries to book hotel rooms (Theodosiou and Katsikea, 2012). It is also hoped that the use of MHB may increase the major distribution channel for the lodging industry (Tode, 2014). Technology that utilizes smartphones may influence consumers in the travel business (Morosan, 2014). Convenience, compatibility and ease of use perception have significant impact on the intensity of user loyalty to MHB technology (Ozturk, 2016). Trade conducted through smartphones, currently plays an important role because it is used as a tool for many companies engaged in the hotel industry or other services to develop their products and gain popularity in the wider community. This trade has attracted a lot of attention from researchers to be able to understand better about online trading. Adopting a reservation system on smartphones should be explored to know why many hotels use systems with a technology-based framework (Wang, 2016).

This study is to measure the implications of digital phenomena in online hotel reservations toward consumer loyalty, since MHB is closely related to convenience and creates benefits of time and place for users (Kim, Mirusmonov, & Lee, 2010) and it has been recognized as an important factor in the M-Commerce context (Xu & Gutierrez, 2006). The purpose of this study is to analyze the extent of loyalty influenced by convenience, perceived ease of use, compatibility and satisfaction with a lifestyle adopting internet technology.

Literature Review
Technology of online reservation
Online hotel reservation applications make it easier for managers to promote the services (Phelan, et al, 2011). Mobile-based online booking technology enables customers around the world to book hotel rooms anytime and anywhere by internet access from their mobile devices (Wang and Wang, 2010). Content on the site and online booking application through smartphone are optimized with smaller touch screens. Customers are guided through a search and booking process that allows them to book hotel rooms completely in a few easy steps (Wang and Wang, 2010).

Convenience and Loyalty
Convenience is the most important thing for consumers who frequently shop online, comfort aspect greatly influences the positive value of digital value (Lin and Lu, 2015) and is able to increase user satisfaction. The concept of comfort has a broad dimension, including time, place, acquisition, use and execution (Brown, 1990). Shopping online is increasingly becoming a major driver for building a brand, which aims to increase customer loyalty (Jiang et al, 2013). Over the years many travelers have used laptops or desktops to seek comfort through digital, so convenience has become a major factor in consumer acceptance of basic technologies and services that have been tested and standardized (Yang, Lee and Park, 2014). Therefore, there is a need for research on the relationship between comfort and consumer loyalty, because in the context of budget hotels in Indonesia, this research is still very minimal, while the hypotheses in this study are as follows:
H1: Convenience has a positive influence on consumer loyalty

Perceive Ease of Use and Loyalty
Ease of use is as a major component of implementing technology and usage behavior. This is very much related to the evaluation that we can make to the efforts in developing technology utilization. When consumers believe that a technology is easy to operate, consumers tend to be willing to the benefits of the technology, increasing their willingness to use it in the future (Davis, 1989; Rosen, et al, 2013). Furthermore the key aspects of convenience will be a benchmark of loyalty to online shopping (Jackson, 2006). PEOU can positively influence intention to use a smartphone application (Okumus & Bilgihan, 2014), and the ease of use of the Mobile Hotel Booking (MHB) application also positively influences loyalty (Ozturk, et al, 2016). Ease of use of certain systems will be freely understood and used (Davis, 1989). The purpose of this study was to analyze the relationship between convenience and loyalty to online hotel reservations with the following research hypotheses

H2. PEOU has a positive influence on consumer loyalty

Compatibility and Loyalty
The high level of conformity with user needs will enhance existing smartphone applications for online hotel room reservations, ie the extent to which online hotel booking technology is also in line with the lifestyle and shopping experience of each individual that is tailored to the needs of potential users. This study also shows that a positive
suitability will directly influence the perceived usefulness and behavioral interest in what is used (Wu and Wang, 2005). Compliance is found to be a major determinant of consumer attitudes towards online shopping (Chen et al., 2002). It conforms to the definition of (Wu and Wang, 2005) which states that conformity is the degree of MHB technology adoption matching with the lifestyle and shopping experience of an individual. Conformity has an effect on behavioral intention to use what was felt before and actual use. This study aims to look at the relationship between compatibility and loyalty to online reservations. Therefore the research hypothesis is as follows:

H3. Compatibility has a positive influence on consumer loyalty

Satisfaction and Loyalty
Satisfaction is an emotional reaction, m-tourism research currently provides sufficient empirical evidence about the factors that influence customer satisfaction to buy (Kim et al., 2015). In addition, loyalty refers to a person's interest to commit to certain products or services (Pritchard et al., 1999) and so far it is believed that satisfaction can meet the needs desired by consumers (Bai et al., 2008). This study aims to analyze the relationship between satisfaction and loyalty through online hotel reservations, with the following hypotheses:

H4. Consumer satisfaction has a positive effect on consumer loyalty.

Loyalty
Creating and maintaining customer loyalty may assist companies to maintain long-term relationships with consumers. E-loyalty is formed from the ease of ordering, information on products, timely selection and delivery, as well as customer trust, privacy policies, trust and commitment (Bilgilhan and Bujisic, 2015). Creating and maintaining customer loyalty assists the companies to develop long-term strategies and fostering good relations with consumers (Pan et al., 2012). Loyal consumers have an interest and commitment to the company, and they are not interested in offers given from competitors (So, et al, 2013).

Theoretical Framework

Drawing 1:-Research Model –Mobile Hotel Booking

Dependent Variabel:
Loyalty

Independent Variabel:
Convenience, Perceived ease of use (PEOU), Compatibility, Satisfaction

Research Method:
The object of this study is the loyalty of hotel occupants, while the study population is hotel occupants who book online with a sample of 100 respondents.

This study is empirical, using survey strategies and questionnaire techniques (Saunders, Lewis, Thornhill, 2007), the survey was conducted based on online booking experience to assess the validity of the survey content. Consumer loyalty is measured based on 4 variables, namely comfort, convenience, compatibility or suitability to lifestyle needs and customer satisfaction. A five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree), is used for
functionality and usability in designation. Questionnaire data were processed and analyzed using SPSS version 21 application.

This questionnaire was designed with the development of measurements in the form of questions about online hotel bookings, hotel booking experience, perceived functionality and usability, customer satisfaction and loyalty. Functionality and usability (Bai et al., 2008) refers to updated measurements from the results of the study of Ip et la, (2012) and Wang et al, (2015).

**Research and Discussion results:-**

**Profiles of the respondents**
The following are the data of 100 respondents used in this study:

| Gender         |        |
|----------------|--------|
| Male           | 56 %   |
| Female         | 44 %   |
| Total          | 100 %  |

| Age            |        |
|----------------|--------|
| < 25 years     | 24 %   |
| 26- 35 years   | 29 %   |
| 36- 45 years   | 18 %   |
| 46- 55 years   | 25 %   |
| >56 years      | 4 %    |
| Total          | 100 %  |

| To book hotel prefer /frequently to use |        |
|----------------------------------------|--------|
| Online                                 | 84 %   |
| Onsite                                 | 16 %   |
| Total                                  | 100 %  |

| Web ever/frequently used |        |
|--------------------------|--------|
| Tiket.com                | 12 %   |
| Traveloka                | 74 %   |
| Agoda                    | 14 %   |
| Total                    | 100 %  |

| How long have they used online reservations? |        |
|---------------------------------------------|--------|
| < 1 year                                    | 28 %   |
| 1 – 3 years                                 | 32 %   |
| > year                                      | 40 %   |
| Total                                       | 100 %  |

| Works |        |
|-------|--------|
| Employee       | 66 %   |
| Housewife      | 7 %    |
| Businessman    | 9 %    |
| Students       | 14 %   |
| Pension        | 4 %    |
| Total          | 100 %  |

Table 1: Demographic benchmarks

**Sampling Method and Process**
The study to be conducted is quantitative with the results are determined by data and questionnaire analysis. Sampling method used in this study is convenience sampling. Target of Respondents were 100 person for the budget hotel user questionnaire

The SPSS software was used for questionnaire and data processing, ith the result as follows;

| Statistic | Minimum | Maximum | Mean |
|-----------|---------|---------|------|
| Convenience | 2.00 | 5.00 | 4.4331 |
| Perceived Ease of Use | 2.00 | 5.00 | 4.3502 |
| Compatibility | 2.50 | 5.00 | 4.4050 |
| Satisfaction | 2.33 | 5.00 | 4.3633 |
| Loyalty | 2.00 | 5.00 | 3.8200 |
| CON1 | 2.00 | 5.00 | 4.6100 |
| CON2 | 2.00 | 5.00 | 4.2500 |
| CON3 | 2.00 | 5.00 | 4.4400 |
| PU1 | 2.00 | 5.00 | 4.4400 |
| PU2 | 1.00 | 5.00 | 4.2100 |
| PU3 | 2.00 | 5.00 | 4.4000 |
| COM1 | 1.00 | 5.00 | 4.2500 |
| COM2 | 2.00 | 5.00 | 4.5600 |
| SAT1 | 2.00 | 5.00 | 4.3300 |
| SAT2 | 2.00 | 5.00 | 4.3500 |
| SAT3 | 3.00 | 5.00 | 4.4100 |
| LOY1 | 2.00 | 5.00 | 4.2600 |
| LOY2 | 1.00 | 5.00 | 3.5700 |
| LOY3 | 1.00 | 5.00 | 3.6300 |
| LOY4 | 1.00 | 5.00 | 3.8200 |

Table 2: Descriptive statistics
Based on the results of normality test, it was found that the Zscore for these five variables is larger than 0.05, so it can be concluded that the values of these five variables are not different significantly from the normality assumption. It was also found that the skewness and kurtosis values of these five variables were smaller than 1.96. It can be concluded that the five variables meet the normality test.

### Hypothesis Test

| Variable                        | Coefficients | Pengaruh terhadap Loyalitas |
|---------------------------------|--------------|----------------------------|
|                                 | t           | Sig           |                         |
| Convenience                    | 0.600       | 0.550         | Negative                |
| Perceived Ease of Use          | 3.555       | 0.001         | Positive                |
| Compatibility                  | 3.677       | 0.000         | Positive                |
| Satisfaction                   | 3.762       | 0.000         | Positive                |

Based on the results of hypothesis test, it was found that convenience variable with $t_{\text{cal}} (0.6)$ is smaller than $t_{\text{table}} (1.976)$ with a significance level (0.55) above 0.05, it can be concluded that: hypothesis 1 $^{st}$ is rejected, means:
Convenience Variable does not have a positive relationship to loyalty. It is related to customers of Budget Hotel who is uncomfortable with booking hotels through online applications because they need detailed information related to funds and facilities. The Budget hotel is a hotel with minimal facilities, generally known as "bed & breakfast" hotel, or only providing bed facilities with bathrooms and simple breakfast. But contrary to the study results of Jiang et al., 2013, that convenience has a positive effect on loyalty

While Hypothesis 2nd was found the perceived ease of use variable with the value of t_{cal} (3,555) is smaller than t_{table} (1,976) with significance level (0.001) below 0.05, it can be concluded that: hypothesis 2nd is accepted, means: the perceived ease of use variable has a relationship positive towards Loyalty. This is consistent with the study results of Ozturk et al. (2016) The ease of use of the Mobile Hotel Booking application via smartphone has a significant effect on loyalty.

Hypothesis 3rd found compatibility variable with t_{cal} (3,677) is smaller than t_{table} (1,976) with significance level (0.000) below 0.05, it can be concluded that: hypothesis 3rd is accepted, means: Compatibility Variable has a positive relationship with loyalty. This is consistent with the study results of Wu & Wang, (2005), that compatibility has positive effect on loyalty mediated from perceived usefulness and behavioural interest.

Hypothesis 4th found the satisfaction variable with the value of t_{cal} (3,762) is smaller than t_{table} (1,976) with significance level (0.000) below 0.05, it can be concluded that: hypothesis 4th is accepted, means: Satisfaction Variable has a positive relationship with loyalty. This is consistent with the study results of (Kim et al., 2015), that customer satisfaction has a significant effect on loyalty.

**Conclusion and Recommendations:**

**Conclusion**
This study discusses the understanding of the effectiveness on adopting MHB (Mobile Hotel Booking) and its benefits in marketing conducted by hotels. Based on the results of the discussion above, it was found that the independent convenience variable with a significance level of 0.55> 0.5, had no effect on loyalty in the use of MHB. While the PEOU, compatibility and satisfaction variables with significance level of 0.001, 0.000, and 0.000 < 0.05, have a positive influence on the level of customer loyalty to online reservations. In addition, based on the results of descriptive analysis it was found that 84% of respondents prefer to book hotels online than directly at the hotel location, supported based on the long experience in using online reservations results which show 40% of respondents indicated that they have already made online reservations over 3 years, 38% for 1-3 years and 28% less than 1 year experience in using online reservations

Based on the discussion results above it can be concluded that the effectiveness of MHB adoption is very evident based on the data of 84% of respondents who prefer to make hotel bookings online, it has been conducted for at least more than 3 years based on the data showing 78% of respondents have used reservations online for more than 1 to 3 years. Where the loyalty of the online reservations is made because of the positive influence of the PEOU, compatibility and satisfaction variables, offered in online reservations. Therefore, the benefits of MHB adoptions in hotel marketing have proven to be of great benefit, especially nowadays, which are all online.

**Recommendations**
The research suggests: 1) to add other variables outside the research model regarding other benefits offered by online reservations in hospitality marketing to consumer loyalty. 2) to add items that need to be examined related to the benefits of online reservations that have a significant role in maintaining and increasing customer loyalty.

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