Evaluating Websites of Small-and-Medium-Sized-Hotels (SMHs): A Stages Model of E-Commerce Websites Adoption for Malaysian Hotels

Faizal Ayob*
Victoria University Melbourne, Ballarat Road Footscray, Melbourne, Australia

Abstract
This research focuses on examining small-and-medium-sized hotels (SMHs) in Malaysia, specifically their websites, in order to study their e-commerce website stages model. The website evaluation criteria were used to study 193 websites of SMHs to identify the current stage of e-commerce websites adoption in Malaysia. The findings of the study reveal that 69.9 per cent of SMHs websites in Malaysia have online reservation facilities. In terms of social media marketing, this study highlights that 108 out of 193 websites of SMHs have social media profile links to the website. A total of 93.9 per cent of SMHs did not offer a guest loyalty program on their websites. Based on the results of this study, it can be concluded that SMHs in Malaysia from the sample are presently at stage three of the e-commerce website stages model, which is defined to be a simple interactive website.

Keywords: Website evaluation; Small-and-medium-sized hotels; E-commerce Website stages model adoption; Malaysian hotel websites

Introduction
The Malaysia tourism industry is currently the sixth largest contributor to the economy in Malaysia. In 2014 it contributed RM 161 billion (approximately 14.9%) to the Gross Domestic Product (GDP). The Tourism Malaysia tagline 'Malaysia Truly Asia' is the official tagline used in promoting Malaysia, as well as attracting tourists to visit Malaysia. The websites used for hotels has become important because this is where the customer’s first impression of the hotel takes place. By visiting the website online, an initial customer impression is made from simply experiencing the hotel’s website. The website will play an important role to the customer in providing options to book a room or moving on to find another hotel [1]. This study aims to investigate the current state of e-commerce websites adoption among Malaysian hotels. Currently, the internet has a strong impact on the hotel industry, forcing hotels to implement websites to sell their brand. The website is not only a strong marketing tool for the hotel’s products and services, but is also a communication platform between the hotel and its customers [2]. A good quality hotel website offering useful information and delivering effective dealings with customers may promote and improve the sales volume and help give the hotel a reputable name. Law et al. and Buhalis et al. [3,4] suggested that a good hotel website can allow customers to state that hotel operators should develop a high-quality website that enables customers to gather effective and important information. According to Avci kurt et al. the development of an effective website is critical among SMHs. Prior studies have exhaustively examined large and luxury hotel websites through an evaluation process [5-8]. However, the studies that have focused on evaluating websites of SMHs are limited [9,10]. Thus, the purpose of this study is to assess and evaluate the websites of Malaysian SMHs with an aim to identify the current stages of e-commerce.

Overview of Information and Communication Technologies (ICT) development in Malaysia
The rapid growth of digital business in Malaysia was determined by information and communication technologies (ICT), which is a governmental initiative to promote the growth and advancement of online businesses in Malaysia. The important drivers for ICT development in Malaysia are the continuously growing number of online users, purchases made online, and the adoption of novel technologies. In addition to this, the development of digital business in Malaysia was positively affected by increased internet use, improved internet experiences, and enhancement of ICT [11].

According to the World Economic Forum (2015), Malaysia’s ranking has improved by four places to twentieth out of one hundred and forty-four in the Global Competitiveness Report 2014-2015. In the digital economy ranking of 2010, determined by the Economic Intelligence Unit, Malaysia is in the top thirty-six out of seventy countries. To determine the rank of a country, a four-decimal score was used, which included the infrastructure for connectivity and technology, the cultural, social, legal and business environment, policies mandated by the government, and adoption by consumers and businesses.

According to Muhammad et al. [11], Malaysia was the number 10 ranked country in internet usage. In addition, Malaysia did participate in the Asia Pacific Economic Cooperation (APEC) to develop regulations, laws and policies in e-commerce. Participation of Malaysia in these initiatives will soon make it a top country in ICT growth. Whether or not the ICT in Malaysia does grow rapidly, the trend of purchasing online is not currently a habit among the Malaysian people compared to people in more developed countries, such as the USA, Australia, UK and Canada [12]. Malaysia is one of the developing countries that began to utilize digital business in both their domestic and international businesses. The Ministry of Communication and Multimedia is the government organization that is responsible for the progress and development of Information Communication Technology (ICT). Other agencies have also participated in this initiative, such as along with the support of several agencies, such as the Malaysian

*Corresponding author: Faizal Ayob, Victoria University Melbourne, Ballarat Road Footscray, Melbourne, Australia, Tel: +61 3 9919 6100; E-mail: mohd.ayob@live.vu.edu.au

Received November 02, 2016; Accepted November 11, 2016; Published November 18, 2016


Copyright: © 2016 Ayob F. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.
Communications and Multimedia Commission (MCMC) and the Multimedia Development Corporation (MDEC). ‘Knowledge-based economy’ was introduced by the Malaysian government as a national agenda item to ensure the country becomes a preferred ICT destination [13].

Malaysia is one of the highest of the developing countries, with a population of 30,254,000 million, as of September 2, 2014, according to the Department of Statistics of Malaysia [11]. Malaysia has invested extensively in their information communication technology base and has pooled up resources to adapt with the digital world. With several multibillion dollar projects, such as the Multimedia Super Corridor (MSC), the National Broadband Initiative and sufficient financial support in five year plans, Malaysia’s government is hoping to transform the country into a knowledgeable economy and to realize the vision of being a fully developed country by 2020.

**Overview of Tourism Industry in Malaysia**

In the past five to seven years ago, Tourism Malaysia has successfully promoted Malaysia up to a state where it was ranked in ninth place of the most visited countries during 2011 with 24.7 million tourist arrivals (UNWTO). In 2012, Malaysia’s tourism increased by 1.3%, with 25.03 million tourists (Malaysia 2013). The Ministry of Tourism Malaysia is targeting at least 28 million visitors for Visit Malaysia Year 2014. This target includes an additional 3 million international tourists compared to the 25 million visitors in 2012. In tandem with the latest plan, developed by the Malaysian Government, the Malaysia Tourism Transformation Plan (MTTP) is designed to achieve 36 million international tourists. The hope is to create RM168 billion from Malaysian tourism. As a multi-cultural country that is rich with natural attractions, Malaysia has the ability to attract tourists to visit the country and spend their holiday, leisure, and business in this country. Shopping centers and halal food services are one of the main reasons why tourist arrivals have grown in Malaysia.

**Definition of Small-and-Medium-Sized-Hotels in Malaysia**

Small-and-Medium-Sized Hotels (SMHs) are categorized as an enterprise that offers less than 50 rooms and employs fewer than ten people [14]. Luciani describes Small-and-Medium-Sized Hotels (SMHs) as enterprises with fewer than 60 rooms with a three-star rating [15]. In general, in the Malaysian tourism industry, SMHs are considered to be hotels that have no more than three-star ratings. In Malaysia, SMHs often get increased business as visitors and tourists are looking for cheaper alternatives to five-star hotels [16]. Alison defines a small hotel as a business that is owned and managed by a single individual or a small group of individuals [13]. In most cases, small hotels do not have a formal management hierarchy. In general, small hotels are considered to be of lesser quality to larger hotels, as they likely are lacking in the number of products and services they provide, physical facilities, and the number of employees and customer service.

**Reviews of SMHs website evaluation studies**

Based on previous literature, hotel websites were evaluated on the content, functionality, and characteristics or features. Previous studies have typically created criteria to determine and measure what aspects of the website were deemed the most important based on a 5-point or 7-point Likert scale [2,3,17,18]. However, evaluation of websites in this way was not considered appropriate as it was based on subjective decision making [19,20]. Panagopoulos et al. [7] created a set of criteria to measure the effectiveness of websites, including information provided, website design, services provided, payment methods, and navigation and search options. This criterion was able to generate good performance indicators for hotels in Greece, as it was a generic and standardized method for evaluation.

When luxury hotels were evaluated in Turkey, the websites were found to be evaluated differently, with the focus being on the website design, such as navigation, interactivity, and functionality. In contrast, in another study on Spain’s SMHs, the websites were evaluated based on the interactivity with its customers [9]. Schmidt, et al. [9] proposes that the most effective measure of SHM websites is to evaluate them based on phase, characteristics and effectiveness. Another method that was used was measuring the effectiveness of a website based on the opinions of the customers. This study was conducted by engaging 173 customers to get their feedback on the performance and content of various hotel websites. Based on the findings, facility information, information for reservations and price, website management, company profile and contact information were considered to be the most important. According to customers, the most critical aspects of the website were reservation and price information and facility information [10]. In 2005, Ham published a study that identified seven criteria for limited-service lodging properties [2]. These included timeliness of information, accessibility, navigation, accuracy, impression, content, usefulness, and online reservation. The top criterion was identified as impression. Among the previous studies, some similarities were identified in how hotel websites were evaluated, specifically content and functionality. In addition, the type of hotel has an impact on the quality, design and performance of the website. For example, in SMHs, IT implementation is to a lesser degree than large hotels [21-23]. As previously discussed, SMHs have an important impact on the Malaysian hotel sector, so it is important for them to take advantage of the internet to remain competitive [10,24]. In this study, we evaluated Malaysian SMHs using a 5-point Likert scale, originally used by Ham and Wan [2,25], to determine the current stage of e-commerce websites.

**Review of stage of E-commerce adoption**

The stage of e-commerce adoption can be determined by the level of e-commerce development [26]. Due to the increasing growth and interest in e-commerce, there was increasing attention on how to describe the stage of e-commerce [27]. To resolve this, a model with four stages of e-commerce development was proposed by Subba Rao, et al. [28]. This model identified these stages as presence, portal, transaction integration, and enterprise integration. According to this model, an enterprise does not necessarily have to begin at the first stage of e-commerce. Enterprises can begin at a more advanced stage as long as all issues in previous stages were identified and addressed. Another integrated model was created by Chen & McQueen [18] to describe the stages of e-commerce adoption. This model focused on the processes that a business uses to progress from simple e-commerce activities to more complex and sophisticated activities. In this model, the stages are messaging, online marketing, online ordering, online transaction and e-business, with the two most advanced stages being online transactions and e-business. For small businesses, it is rare to be at an advanced stage as it requires a high budget and time. For that reason, most companies are currently in stage one to stage three. A six-stage model has also been suggested by Ellis-Chadwick et al. and Chaffey [29,30], where Level 0 is the stage where no website or online presence is adopted. As an organization progresses through the higher stages, the website content becomes more interactive. By Level 6, the final stage, the company has fully integrated their website, with
customers able to make purchases online and a relationship exists with the customers.

A Proposed Stages Model of E-Commerce Websites in SMHs

The models proposed by Ellis-Chadwick et al. and Chaffey et al. [29,30] are ideal for this study as they are comprehensive models for e-commerce adoption. As this study focuses on the website evaluation of small-and-medium-sized hotels (SMHs), the six stages model of e-commerce website is appropriate for use. Figure 1 shows the proposed stages model of e-commerce websites of Malaysian SMHs.

Population and sample

In this study, the list of hotels was found on the Malaysia Association of Hotels (MAH) website (www.hotel.org.my), and then selected from 2-star and 3-star hotels in Kuala Lumpur, having between 30 and 400 rooms. Included in the study were independent hotels in addition to chains. A list of 193 SMHs were included as the sample, of which only 178 SMHs had a hotel website.

Evaluation techniques

To assess the websites of the SMHs in Malaysia, the criteria displayed in Table 1 was used. E-marketing, e-customer relationship marketing, privacy and security, online reservation, and usability were the main criteria and were evaluated on a 5-point Likert scale.

Website evaluation criteria

The study developed five website evaluation categories to evaluate the SMHs’ websites in Kuala Lumpur:

Findings and Discussion

E-Marketing

Of the websites evaluated, six had detailed information regarding the hotel, including a summary of the history, brands and properties, while 44 percent of the small-and-medium-sized hotels (SMHs) provided a directory and an interactive map on their website. All websites contained contact information, full address, phone number, email address and fax number. A small percentage (13.4 per cent) offered deals or promotions on their websites. However, there were no attractive offers and promotions with a special deal or package on any of the SMH websites. Information regarding the hotel features, such as rates and hotel facilities was only provided on 26.9 percent of small-and-medium-sized hotels (SMHs) websites. Social media was not provided on 85 of the SMH websites. A few SMH websites provided deals or promotions to their customers by email, as well as an e-newsletter.

E-customer relationship marketing

Customer loyalty programs were not often used on websites, as it was not found on 94.6 percent of the SMH sites. Although seldom used, customer loyalty programs help to build relationships with customers, while also increasing the chance of future sales. The finding revealed only two of the small-and-medium-sized hotels (SMHs) provided online customer service support through the addition of a website online chat. Almost half (49.7 per cent) of websites did not give customers an opportunity to provide feedback or ask questions through a request form, making it difficult for customers to give feedback or make complaints regarding the service. Customer service and customer relationship support on websites are acknowledged to be an important reason for customers to visit a website.

Usability

Over half (51.8 percent) of the websites that were evaluated were considered to be relatively easy to use. However, all websites, with the exception of one, lacked in providing a search engine or site map for easy navigation. Very few websites catered to non-English speakers, with 65.3 per cent of the websites being in English only. Interestingly, one website applied Google Translate for customers that were non-English speakers. In terms of web content, 65.3 per cent of the websites were considered to be adequately contemporary and timely.

Privacy and security policy

Privacy and security policies were displayed on only 45 per cent of the websites studied. In general, it was found that the privacy and security policies were not considered an important aspect of the SMH
websites, and were not included. This is in contrast to large hotels, who frequently add this to their web content [31-34].

Online reservation

Of the 193 hotels evaluated, 69.9 per cent (n=135) provided an online reservation service. All of the small-and-medium-sized hotels (SMHs) used a hosted booking system instead of their own hotel reservation system to cut down on costs and because SMHs generally do not have an IT department on staff. Hotels that have their own hotel reservation system are viewed by customers as efficient and having a good reputation. In addition, hotel reservation systems allow flexibility in the payment method and ensure online secure payments had to be made by email or by telephone [35-37].

Result

The total percentage for stages of e-commerce website adoption among SMHs in Malaysia is detailed in Figure 2. Most SMHs in Malaysia were classified to be at Stage 3. A total of 15 of hotels that were evaluated did not have a website and were classified in Stage 0. Stage 5 hotels consisted of 7.3 per cent of those evaluated as fully interactive website. From the analysis, the study found that 3-star ratings, medium sized hotels and chain hotels have a high level of sell-side e-commerce compared to 2-star ratings, small sized hotels and independent hotels.

The researcher only accessed and evaluated the stage of e-commerce adoption based on the small-and-medium-sized hotels (SMHs) website only.

Limitation of Study

This study was conducted by utilizing secondary data limited to website evaluation, and analysis of the data. However, in-depth interviews or surveys and case studies were not reviewed. In addition, in future research, the reviewing of websites should be done in a systematic way to avoid bias. For example, explicit details should be provided to rate the criteria and evaluation of websites should use the same programs and conduct reviews during the same period of time. Further research could also be conducted to get the customer’s opinions and feedback on the websites [38-42]. This will allow marketers to understand the importance of a website based on an evaluation from customers.

Implication and future research

This study conducted an extensive review of 193 of SMHs in Malaysia to gain a better understanding of the current challenges that SMHs face, as well as to provide next steps on how to improve Malaysian hotel websites. The findings of this research indicate that the majority of small-and-medium-sized hotels (SMHs) in Malaysia allow

<table>
<thead>
<tr>
<th>Website Evaluation Category</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. E-Marketing</td>
<td>(1) Hotel information, such as brands and properties</td>
</tr>
<tr>
<td></td>
<td>(2) Hotel locations</td>
</tr>
<tr>
<td></td>
<td>(3) Contact information, including phone number and email address</td>
</tr>
<tr>
<td></td>
<td>(4) Hotel features, such as facilities that are provided</td>
</tr>
<tr>
<td></td>
<td>(5) Offers and promotions</td>
</tr>
<tr>
<td></td>
<td>(6) Social media (e.g. Facebook, Twitter, TripAdvisor)</td>
</tr>
<tr>
<td></td>
<td>(7) Visual content including photos</td>
</tr>
<tr>
<td>B. E-Customer Relationship Management</td>
<td>(1) Customer loyalty program</td>
</tr>
<tr>
<td></td>
<td>(2) Online membership</td>
</tr>
<tr>
<td></td>
<td>(3) Online Customer Service Support</td>
</tr>
<tr>
<td></td>
<td>(4) Request form/Feedback form</td>
</tr>
<tr>
<td>C. Usability</td>
<td>(1) Ease of website usage</td>
</tr>
<tr>
<td></td>
<td>(2) Multilingual</td>
</tr>
<tr>
<td></td>
<td>(3) Links to other websites</td>
</tr>
<tr>
<td></td>
<td>(4) Currency (up to date)</td>
</tr>
<tr>
<td>D. Privacy &amp; Security</td>
<td>(1) Privacy and Security Policy</td>
</tr>
<tr>
<td></td>
<td>(2) Terms and Conditions</td>
</tr>
<tr>
<td>E. Online Reservation</td>
<td>(1) The level of which online reservations can be made and the ability to make payments online using a credit card or PayPal.</td>
</tr>
</tbody>
</table>

Table 1: Website Evaluation Criteria for SMHs in Malaysia.

Figure 2: Total Percentage of Stages E-Commerce Website among SMHs in Malaysia.
for interactive support on their websites for their customers. A customer loyalty program on the SMH website may also improve the level of sell-side e-commerce and customer relationships. Although some websites provide feedback or request forms, to improve customer service, it is recommended that an online chat should also be implemented. Social network presence is also considered to be critical. Due to the increase of social media networks, such as Facebook or TripAdvisor, it is becoming easier for customers to post feedback of complaints. This makes it extremely important for hotels to respond efficiently to customer inquiries and comments. Due to the trend of mobile apps, SMHs may also benefit from creating an online mobile app to allow for easier online booking. This has become more popular among luxury hotels in Malaysia. Future research would be warranted to include in-depth surveys or interviews with hotel managers and employees to get clarification on the factors that impact digital business development in SMHs in Malaysia.

Conclusion

This study applied a website evaluation criteria to assess a total of 193 of the websites of Small-and-Medium-Sized-Hotels (SMHs) in Malaysia and to investigate current stage of e-commerce website based on an adaptation of stages of e-commerce development by Ellis-Chadwick et al. and Chaffey [29,30] which provided in-depth of a stages model of website e-commerce. With the 5-rating scale of website evaluation criteria, each of the website of SMHs will be assessed and the researcher will be identified the stages of the hotel websites development. Most websites included interactive site supporting transactions with customers, indicating that they are currently at Stage 3. It appeared that the primary aim of SMH websites was to promote their products and online services. The analysis also identified majority of the websites evaluated offered a ‘Best Guarantee Rate’ for booking the hotel room directly from the hotel website, and gave customers the opportunity to get loyalty or reward points. Hotel room rates, privacy and security policies and terms and conditions should also be included in the content of the websites. Results demonstrate that online reservations were available on most websites, where customers were able to make bookings, revise, confirm and cancel, as well as make payments.

The study establishes website evaluation criteria as tools to evaluate the website of SMHs in Malaysia and to investigate the current stages of e-commerce hotel websites development of SMHs in Malaysia. This study offers the following proposals for further website improvement:

Regarding marketing strategies, this study suggest that the SMHs should optimize their websites by provided relevance and current information. It should be noted that some websites were outdated and content was not relevant, so customers should consider that information provided on the websites is not always accurate or correct. Customers would benefit if the hotel websites can provide such information. As example, a photo gallery, video, or virtual tour of the hotel property may also be beneficial.

Social Media adoption among SMHs. Using social media and online reviews such as Facebook, TripAdvisor, Instagram and Twitter can help to promote the hotel globally by sending the most updated information to the customers.

With regard to online reservation: Those SMHs did not have facilities for online reservation should considered to sell the room online via third party website such as Booking.com, Agoda.com. Customers are more convenience to book online via mobile apps to compare to make reservation by phone, email or fax.

References


