

# **EXPLORING E-SERVICE QUALITY OF ONLINE HOTEL BOOKING WEB SITES**

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## **Introduction**

There is no doubt that the internet has become a new and valuable communication channel, collapsing all geographical and physical barriers, and making it a competitive marketing device in the hospitality and tourism industry (Doolin et al., 2002). It is clear that travelers increasingly prefer interacting with the travel business online to conveniently gather information on destinations, prices, and schedules (Greenspan, 2004). For that reason, many hotels are regarding the internet as a new and efficient marketing environment. For example, one of the main advantages for hotels by using electronic strategies as a distribution system is the cost reduction (O'Connor and Frew, 2004).

Due to the rapid expansion of internet users and channels, however, online firms have begun to realize the importance of electronic service quality for survival in the competitive online market (Evanschitzky et al., 2004). In other words, better e-service quality has become critical for the electronic channels that have large growth potential for delivery of products and services (Evanschitzky et al., 2004). Therefore, electronic service quality is a requirement to measure performance of electronic channels according to Barrutia and Gilsanz (2009).

In recent years, numerous studies have extensively attempted to find and explore e-service quality in the general internet market (i.e. clothes, cosmetics, or online banking). Curiously, despite the fact that hotel reservations constitute the second most frequently purchased travel product online according to Card et al. (2003)'s empirical study, relatively few have attempted to address a detailed examination of online hotel reservation web sites. Furthermore, there has been minimal research examining the relationship between customers' satisfaction and e-service quality regarding e-service performance of online hotel booking web sites.

Therefore, the purpose of this study is to examine factor structure of e-service quality scale in the online hotel business sector. This study adapted transaction process-based framework (eTransQual) conceptualized by Bauer et al. (2006). The present study is expected to provide marketers with a better understanding of both the strengths and weaknesses of their web pages, so they can make appropriate strategies for the distribution channel. Thus, marketers are likely to improve their effectiveness in motivating travelers to reserve a room on their web pages (Morosan and Jeong, 2008).

## **Literature Review**

Much scholarly work has been done on the topics of e-service quality and its dimensions. According to Santos (2003), e-service quality can be described as entire customer perceptions or evaluations of electronic service experience of the online marketplace. Several different scales have been developed to measure e-service quality. Wolfinbarger and Gilly (2003) have provided four quality dimensions: fulfillment/reliability, customer service, web design and security/privacy on their eTailQ scale. Barnes and Vidgen (2001), Kuo (2003), and Negash et al. (2003) have developed and named the "SERVQUAL" scale. WebQual scale was proposed by Barnes and Vidgen (2001) with five key dimensions: tangibles, reliability, responsiveness, assurance and empathy to analysis online book trade. Recently, E-S-QUAL, empirically proposed by Zeithaml et al. (2002) and Parasuraman et al. (2005), has a multiple item scale with core service quality aspects and four dimensions: efficiency, privacy, fulfillment and availability.

However, due to the lack of a dimension referring to hedonic quality items, most of the scales above are not enough to adequately explain e-service quality (Bauer et al., 2006). Bauer et al. (2006) thus has suggested a model that includes intangible and emotional elements as well as utilitarian benefits, called Transaction Process-based Framework (eTransQual). This framework provides five quality dimensions: functionality/design, reliability, process, responsiveness and enjoyment. Thus, it is possible to comprehensively assess the e-service quality with a hedonic factor (Bauer et al., 2006).

## **Methods and Findings**

Data was collected from an online survey of undergraduate college students enrolled in two Midwest, U.S. universities. E-service quality measures were adapted from Bauer et al. (2006). All measures were modified from adapted items to reflect the context of online hotel booking. Exploratory Factor Analysis (EFA) was undertaken to evaluate applicability of e-service quality in a hotel setting by identifying underlying dimensions of e-service quality and, if necessary, reducing the number of variables - in other words, scale refinement. Next, multiple regression analysis was employed to test whether hotel consumers' satisfaction with the booking website is influenced by e-service quality factors identified from EFA.

EFA scale-development procedures resulted in a four-factor model comprised of the following dimensions: process/reliability, functionality/design, responsiveness, and enjoyment. Overall, the 24-item scale has high factor loadings and a reliable measure to e-service quality. Moreover, it was found that e-service quality factors (process/reliability, functionality/design, and enjoyment) had a significant effect on satisfaction with the booking website.

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