A CONCEPTUAL MODEL OF ONLINE HOTEL BOOKING: THE ROLE OF ONLINE REVIEW AND ONLINE TRUST TOWARDS ONLINE BOOKING INTENTION

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ABSTRACT

A growing reliance on the Internet as an information source when making choices about hotel booking raises the need for more research into this issue. Within online hotel booking context, this study aims to investigate the influence of online review and online trust towards online booking intention. Furthermore, the mediating role of online trust will also have been examined. Based on review of past literature, six dimensions of online review construct are proposed namely, usefulness, reviewer expertise, timeliness, volume, valence and comprehension as predictors. The proposed model is supported by Stimulus-Organism-Response (S-O-R) model developed by Mehrabian and Rusell (1974). In the present study, online review is conceptualized as a second order construct. It is predicted that online review has positive effect on both online trust and online booking intention. Besides, online trust is predicted to has a positive effect on online booking intention. Finally, it is expected that the online trust mediates the relationship between online review and online booking intention. This study contributes to the existing body of knowledge by examining the role of online trust as mediator.

Keywords: Online review; Online trust; Online booking intention

INTRODUCTION

Hospitality researchers have devoted considerable attention to developing and testing models of online hotel booking (AsiaOne.com, 2014; Asilah Emir, Hazwani Halim, Asyikin Hedre, Dahlan Abdullah*, Azila Azmi, 2016; Sparks & Browning, 2011; Zhao, Wang, Guo, & Law, 2015). Previous research has addressed several aspects of online review dimensions : (1) usefulness of online reviews(Asilah Emir, Hazwani Halim, Asyikin Hedre, Dahlan Abdullah*, Azila Azmi, 2016; Zhao et al., 2015)(Z. Liu & Park, 2015)(Cheung, Lee, &Rabjohn, 2008), (2) reviewer expertise of online review(Zhao et al., 2015)(Z. Liu & Park, 2015), and (3)

timeliness of online review_(Zhao et al., 2015),(4) volume of online review(Cohen, 2017), (5) valance of online review,(Chan, Lam, Chow, Fong, & Law, 2017) , (Sparks & Browning, 2011), (Phillips, Barnes, Zigan, & Schegg, 2017), (Purnawirawan, Eisend, De Pelsmacker, & Dens, 2015),(6) comprehensiveness of online review(Cheung et al., 2008), (Zhao et al., 2015).

However, in addition, the existing online hotel booking model does not consider the role of online trust in mediating relationship between online review and online booking attention(Zhao et al., 2015). The online trust construct appears to be important and worthy of investigation in the context of online hotel booking. An investigation of these issues is important because online trust can lead to higher booking intention and good for hotel marketers. (Sparks & Browning, 2011).

Furthermore, previous empirical research has focused primarily on online review dimension. Very little research has been carried out to determine the mediating role of on online trust. In this study we seek to determine the mediating role of online trust by addressing the gaps in previous studies. The study investigates the impact of six (6) dimensions of online review on online hotel booking: (1) usefulness , (2) reviewer expertise(3)timeliness , and (4) volume(5) valance, (6) comprehension. In addition, the mediator role of online trust interrelationships among six (6) dimensions of online review will also been examined.

REVIEW OF LITERATURE

Online Environment

More and more travelers nowadays use Internet for information search and travel arrangement (J. N. K. Liu & Zhang, 2014). We believe that the growing sophistication in internet usage and growing familiarity with various sites such as eBay will propel this upward trend. Finally, even those who did not use the internet to search for or book hotel rooms gave high scores to the various types of internet use. This bodes well for the increased use of the internet in future travel planning and room booking. (Toh, DeKay, & Raven, 2011).

On the consumer side, the Internet has given consumers more control in accessing information on products and services. Consumers pull for online content they decide when, where, what, and how much commercial content they wish to view. The Internet enables consumers to access a wide range of products and services from companies around the world, and it has reduced the time and effort that they spend on shopping (Ko et al., 2004).

Consumers play a much more active role in searching for information online to accomplish a certain purpose or goal. They access the Internet with that goal in mind, and that goal can influence individual behaviours and responses to online information. Consequently, researchers should explore why people go online and what activities they do online (Thorson & Rodgers, 2006).

Online Booking

Online booking means making a reservation for a service over the Internet (Bhatiasevi & Yoopetch, 2015). Hospitality establishment wishing to minimize costs in operation on finding the customers but at the same time providing convenient booking facilities to travelers often utilizes online booking tools (OBTs) such as hotel website, online travel agency websites as well as airline website. Researchers have identified many factors influence online booking

adoption. Among all, high adoption rates are achieved when comprehensive implementation strategy is deployed.(Carlson Wagonlit Travel, 2011)

Besides booking via desktop computer, customer may also use mobile phone or other portable mobile devices connecting to wireless networks to book airline tickets, hotel accommodations, and other tourism related products or services (Yang, Chu, & Yang, 2006). The adoption of online booking technology by service providers and customers in the hospitality industry has increased recently due to the convenience for checking information, making inquiries, and making reservations online (Carlson Wagonlit Travel, 2011).

Every year, around 148.3 million travel bookings were made on the Internet (Statistic Brain, 2016). More and more travellers use the Internet to find hotel information for their holiday. The most popular online hotel booking channels are hotel website and online travel agent website. These two channels of online hotel booking have their advantages and disadvantages (J. N. K. Liu & Zhang, 2014). Statistics shows that 65.4% of tourists prefer to book hotel accommodation through the brand or official website such as Marriott hotel website. 19.5% prefer to book from merchant website like Travelocity and Expedia (Statistic Brain, 2016). However, there is still a limited number of booking through hotel website (Statistic Brain, 2016).

Online Review

Every time when a consumer looking for intention booking, they probably use the internet to review the online comments listed in the online booking tools (OBTs).According to the report by (Vlachos, Vrechopoulos, & Pramatari, 2011) about 87 percent of international travellers have used the Internet for planning their trips and 43 percent of them have read reviews by other travellers. More specifically, nearly half of online consumers indicated that they actively read and post reviews after experiencing service products (Schmidt, Cantallops, & dos Santos, 2008).

Online Trust

Online trust is defined as the extent consumers and confidence in an E-merchant competence, benevolence and integrity to perform online transactions successfully (Xiao and Benbasat, 2003; McKnight, Choudhury and Kacmar, 2002). "Competence" is the ability and expertise of a company to fulfil promises made to the customers; "benevolence" looks at the ability of the company to maintain its consumers' interests ahead of its own interests and indicates sincere concern for the benefits of the customers; while "integrity" refers to how consistent, reliable, and honest the company's acts are (Mayer, Davis, & Schoorman, 1995), (Gefen, Karahanna and Straub, 2003; Mayer, Davis).

The issue of consumers' trust in hotel electronic intermediaries is even more complicated compared with that of traditional E-retailers. Consumers will not only evaluate whether the third-party intermediary is able to provide them with appropriate hotels, but also care about whether the intermediary holds the spirit of benevolence and integrity. In other words, the electronic intermediary has been regarded as a "social actor" with personality (e.g., kind, honest). The result of previous research also demonstrates that there is no significant difference between online trust and interpersonal trust (Wang and Benbasat, 2005).

Therefore, for those who have experience in online purchase, do they have a higher intention to buy online again than those who have not purchase online before? Similarly, Brown, Pope and Voges (2003) found a positive relationship between prior online purchase and future online purchase intention. Those who have previous online purchase experience are more likely to have intention to purchase online in the future than those who have no online purchase experience before.

CONCEPTUAL FRAMEWORK OF REFERRING THEORY S-O-R

Although SOR has been studied extensively, the model Figure 1, can be modified or integrated with other variables or models to fit different study context (Lu, Yu, Liu, & Yao, 2003). Stimulus-Organism-Response Paradigm (Mehrabian-Russel Model).Many researchers have adopted Stimulus-Organism-Response (S-O-R) model as underlying theory to study online booking adoption (Hsu, Chang, & Chen, 2012; Luo, Han, & Yu, 2016). Similarly, the conceptual framework proposed in this article is supported by S-O-R paradigm, or also known as Mehrabian-Russell model. Mehrabian and Russell (1974) claimed that environmental stimulus (S) influence users' behavioralresponses (R) through elicit organism (O) (Yang, 2015). Stimulus can be conceptualized as the factors influencing internal states of an individual. Whereby Organism refers to the internal processes and outcomes of the stimulus, normally play a mediating role between stimulus and responses. Response is the final outcomes of stimulus and organism. It includes factors like individual's intention and actual behaviour. In this article, we propose 1) information quality, 2) perceived interactivity, 3) safety and privacy, 4) price and promotion, and 5) e-WOM as stimuli or independent variables for the conceptual framework. The organism is represented by perceived value construct and finally the hotel customers' intention to book or not to book via online represents the response.
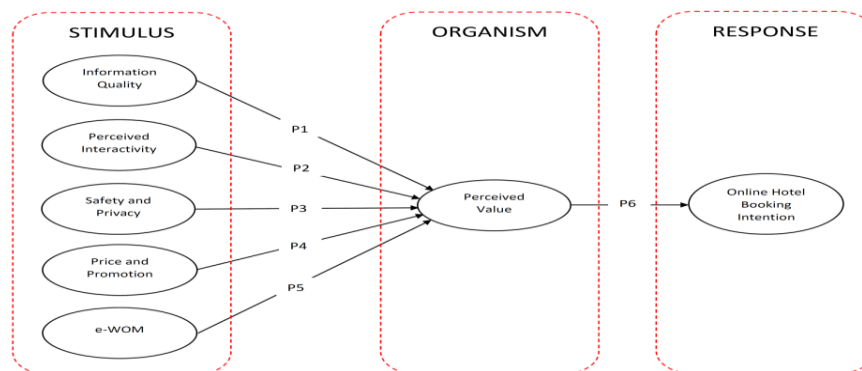

Figure 1: S-O-R Model

Figure 2; below illustrates the proposed conceptual framework for the present study. The framework is developed based on Stimulus-Organism-Response model (Mehrabian & Russell, 1974). The six (6) independent variables are classified as stimulus, whereby the online review as second order constructs are categorized as organism and response respectively while for the response are online booking intentions.

Based on the literature review, it is recommended that that original model needs to be integrated with other variables to make it a stronger model. The integration between online review and other related variables will allow for an understanding of why online trust effect to online booking intention. Since online hotel booking technology has changed rapidly, the demand for

more interactive website has increased. Previously, customers can only access hotel information supplied by hoteliers or hotel marketers but today, hotel customers also make purchase decision based on peers' opinions, online ratings or third party feedback posted online (Casaló, Flavián, Guinalíu, & Ekinci, 2015) . Besides, goal-directed customers prefer hotel websites that allow product or service customization (Kabadayi & Gupta, 2011)(Kabadayi & Gupta, 2011).
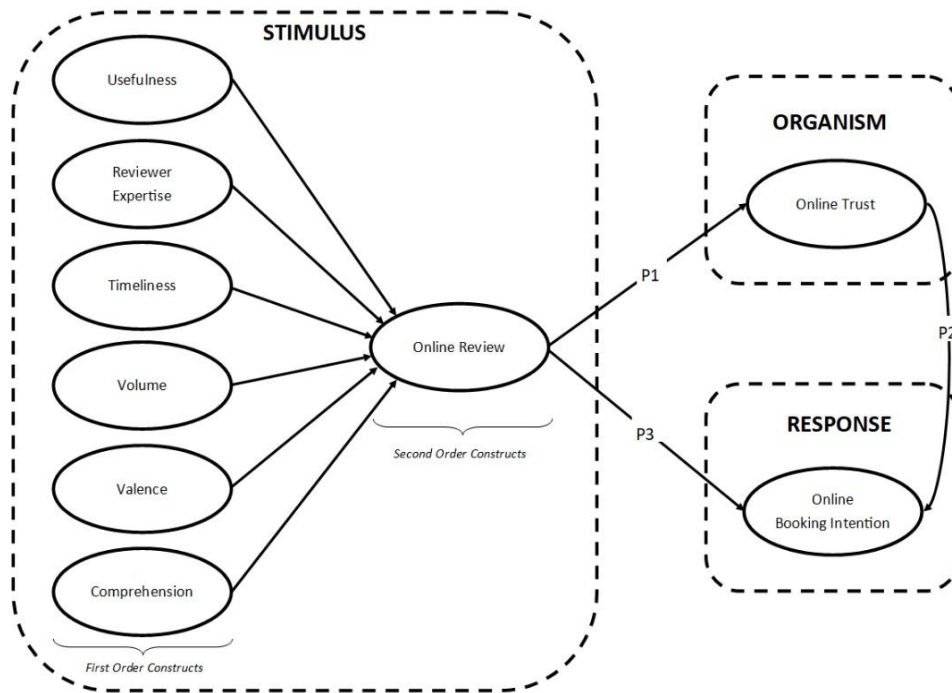

Figure 2: Conceptual Framework

Therefore considering the study aim, and after reviewing previous studies, a conceptual framework is suggested corresponding with SOR theory as explained. Thus,in this conceptual framework (Figure 2), the role of online trust are proposed as mediator effect.

Online Trust as Mediating Role

Trust is one of the most influential factors in actual online booking. Thus, from a general point of view, trust refers to a willingness to rely on an exchange partner (i.e., reliable person who keeps promises). The literature emphasizes the fact that integrity, competence, and reliability are key dimensions of the hotel trust concept (Wang et al., 2014). Reliability means a hotel's promises can be relied upon, integrity refers to the goodwill of the hotel, whereas competence refers to the hotel's knowledge, skills, and abilities (Wang et al., 2014). Trust toward a hotel is influenced by many factors such as customer satisfaction and the hotel's perceived image (Loureiro and González, 2008). Indeed, trust influences loyalty (Loureiro and González, 2008).

In the perceived risky and uncertain hospitality service context, trust is a key variable in successful long-lasting relations (Wang et al., 2014). Lack of trust toward a hotel could be a major obstacle toward room booking. The positive comment from Facebook friends will increase consumer trustworthiness toward the hotel.It becomes an informal third-party certification, thus decreasing perception of risk in the absence of direct first-hand experience.Therefore, it appears that the willingness to book a hotel room is related to the trust

that conAuthors argue that the degree of trust tends to be influenced by the social association or social ties with the source (Luo and Zhong, 2015). The quality of the review and the credibility of the source are the most important factors affecting the confidence of the provided information. These factors become even more important when the consumer receives negative information (King, Racherla, & Bush, 2014), (Racherla and Friske, 2012). Purnawirawan et al. (2012), in turn, further qualify these observations by stating that the perceived credibility of an infor- mation element often depends on the source of the information and that third-party websites are perceived as more trustworthysumers have in the hotel and that this trust is substantially influenced by peer feedback. (Ladhari & Michaud, 2015). This study shows that anyone in decision making for hotel online booking will mostly influenced by the trustworthy facts based on online reviews that build high online booking intentions and it clearly has a positive effect on online booking intentions.

Therefore, in this approach the study is assessed in two directions: 1) To investigate the influence online review and online trust towards booking intention. 2) To examine online trust as mediating role. Next, the rest of the paper is organised as follows:

P1: Online review to Online Trust

A framework and propositions of online review to online trust inducing features is proposed that is based on existing literature on enhancing online trust by the positive reviewer. Positive reviews mainly focus on extolling a company's quality orientation, such as making recommendations to others (Brown et al., 2005). Positive online reviews are generally recognized as a valuable vehicle for promoting a firm's products and services (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004), (Gremler et al., 2001). A, possible explanation for this is the fact that in virtual communities, the mere presence of arguments and anonymity on the Internet lead people to require more cues to judge information based on the rigor of arguments. Also, this study illustrates the positive impacts of online reviews to online trust towards online booking intentions. However, this may cause some confusions, as consumers are bombarded with information from a variety of media channels, creating a challenging business environment for hotel marketers. Online reviews are a valuable channel of asynchronous information, which serves as predictive indicators of consumers' attitudes. As such, more provision of up-to-date information would arouse potential consumers' attentions. At the same time, consumer awareness has been regarded as a key variable in describing consumer choice, which will finally lead to purchase (Vermeulen and Seegers, 2009). With more exposure to a hotel brand, there would be a higher chance for consumers to include a hotel into their awareness set. Therefore, more efforts could be devoted to increasing the quantity of online reviews about a hotel. (Zhao et al., 2015)

P2: Online Trust to Online Booking Intention

Following this, relevant studies are reviewed that online trust have been suggested as an effective predictor of consumers intent to obey with the online review and online booking intention.A general overview of trustfrom the multidisciplines of philosophy, psychology, management, and marketing is provided to illustrate the nature and concept of trust. Based on this overview, diverse perspectives are integrated into a summary of characteristics of trust, and these characteristics are further elaborated in an online context. Trust goes beyond the belief in the competence of the trusted party. Trust in information means that the information is credible or believable. It is possible to rely on a person without trusting him/her. Mayer et

al. add the confidence and predictability terms as synonymous terms. With trust, risk is assumed, but with confidence it is not.

Therefore, there is a positive effect on online trust to online booking intention because trust relation can be one-to-one between a trustor and a trustee, one-to-many between a trustor and a group of entities, many-to-one such as between the members and the manager of a department, and many-to-many such as the mutual trust between members of a group. (Aljazzaf, Perry, & Capretz, 2010). In other review similarly, trust builds when the customer has confidence in a service provider's reliability and integrity (Kim, Kim, & Kim, 2009). Therefore, there is a positive effect on online trust reviews towards online booking intentions.

P3: Online Review to Online Booking Intention

In the online world, review has been defined in differentways by the researchers and often reflects the paradigms of the researchers' academic discipline. Usefulness of online reviews have been suggested as an effective predictor of consumers' intent to comply with a review (Cheung et al., 2008; Park and Lee, 2009). Several other researchers have shown that usefulness of online reviews could also determine the frequency of usage (Davis, 1989; Wöber and Gretzel, 2000; Wöber, 2003). Chen et al. (2008) found that the quality of a review, as measured by the number of helpfulness votes, positively influences consumer decision-making.In online hotel booking, customers might be vulnerable to accommodations and services provided by the hoteliers. Customers expect that hotel will deliver services as promised on the website and the expectation is dependent on the review the customer has on the hotel. Therefore, a hotel can employ trust as a powerful marketing tool to build customer loyalty (Kim et al., 2009; Kim et al., 2009).

DISCUSSION AND CONCLUSION

This paper proposes a conceptual framework to enhance existing body of knowledge by considering the potential role of online trust as mediator. Besides that it is expected that the online trust mediates the relationship between online review and online booking intention.

Based on the conceptual framework adopted by the S-O-R model theory, this study offers interesting and relevant results concerning the factors that there are six independent variables are classified as stimulus, whereby the online review as second order constructs are categorized as organism respectively while for the response are online booking intentions.

From a theoretical point of view, the integration between online review and other related variables will allow for an understanding of why online trust as the mediator effect for online review and online booking intention. Today, we live in a social environment, hence we realised that online hotel booking technology has changed rapidly, the demand for more interactive website contribute to online review has increased. Therefore, this study confirms that online reviews are important sources of information which influenced customer decisions. Previously, customers can only access hotel information supplied by hoteliers or hotel marketers but today, hotel customers also make purchase decision based on peers' opinions, online ratings or third party feedback posted online (Casaló, Flavián, Guinalíu, & Ekinci, 2015).

In regards to online trust as a mediator variable, it explains the relationship between online review as the predictor and online booking intention as an outcome. In fact the best explaination of this study is online review lead to online trust and guide towards online booking intention

becausethis present study confirms there is a positive effect on online trust to online booking intention because trust relation can be one-to-one between a trustor and a trustee, one-to-many between a trustor and a group of entities, many-to-one such as between the members and the manager of a department, and many-to-many such as the mutual trust between members of a groupas for example are from existing online review (Aljazzaf et al., 2010).

In other review similarly, trust builds when the customer has confidence in a service provider's reliability and integrity (Kim, Kim, & Kim, 2009). Internet users who have been exposed to positive comments about a particular hotel report significantly higher booking intentions than those who viewed negative comments concerning it. Thus, as argued by other studies (Duverger, 2013; (Mauri & Minazzi, 2013); Sparks and Browning, 2011; Vermeulen and Seegers, 2009; Xiang and Gretzel, 2010; Ye et al., 2011), favorable opinions increase the likelihood of booking a hotel room. The results also support the finding sparks and Browning (2011) that positive feedback increases the level of trust shown toward the hotel. In fact, travelers who read comments on a hotel have more trust in it if the comments are positive rather than negative.

Consequently, these results will have valuable implication for hotel operators and online travel intermediaries. By careful following the suggestions of this study, hotel practioners can make better use of consumer information by doing reviewing content, thereby offer improve services, then satisfaction and loyalty will go to increase. While business stands out from competitors in order to maintaining their sustainability.

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