RESEARCH IN BRIEF

The internet practices of hotel companies: an analysis from Greece

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Abstract

Purpose – The purpose of this paper is to identify and evaluate the practices hoteliers use to design their hotel web sites. It argues that hoteliers provide groups of relative information services, they provide them in different degrees of occurrence, and some of them being significant are not provided to meet the customers' demands, while others are provided regardless of their low perceived significance.

Design/methodology/approach – This work distinguishes groups of information services according to their occurrence and significance. The content of 798 Greek hotel web sites is recorded using the frequencies of 66 information features. Also a sample of 17 users provides the significance ratings of the information features.

Findings – Greek hotel web sites are primarily designed to serve as electronic brochures and, while they generally satisfy most of the users' needs, they partly serve as online transactions media, a function considered significant.

Practical implications – Identifies and rates the rendered groups of related information services at hotel web sites.

Originality/value – Enables hoteliers and web designers to evaluate significant web sites' characteristics.

Keywords Internet, Information services, Greece, Hotels, Customer satisfaction

Paper type Research paper

Introduction

The hotel industry is accepting the use of the web for electronic commerce, and many hotels have already established web sites to bring information about their products to the customers, to promote their services and products all over the world, in a direct, cost minimizing and time effective way, and eventually gain a share of online market (Liang and Law, 2003; Morisson *et al.*, 1999; Gratzer and Winiwarter, 2003). However, adopting the internet is neither a guarantee of success to any company nor a competitive advantage (Wan, 2000). Web sites have to be well designed and easy to

navigate in order to provide hotels with an inexpensive and effective platform for marketing and advertising, which potentially increase their competitiveness in the marketspace (Parets, 2002; Baloglu and Pekcan, 2005).

The content of the site is very important, when customers purchase product and services, and has a significant effect on advertising and marketing (Merwe and Bekker, 2003; Rosen and Puriton, 2004). Content refers to the information features or services that are offered in the web site (Huizingh, 2000) and is not limited to the subject, product or services provided. Rather, content includes the solutions and strategies employed to make it easy for the user to accomplish important tasks, such as information retrieval, search and navigation required in making a purchase, and obtaining feedback. Web sites will have also to offer reservation facilities and value added services in order to attract customers to the electronic marketplace (Calogne, 2001).

Another important service of the virtual marketspace is richness (Sigala, 2003a). Richness refers to the ability of media to improve human understanding by reducing uncertainty and ambiguity (Lodhia, 2004). As buyers have more product/service information, transactions' transparency amongst prices and vendors increase so rich media need to be used with web sites in order to provide as much information as possible to assist the consumer in making a purchase decision (Mahfouz, 2000; Sigala, 2003a).

Previous studies have measured and evaluated the quantity of offered information through hotel web sites by studying and recording extensive survey data from the hotel websites and studying the attitudes of agents or specialists who are involved in the hotel industry. The identification of information practices on the hotels web sites is done by presuming the existence of specific dimensions, i.e. sets of information services on the web sites grouped together according to their thematic similarity, in order to summarize relative information services (Chung and Law, 2003; Ho, 1997; Murphy *et al.*, 1996; Rachman and Buchanan, 1999; Rachman and Richins, 1997; Vrana *et al.*, 2004; Weeks and Crouch, 1999). For example telephone number, fax, e-mail, etc, form customer contact information dimension. This approach suffers the lack of describing the actual status of the web site's presence since it makes use of the researchers perspective about web site content. Patterns of information services offered together demonstrate which dimensions are indeed significant for the hoteliers to be offered on their sites. The basic argument of this article is that hotels design their web sites by offering groups of related information services and not isolated or case services. The article aims to identify patterns of information services offered simultaneously in groups by hotel web sites, rather than to study the information services by creating groups on the basis of the thematic similarity of their services. When groups of offered information services are combined with their appearance frequencies and then with some kind of importance rating, some conclusions can be drawn about the practices employed by hotel companies to offer information through their sites.

The paper focuses on the content of Greek hotel web sites and evaluates them using potential customers views and ratings.

Methodology and findings

At the first step information services offered on the hotel web sites were recorded through an extensive web search. An effort was made to include as many information services offered worldwide, as possible (Sigala, 2003b). The top 10 hotel groups and top

20 hotel brands were selected according to the *Hotels Magazine* corporate 300 ranking (*Hotels Magazine*, July 2003) and the *Hotel-Online Special Report Annual Worldwide Ranking of Hotel Groups and Hotel Brands* (2003), since top hotels can be regarded as most active in the web (O'Connor, 2003). The survey resulted to the creation of a "universal" set of 66 information services.

An application was made to Greek hotels in order to find out which of these services are offered on their sites. Greek Travel Pages (GTP), the most comprehensive directory of Greek Tourism, was used to identify Greek hotel that have a web site. A total of 798 hotel web sites were visited and the occurrence of each one of the 66 information services was recorded. Two statistical procedures, Multidimensional Scaling and Hierarchical Cluster Analysis, were used to quantify the data on the one hand and identify patterns of offered information services on the other.

Along with the web survey a questionnaire with 66 questions (each one referring to one information service) was used to record users' attitudes about the significance of offered information services in case the users were supposed to be interested to book a hotel room. The questionnaire used five-point scales, where 1 stands for not significant and 5 stands for very significant. A convenience sample of seventeen faculty members who served as potential customers and had spent some time in hotels and had previous experience in using the web to navigate and collect information through hotel web sites, attended the research. These data were then used in association to the findings of the web survey in order to enrich the conclusions of the survey.

The statistical analysis produced clusters of information features by taking into consideration only the occurrence rates of the information services. These clusters are equivalent to patterns of information services on the web. Next information services in each cluster were associated with their significance rankings take from the users questionnaires. In Table I every information service is presented along with its occurrence percentage, that is the percentage of the web sites that the information service occurs, the mean significances of the information services.

Cluster 1

- Contains 13.6 per cent of the 66 services.
- Average occurrence of the services 91.17 per cent.
- Average significance 4.1.

It contains all the services, which serve to advertise the company, bring potential customers in contact with the hotel company. It also contains services that give an idea to the customer of what the hotel and room facilities look alike. The vast majority of the Greek hotel web sites offers these services. Besides having the greatest occurrence percentage, these services also enjoy the greatest average significance. The hoteliers have responded through their web sites to the high customer demand for these information services.

Cluster 2

- Contains 7.6 per cent of the 66 services.
- Average occurrence of the services 52.54 per cent.
- Average significance 3.32.

Information services	Mean significance[a]	Occurrence (total) %	Non-chain members %	Chain members %
Cluster 1 (13.6 per cent of services)				
Fax	3.53	94.90	93.81	97.19
Address	4.41	94.50	93.44	96.79
Telephone	4.29	94.00	92.53	97.19
General description	4.18	93.00	91.44	96.39
E-mail	4.12	92.00	91.07	93.98
Hotel facilities	4.71	90.60	88.71	94.78
Room facilities	4.71	90.40	89.07	93.17
Photos – photo album	3.06	87.30	85.06	92.37
Area short description	3.94	83.80	81.24	89.56
Average	4.10	91.17	89.60	94.60
Cluster 2 (7.6 per cent of services)				
Multilanguage	2.06	60.30	62.30	55.82
Web designer	2.06	58.50	58.83	57.83
Prices	4.65	53.10	50.46	59.04
Distances	4.29	49.10	44.99	58.23
Web host	3.53	41.70	40.62	44.18
Average	3.32	52.54	51.44	55.02
Cluster 3 (10.6 per cent of services)				
Reservation	3.88	58.10	61.02	51.81
Map	4.41	53.50	49.18	63.05
Activities/entertainment	3.88	49.70[*]	38.98	73.49
Dinning	3.76	48.60[*]	39.89	67.87
Bars	3.65	38.70[*]	31.33	55.02
Links to partners	2.38	36.50[*]	14.21	85.54
Conference hall	3.00	29.30[*]	23.68	41.77
Average	3.57	44.91[*]	36.90	62.65
Cluster 4 (12.1 per cent of services)				
Links to others	3.00	37.00	34.67	42.17
Area interests	4.24	35.00	34.97	34.94
Reception facilities	3.41	28.70[*]	24.41	38.15
Secure reservation	4.06	21.90[*]	14.75	37.75
Video	2.59	21.10	20.22	22.89
Online availability	3.88	20.40[*]	12.93	36.95
Book on line	4.00	20.20[*]	12.20	37.75
Offers	4.35	12.50	12.75	12.05
Average	3.69	24.60	20.86	32.83

Notes: [a]1-5 scale, 1 not significant, 5 very significant; [*]$p < 0.05$ Fisher's exact test

Cluster 2 consists mainly of services regarding web administration and maintenance and also there is an information service concerning prices. Hoteliers care to demonstrate prices and distances, as well as the technical characteristics of the web site. Alternatively the construction of the web site may just reflect the programmers' point of view, since Greek hotel companies are mostly SMEs that do not employ technical experts but rather they assign technical tasks to technical collaborating companies. The services in Cluster 2 only associate with a moderate significance accounted by the users.

Cluster 3

- Contains 10.6 per cent of the 66 services.
- Average occurrence of the services 44.91 per cent.
- Average significance 3.57.

Cluster 3 can be considered as a set of complementary information about the hotel facilities, such as dinning and bars, conference halls, but also about reservation and maps of the hotels. These services enjoy a moderate to high average significance rate.

Cluster 4

- Contains 12.1 per cent of the 66 services.
- Average occurrence of the services 24.6 per cent.
- Average significance 3.69.

Cluster 4 contains mainly services concerning online reservation and booking. These are services that can transform a hotel web site from an advertising brochure to a tool for making business. They enjoy high significance rates, which generally reach or some times even exceed 4. Although the users consider them as significant, web sites owners offer the information services in a small degree. This lack of response to the users' needs may be due to the hoteliers' delay to apply modern technological techniques, or to their reluctance because of the relative cost of application, their negative attitude towards the use of personal data and lack of personal contact, or their persistence to implement traditional ways of making business. Maintaining a web site mainly serves as an advertisement and contact tool, while business is primarily made through personal contact, or fax, etc. Deimezi and Buhalis (2003) report the findings of a series of interviews with Greek tourism agents. The majority of the respondents stated that Internet bookings count for up to 5 per cent of their reservations. Lack of knowledge as how to manage and market the web site was identified as the limitation. Also small companies suffer lack of financial resources, while larger companies are more active on the web and more prone to make an investment on the Internet. Big companies can afford spending more money for promoting a web site, employ a technical expert and they appreciate more the e-commerce potential (Deimezi and Buhalis, 2003).

Cluster 5

- Contains 56.1 per cent of the 66 services.
- Average occurrence of the services 7.31 per cent.
- Average significance 2.97.

Cluster 5 contains all the other services not included in the first four clusters: About us/brand, Ways of transportation, Packages/promotions, Contact form/feedback form, Weather, Newsletter, Employment, Sign in, Announcements, Cards accepted, For travel agencies, Awards, Guest book, Audio, Promotion other, Shops/gifts, Members special, Downloads, Press, Currency converter, Search engines, Terms of use, Restaurants in area, Group promotion, Last update, Bars, Nearby corporations, Rewards points, F.A.Q., Shopping, Questionnaire, Help, Claim form, Franchise,

Recommendations, Web-Cam, E-Shop. They are services, which rarely occur on the Greek hotel web sites, while also their significance is generally poorly evaluated.

The distinction between independent and chain hotels

Previous research has shown that managerial characteristics, especially chain membership, of the hotels have an impact on the provision of information services on hotel web sites in most cases (Liang and Law, 2003; Baloglu and Peckan, 2005, Chung and Law, 2003, Vrana *et al.*, 2004, Wei *et al.*, 2001). Table I shows that in general chain hotels exhibit greater occurrence rates in most information services. However, Fisher's exact tests demonstrate that only online reservation services and complementary facilities information are provided significantly more from chain hotels. Chain hotels managed to adopt new technologies, which allow them to complete transactions through the Web, to higher percentages than independent hotels do.

Conclusions

The main use of the web sites is for providing general facilities and contact information, thus using them primarily as an advertisement brochure. Online booking and reservation are considered significant features to be provided by hotel web sites. However less than a quarter of the total number of hotel web sites provide them. Although hoteliers in Greece promptly responded, they partly managed to meet the full customers demands and needs. They lack to use the Internet full potentials by incorporating more sophisticated techniques. Along with using more traditional ways for making bookings and registrations, such as collaborating with tour operators and using interpersonal contacts, hoteliers will benefit from reconstructing their web sites to offer more online reservation capabilities and hotel complementary facilities information. In this way the overall web sites efficiency is expected to be elevated. Both hoteliers and the state should make efforts to record, understand and enhance web practices in order to provide hoteliers with more skilfulness. In this way they could develop more up-to-date and competitive practices and attract potential customers. Greek National Tourism Organization could engage to the research of the impact of the Internet to the promotion of tourism hotels and assist in this way the development of more competitive and customer oriented web sites. GNTO should also make all the necessary steps:

(1) to inform hoteliers and alter their views about web presence stressing to them its necessity for making business; and

(2) to finance their investment to construct powerful and up to date web sites.

A strategic plan that will schedule the collaboration of state organizations, hotel companies and technical collaborating companies under is required to promote hotel presence on the web.

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