

## Research Paper

# Investigating the Success Factors of Hotel Websites: The Case of Egyptian Hotels

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**Abstract:** The use of web as a marketing channel is on the rise rapidly worldwide. The majority of businesses across all industries including hotels, adopt web usage in order to satisfy their customers. Hotels adopt this new environment to communicate directly with travellers and offer customers who are willing to search for information the opportunity to book accommodation online. The study used a questionnaire to collect data from 311 hotel customers about their perceptions on Egyptian hotel websites. It employed structural equation modelling, an advanced multivariate technique to measure the dimensions of e-service quality of hotel websites and their effect on website competitiveness. The study's findings can help hotel marketing managers address defects in their websites and support their business competitiveness.

**Key words:** Website success, hotels, e-service quality, competitiveness, Egypt

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## Introduction

Many industries have made efforts to develop their Internet services and enhance their websites, particularly in the hospitality industry, in which the internet is a part of their marketing strategy to effectively communicate with their prospective visitors (Diaz & Koutra, 2013; Sigala, 2003; Yang & Lin, 2014). Additionally, high-quality websites are a critical component in tourism enterprises because today's tourists are increasingly searching online for information on tourism and accommodation and buying tourism-related products and services via the internet (Bieger & Laesser, 2004; Dickinger & Stangl, 2013).

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In being consistent with the increasing demand for e-services, many hotels have established websites to promote their services and have gained an increased share of the online market (Lim, Abou-Shouk, & Megicks, 2013; O'Connor & Frew, 2002). *North American Distribution Review (NADR)*, a report that focuses on demand performance in the North American hospitality industry and is based on data supplied by hotel companies, reports that about 52.3% of all bookings in 2010 were made online (PhoCusWright, 2012). However, the percentage of online sales has decreased by 4.7% compared to the previous year. One of the reasons for this decrease is that hotels need to invest further to improve the quality of their websites in order to attract new customers and increase online sales. Based on the competition in the hospitality industry, the aim of designing hotel websites as a marketing tool is to influence the decision-making of their customers in booking accommodation (Herrero & San Martin, 2012). Constantinides (2004) examined how firms can influence the outcome of virtual interaction and buying process by focusing their marketing efforts on shaping customers' web experience. Superior customer web experience has the potential to influence customers' perceptions, attitudes and drive additional traffic to sales outlets. He suggested that the key to delivering a superior web experience lies in determining the relevant set of components and understanding their role as inputs in the online customer's decision-making process. This is the first step towards developing and delivering an attractive online presence which is likely to have maximum impact on web users.

Additionally, the quality of the website can affect the website visitor's decision to re-visit the website and eventually buy its services (Bukhari, Ghoneim, Dennis, & Jamjoom, 2013; Piccoli, Broham, Watson, & Parasuraman, 2004; Rahman, Khan, & Haque, 2012). Therefore, website quality is a prerequisite for effective Internet marketing and reflects its ability to deliver high-quality customer service (Iliachenko, 2006).

Hence, this study aims to investigate the effect of critical success factors on the competitive advantage of hotel websites. The main contribution of this paper is to highlight the critical success factors of hotel websites and explore the defects in order to improve the websites that will support the e-competitive advantages of Egyptian hotels. This study is one of the few studies investigating the e-service quality of hotel websites in Egypt, a developing country. The findings will be useful for hotels to support their marketing competitiveness as well as recognize their defects and improve on the success factors of their websites.

## **Literature Review**

### **Website Marketing in the Hotel Industry**

The hotel industry is one of the fastest growing industry using the Internet (Phelan,

Christodoulidou, Countryman, & Kistner, 2011). This leads to the necessity of hotels to have their own online platforms to meet user needs. In addition, the corporate website has evolved into a vital customer touchpoint and represents a new platform for customer interaction (Bradshaw & Brash, 2001; Pitt, Berthon, & Zinkhan, 2002; Zineldin, 2000). Diaz & Koutra (2013) argued that the reasons for this rapid increase in Internet usage are the numerous benefits that the Internet can provide to both the hotel and the consumer. Hotels can reduce their distribution costs and thus increase their profits as well as reach a larger potential target market (Law & Hsu, 2005), enhance service quality (Diaz & Koutra, 2013), gather information and make direct contact with potential customers (Rust & Lemon, 2001; Santouridis, Trivellas, & Tsimonis, 2012; Winnie, 2014), help retain customers and improve their satisfaction. In addition, websites were found to be one of the most effective ways for hotels to influence the travel plans of customers. Therefore, developing and maintaining an effective website that actively persuades tourists to choose a particular destination is critical to the hospitality industry (Kim & Fesenmaier, 2008).

Furthermore, on the corporate website, a customer can obtain information, order products and get support and service. The website-based marketing initiatives of tourism enterprises can, therefore, play an important role in initiating relationships with potential customers as well as acquire customers and pursue their buying intentions (Khalifa & Shen, 2005; Phelan *et al.*, 2011). Additionally, attracting potential customers is a crucial factor for business success (Gupta, Lehmann, & Stuart, 2004).

### **E-Service Quality (E-SQ) of Websites**

Service quality in the traditional service context has been the focus of research since the 1980s. The roots of service quality occur in the expectancy disconfirmation theory (Collier & Bienstock, 2006). Many studies adopted this theory as a theoretical base for measuring service quality. This concept is usually understood as a measure of how well the level of the delivered services matches customer's expectations (Santos, 2003). Service quality is generally defined as the difference between expected service and perceived service (Parasuraman, Zeithaml, & Berry, 1988). The provision of superior service positively affects customers' perceived service quality and subsequently, increases a firm's profitability (Kim, Kim, & Lennon, 2006).

Kim *et al.* (2006) argued that traditional service quality refers to the quality of service based on human interactions and experiences in non-web-based settings; online service quality encompasses interactions between humans and technology. Colby & Parasuraman (2003) defined e-services as "all services delivered via an electronic medium (usually the Internet) and comprising transactions initiated and largely controlled by the customer".

In recent years, the well-acknowledged relationship between service quality and business performance has also increased interest in e-service quality (Rowley, 2006). E-service quality has been defined by Zeithaml (2002) as “the extent to which a website facilitates the efficient and effective shopping, purchasing and delivery”. Furthermore, Zeithaml, Parasuraman, & Malhorta (2002) mentioned that the quality of a website in delivering services is a crucial strategy for success compared to strategies like low price and web presence. In addition, Gronroos, Heinonen, Isoniemi, & Lindholm (2000) suggested that a well-designed website creates an interest in the firm and its offerings, and provides in-depth information about its goods or services.

### **Measuring Website E-Service Quality, and Hypotheses Development**

The success factors of websites are crucial for businesses to better survive in the travel market (Zeithaml *et al.*, 2002). One of the important tasks of a modern marketing manager is to ensure that the hotel’s website conforms to the quality criteria of their customers. One way of doing this is to measure the e-SQ of a website. There are some methods that allow the measurement of a website’s e-SQ profile as perceived by its current customers (Loiacono, Watson & Goodhue, 2002; Zeithaml *et al.*, 2002). The best known methods are, for example, WEBQUAL developed by Loiacono *et al.* (2002), E-SERVQUAL developed by Zeithaml *et al.*, (2002), and e-TailQ developed by Wolfenbarger & Gilly (2003). Other measurement instruments use the commercial performance of a website, measured by the number of clicks or purchases generated by the website (Wöber, Scharl, Natter, & Taudes, 2002). However, there are some vital factors for a website e-SQ. Essentially, these can be defined as the website’s ability to address consumer needs in the online environment and its ability to add value to customer operations.

Loiacono *et al.* (2002) evaluated website quality using the WEBQUAL instrument. WEBQUAL focuses on the website interface and is often considered as the most empirically-grounded e-SQ scales (Wolfenbarger & Gilly, 2003). WEBQUAL is developed based on the conceptual background of the Theory of Reasoned Action (TRA) and the Technology Acceptance Model (TAM). The main idea behind the use of WEBQUAL is that it is possible to predict the re-visit/re-use behaviour of web users based on their perceptions of overall website quality. The instrument consists of four constructs, namely usefulness, ease of use, entertainment, and complimentary relationship, which include a range of website dimensions; each of which is evaluated by a website visitor according to his/her perceptions of website quality (Loiacono *et al.*, 2002).

Overall, based on a review of the WEBQUAL items, it can be said that WEBQUAL judges a website for its ability to satisfy customer needs. The next section

looks at the common dimensions of e-service quality and develops the hypotheses of this study based on literature review.

### *Informational Content*

One critical dimension of website quality is its informational content. This refers to the quality of the information offered on the website, its appropriateness and its presentation (Loiacono *et al.*, 2002). Zhou, Li, & Liu (2010) pointed out that the quality of information was important for user experience. Accordingly, the quality and performance of information is an essential feature in an information service-based environment (Bauer, Hammerschmidt, & Falk, 2005).

Nath & Singh (2010) argued that since web services are provided in information based-service environments, therefore, it is important to evaluate their quality and performance and to develop a feedback mechanism to provide adequate information for the customer's decision-making. In addition, they also mentioned that information quality covers the extent to which complete, accurate, and timely information is provided for the consumer during the interaction. As a result, in measuring the performance of a web service, the quality of the information provided through the web service is a very important dimension.

According to Dimitrios & Cristina (2012), customers perceive a hotel to be more reliable if it provides accurate information on its website. The content of a website should be updated often and organised so as to prevent any misinterpretation by the hotel's customers (Dale, 2013). According to Chathoth (2007), if a customer finds a technological solution difficult to use or untruthful, negative feelings about the service provider could be generated. As such, the first hypothesis of the study was developed as follows:

Hypothesis 1: The informational content of a website affects its competitiveness.

### *Interactivity*

Iliachenko (2006) defined interactivity as the website's ability to allow different flows of communication between the users and the company's personnel, interactive search for information, and transactions through the website. In addition, interactivity is regarded as the degree to which an e-commerce website facilitates two-way communication with its users (Fan, Lee, & Kim, 2013). Kurt & Atrek (2012) highlighted the relationship between website interactivity and customer satisfaction. Poon & Lee (2012) added that service providers may enhance interactivity by creating online communities using chat rooms, bulletin boards, or other electronic forums for their customers to interact with others who have similar interests and experiences and freely exchange product information, reviews, and ideas.

Furthermore, it is recommended that a healthy online interaction with customers is an important feature of a successful website. 'Live chat', for example, has been adopted by many hoteliers to facilitate an interface with customers. Establishing an effective online customer service forum has also been found to improve customer loyalty. It has been suggested that the Internet could be the only effective medium that promotes interactivity. Palmer & Koenig-Lewis (2009) noted that hotels do benefit from adopting the use of interactive media with their customers, as it not only makes the search for information on the website more entertaining, it also suggests that the hotel cares for the customer.

In addition, internet technologies help businesses build long-term relationships with customers (Dann & Dann, 2001). Social networking enables hotels to not only access a market, learn about consumer trends but also enable interaction with consumers that could bolster market share and revenue (Holzner, 2009). These sites could support online and viral marketing that facilitate building connections to a social circle or network (Zarella, 2010). Establishing effective online means for interacting with consumers help to reinforce a positive experience by way of consumer satisfaction and loyalty (Silk, 2006). Therefore, the second hypothesis of the study was formulated as follows:

Hypothesis 2: The interactivity of a website affects its competitiveness.

### *Responsiveness*

Responsiveness refers to the quick response and availability of help for customers (Pearson, Tadisina, & Griffin, 2012). Nath & Singh (2010) mentioned that responsiveness is the willingness and speed with which the support staff of a web service provider makes the initial response to inquiries from users. Bauer, Falk, & Hammerschmidt (2006) emphasized the importance of responsiveness and proposed the integration of this dimension in the scale. Furthermore, response time is one of the website's technical characteristics in relation to the loading time in a user's browser and the time required to complete transactions in the website. Therefore, the third hypothesis was developed as follows:

Hypothesis 3: The quality of a website's responsiveness affects its competitive advantage.

### *Website Design*

Websites are important online tools for hotels as a component of their online marketing strategy. Ha (2012) indicated that an effective website design may be considered a prerequisite for the successful institution of an online commerce initiative. According to Wolfenbarger & Gilly (2003), website design is the most important factor in predicting quality for customers who are frequent purchasers at

a particular website. They revealed that website design strongly affects the quality of a website and consumer perceptions of their buying experience. A well-designed website attracts, engages and keeps users coming back for more (Parsons, Zeisser, & Waitman, 1998). The fourth hypothesis of the study was formulated as follows:

Hypothesis 4: The quality of a hotel website design affects its competitiveness.

#### *Ease-of-use*

One of the dimensions of e-service quality is the ease to use/usability of the website (easy to use, user-friendly, easy login, and time saving are some of the favourite items). Usability satisfaction could be achieved by ensuring that the website includes current and comprehensible information, suitable language and resources for responding (Trepper, 2000). According to Bai, Law, & Wen's (2008) study on website quality and customer satisfaction, factors of website quality include functionality and usability. Traditionally, usability is considered a key factor for predicting intentions. Website usability includes the ease of navigating or to make purchases (Flavian, Guinaliu, & Torres, 2006). Difficulties with internal navigation is a common problem regardless of the number of pages on a website (Santos, 2003). Therefore, websites incorporating adequate navigation functionality are likely to provide more value to customers than those that are difficult to navigate (Poon & Lee, 2012). To measure the importance of ease-of-use to a website, the fifth hypothesis was formulated as follows:

Hypothesis 5: The ease-of-use of a hotel websites affects the competitiveness of the website.

#### *Visual Appeal and Innovativeness*

Innovativeness ("aha"/surprise element) is associated with creativity and uniqueness. Poon & Lee (2012) argued that a website design with an aesthetic layout and pleasing appearance may attract customers if it generates pleasurable feelings associated with the online experience. Furthermore, the entertainment construct consists of visual appeal (presentation graphics and text) (Loiacono *et al.*, 2002). Previous research found that poor graphic design elements and presentation style create confusion, and can negatively affect customers' willingness to browse through the e-channel (Poon, 2008). Also, Leung, Rong, Li, & Law (2011) claimed that clients may move away from a hotel website just because it is less attractive. The layout of a website should provide a clear structure that enables users to find important information at first sight, text has to be always displayed legibly with the proper font size and print size, images or symbols should be readily identifiable, and there should be suitable colours of animation (Poon & Lee, 2012). The sixth and seventh hypotheses of the study were developed as follows:

Hypothesis 6: The visual appeal of a hotel website affects its competitive advantage.

Hypothesis 7: The innovativeness of a website affects its competitiveness.

#### *Marketing Image, Viable Substitute and Online Processes*

Loiacono *et al.* (2002) mentioned that the website's ability to accurately reflect the company's image promoted on the same level or better than alternative marketing channels is a success factor of that website.

Furthermore, Poon & Lee (2012) mentioned that e-service users seeking self-service over the Internet, whether it is a knowledge-based search or a sales transaction, hope to enjoy convenience without the need to switch to another customer service channel such as phone service. Most importantly, users do not want use up too much time to learn how to use the e-services offered.

In addition, online processes refer to the website's overall ability to meet the needs of customers in their transactions (Loiacono *et al.*, 2002). Users favour "quick finders" thus navigation structures are vital as they save time when browsing through an e-service website. Another attribute is the options of internal search or any system link or buttons that lead to the correct site, which allows customers to search within the site for a product, feature, or keyword or even quickly buy a service or a product (Poon & Lee, 2012).

The eighth, ninth, and tenth hypotheses were developed as follows:

Hypothesis 8: A website that projects its image affects its competitiveness.

Hypothesis 9: A viable substitute of a website affects the hotel website's competitiveness.

Hypothesis 10: A website that supports online processes affects its competitiveness.

#### *Competitive Advantage*

Chryssochoidis & Theoharakis (2004) advocated that product innovation gives a product a distinct competitive advantage in the marketplace. Similarly, Priyanto, Aslichati, & Kuncoro (2012) highlighted that the development of the world driven by advances in information technology have led to changes in all areas including businesses (e.g. global markets). This means that every business must be prepared to face competition globally as geographical factors are now no longer an obstacle. In facing this intense competition, businesses are required to have an accurate strategy in order to have a competitive advantage (Kotler, 1994). In order to have a competitive advantage, businesses must be able to create a product/service that has added value from the customer's viewpoint.

The uniqueness or distinctiveness of products and adopting new approaches to market segmentation are ways that will enable enterprises to create a competitive advantage. Li & Deng (1999) listed the determinant factors of competitive advantage which include environmental advantage, technological development, price/cost control, policy influence, marketing, organization and management, and industry

position. They argued that technological development reflects the firm's competitive advantage in product innovation, process innovation and the distribution of technology resources. Successful product innovation can enhance the level of product/service differentiation, and continuous process innovation can reduce the cost of the product/service and improve its quality.

Agus & Hassan (2011) stated that firms should seek a sustainable competitive advantage by improving competence continuously and they suggested focusing on improving quality to gain this competence rather than on traditional foci of success: market share, revenues, efficiency, share price or profits. The measured competitive advantage in this study means that the success factors of hotel websites can improve the marketing competitive advantage of the hotel and enhance its image in the global travel market.

### Research Method

The study employed a quantitative approach (survey) to collect data for analysis. The questionnaire was designed and validated in order to collect data from hotel customers who have booked tour packages through travel agents. These travel agents were approached to collect data from their customers staying in Egyptian hotels. Sample units were selected using the random sample technique. 311 hand-delivered questionnaires, valid and free of missing data, were collected from hotel customers via travel agents. For validity concerns, the survey was piloted on a sample of 50 customers. Corrected item-total correlations were used to determine the retained variables. All items were found to be significant, reliable, and valid.

The questionnaire comprised a series of Likert-type (1-5 disagree/agree) statements developed from Loiacono *et al.* (2002) and other extant studies. 29 items were used to measure the 10 constructs of the developed model. The sample size to indicator ratio of 10.4:1, which exceeds the rule of 10:1 indicated that each item in the analysis should have at least 10 responses (Finney & DiStefano, 2006) and this confirmed the adequacy of the sample size for analysis.

Structural equation modelling is a confirmatory multivariate technique that includes measurement errors in the model and allows the researcher to measure the relationships between the latent (i.e., quality of website contents) and observed variables (indicators) (Robson, 2002). This modelling was employed to investigate the causal relationships of 10 latent variables (quality of website contents) on the outcome variable (e-competitive advantage of the hotel website). We used WarPLS version 4.0 to carry out the analysis. The measurement validity was confirmed using construct validity (discriminant and convergent validities). We used average variance extracted (AVE) to assess the discriminant validity of the model based on the recommendations of Fornell & Larcker (1981). Cronbach's alpha and composite

reliability were also calculated to evaluate the reliability of the measurement model following the rule of thumb (Hair, Black, Babin & Anderson, 2010).

## Research Findings

### Descriptive Statistics

The descriptive statistics showed that 53.6% of the respondents were males while 46.4% of them were females. 44.3% of the respondents were under 25 years, 29.6% of them were between 25 and 34 years, 22.4% were between 35 and 44 years, and 3.6% were between 45 to 54 years old. 77.6% were university graduates, 11.6% had secondary school or technical education, and 10.8% were postgraduate students. 53.6 of respondents used the Internet regularly, while 18.8% used it rarely (Table 1).

**Table 1.** Descriptive statistics of the respondents

Description		Frequency	Per cent
Gender:	Male	167	53.6
	Female	144	46.4
Age:	Under 25 years old	138	44.3
	25 to 34 years old	92	29.6
	35 to 44 years old	70	22.4
	45 to 54 years old	11	3.6
Education level:	Secondary or Technical education	36	11.6
	University education	241	77.6
	Postgraduate	34	10.8
Use of the Internet:	On a regular basis (> 4 times a week)	167	53.6
	Often (3-4 times a week)	75	24.0
	Rarely (1-2 times a week)	58	18.8
	Very rarely (0-1 times a week)	11	3.6

### The Measurement Model

To test the measurement model, Table 2 shows the constructs' loadings, average variance extracted (AVE), square root AVE (SQRT AVE), Cronbach's alpha, and composite reliability (Com. Rel.). Looking at the AVE statistics, the values of all the constructs are revealed to be greater than 0.50, which means that each latent variable accounts for more than 50% of the variance explained (Fornell & Larcker, 1981). AVE is used to assess discriminant and convergent validity (Dalgard, 2008). The extent of correlation between measures of the same construct is convergent validity (Grob, 2003) which is evident as the AVE values are greater than 0.50. Table 3 evidently shows convergent validity and that the measurement model is valid. In

considering Cronbach's alpha, and composite reliability statistics that are greater than 0.70 (Table 2), this shows that the findings of the measurement model are reliable (Hair *et al.*, 2010).

**Table 2.** Measurement model

Dependent Constructs (reflective)		Loadings	AVE	Cronbach's alpha	Composite reliability
Informational content (IC)	INFO1	0.793	0.598	0.759	0.850
	INFO2	0.884			
	INFO3	0.470			
	INFO4	0.872			
Website interactivity (WI)	INTE1	0.648	0.504	0.750	0.834
	INTE2	0.619			
	INTE3	0.692			
	INTE4	0.742			
	INTE5	0.829			
Website responsiveness (WR)	RESP1	0.836	0.733	0.817	0.891
	RESP2	0.894			
	RESP3	0.836			
Website design (WD)	DESI1	0.803	0.631	0.707	0.837
	DESI2	0.788			
	DESI3	0.791			
Website ease-to-use (WE)	INTU1	0.760	0.664	0.743	0.855
	INTU2	0.899			
	INTU3	0.779			
Website visual appeal (WV)	VAPP1	0.880	0.725	0.810	0.888
	VAPP2	0.864			
	VAPP3	0.808			
Website innovativeness (WN)	INNO1	0.869	0.638	0.801	0.873
	INNO2	0.930			
	INNO3	0.621			
	INNO4	0.740			
Website marketing image (WM)	COMM1	0.661	0.659	0.733	0.851
	COMM2	0.908			
	COMM3	0.845			
Business online processes (BO)	BPRO1	0.885	0.783	0.723	0.878
	BPRO2	0.885			
Viable substitute (VS)	VSUB1	0.917	0.841	0.811	0.914
	VSUB2	0.917			

Note: AVE: average variance extracted

Discriminant validity implies that constructs must be different from other related constructs; it exists if the square root of AVEs is greater than the correlations among constructs (Kock, 2012). Table 3 shows that the square root AVEs are greater than the correlation among constructs of the study.

**Table 3.** Correlations and square root AVEs among the constructs of the study

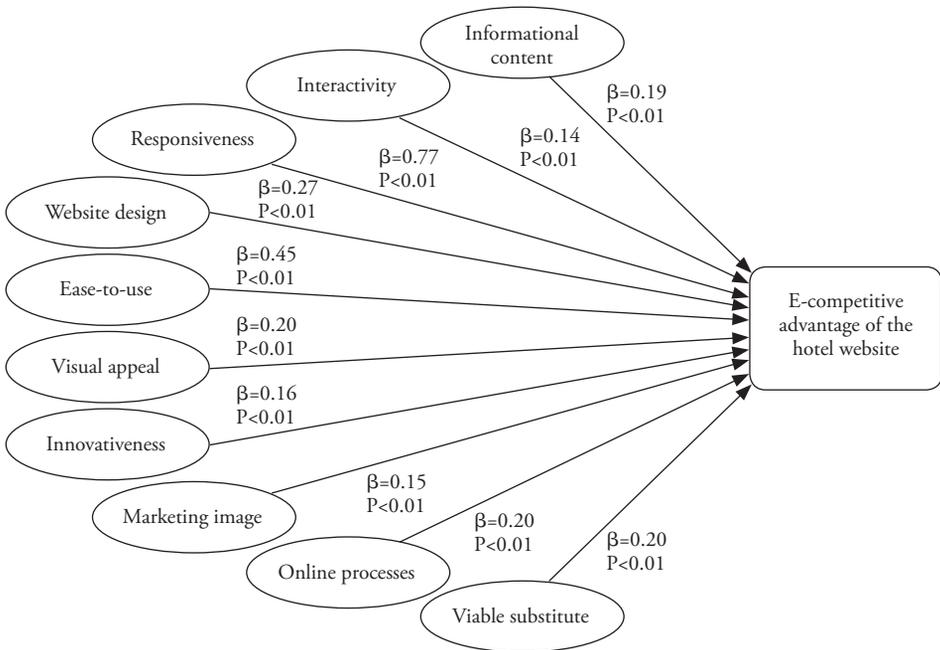
Constructs	IC	WI	WR	WD	WE	WV	WN	WM	BO	VS
Informational content (IC)	<b>0.773</b>	0.673	0.431	0.301	0.346	-0.025	-0.024	0.385	0.517	0.100
Website interactivity (WI)	0.673	<b>0.710</b>	0.545	0.208	-0.010	0.015	-0.197	0.119	0.176	0.443
Website responsiveness (WR)	0.431	0.545	<b>0.856</b>	0.255	0.257	-0.171	-0.242	0.204	0.500	0.352
Website design (WD)	0.301	0.208	0.255	<b>0.794</b>	0.353	0.006	-0.166	0.208	0.419	0.279
Website ease-to-use (WE)	0.346	-0.010	0.257	0.353	<b>0.815</b>	0.221	0.297	0.364	0.396	-0.038
Website visual appeal (WV)	-0.025	0.015	-0.171	0.006	0.221	<b>0.851</b>	0.627	-0.080	-0.362	0.046
Website innovativeness (WN)	-0.024	-0.197	-0.242	-0.166	0.297	0.627	<b>0.799</b>	0.275	-0.203	-0.322
Website marketing image (WM)	0.385	0.119	0.204	0.208	0.364	-0.080	0.275	<b>0.812</b>	0.475	-0.099
Business online processes (BO)	0.517	0.176	0.500	0.419	0.396	-0.362	-0.203	0.475	<b>0.885</b>	0.030
Viable substitute (VS)	0.100	0.443	0.352	0.279	-0.038	0.046	-0.322	-0.099	0.030	<b>0.917</b>

Note: Bold values are square root AVEs among variables

### The Structural Model

A structural model is used to measure the causal relationships among the constructs. Figure 1 depicts the causal relationships and beta coefficients of independent variables on dependent variable (e-competitive advantage of the hotel website). It is revealed that the success factors of hotel websites have a significant effect on improving the

e-competitive advantage of the hotel's online presence. As stated earlier in this study, there are 10 hypotheses that looked at the success factors forming the e-content of the hotel website and how they affect the e-competitive advantage of the hotel's online presence. The findings revealed that the 10 hypotheses measured in the study are supported and the success factors involved in this study significantly affect the competitive advantage of the hotel's online presence; however, each has a different effect. Some factors were found to be positively affecting the e-competitive advantage of hotels while some others were found to be negatively affecting the outcome variable. The interpretation of positive and negative effects reflects how customers perceive the quality of the services offered and information provided in the Egyptian hotels' websites (Figure 1).



**Figure 1.** The structural model of the success factors of hotel websites for competitive advantage

### Discussion of Findings

Respondents perceived 6 constructs out of 10 to have a positive effect on the competitive advantage of the hotel's online presence. The website content was found positively affecting the hotel's competitive advantage ( $\beta=0.19$  and  $p<0.01$ ) (Hypothesis 1 supported). This construct depicts the importance of adequate, up-to-date and accurate information to customers and how this supports the e-competitive

advantage of the hotel. It is important for customers to find information that meets their needs and enables them to make the decision in selecting a particular hotel over others. This finding is in line with Kaynama & Black (2000)'s study of e-service quality in online travel agencies that acknowledged the importance of information for customers.

Furthermore, the interactivity of the website was found to positively affect the competitive advantage of the hotel website ( $\beta=0.14$  and  $p<0.01$ ) (Hypothesis 2 supported). This construct reflects the importance of interactive website features that allow customers to customize their search, use interactive online features to contact customer service, find answers to their queries, and help customers carry out their transactions successfully. Online chat, forums, and other social media applications of the website play an important role in allowing customers to contact hotels and enquire about their services, negotiate prices, and make decisions in purchasing the suitable service. This positive effect of interactivity is concurrent with Loiacono *et al.* (2002)'s exploratory study on website quality.

The website design, in terms of its readability and ease to understand, has a positive impact on the hotel's competitive advantage ( $\beta=0.27$  and  $p<0.01$ ) (Hypothesis 4 supported). A well-designed website is a crucial factor in retaining customers and engages them to revisit the website. The technical concerns, ease of navigation, and appearance are different dimensions of website design. It is important for hotels to pay attention to their website design in order to reflect their image and improve their competitiveness. This finding is consistent with Wolfinbarger & Gilly (2003)'s study on service quality in online retailers.

Additionally, ease-to-use of the website was revealed to have a positive effect on the hotel's competitive advantage and business ( $\beta=0.45$  and  $p<0.01$ ) (Hypothesis 5 supported). Ease-of-use is recognized as a basic component that drives the success of online businesses. The degree to which customers can quickly learn how to use a website forms a positive attitude towards reusing the website. Furthermore, ease of navigating between pages without being lost in a website is a very important factor that supports the success of a hotel's website that provides information about its services, prices, offers, and booking details. This finding is consistent with a previous study of Yoo & Donthu (2001) on internet websites for shopping purposes in which they concluded that easy-to-use websites are basic determinants for customers to use websites for shopping purposes.

Furthermore, viable substitute was revealed to have a positive effect on hotel's competitive advantage ( $\beta=0.20$  and  $p<0.01$ ) (Hypothesis 9 supported). This construct reflects the role of website as an alternative to traditional methods of doing business and completing daily tasks as well as the ease and speed to do business online compared to traditional ways of doing business. The benefits of the online presence of a hotel include the penetration of global markets, guarantee of accuracy

and speed in work completed, and addressing accountability concerns. This finding is in line with Loiacono et al. (2002)'s exploratory research of service quality in selected websites that revealed the importance of the viable substitute, which is the website.

In addition, online business processes, such as ordering and buying/paying services online as well as receiving online services (booking documents), were shown to positively affect the competitive advantage of the hotel website ( $\beta=0.20$  and  $p<0.01$ ) (Hypothesis 10 supported). Online customers prefer websites that support online purchasing and the delivery of the purchased service. In addition, after-sale services are important for customers who want to enquire about the delivery of the service or other concerns. For the hospitality industry and hotels in particular, it is important to have a website that supports online processes. This facilitates the task of purchasing hotel services. This finding concurs with Wan (2002) who cited the importance of websites that support online reservations for business success and continuity in the market.

On the other hand, four constructs were perceived to be negatively affecting the competitive advantage of the hotel website. The negative effect of these constructs is due to the negative perceptions of customers towards them. Customers perceive negatively the websites that lack these dimensions. The first is website responsiveness ( $\beta=-0.77$  and  $p<0.01$ ) (Hypothesis 3). Responsiveness in this context refers to the time that the website takes to respond to customer enquiries and requests. The mean value of respondents for the responsiveness dimension is 1.4 which reflects the choice of 'Strongly Disagree' by customers for this dimension. It is revealed that Egyptian websites lack the speed to respond to customer enquiries. It is claimed that responsiveness affects the intention of purchasing online services.

Furthermore, the visual appeal of a website ( $\beta=-0.20$  and  $p<0.01$ ) (Hypothesis 6) depicts the feeling of customers in using the website. Findings revealed a mean value of (2.3) which matches the 'Disagree' choice. Therefore, in total, respondents perceived the visual appeal of the Egyptian hotel websites as below their expectations. In addition, they believed that these websites are less attractive. Less attractive websites could be a reason for customers to move away and search for other more attractive ones. Vibrant colours, pleasant appeal, clear and readable text are some of the features that contribute to website attractiveness.

Innovativeness of the website ( $\beta=-0.16$  and  $p<0.01$ ) (Hypothesis 7) refers to the innovative features of a website including its design. The mean value of respondents was 2.4 which implies that respondents 'Disagreed' with the innovativeness of Egyptian hotel websites. They believed that these websites lacked creativity. In addition, the findings revealed a mean value of 2.6 for marketing image (with  $\beta=-0.15$  and  $p<0.01$ ) (Hypothesis 8) which implies that respondents have 'Neutral' opinions about websites being able to convert and reflect the image of the hotel and

support its competitiveness. This indicates that respondents think that the image of the hotel is not well reflected on their website or it does not completely reflect the hotel's image.

These results reveal that the Egyptian hotel websites lack some crucial features to be competitive. As such, these findings can help hotel managers to improve these features. These negative perceptions can be seen as defects in the hotel websites and comprise some of the failure factors for the hotel websites to be competitive.

### **Conclusion and Implications**

This study investigated the success factors of hotel websites and how they affect the competitive advantage of the hotel's online presence. The study tested 10 hypotheses of how success factors (informational content, interactivity of the website, website responsiveness, website design, website ease-to-use, website visual appeal, website innovativeness, marketing image, business online processes, and viable substitute) affect the outcome variable (competitive advantage of the hotel website). The study used a questionnaire to collect data randomly from 311 hotel customers to perceive their opinions on Egyptian hotel websites. It employed structural equation modelling, an advanced multivariate technique, to analyze the effect of success factors on the e-competitive advantage of the hotel. The study revealed the perceptions of customers on hotel websites and determining factors that hotels have succeeded or failed to offer in their websites. This study is one of few studies that addresses the concerns of e-service quality in Egyptian hotels. The study is particularly useful for hotels in a time where online presence and online reservation have become the prevailing feature of this era. It is important for hotels to recognize their defects and improve their success factors to improve and maintain their competitiveness in the face of fierce competition.

In terms of implications, this study provides general and marketing managers very useful insights and feedback on the overall perception of hotel websites from the customers' viewpoint. The factors that negatively affect the competitive advantage of hotel websites need to be addressed seriously by marketing managers, particularly, in relation to the hotel image. Responsiveness of the website to customers, the visual appeal of the website, the innovativeness of the website, and the marketing image are areas that marketing managers should invest in to improve the quality and competitiveness of their websites. The failure to address these defects can result in hotels lagging behind their competitors and in turn, losing opportunities of increasing their market share and sales. Marketing managers have to consider improving their website and enhancing their competitiveness considering that the perceptions of customers is a good tool for managers to keep their websites competitive, retain customers and build customer loyalty to the hotel.

### Limitations of the Study

Similar to any other study, this study too has its own set of limitations. One limitation is that no qualitative interviews were conducted to fully understand how customers perceive the negative aspects of the hotel websites. Another limitation is that the inability to compare the expectations and perceptions of customers on hotel websites. In addition, the random selection of respondents revealed response biasness relating to the age of respondents. Future research should compare the expectations and perceptions of customers on hotel websites for the different categories of hotels in Egypt, for example, by comparing three-star and four-star hotels. Future studies should also expand by using quantitative-qualitative approaches to get a more comprehensive understanding of this topic.

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