Evaluating the Websites of Small-and-Medium-Sized Hotels (SMHs) in Malaysia
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Abstract: This study develops a set of evaluation criteria to evaluate the websites of small-and-medium-sized hotels (SMHs) in Malaysia and to identify current levels of sell-side e-commerce among SMHs in Malaysia. Each of the criteria is evaluated by a 5-point Likert scale rating. The study scanned thoroughly 33 websites of the SMHs located in Kuala Lumpur. The preliminary findings suggest that 51.5 percent of the websites are easy to access, but have no site map or search engine provided within the website. 90.9 percent of the websites do not offer a customer loyalty program. A total of 75.8 percent of SMHs do not provide a privacy and security policy on the website. This study concludes that the current levels of sell-side e-commerce among SMHs in Kuala Lumpur, Malaysia is at level 4, which is an interactive site supporting transactions with users. This research has implications for hotel practitioners, specifically to SMHs in the context of website development as they move to higher levels of sell-side e-commerce.

Keywords: Website evaluation, small-and-medium-sized hotels, sell-side e-commerce stage model, Malaysian hotel websites

1. INTRODUCTION

The hotel website is a virtual lobby as it creates the first impression to the customer about the hotel. From the online visit, the customer will create their own opinion of the hotel based on what they find through the hotel website. The website could play an important role for customers to book the room or find other hotels (Musante, Bojanic, & Zhang, 2009). This research aims to evaluate the level of sell-side e-commerce among SMHs in Malaysia.

The impact of internet technology on hotel industry, force the hotel managers to establish websites for their own properties. A website is not only a strong marketing tool for the hotels’ products and services, but also a communication platform between hotels and customers (Ham, 2005). A quality of hotel websites with useful information and extra benefits available to customers can help to increase sales volume and improve the reputation of a hotel.

Law & Hsu (2006) and Buhalts & Law (2008) stated that hotel operators should develop a high quality website that enables the customers to gather effective and sufficient information from the hotel website. According to Avciokurt, Altay, & Ilban, (2010) developing a hotel website is very crucial and critical, especially among SMHs. Previous studies have extensively examined the large and luxury hotel website evaluation (Baloglu & Pekcan, 2006; Law & Cheung, 2006; Panagopoulos, Kanellopoulos, Karachanidis, & Konstantinidis, 2011 and Diaz, & Koutra, 2013). However, studies focused on SMHs website evaluation are limited (Schmidt, Cantallops, & dos Santos, 2008; Montasser & Zoweil, 2013). Thus, the aim of this study is to evaluate the websites of SMHs in Malaysia and to identify current levels of sell-side e-commerce among SMHs in Malaysia.

In order to achieve this aim, this research reviews the literature on SMHs’ website evaluation and e-commerce development stage models. Following the literature review, this paper discusses the development of website evaluation and applies the evaluation criteria to the sample website. Then the research findings and discussion are presented, followed by the research implications and future research. Finally, the conclusion that summarizes the study on the current levels of sell-side e-commerce among SMHs in Malaysia.
1.1 Small-and-Medium-Sized Hotels

Luciani (1999) defined that small sized hotels are often 3 stars with less than 60 rooms. Sigala (2003) also believed that 30-60 rooms is a good indicator for differentiating micro of family hotels from small and bigger ones respectively.

In the Malaysian tourism industry, SMHS can be defined as hotels with ratings three stars and below. The hotel industry in Malaysia is expecting better business for one star, two star and three star hotels as tourist are expected to downgrade themselves to lower star and cheaper hotels (Jaafar & Zaleha, 2011).

2. REVIEW OF WEBSITE EVALUATION FOR SMALL-AND-MEDIUM-SIZED HOTELS

According to the literature review and prior studies, the hotel website evaluation focused on the content, functionality, characteristic or features of the website. Most of the studies that developed a set of criteria and to measure the important degree for the hotel website content or functionality often used 5-point or 7-point Likert scale. This evaluation technique required evaluators to make decisions on each criteria of the hotel website evaluation (Ham, 2005; Law & Hsu, 2006; Zafiropoulos & Vrana, 2006 and Ma, Law & Ye, 2008) These ways of evaluation website faced several criticisms because multi criteria decision making problems are too complicated to handle and the individuals may fail to make a good and accurate prediction compared to using the linguistic model to translate the verbal expressions into numerical values to eliminate the uncertainty of human judgement (Chou, Hsu & Chen, 2008 and Ip, Law & Lee, 2012).

Panagopoulos, Kanellopoulos, Karachanidis, & Konstantinidis, (2011) developed an evaluation framework for chain hotel websites in Greece that combines many dimensions, i.e. information attributes, website design attributes, reservation engine facilities, payment, provided service attributes, provided information attributes, quality of content, language support, website operating attributes, website structure, navigation and search facilities. The proposed evaluation method is based on the website evaluation by users/guests, hotel managers, and IT professionals. The result showed a relative good rating for the performance indicators of the Greek chain hotels. This proposed evaluation model claimed as generic, open and standardized as it can be applied for the evaluation of websites of various hotel categories.

A study on upscale and luxury hotels in Turkey found that different types of hotels have different emphasis on the design characteristic (interactivity, navigation, and functionality) and site marketing practices on the Internet. This study’s objective is to evaluate marketing practices by analyzing the contents and the website design. This is done by examining the website’s characteristic or features (Baloglu & Pekcan 2006). Another study evaluated the website characteristic was done in SMHS in Spain indicated that the hotels using a website as mass media tools compare to using the website as the interactivity platform with the customers (Schmidt, Cantallops & dos Sontos, 2008). According to Schmidt, Cantallops & dos Sontos (2008), the evaluation of the SMHS website can be classified into three categories based on phase, evaluation by characteristics and effectiveness.

A study on the website performance among SMHS in Dubai investigates the effectiveness of the SMHS website from the perspective of customers. The study distributed 173 questionnaires among customers to gather information on the importance and performance of the hotel website. The study identified the following website features; facilities information, reservation or price information, contact information, website management, surrounding information and company profile. The empirical evidence from this study indicates that customer rated the reservation or price information and facilities information as the most and second most important dimension (Montasser & Zoweil, 2013).

Ham’s (2005) study on context analysis and evaluation approach focused on limited-service lodging properties. Seven evaluation criteria’s have been highlighted in this study, including impression, content, usefulness, accuracy, navigation, accessibility, online reservation, and timeliness of information. The study concludes that impression criteria is the most important criteria for the hotel website evaluation. Ham (2005) study adopted a 5-point Likert scale rating, as demonstrated in the website evaluation study by Wan (2002).

From the literature review, there are similarities of studies on hotel website evaluation. The scholars evaluated the websites using certain criteria, dimensions and attributes based on the website content and functionality. Furthermore, it can be concluded from the literature review that the different types of hotels will influence on the website quality, website design and website performance. The level of IT application adoption
among SMHs is less sophisticated compared to large hotels (Murphy, Olaru, Schegg & Frey, 2003; Orfila-Sintes & Martínez-Ross, 2005 and Hashim, Murphy, Purchase & O’Connor 2010). In addition, SMHs play vital roles, especially in the hotel industry in Malaysia, so it is important for the SMHs to utilize the website and the Internet to gain more competitive advantages (Buhalís & Licata, 2002 & Montasser & Zowell, 2013).

Thus, to evaluate SMHs in Malaysia, the researchers will use a 5-point Likert scale rating adopted from Ham (2005) and Wan (2002). Due to the small sample size of the study, a Likert scale technique will accomplish the objectives of the study to identify the current levels of sell-side e-commerce among SMHs in Malaysia.

3. REVIEW OF THE STAGES OF E-COMMERCE DEVELOPMENT

Benbasat et al. (1980) defined the stages of e-commerce development as a model or concept that capable to explain the issue of e-commerce development especially in organizational research. The models will help to review how advanced a company is in its use of e-commerce resources to support its processes (Chaffey, 2015).

The emergence, rapid growth and interest in e-commerce has seen the parallel development of a number of stages of e-commerce models trying to capture and describe the various phases involved in moving towards greater sophistication with regards to the use and management of IT in the new digital business environment (Prananto, McKay & Marshall, 2001).

Subba Rao, Metts & Mora Monge (2003) developed a four stages of e-commerce development, e.g. presence, portal, transaction integration and enterprise integration. This model has classified the facilitators and barriers, according to their primary impact on a given stage of e-commerce development. Subba Rao, Metts & Mora Monge (2003) model also indicated that the company can enter at any stages as long as the company technology and e-commerce awareness has been addressing all previous stages issues.

Chen & McQueen (2008) developed a synthesized and integrated model for stages of evolution of e-commerce adoption. This model provides a basis on which to understand how the business progresses from relatively simple to more complex e-commerce activities. This model highlighted how a small firm moves from simple e-commerce into full e-business. Stage 4, which is online transaction and e-business, are two of the highest stages in this model. It is relatively uncommon in small businesses because of high capabilities required and high costs of production and maintenance. Most of the firms may currently be found in the first three stages. The model has 5 different stages, which are messaging, online marketing, online ordering, online transaction and e-business.

Finally, Ellis-Chadwick & Johnston (2009) and Chaffey (2015) identified six level models of sell-side e-commerce. Level 0 describes no website or presence on the web. This means the organization has not adopted e-commerce in their business. Subsequent stages articulate increasing levels of interactive content of the website, through to Level 6, by which level an organization has fully integrated the website, which is supported by online buying and provides relationship marketing with the customers.

Based on the above literature review on stage of e-commerce development, it would seem that Ellis-Chadwick & Johnston (2009) and Chaffey (2015) model is a comprehensive model that would be ideal to be used in this study. Since this study based on website evaluation of SMHs, the six level models of sell-side e-commerce is applicable to adopt in this study to determine the current levels of sell-side e-commerce among SMHs in Malaysia.

4. DEVELOPMENT AND APPLICATION OF WEBSITE EVALUATION CRITERIA

4.1 Population and sample

To begin, for the survey, a list of hotels was obtained from the Malaysia Association of Hotels (MAH) website (www.hotel.org.my). From the hotel listing in the MAH website, the researchers have drawn sample criteria of SMHs. Researchers particularly choose the SMHs from, 2-star and 3-star hotels in Kuala Lumpur and have 30 to 400 rooms. In terms of types of hotels, the researchers selected city and business independent and chain hotel as a sample of the study. A total of 39 of the SMHs had been selected as the sample of this study, but 36 of the SMHs had their own hotel website. Several SMHs chains located in Kuala Lumpur were using the same website. This reduced the total number of sites to be analyzed to 33 of the SMHs website. The purpose of this study was to identify the current levels of sell-side e-commerce development among SMHs in Malaysia by using website evaluation criteria.
4.2 Evaluation Techniques

Each of the SMHs websites was assessed by the researchers from February 2015 to April 2015. The researchers assessed each SMHs website against the criteria on the schema shown in Table 1. The schema consists of five criteria: e-marketing, e-customer relationship marketing, usability, privacy and security and online reservation. The criteria of the variables are being evaluated by a five-point rating scale as the details of each variable rating criteria.

4.3 Website Evaluation Criteria

The study developed five website evaluation categories to evaluate the SMHs’ websites in Kuala Lumpur, Malaysia as in Table 1.

<table>
<thead>
<tr>
<th>Website Evaluation Category</th>
<th>Variables</th>
</tr>
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</table>
| A. E-Marketing              | 1) About the hotel (e.g. properties, brands)  
                               | 2) Locations (e.g. map and directory)  
                               | 3) Contact details (e.g. email, phone number, fax number)  
                               | 4) Hotel features (e.g. rooms, restaurant, meeting facilities)  
                               | 5) Offers and promotions  
                               | 6) Social media (e.g. Facebook, Twitter, Tripadvisor)  
                               | 7) Visual material (e.g. photo Gallery and virtual Tour) |
| B. E-Customer Relationship Management | 1) Customer loyalty program  
                                            | 2) Online membership registration/ sign in membership  
                                            | 3) Online Customer Service Support (e.g. online chat)  
                                            | 4) Request form/ Feedback form |
| C. Usability                | 1) Ease of use of the website  
                               | 2) Multilingual  
                               | 3) Links to other website  
                               | 4) Currency (up to date) |
| D. Privacy & Security       | 1) Privacy and Security Policy  
                               | 2) Terms and Conditions |
| E. Online Reservation       | 1) Capacity to make a reservation, cancel, modify and make online payment by credit card, debit card, PayPal, etc. |

5. FINDINGS AND DISCUSSION

5.1 E-Marketing

A total of 6 of the SMHs provide excellent information about the hotel such as the history of the properties, new properties, brands, etc. While 72.7 percent of SMHs provide an interactive map and simple directory on the hotel website. It is very important for hotels to provide a map and directory on the website since it makes it very easy for customers to find out hotel locations. All SMHs websites provide their contact details including full address, telephone number, fax number and email address on the website. Only 15.2 percent of the SMHs websites provide a variety of offers and promotions on the websites. In terms of hotel features, a total of 12.1 percent of SMHs websites provide outstanding information about hotel features including different types of room and rates, hotel facilities such as meeting rooms, food and beverage outlets and recreational facilities. A total of 11 SMHs websites did not connect to social media such as Facebook, Twitter, Tripadvisor, Instagram etc. Several of the SMHs provide an e-newsletter for customers to sign-up and they will send offers and promotions via email.

5.2 E-Customer Relationship Marketing

It was found that 90.9 percent of the SMHs websites do not offer a customer loyalty program. Customer loyalty programs should be introduced by SMHs as it has been practiced by most chain hotels and it will benefit the hotel to build rapport with customers as well to give long term profits to the hotels. Two of SMHs provide online customer service support by providing online chat in the hotel website. A total of 48.5 percent of SMHs’ websites do not provide a customer feedback form or request form. This tends to make customers uncomfortable in order to make an enquiry or give feedback on their recent stays or feedback on the hotel website as well as general feedback or complaints. SMHs should pay attention to the e-customer relationship marketing element in the website because customers will not visit the website if there is no customer service and customer relationship support.

5.3 Usability

In terms of ease of use of the website, 51.5 percent of SMHs are easy to access, but no site map and search engine were provided in the website. Additionally, only one of the websites has been rated as excellent in terms of ease of use of the website because the website provided a site map and a search engine. A total of 63.6 percent of the SMHs websites in Malaysia are only in the English language. Only a few of SMHs’ websites are multilingual, which include in Mandarin, Japanese and Arabic. One of SMH embeds Google Translate to make the website multilingual. The websites in SMHs in Malaysia have no link to another website by 93.9 percent. A total of 63.6 percent of the SMHs
websites were ranked as good in terms of the currency and timeliness of the web content.

5.4 Privacy and Security Policy

A total of 75.8 percent of the SMHs in Kuala Lumpur, Malaysia do not provide privacy and security policy on the website. Only four of the SMHs provide an excellent privacy and security policies and terms and conditions on the website. Privacy and security policies, and terms and conditions are not an important criteria of SMHs’ website design compared to other large and chain hotel’s website.

5.5 Online reservation

The result of this study also found that 32 of the 33 hotels that have websites provide an online reservation service. However, 84.8 percent of these hotels were using a hosted booking system for their hotel reservation system because the cost is cheaper compared to develop their own hotel reservation system. Most of the SMHs do not have their own IT Department that can develop their own IT system, so connecting to hosted booking systems is the trend for SMHs in Malaysia as well as worldwide. The company that provides this solution has a good reputation and is very efficient in their online booking system. This system allows customers to make online payments with a variety of forms such as by credit card, debit card and PayPal. The website also has an online secure payment to secure the information or credit card of customers when making an online booking. From the analysis, one of the SMHs does not have any online reservation system. The customers need to make booking via email or must call the hotel reservation department to perform booking tasks.

5.6 Analysis of Levels of Sell-Side E-Commerce

To determine the current levels of sell-side e-commerce among SMHs in Malaysia, the researchers assessed each of the SMHs websites against the criteria shown in Table 2, which was adapted from Ellis-Chadwick & Johnston (2009) and Chaffey (2015).

A total of 83.3 percent of the SMHs in Kuala Lumpur, Malaysia are at Level 4. Two of the SMHs in Kuala Lumpur being evaluated were at Level 5 of sell-side e-commerce because both of the hotels are under established and well-known chain hotel groups in Malaysia. Three of the SMHs in Kuala Lumpur, Malaysia are in Level 0 since they do not have a website. A total of 2.8 percent of SMHs in Kuala Lumpur is in Level 3 since the hotel website does not have online reservation facilities. These six levels model by only reviewed on sell-side e-commerce development among SMHs in Malaysia since it does not include both sell-side and buy-side e-commerce.

Table 3: Analysis of levels of sell-side e-commerce among SMHs in Kuala Lumpur

<table>
<thead>
<tr>
<th>Levels of Sell-Side E-Commerce</th>
<th>No. of SMHs</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 0: No website or presence on web</td>
<td>3</td>
<td>8.3%</td>
</tr>
<tr>
<td>Level 1: Basic website presence: Company places an entry in a website listing company names. There is no website at this stage</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Level 2: Simple static informational website: Contains basic company and product information sometimes referred to as “brochureware”</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Level 3: Simple interactive site. Users are able to search the site and make queries to retrieve information. The website provides feedback and request form. The hotel will response the feedback and queries via email to customers. No online reservation. Customers need to email hotel to make a booking.</td>
<td>1</td>
<td>2.8%</td>
</tr>
<tr>
<td>Level 4: Interactive site support transactions with internet users. The functions offered will vary according to the company, but they will usually be limited to online buying. Customers able to make a booking online, but limited to room reservation. Payment online available, but limited payment such as payment by credit card or Electronic Fund Transfer (EFT)</td>
<td>30</td>
<td>83.3%</td>
</tr>
<tr>
<td>Level 5: A fully interactive site supporting the whole buying process. Real time reservation. Customer be able to view, book, cancel and modify the reservation online. Online secure payment system. The website also provides relationship marketing with individual customers. A customer loyalty program is available on the website. The website also provides also provides online customer service support examples online chats. The customers will get responses to their inquiries immediately.</td>
<td>2</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

From the analysis, the study found that 3-star ratings, medium sized hotels and chains hotels have high level of sell side e-commerce compare to 2-star ratings, small sized hotels and independent hotels. The researchers only accessed and evaluated based on the SMHs website only.
6. **IMPLICATIONS AND FUTURE RESEARCH**

This research thoroughly scans the websites of the SMHs in Kuala Lumpur, Malaysia. The evaluation results of this research not only contribute to a better understanding about the challenges of e-commerce development among SMHs, but can be used to improve some of the inefficient performance of their websites.

The findings of this research indicate that the majority of SMHs in Kuala Lumpur provides an interactive site support transactions with the Internet users. The levels of sell-side e-commerce among SMHs in Kuala Lumpur are quite high since the massive development from two ambitious master-planned cities included new capital city, Putrajaya, and an adjacent high-tech business and residential city called Cyberjaya already spurring hotel growth, new transportation system in the country’s current administrative and financial capital, Kuala Lumpur.

In order to improve the levels of sell-side e-commerce among SMHs in Kuala Lumpur, the SMHs should improve their electronic customer relationship management by introducing a customer loyalty program in the hotel website. The study reveals unavailability of the online customer service support such as online chat in the SMHs website in Kuala Lumpur. Most of SMHs only provide feedback or request form as part of customer service support on the hotel website. Nowadays, customers or guests will immediately share their feedback or comments on social media such as Tripadvisor. Therefore, hotels should respond quickly to the complaints from the customers. Thus, it’s important for the SMHs to launch their social network pages such as Facebook or Twitter for receiving comments and complaints from customers and guests. SMHs also recommended to introduce mobile applications to cater to the current trend of online booking as been introduced by large and luxury hotels in Malaysia. However, this research is limited to, website evaluation of SMHs in Kuala Lumpur. In the future, the researchers plan to extend the study of website evaluation to all SMHs across Malaysia and to conduct in-depth interviews with hotel managers, observations and case studies to identify the important factors affecting e-commerce development among SMHs in Malaysia.

7. **CONCLUSIONS**

This research developed the website evaluation criteria and evaluated the 33 SMHs’ websites in Kuala Lumpur, Malaysia. The current levels of sell-side e-commerce among SMHs in Malaysia is at level 4 which is an interactive site supporting transactions with users as shown in Table 2. The majority of the SMHs websites are primarily to promote their products and services online. The result shows that most of the websites evaluated have online reservation facilities. The customers are able to check availability of the rooms, make a room reservation, cancel and modify the booking as well made an online payment. The findings suggest that SMHs website users are making an online reservation on hotel website compared to other booking methods such as online travel agents or known as third party booking website such as Booking.com, Expedia or Agoda. Most of the SMHs offers Best Guarantee Rate for booking the hotel room directly from the hotel website. Furthermore, customers or guests will earn rewards points if they make a booking from the hotel website if they are the member of the hotel loyalty program.

SMHs website should provide more information about e-marketing such as the hotels offers and promotions and hotels products and services. Information regarding hotel room rates, privacy and security policy and terms and conditions should be included in the websites. Since the hotel product and services are tangible, SMHs hotel should take advantage of using visual and audio technologies such as virtual tour, to enable potential hotel customers to have a general picture of facilities and guest rooms. However hoteliers should pay attention to the accuracy of the hotel website. Some of the hotel website pages are outdated and some information on the website are not relevant.

Finally, the findings will assist the hotel owners and website developer in analyzing their hotel e-commerce and guiding them through the journey in developing their e-commerce initiatives.

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