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Branding on the Web: Domain Name Usage among Malaysian Hotels

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Abstract
The Internet helps hotels extend their market reach and operational efficiency, yet little research has examined Internet use in developing countries. This study introduces the use of domain names to reflect advanced use of Internet and its role as an online branding tool. This study investigates 494 Malaysian hotels’ adoption of Internet technologies. In line with diffusion research, there were significant relationships with hotel size, category and affiliation and three progressive levels of Internet use. The results extend hospitality diffusion research to Malaysia and support evolving levels of Internet.

Keywords: Domain names, brands, websites, email, diffusion of innovations

1. Introduction

Offline, and even more so online, brands are important to consumers. Online consumers substitute brand names for product information (Ward & Lee, 2000), with the World Wide Web and email offering online brand visibility. Branded domain names, such as hilton in Hilton hotel’s respective website and email addresses, www.hilton.com and reservations@hilton.com, are important branding tools (Murphy, Raffa, & Mizerski, 2003) that reflect advanced Internet adoption (Murphy, Olaru, Schegg, & Frey, 2003).

Research has examined tourism and information technology in developed nations (Frew, 2000), but to the authors’ knowledge, there is no research of Internet use by Malaysian hotels and little

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research of evolving Internet use. This paper helps fill these gaps by using Rogers’ (2003) Diffusion of Innovations to investigate evolving email, website, and branded domain adoption by Malaysian hotels.

2. Literature review

2.1 Brands

When buyers need goods or services, they often seek a trusted brand. Brands are important with online purchasing and a company’s integrated marketing communication (Murphy, Raffa, & Mizerski, 2003). Established businesses rely on their brand name to generate awareness of their online presence, e.g. mcdonalds.com, dell.com, and walmart.com (Ilfeld & Winter, 2002). A branded website address can reassure consumers that the business is reliable and trustworthy, saving buyers time because they know what to expect and need not seek online alternatives.

Brand names also guide consumers to websites; for example loyal offline Hyatt customers should seek hyatt.com. An effective online strategy lets existing or potential visitors remember or guess the correct website address (Ilfeld & Winter, 2002). As a participant in Coyle and Gould's (2002) study noted, "Most every well-known company has its own web site, so I didn't have to search for the address with a search engine because I assumed that Panasonic had its own website. I assumed right, because it did."

2.2 Domain names

Companies should seek a domain name that matches their brand. Branding on the Internet differs from branding offline. Offline, branding includes packaging, advertisement, placement, jingles and gimmicks; online, the URL represents the brand (Scot, April 5, 1999). Technically, hyatt represents the domain name and .com represents the domain. A study of domain name branding found that most of the world’s top brands owned their brand name in the global .com (96%), Australian .au (77%) and French .fr (80%) domains (Murphy, Raffa, & Mizerski, 2003). The former, available to anyone and costing about $10 US annually, include .com, .biz, .net, .org and .travel.
The latter, .au and .fr, are two of the over two hundred country domains. The Internet Corporation for Assigned Names and Numbers (www.icann.org) manages global domains and delegates country domains to the respective countries’ representatives. Mynic (www.mynic.net), the registrar for Malaysia’s .my domain, assigns names on a first come first serve basis to Malaysian citizens for about $10 US per year. Having the right domain name, however, is just one step towards Internet success.

3. Evolving internet adoption
Diffusion of Innovations (DOI) offers a rich perspective on individual and organisational adoption of innovations. According to the theory, organisations adopt technologies over a continuum, from having a technology to using that technology effectively throughout the organisation (Rogers, 2003). Extending DOI to Internet adoption, hotels may start with a free Yahoo or Google email address. Hotels could then advance to having a branded website address and then extend the domain name to their email address.

For instance, Hotel Bintang Warisan in Malaysia has the branded website address www.bintangwarisan.com, but their email address is maxcarry@tm.net.my. This failure to leverage the branded domain name suggests Internet implementation problems. As Hotel Bintang Warisan already owns the domain name, bintangwarisan.com, further implementation would be to match the email domain name to the website’s domain name, such as info@bintangwarisan.com. Thus, the following proposed evolution of Internet adoption:

Malaysian hotels evolve from having email, to having a website, to matching website and email domain names.

3.1 Hotel characteristics and internet adoption
Swiss and US studies support that hotel size, affiliation and star rating relate positively to technology adoption (Murphy, Olaru, Schegg, & Frey, 2003; Siguaw, Enz, & Navasivayam, 2000). Therefore,

Hypothesis 1: Hotel size will show a significant positive relationship with (a) email presence (b) web presence and (c) matching email and website domain names.
Hypothesis 2: *Hotel star-category will show a significant positive relationship with (a) email presence (b) web presence and (c) matching email and website domain names.*

Hypothesis 3: *Compared to non-affiliated hotels, affiliated hotels will have greater (a) email presence (b) web presence and (c) matching email and website domain names.*

4. Methodology
This research used hotels from four technologically advanced Malaysian states – Kuala Lumpur, Selangor and Pulau Pinang and Johor. Given no comprehensive Malaysian database of email and website addresses, the study started with the Malaysian Accommodation Directory (MAD) 2003/2004 published by Tourism Malaysia, which provides hotel star rating (1-5 stars), number of rooms and email address.

To update the MAD information, keying the hotel name into Google and Yahoo helped find the hotel websites. Visits to the websites in August 2005 yielded the hotel’s website domain name, email address and chain-affiliation. With conflicting information, this study assumed the information from the hotel’s website was more current than information in the printed MAD directory. A census of the MAD directory for the four states yielded 494 hotels, with 185 hotels having a star rating (see Table 1).

5. Results
5.1 Evolving Internet Adoption
The results in Table 1 show that email is the most popular Internet application among Malaysian hotels. Two in five hotels had an email address and the percentage of hotels with email was much higher, over six out of seven, with rated hotels. Over one in four hotels and almost two of three rated hotels had a website. Finally, just over one in five hotels and one in two rated hotels matched their email and website domain names. These results support the proposed stages of adoption, from email presence to website presence and then to matched website and email domain names.
Table 1
Email, website presence and matched domain names

<table>
<thead>
<tr>
<th>Size</th>
<th>N</th>
<th>Email Presence</th>
<th>Website Presence</th>
<th>Matched Domain Names</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30 rooms</td>
<td>186</td>
<td>7%</td>
<td>2%</td>
<td>17%</td>
</tr>
<tr>
<td>31-99 rooms</td>
<td>162</td>
<td>36%</td>
<td>14%</td>
<td>28%</td>
</tr>
<tr>
<td>100-199 rooms</td>
<td>53</td>
<td>83%</td>
<td>49%</td>
<td>39%</td>
</tr>
<tr>
<td>200-299 rooms</td>
<td>33</td>
<td>94%</td>
<td>79%</td>
<td>61%</td>
</tr>
<tr>
<td>&gt;300 rooms</td>
<td>60</td>
<td>98%</td>
<td>90%</td>
<td>85%</td>
</tr>
<tr>
<td>T-value</td>
<td></td>
<td>17.23</td>
<td>21.35</td>
<td>7.42</td>
</tr>
<tr>
<td>Significance</td>
<td></td>
<td>&lt;0.001</td>
<td>&lt;0.001</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Total</td>
<td>494</td>
<td>40%</td>
<td>27%</td>
<td>21%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Star rating</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>22</td>
<td>55%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Two</td>
<td>38</td>
<td>68%</td>
<td>24%</td>
<td>23%</td>
</tr>
<tr>
<td>Three</td>
<td>43</td>
<td>93%</td>
<td>65%</td>
<td>45%</td>
</tr>
<tr>
<td>Four</td>
<td>42</td>
<td>98%</td>
<td>95%</td>
<td>85%</td>
</tr>
<tr>
<td>Five</td>
<td>40</td>
<td>100%</td>
<td>98%</td>
<td>85%</td>
</tr>
<tr>
<td>Kruskal Wallis</td>
<td></td>
<td>33.17</td>
<td>84.92</td>
<td>46.86</td>
</tr>
<tr>
<td>Significance</td>
<td></td>
<td>&lt;0.001</td>
<td>&lt;0.001</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Total</td>
<td>185</td>
<td>86%</td>
<td>64%</td>
<td>51%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chain affiliation</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chain</td>
<td>128</td>
<td>93%</td>
<td>83%</td>
<td>73%</td>
</tr>
<tr>
<td>Non-chain</td>
<td>366</td>
<td>23%</td>
<td>7%</td>
<td>19%</td>
</tr>
<tr>
<td>Chi Square</td>
<td>192</td>
<td>277.61</td>
<td>58.27</td>
<td></td>
</tr>
<tr>
<td>Significance</td>
<td></td>
<td>&lt;0.001</td>
<td>&lt;0.001</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Total</td>
<td>494</td>
<td>40%</td>
<td>27%</td>
<td>21%</td>
</tr>
</tbody>
</table>
Table 1 also shows the results of three tests examining the hypotheses: Chi Square tests for the nominal chain-affiliation, Kruskal-Wallis tests for the ordinal star rating and t-tests for the metric number of rooms. The results support all three hypotheses. Larger, higher-rated and affiliated Malaysian hotels lead the adoption of Internet technologies.

6. Conclusions

In conclusion, this study adds to the sparse research of Malaysian hotels and technology. The results – hotel size, affiliation and rating relate positively to adopting technology – resemble research in developed countries (Murphy, Olaru, Schegg, & Frey, 2003; Siguaw, Enz, & Navasivayam, 2000) and help generalise these findings to a developing country, Malaysia. This study further extends diffusion research (Rogers, 2003) by showing evolving Internet adoption in a developing country. Finally, this research note adds two variables to the discussion of Internet adoption, domain name branding and matched domain names.

The results help hoteliers and related authorities such as Tourism Malaysia and Malaysia’s Ministry of Tourism to benchmark existing Internet use. These results also help predict Malaysian hotels’ Internet adoption – starting with an email address, followed by a website and matching domain names. Hotels without an email address should consider using email as soon as possible. Hotels can get free email addresses with two popular Malaysian websites, www.yahoo.com.my and www.google.com.my, and should seek addresses with their brand name such as hotelbrand@yahoo.com.my or hotelbrand@google.com.my.

In the hospitality sectors, where branding is important offline (Cai & Hobson, 2004), branded websites and email addresses become important tools for increasing online familiarity and confidence. Given the first come first serve basis and minimal expense, Malaysian hotels should stake their branded .my domain name sooner rather than later. Research and the popular press illustrate how domain name confusion results from honest mistakes and unscrupulous entrepreneurs (Murphy, Raffa, & Mizerski, 2003). Hotels unsure about launching a website could still use their branded domain name in their email address. Mynic lists approved companies that sell .my domains and host .my email addresses at www.mynic.net/newhp/reseller-list.htm.
Yet management should avoid adopting the Internet simply to imitate competitors. There is no sense having an email address, but not answering emails. Bounced emails, low quality replies or worse, no reply to enquiries, harm the hotel’s image. Alternatively, hotels gain an immediate competitive advantage via proper email responses (Murphy, Olaru, Schegg, & Frey, 2003).

Management should also reflect upon launching a website. Similarly, hotels must update their website regularly, avoid unnecessary animation, and provide sufficient information about the hotel. Without a convincing argument for using a website, hotels should stay with email, preferably branded email.

While acquiring domain name is important, managing the domain name is equally or perhaps more important as it determine whether the website goes online or offline. The 2001 dot com crash witnessed the lack of knowledge on domain name handling among businesses. By the end 2001, companies starts to lose their domain name for non-payment as notices were send to different individuals or to false email or business address (Smith, 2003). Managing domain could be as simple as to make sure correct contact information in the domain’s record (Smith, 2003). Another way of managing your domain name is to acquire specialized and entrusted vendor (Smith, 2003). A good vendor will help your hotel to register, renew, providing recovery service and other service that could be expensive to develop in-house (Scot, April 5, 1999). Among best known solution providers includes Verisign Digital Brand Management Services, Networks Solutions and Register.com. Similarly, Mynic provides a list of approved reseller and providers on its website.

At least three factors limit these results. The star rating, number of rooms and oftentimes the email address stemmed solely from the Malaysia Accommodation Directory. Secondly, there was no reliability analysis of the website coding. Finally, the study overlooked hotel websites not listed with Yahoo or Google.

7. Future research
Gathering and combining other hotel databases – Ministry of Tourism, Malaysia Association of Hotels and Malaysia Association of Hotels Owner – with the Malaysian Accommodation
Directory should yield a better sample. Further research could extend the study to all Malaysian states and neighbouring countries such as Singapore, Indonesia and Brunei in order to illustrate hospitality Internet diffusion in Southeast Asia.

Another fruitful research stream could update a Swiss study that correlated website features, email replies and hotel characteristics such as size, rating and affiliation (Murphy, Olaru, Schegg, & Frey, 2003). Future research could also incorporate the domain name age, a temporal aspect of Internet adoption. Hotels with older domain names indicate earlier Internet adoption and thus should reflect more advanced website features and quality email responses.

Future research could also include variables such as owner attitude, level of IT knowledge among the employees or the business strategy to the Internet adoption model as current research suggests that managerial characteristics and business strategy also influence technology adoption (Levy & Powell, 2003; Srinivasan, Lilien, & Rangaswamy, 2002). For example, a popular strategy typology from Miles and Snow (1978) – Prospects, Analysers, Defenders and Reactors – suggests linkages between technology and strategy. A study could classify Malaysian hotels into these four typologies, and then analyse how categories differ in their Internet adoption.
References


