

**Internet Usage in the Hospitality Industry:
A Case of Penang Hotels**

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**UNIVERSITI UTARA MALAYSIA
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**Internet Usage in the Hospitality Industry:
A Case of Penang Hotels**

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By

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KOLEJ PERNIAGAAN
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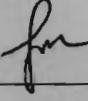
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CHAPTER ONE INTRODUCTION

1.0 Background of the study	1
1.2 Problem of the research	2
1.3 Objectives of the research	3
1.4 Scope of the Research	4
1.5 Significance of the Study	4
1.6 Organization of the Study	4

CHAPTER TWO LITERATURE REVIEWS

2.0 Introduction	6
2.1 Internet and its Evolution	6
2.2. Information Technology and Distribution	9
2.2.1 Electronic Distribution	9
2.2.2 Disintermediation	13
2.3 Information Technology and Pricing	15
2.3.1 Online Pricing	15
2.3. 2 Online Consumer Decision Making	18
2.3.3 Website Layout and Design	19
2.4 Customer Relationship Management (CRM)	21
2.5 Technologies used by hotels in their daily business operation	23
2.5.1 Internet	23
2.5.2 Fax Machines	24
2.5.2 Other technologies	24
2.6 Internet Usage Behavioral Characteristics	25
2.7 E-booking and trends in the hospitality industry	26
2.8 Summary of the Chapter	27

CHAPTER THREE RESEARCH METHODOLOGY

3.0 Introduction	28
3.1 Sample frame and respondents	28
3.2 Design of the research	29
3.3 Data Collection	29
3.3.1 Primary Data	29
3.3.2 Secondary Data	30
3.4 Instrumentation and data gathering procedures	30
3.5 Persuasive Dimensions	31
3.6 Summary of the chapter	31

CHAPTER FOUR FINDINGS AND DISCUSSIONS

4.0 Introduction	32
4.1 Results of Research	32
4.1.1 The Use of WWW	32

4.1.2 The Use of emails	34
4.1.3 Types of hotels and the Use of Information Technology	35
4.1.4 Benefits of the use of Internet	38
4.2 Conclusion	39
4.3 Summary of the Chapter	40

CHAPTER FIVE CONCLUSION

5.0 Introduction	41
5.1 Research Interpretation	41
5.2 Limitations and Future Work	43
References	45
Appendix	49

ABSTRACT

This thesis explores the development of internet application in the hospitality industry (e.g., travel industry, and recreational entities) limited to 5 Grant Hotels in Penang. It also illustrates the hotel industry's effort to use the Internet to boost its local market. The research objective is to investigate the usage level of prevalence of application of the Internet in the hospitality industry with focusing on some emerging issues and challenges. The benefits of the internet in hotel industries in Penang are also highlighted. The research offers an effective monitoring of self-service technologies trends in the industry, also assist hotels in evaluating the need and resources for staff training. What's more, the impact of this technology on yield management is an issue that can be incorporated in future studies. Managerial implications are discussed with suggestions for future research.

CHAPTER ONE

INTRODUCTION

1.0 Background of the Study

In this technology era, the use of the Internet in the business environment has become a most important trend in practice and generated a hot stream of research into nowadays' literature. The Internet known as a collection of interconnected computer networks provides free exchanging of information. As such, it has been becoming a powerful channel for business marketing and communication (Palmer, 1999). Hence, for new business opportunities, it is often labeled "e-business" or "e-commerce" today. This new virtual marketplace allocates small companies competing with business of huge size by just having a better web presentation of their products/services. Under the same wave, online customers can enjoy a wider choice of products or services, more competitive prices, and being able to buy their favorite items/services from the sellers located thousands miles away. It provides communication between consumers and companies and through electronic data interchange.

The main issue for the internet in service operations is centered on the possibility of online delivery of the services that customers ordered. In this regard, the online booking of hotel/motel rooms has become one of a few good example services. This could be explained by the fact that it can be inquired, checked, and ordered easily while conveniently communicated and delivered online with the Internet. In the existing

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