

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

**ABDUSALAM MEHOUB MEHOUB**

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

A thesis submitted to the Graduate School  
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By

**ABDULSALAM MEHOUB MEHOUB**

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## 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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