

Research note

Branding on the web: Evolving domain name usage among Malaysian hotels

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Abstract

The Internet helps tourism enterprises extend both their market reach and operational efficiency, yet few studies have examined the evolving nature of Internet use in developing countries. This study investigates 494 Malaysian hotels' use of domain names for online branding and as a reflection of evolving Internet adoption. In line with diffusion research in other countries, there were significant positive relationships with hotel size, category and affiliation and progressive levels of Internet use. The results extend hospitality diffusion research to Malaysia and support branded domain names as a measure of advanced Internet use.

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1. Introduction

Offline, and even more so online, brands are important to consumers; online consumers substitute brand names for product information (Ward & Lee, 2000). Branded domain names, such as *hilton* in Hilton's respective website and email addresses—www.hilton.com and reservations@hilton.com—offer online branding opportunities. Studies highlight the importance of using branded domain names (Murphy, Raffa, & Mizerski, 2003) and suggest that their use may reflect advanced Internet adoption (Murphy, Olaru, Schegg, & Frey, 2003; Murphy & Tan, 2003). Branded websites and email addresses increase online familiarity and confidence.

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 research on the role of domain names. In addition, academics call for further research of evolving Internet use (Morrison, Taylor, & Douglas, 2004; Yuan, Gretzel, & Fesenmaier, 2005). This paper helps fill

these gaps by using Rogers' (2003) diffusion of innovations (DOI) to investigate evolving email, website, and branded domain use by Malaysian hotels.

2. Literature review

2.1. Online branding

When buyers need goods or services, they often seek a trusted brand. Customers loyal to a brand usually have a positive perception of its quality and will repurchase the brand (Reicheld & Schefter, 2000). Online, a brand is an important factor related to purchasing (Rowley, 2004) and to the company's integrated communication strategy (Murphy, Raffa et al., 2003). Businesses leverage their brand name to generate awareness of their online presence, e.g. mcdonalds.com, dell.com, and ibm.com (Ilfeld & Winer, 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

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visitors remember or guess the correct website address (Ilfeld & Winer, 2002). As a participant in Coyle and Gould's (2002) study commented on guessing the correct website address, "Most every well-known company has its own website, 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

To increase brand visibility and reinforce familiarity, companies should match their domain name and brand (Clauser, 2001). In hyatt.com, *hyatt* represents the 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 et al., 2003). The former, a global domain, is available to anyone and costs about US\$10 annually. Global domains include *.com*, *.biz*, *.net* and *.org*. The latter, *.au* and *.fr*, are two of 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 US\$10 per year. Having the right domain name, however, is just one-step towards Internet success.

2.3. Evolving internet adoption

Hotels do not need a domain name to go online. Websites such as Yahoo!, Lycos and Geocities offer free, albeit limited space, for hosting websites. Yet, a website address from these free services, such as www.geocities.com/jem3030/HotelABC.html, is difficult to type and hard to remember. Furthermore, compared with www.HotelABC.com, the free website address inspires less trust.

For instance, Hotel Bintang Warisan in Malaysia has the branded website address www.bintangwarisan.com, but an email address of maxcarry@tm.net.my. The hotel could also use the email address of warisan@tm.net.my, but this may still confuse the consumer. The domain name *tm.net.my* represents an Internet service provider and has no mention of the words 'Bintang' or 'hotel'. As Hotel Bintang Warisan owns bintangwarisan.com, it should match the email domain name to the website domain name, such as info@bintangwarisan.com or reservations@bintangwarisan.com.

3. Conceptual framework and hypotheses

DOI offers a rich perspective on individual and organisational adoption and diffusion of innovations. Most individuals go through five phases in adopting a technology: awareness, interest, evaluation, trial and

adoption (Rogers, 2003, p. 170). Organisations, however, go beyond the yes/no adoption decision and continue towards integrating the technology effectively throughout the organisation (Rogers, 2003, p. 421). For example, small to medium sized enterprises' (SMEs) Internet adoption evolves through four stages of growth: brochureware, business opportunity, business support and business development (Levy & Powell, 2003). Combining DOI theory with structuration theory, Yuan et al. (2005) illustrate the evolutionary nature of Internet adoption from a simple brochure-like website with limited information to a 'one-stop shopping' website with online transactions, interactivity and customised services.

Adding email and branded domain names to the evolution of Internet use leads to the following proposition.

Malaysian hotels evolve from having email to having branded websites and then matching website and email domain names.

Business variations in structure, scope, size and geographic location can encourage or discourage technology adoption (Yuan et al., 2005). Swiss and US studies support that hotel size, affiliation and star rating relate positively to Internet adoption (Murphy, Olaru et al., 2003; Sigauw, Enz, & Namiasivayam, 2000). Thus:

H1. Hotel size will show a significant positive relationship with (a) email presence (b) branded website presence and (c) matching email and website domain names.

H2. Hotel star-category will show a significant positive relationship with (a) email presence (b) branded website presence and (c) matching email and website domain names.

H3. Compared with non-affiliated hotels, affiliated hotels will have greater (a) email presence (b) branded website presence and (c) matching email and website domain names.

4. Methodology

This study 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 2003/2004 Malaysian Accommodation Directory (MAD) published by Tourism Malaysia, which provides hotel star rating (1–5 stars), number of rooms and email addresses.

A census of the MAD for the four states yielded 494 hotels, with 185 hotels having a star rating (see Table 1). To update the MAD information, keying each 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 status. With conflicting information, this study chose information from the hotel's 2005 website over information in the printed 2003/2004 MAD directory.

Table 1
Email, website presence and matched domain names

	<i>N</i>	Email	Branded website	Matched domain names
Size				
<30 rooms	186	7%	2%	17%
30–99 rooms	162	36%	14%	28%
100–199 rooms	53	83%	49%	39%
200–299 rooms	33	94%	79%	61%
>300 rooms	60	98%	90%	85%
<i>t</i> -value		17.23	21.35	7.42
Significance		<0.001	<0.001	<0.001
Total	494	40%	27%	21%
Star rating				
One	22	55%	9%	8%
Two	38	68%	24%	23%
Three	43	93%	65%	45%
Four	42	98%	95%	85%
Five	40	100%	98%	85%
Kruskal Wallis		33.17	84.92	46.86
Significance		<0.001	<0.001	<0.001
Total	185	86%	64%	51%
Chain affiliation				
Chain	128	93%	83%	73%
Non-chain	366	23%	7%	19%
χ^2		192	277.61	58.27
Significance		<0.001	<0.001	<0.001
Total	494	40%	27%	21%

5. Results

5.1. Evolving internet adoption

The results support the proposed evolution of Internet use, from email to branded websites and then to matched website and email domain names. As Table 1 shows, the least amount of hotels, just over one in five hotels and one in two rated hotels, matched their email and website domain names. Over one in four hotels and almost two of three rated hotels had a website. Finally, four in ten hotels had an email address and the percentage of rated hotels with email was over two times higher, almost nine out of ten.

Table 1 also shows the results of three hypotheses tests: *t*-tests for the number of rooms, χ^2 tests for the chain-affiliation and Kruskal–Wallis tests for the star rating. The results support all three hypotheses at $p < 0.001$. Larger, higher-rated and affiliated Malaysian hotels lead in this implementation of Internet technologies.

6. Implications and future research

At least two factors limit the results. The star-rating, number of rooms and oftentimes the email address stemmed solely from the MAD. Secondly, the study overlooked hotel websites not indexed with Yahoo! or Google. Still, the results provide valuable academic and applied contributions.

6.1. Academic implications

This study adds to the hospitality Internet research in two sparse areas, developing countries and Internet evolution (Morrison et al., 2004; Yuan et al., 2005). The results illustrate and extend diffusion research (Rogers, 2003) and generalise previous findings—the importance of hotel size, affiliation and star-rating in technology adoption (Murphy, Olaru et al., 2003; Sigauw et al., 2000)—to a developing country, Malaysia.

Most importantly, this study contributes to academic literature by illustrating three phases of Internet evolution from having email to having branded websites and then matching website and email domain names. Furthermore, this research note adds two variables to the discussion of Internet evolution, domain name branding and matched domain names. Morrison et al. (2004) suggest that holistic website evaluations to include technical features of the site design, such as domain names, which are optional to an online presence. Their progressive application illustrates that organisational technology use evolves over time, and that branded domain names reflect advanced Internet use.

6.2. Industry implications

The results help hoteliers and related authorities such as Tourism Malaysia and Malaysia's Ministry of Tourism benchmark existing Internet use. These results also help predict Malaysian hotels' Internet adoption—starting with an email address, followed by a branded website and matching domain names. Hotels without an email address should consider using email as soon as possible. Hotels can get free email addresses from 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.

For managers, branded websites and email addresses help increase online familiarity and confidence. A branded domain name is easier to remember and carries the brand's strong offline image to the online environment. A branded site can reassure consumers that the business is reliable, safe and trustworthy (Hanson, 2000). Finally, branded sites save buyers time because they know what to expect at the site and need not shop for alternatives (Rowley, 2004). Given the first come first serve basis and minimal expense, Malaysian hotel managers should stake their branded .my domain name sooner rather than later. Mynic lists approved companies that sell .my domains and host .my email addresses at www.mynic.net/newhp/reseller-list.htm.

Nevertheless, management should avoid having a branded website and email address simply to imitate competitors. There is no sense having a branded 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, Oлару et al., 2003).

Additionally, managing the domain name is critical to keep email and website addresses alive. The 2001 dot com crash illustrated organisations' woeful domain name management. Companies lost their domain name for non-payment, with notices sent to ex-employees and incorrect email or business addresses (Smith, 2003). Business should keep correct, updated contact information in their domain name's record.

7. Future research

Gathering and combining other hotel databases—Ministry of Tourism, Malaysian Association of Hotels, and Malaysian Association of Hotel Owners—with the MAD should yield a better sample. Further research could extend the study to all Malaysian states and neighbouring countries such as Brunei, Indonesia, Singapore and Thailand—as well as to destination marketing organisations in these countries—in order to illustrate Internet diffusion in the Southeast Asian tourism industry.

Another fruitful research stream is to correlate hotels' website features and email replies with hotel characteristics such as size, rating and affiliation (Murphy, Oлару et al., 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 relate to more advanced website features and quality email responses.

Lastly, future research could relate organisational variables such as owner attitudes, employee's IT knowledge and business strategy to evolving Internet adoption. Interviews with hotel CEOs and top managers should yield insights about the hotel's history and Internet use. Research suggests that managerial characteristics and business strategy influence technology adoption for both SMEs (Levy & Powell, 2003) and convention bureaus (Yuan et al., 2005). For example, a popular strategy typology—prospectors, analysers, defenders and reactors—from Miles and Snow (1978) suggests links between technology and strategy. A study could classify Malaysian

hotels into these four typologies, and then analyse how the typologies differ in their Internet adoption.

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