

The Effect of Interaction and Website Environment Qualities Towards E-Loyalty: A Case Study of Online Hotel Booking in Indonesia and Thailand

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ABSTRAK

Pemesanan hotel secara daring adalah salah satu metode sewa tempat tinggal sementara melalui media-media daring. Pada masa kini, semakin banyak orang yang menyewa hotel secara daring sebagai kebutuhan dan gaya hidup. Indonesia dan Thailand sebagai negara tujuan wisata dan memiliki banyak penduduk telah menjadi lahan subur untuk bisnis penyewaan hotel secara daring. Penelitian ini menganalisis pengaruh kualitas interaksi, kualitas lingkungan yang berdampak pada kesetiaan pelanggan terhadap produk layanan ini. Dalam penelitian ini, data dikumpulkan melalui kuesioner yang telah diberikan dan penulis menggunakan *Structural Equation Modeling - Partial Least Square (SmartPLS)* untuk analisis data. Metode ini digunakan untuk mengetahui jumlah pengguna *online hotel booking* sehingga akan terlihat bagaimana pengaruh kualitas interaksi dan kualitas lingkungan yang akan berdampak pada *e-loyalty*. Di kedua negara, kualitas interaksi berpengaruh positif dan signifikan terhadap *e-Loyalty*. Nilai koefisien parameter kualitas interaksi pada model Indonesia memiliki nilai sebesar 0,544. Hasil uji signifikansi menunjukkan bahwa variabel kualitas lingkungan berpengaruh positif dan signifikan di kedua negara dengan hasil uji T-statistik > 1,96 dan nilai P lebih kecil dari 0,05. Penelitian ini mengkaji hubungan langsung antara variabel kualitas interaksi dan kualitas lingkungan terhadap *e-Loyalty*. Penelitian ini dapat menjadi tambahan pengetahuan terkait determinan loyalitas yang terdapat pada bisnis online. Selain itu, penelitian tersebut juga memberikan gambaran baru tentang bisnis jasa penginapan online di dua negara yaitu Indonesia dan Thailand.

Kata kunci: *e-loyalty*, kualitas interaksi, kualitas lingkungan, *partial least square*

ABSTRACT

Online hotel booking is a method of renting a place through the internet. Today, people are becoming users of online rental properties as a necessity and lifestyle. Indonesia and Thailand as tourist destinations indicates a large population that have potential for the online property rental business. This study will analyze the effect of interaction quality, website environment quality that have an impact on customer loyalty toward this product. In this study, data was collected by a questionnaire that has been given, the authors used Structural Equation Modeling - Partial Least Square (SmartPLS) for analysis method. This method is used to determine the number of online hotel booking users so that it will be seen how the effect of interaction quality and website environment quality has an impact on e-Loyalty. In both countries, the quality of interaction has a positive and significant effect on e-loyalty. The coefficient value of the interaction quality parameter in the Indonesian model has a value of 0.544. The results of the significance test showed that the website environment quality variable had a positive and significant effect in both countries with T-statistical test results > 1.96 and P-values less than 0.05. This study examines the direct relationship between the interaction quality and website environment quality variables on e-Loyalty. This research can be additional knowledge related to the determinants of loyalty found in online businesses. In addition, the research also provides a new picture of the online lodging service business in two countries, namely Indonesia and Thailand.

Key words: *e-loyalty*, interaction quality, partial least square, website environment quality

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INTRODUCTION

In the era of globalization, the development of technology and information systems is multiplying, one of which is the development of internet technology. The internet has become a communication tool increasingly used by the world's population, including Southeast Asia. In Table 1, we can see that internet users in Indonesia and Thailand rank at the top in Southeast Asia. Indonesia is the country with the most significant internet users with 274,9 million people and is followed by Thailand, which has 69,88 million internet users in January 2021 (Table 1).

Table 1. Internet User Southeast Asia in 2021

Nation	Population (Million)	Internet users (Million)
Indonesia	274,9	202,6
Thailand	69,88	48,59
Malaysia	32,57	27,43
Singapore	5,87	5,29
Philippines	110,3	73,91
Vietnam	97,75	68,72

Source: Kemp (2021).

In addition to a large number of internet users, Indonesia and Thailand are also known to have experienced a significant increase in the number of internet users over the last four years. From 2018 to 2021, internet user penetration has increased by 73,7 percent in Indonesia and Thailand by 69,5 percent, according to Kemp (2021). This shows, more and more people use the internet in Indonesia while Thailand indicates average usage. The increase in the number of internet users in Indonesia and Thailand over the last four years is shown in Figure 1.

With the development of internet technology and a large number of internet users in Indonesia and Thailand, it is an opportunity for business people in both countries to develop their business online. Information technology and systems are also known to be very important components for the success of businesses and organizations where information systems and technology in organizations provide support for company performance. Companies with various sectors seek to develop their performance through internet technology, one of which is the lodging industry.

Technological developments have also pushed the industry to innovate and switch to modern accommodation. Modern accommodation utilizes internet technology in serving reservations

that can be made online by potential customers. Modern lodging is also not limited to hotels and various other forms of lodging such as houses, apartments, villas, to tree houses (Hadian, 2017). The existence of lodging services that can be easily accessed online can make it easier for consumers to find out the availability of rooms or lodging. In addition, reservations can also be made anywhere so that consumers get the certainty of a place to stay at their destination even though they have not traveled.

In the network (online) market, including online lodging services, customer loyalty called e-loyalty is the main goal to be achieved and maintained by the company. In the competitive practice of the online lodging business, e-loyalty is increasingly important because it is easier for consumers to switch vendors without having to incur high economic costs such as time, effort, money, and thoughts. E-loyalty indicates a client commitment to revisit the website consistently due to an intrigue preference for shopping on that website loyally (Chou et al. 2015). More on specific, it's a situation where consumers develop a desire to revisit the website and repurchase from the same e-tailer and even encourage other consumers to make purchases from that e-tailer. In customer buying behavior on the website, the highest level of e-loyalty occurs when the customer is ready to revisit the website and make online purchases. Therefore, identifying and understanding the various predictors of e-loyalty will help a website succeed in the fierce online business environment.

The use of Internet technology in lodging services changes the form of interaction between consumers and lodging companies. The delivery of information and lodging reservations that were originally done face-to-face has now switched over to the internet. This, of course, makes the quality of interaction between consumers and companies also change. Companies need to pay attention to the quality of interaction because the better the quality of the interaction, the better the quality of service (Wu and Cheng, 2013). The quality of interaction can be seen from the positive results obtained from the interaction and exchange of information between service providers and customers (Auh, 2005). Consumers will feel satisfied if the interaction is in line with expectations (Joon Choi and Sik Kim, 2013). In online lodging services, consumers interact with services via the internet. The quality of information and the ease of service provided via the web or

application shows the quality of interaction between consumers and lodging service providers. The better the quality of the interactions created through the Web or application, the better the customer satisfaction (Hur *et al.* 2011). Accommodation service quality and customer satisfaction are important factors that influence customer loyalty (Berezina *et al.* 2012). Therefore, service quality and customer satisfaction created through good interaction quality on the web or application also affect e-loyalty (Lu, 2017).

In addition to the interaction between consumers and service providers, websites and applications as a new form of marketing provide a separate experience for consumers. The website is the first physical environment that can give a consumer shopping experience. In particular, website quality manifests as environmental cues that directly influence consumers' purchasing decisions (Wells *et al.* 2011). The environment created on the website or online lodging application will create expectations in the minds of visitors, which will then be confirmed by them regarding whether or not these expectations are met. As a physical environment, the website will give an impression to website visitors about how the service will be provided and will ultimately form expectations. Furthermore, (Wibowo and Wahid *et al.* 2019) stated that the website provides a consumer's first experience that can affect e-satisfaction and e-Loyalty.

Existing research shows the importance of interaction quality and website environment quality in e-commerce businesses, including online lodging services. The quality of interaction is known to have a positive influence on consumer satisfaction. The better the quality of the interaction, the more satisfied consumers will be in transactions (Joon Choi & Sik Kim, 2013). Likewise, the quality of the environment seen from the website and application also has a positive relationship to consumer satisfaction (Alam and Yasin 2010). However, the direct relationship between interaction quality and website environment quality on e-loyalty, which is the goal of online companies, is still lacking in the literature. In contrast a positive and significant relationship between consumer satisfaction and e-loyalty was found in various studies (Lin and Sun 2009; Lu 2017). The existence of research on the direct relationship between interaction quality and website environment quality with e-Loyalty is expected to be useful for theoretical and practical

developments. Theoretically, this will enrich knowledge about consumer behavior in online purchases. While practically, this research will be input for online business people to be able to increase e-loyalty.

METHOD

This study will analyze the effect of interaction quality, website environment quality that have an impact on customer loyalty toward this product. In this study, data was collected by a questionnaire that has been given, the authors used Structural Equation Modeling-Partial Least Square (SmartPLS) for analysis method. The data is gathered by spreading questionnaires in Kasetsart University and Institute Pertanian Bogor University, the questionnaires is also spread online with the use of google forms. This method is used to determine the number of online hotels booking users.

RESULT AND DISCUSSION

Characteristic of Respondents

Majority of Indonesian respondents are women (59,6 percent), while Thailand is dominated by men (58,7 percent). The age distribution of respondents is in the age range of 21-30 years (74,7 percent for Indonesian respondents and 64,9 percent for Thailand respondents. Based on marital status, respondents are dominated by singles (80.7 percent for Indonesian respondents and 82,9 percent for Thailand). for respondents in Thailand. Meanwhile, the majority of respondents have a bachelor's degree in education (60,8 percent for Indonesian respondents and 75,7 percent for Thailand respondents).

Descriptive of Variable

Interaction Quality

The highest value of the interaction quality variable is in the first indicator, namely the ease of accessing the website, at 4,5 for Indonesian consumers and 4,0 for Thailand consumers. This shows that the ease of accessing the website is an important indicator for consumers from both countries. Overall, the interaction quality variable for Indonesian respondents got an average of 4,3, which is in the category of strongly agree. This shows that Indonesian consumers are very concerned about the quality of interactions that occur on online service accommodation websites.

Meanwhile, Thailand consumers have an overall average for this variable of 3,9, which is in the agree category. This value is smaller than the overall average of Indonesian consumers. This shows that Indonesian and Thailand has similar results, consumers pay more attention to the interaction quality variable compared to Thailand consumers.

Employees' emotions may influence customers' behaviours during the customer service interaction through the conscious or unconscious induction of behavioural attitudes. For example, when a customer gets influenced by the services or the offers that have been provided, this determines buying or deciding factors for the consumers.

Environmental Quality

Average number of website environment quality variables for Indonesian and Thailand consumers is in the same category, namely agree (4,2 for Indonesian consumers and 3,9 for Thailand consumers). This shows that Indonesian and Thailand consumers have not much different perceptions of environment quality variables. Indonesian consumers have higher perceptions of attractive website indicators among other indicators in the environmental quality variable. Meanwhile, Thailand consumers have the same perception for all indicators on this variable. The results show, both nations have provided a good quality e-tailers.

E-Loyalty

Indonesian and Thailand consumers have similar perceptions of the e-Loyalty variable. Indonesian consumers agree on all e-Loyalty indicators and Thailand consumers agree on all e-Loyalty indicators. The overall average value for the e-Loyalty variable in Indonesian consumers indicates (4,4) and Thailand consumers indicates (4,0).

Determinants of e-Loyalty identified are intention of repeat purchase, emotional state of customers, their perception about e-service quality, risk & value, cost of switching. However, it can be achieved by maintaining relationship quality and establishing a sense of satisfaction, trust and commitment among the customers. It can be efficiently attained by implementing relationship marketing strategies.

Structural Equation Model Analysis (SEM)

Table 2 show the result are Indonesia and Thailand has significant hypothesis. This shows interaction quality and website environment

quality does make an impact on e-Loyalty. (Toufaily et al. 2016) conduct a study in the online travel industry. They found that website characteristics like usability, quality of support, and security/privacy have a positive influence on e-satisfaction that further influence customer e-Loyalty.

Table 2. Hypotesis Testing Result

	Original Sample	T-Statistic	P-Values	Hypothesis
Indonesia				
Interaction Quality -> e-Loyalty	0,544	6,001	0,000	Significant
Environment Quality -> e-Loyalty	0,213	2,335	0,020	Significant
Thailand				
Interaction Quality -> e-Loyalty	0,270	2,364	0,018	Significant
Environment Quality -> e-Loyalty	0,595	5,820	0,000	Significant

Effect of Interaction Quality on e-Loyalty

The parameter coefficient value (original sample) of the interaction quality variable between the two countries is positive, where the parameter coefficient value for Indonesia is greater than Thailand. The coefficient value of the interaction quality parameter in the Indonesian model has a value of 0.544, which indicates the quality of the interaction can increase e-Loyalty by 45,4 percent. While in the Thailand model, the quality of the interaction can increase e-Loyalty by 27 percent because it has a parameter coefficient value of 0.270. This shows that the influence of the interaction quality variable on e-Loyalty on online lodging services in Indonesia has a greater influence than in Thailand. Consumers in Indonesia pay more attention to interactions that occur on online lodging service websites than Thailand consumers.

The results of this study are in line with Lu (2017), which states that service quality and customer satisfaction created through interaction quality will affect loyalty. The results of the study show that a well-established interaction between online lodging consumers will encourage consumers to return to making transactions. The convenience of consumers in accessing and using the web, the quality of the information presented and the services contained on the web of online

lodging services determine the quality of the interaction. This is an important variable for Indonesian consumers to come back again and transact on the same online lodging service web.

Effect of Website Environment Quality on e-Loyalty

The results of the significance test indicates that the website environment quality variable had a positive and significant effect in both countries with T-statistical test results > 1.96 and P-values less than 0.05. Thailand has a higher parameter coefficient value than Indonesia. The coefficient value of the website environment quality parameter in Thailand is 0.595, which indicates that website environment quality can increase e-Loyalty by 59,5 percent. This value is greater than the Indonesian model which has a parameter coefficient value for website environment quality of 0.213. This value shows that website environment quality in Indonesia can increase e-Loyalty by 21.3 percent. This shows that website environment quality is more influential for Thailand consumers than Indonesian consumers. The visual conditions and website layout that are the website environment for online lodging services give a deeper impression on Thailand consumers than Indonesian consumers. This is in accordance with (Wibowo n Wahid *et al.* 2019), which states that the website has a positive and significant effect on e-Loyalty.

CONCLUSION

In both countries, the quality of interaction has a positive and significant effect on e-Loyalty. The coefficient value of the interaction quality parameter in the Indonesian model has a value of 0.544. The results of the significance test showed that the website environmental quality variable had a positive and significant effect in both countries with T-statistical test results > 1.96 and P-values less than 0.05. So, it is up most important to consider on improving the user web experience in both countries. Online booking hotels are the future for booking in effectively and efficiently with various place and fair competitive price.

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