

**ADOPTION OF ONLINE MARKETING IN THE MALAYSIAN HOTEL
SECTOR FROM AN ORGANIZATIONAL INNOVATIVENESS PERSPECTIVE**

By

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**Thesis Submitted to the Graduate school of Management, Universiti Putra
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Philosophy**

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**DEDICATED TO MY BELOVED
WIFE, PARENTS AND FAMILY**

Abstract of thesis presented to the Senate of Universiti Putra Malaysia in fulfillment of the requirement for the degree of Doctor of Philosophy

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Online marketing is the latest Internet-based marketing medium and is well received by the hotels industry worldwide. It has beneficial features that make it useful to the industry; therefore, the Malaysian hotel industry can be expected to adopt online marketing. However, as of 2002, this was not happening, as the majority of them appeared not to have been utilizing this marketing medium. This situation invited questions as to why so few Malaysian hotels were adopting the technology.

This study found that researches on factors that influence the adoption by Malaysian hotels is still lacking. Therefore, utilizing the *organizational innovativeness* framework to explain the adoption of technology from the perspective of an organization, it tried to 1) identify the factors that have significant influence on Malaysian hotels toward adopting online marketing, 2)

examine the nature of the relation between these identified factors and the hotels' online marketing adoption behavior, and 3) examine how these factors interact with each other in regard to their relationships with the hotels' adoption behavior.

Derived from the previous conceptual framework of Tornatzky and Fleischer (1990), a research model for this study was developed. In testing the research model, data analysis required the use of Structural Equation Modeling (SEM). This mainly involved the use of the LISREL program, with SPSS utilized to conduct certain tests.

The results indicated that the online marketing adoption by Malaysian hotels was positively influenced by the 1) the support shown by the hotels' top management for online marketing adoption, and 2) the reserved resources owned by these hotels. This study also found that the existence of hotels' management's support for adoption had a positive influence on the hotels' reserved resources relationship with the hotels' online marketing adoption behavior.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Doktor Falsafah

**PENGGUNAAN PEMASARAN DALAM TALIAN OLEH SEKTOR
PERHOTELAN MALAYSIA DARI PERSPEKTIF INOVASI ORGANISASI**

Oleh

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Februari 2007

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Pemasaran dalam talian adalah media pemasaran berasaskan Internet yang terkini dan ia telah diterima secara meluas oleh industri perhotelan di seluruh dunia. Ia mempunyai ciri yang berguna kepada industri tersebut; jadi, industri perhotelan Malaysia dijangka akan juga menerima-pakainya. Tapi sehingga tahun 2002, penggunaan ini tidak berlaku. Ini menimbulkan persoalan mengapa hanya segelintir hotel di Malaysia saja sanggup menggunakan teknologi ini.

Didapati bahawa kajian ke atas faktor yang mempengaruhi penerimaan aplikasi tersebut oleh hotel di Malaysia masih kurang. Jadi, dengan menggunakan rangka-kerja *inovasi organisasi* untuk menerangkan penggunaan teknologi dari perspektif

organisasi, ia cuba untuk 1) mengenal-pasti faktor yang mempunyai pengaruh besar ke atas hotel Malaysia dalam penggunaan pemasaran dalam talian, 2) memeriksa jenis hubungan antara faktor tersebut dengan penggunaan pemasaran dalam talian oleh hotel Malaysia, dan, 3) memeriksa jenis hubungan di antara sesama faktor tersebut dalam hubungan mereka dengan penggunaan pemasaran dalam talian oleh hotel tersebut.

Berdasarkan konsep rangka-kerja yang lepas oleh Tornatzky dan Fleischer (1990), thesis ini membina satu model kajian. Dalam menguji model kajian tersebut, analisa data memerlukan penggunaan *Model Persamaan Struktur*. Ini banyak melibatkan penggunaan program LISREL, dan juga SPSS dalam ujian tertentu.

Hasil kajian menunjukkan bahawa tahap penggunaan pemasaran dalam talian oleh hotel Malaysia dipengaruhi secara positif oleh 1) sokongan yang ditunjukkan oleh pengurusan atasan hotel terhadap penggunaan pemasaran dalam talian, dan 2) simpanan sumber yang dipunyai oleh hotel tersebut. Selain itu, thesis ini juga mendapati bahawa kewujudan sokongan pengurusan atasan mempunyai kesan positif ke atas simpanan sumber dalam hubungannya dengan penggunaan pemasaran dalam talian oleh hotel Malaysia.

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I certify that an Examination Committee met on 24th February 2006 to conduct the final examination of Mohd Fuaad Bin Said on his Doctor of Philosophy thesis entitled “Adoption of Online Marketing in the Malaysian Hotel Sector from an Organizational Innovativeness Perspective” in accordance with Universiti Pertanian Malaysia (Higher Degree) Act 1980 and Universiti Pertanian Malaysia (Higher Degree) Regulations 1981. The Committee recommends that the candidate be awarded the relevant degree. Members of the Examination Committee are as follows:

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DECLARATION

I hereby declare that the thesis is based on my original work except for quotations and citations, which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at UPM or other institutions.

.....
(MOHD. FUAAD SAID)

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LIST OF ABBREVIATIONS

ARPANET	Advanced Research Projects Agency Network
ASU	Appalachian State University
B2B	Business to Business
B2C	Business to Consumer
DAGS	Demonstrator Application Grant Scheme
EDP	Electronic Data Processing
GFI	Goodness of Fit Index
GOF	Goodness of Fit
HR	Human Resource
IATA	International Air Transport Association
ICT	Information Communication Technology
IS	Information Systems
ISP	Internet Service Provider
IT	Information Technology
LAN	Local Area Network
LISREL	Linear Structural Relation
MACT	Ministry of Arts, Culture and Tourism
MBO	Management by Objectives
MDC	Multimedia Development Corporation
MIS	Management Information Systems
MSC	Multimedia Super Corridor
MTPB	Malaysian Tourism Promotion Board
NAU	Northern Arizona University
NITA	National Information Technology Agenda
NITC	National Information Technology Council
NNFI	Non-Normed Fit Index
R&D	Research and Development
RMSEA	Root Mean Square Error of Approximation

ROI	Return on Investment
SEM	Structural Equation Modeling
SPSS	Statistical Package for Social Sciences
TLI	Tucker-Lewis Index