

Characteristics and Experience of Macau Visitors Booking Hotels Online: Leisure and Business Travellers Compared

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Abstract

The hospitality and tourism industry cannot ignore the rising importance of the Internet in marketing, nor the role it plays in trip planning. Given the rapid development of the Macau tourism industry, it is crucial to understand the characteristics of its visitors, and explore their on- and offline booking experiences. This study makes a first attempt to explore the demographic characteristics of Macau hotel guests, their use of online booking resources and the options chosen by those who booked offline. The findings are expected to show the leisure and business consumers' online purchasing behaviour. To increase travel suppliers' understanding of visitors to Macau luxury hotels, and also highlight potential areas of future research in Macau tourism.

Keywords: Macau, Online market, Macau visitors, Business travellers, Leisure travellers

1 Introduction

Information and Communications Technologies (ICTs) has been widely adopted by the tourism industry (Chung & Law, 2003) in order to maintain market competitiveness. The Internet is commonly used as a channel for product introduction and marketing promotions (Buhalis, 2003, Bai, Law & Wen, 2008). It can be described as an information exchange platform for both travellers and practitioners (Xiang & Gretzel, 2010). With the advent of the Internet, consumers are no longer satisfied solely by receiving information online; they also expect to interact and share their experiences with other users (Mackiewicz, 2010). Practitioners can also improve their services and products by considering consumers' online reviews and experiences (Fill, 2009). The Internet has been, and is likely to continue to be, the most popular marketing and promotions tool for the tourism industry.

Macau is one of the two Special Administrative Regions (SAR) of China, with an area of 29.5 square kilometres and a population of about 542,000 (DSEC, 2010). As a popular Asian travel destination, it is heavily reliant on tourism to support its economy (Chu, 2011). In the first quarter of 2012, Macau visitor arrivals increased by 7.9% and hotel guests by 13.6% (DSEC, 2012). Macau has been widely recognized for its tourism industry, particularly in relation to gaming tourism and is fast growing as the casino capital of the world. In the Internet era, with the changes it has brought about in consumers' buying and information searching behaviours (Mills & Law, 2004), it is crucial to understand Macau visitors' online behaviours, choices and characteristics as these are essential to the development of its online marketing.

Although many studies have investigated world travellers' online information searching and sharing behaviours (Gursoya & Umbreit, 2004; Xiang & Gretzel, 2010), the impact of online reviews (Sparks and Browning, 2011), and consumers' online buying behaviours (Chu 2001; Karayanni, 2003; Lin & Lu, 2000; Shih, 2004), none as yet have focused on identifying the characteristics of guests booking Macau hotel rooms online.

This research is therefore the first attempt to fill this gap by investigating the characteristics of guests booking luxury hotels in Macau online, and Macau visitors' online and offline experiences in general. Specifically, it has the following objectives:

- To identify the demographic characteristics of visitors to Macau who make online hotel bookings;
- To determine which online booking channels they use; and
- To identify the reasons why offline consumers did not book online.
- To provide some strategic directions for industry to improve their online presence and sales.

2. Literature Review

The implications of the Internet have been a hot topic in the field of hospitality and tourism from the outset. Prior studies have mainly concentrated on investigating the quality of travel websites, consumers' online behaviours and product online promotions (Chiu, Lin & Tang,

2005; Chung & Law, 2003; Pan, MacLaurin & Crotts, 2006; Sparks & Browning, 2011). Their findings indicate that consumers are looking for convenience, flexible timings and better prices online (Yang, Lester & James, 2007). Their purchase attention is influenced by website information quality, time and the sensitivity of content (Wong & Law, 2005). Consumers' online satisfaction is key to their online purchase decision making (Buhalis & Law, 2008; Yoon, 2002). Poor interface, limited content, and unsecured payment systems are the major reasons why customers leave a website without making a purchase (Law & Leung, 2000). Nevertheless, even though travel websites try their best to satisfy consumers, there is still a large group of users who tend to browse the Internet for information rather than to purchase online (Curtis, 2000). Indeed, Buhalis and Law (2008) comment that many consumers only use websites to obtain information and still purchase the actual product offline. Therefore, finding out why consumers do not purchase online is a core issue for the online promotion of travel products.

Blank (2011) states that in 2010, the Asia-Pacific region was the fastest-growing travel market in the world. It has huge potential for online travel services and bookings. In 2010, gross travel bookings increased by 17% to US\$255.8 billion, compared to 2009, far surpassing the rate of growth in 2008 (Blank, 2011). Therefore, it is necessary to investigate the online marketing of popular Asian destinations like Macau to better understand its market and consumers. As a popular tourism destination, Macau is often called the "Las Vegas of the East" (Chu, 2011). In recent years, its local government has set out to diversify its destination image to generate more interest among other types of visitors (Macao Government Tourism Office, 2006b, 2006c). They have sought to promote its unique culture and heritage background, creating a place for leisure travel and business conventions (Lamarca, 2002). As Macau's tourism has developed, many academic researchers have started to investigate it, but most have focused on analysing the gaming industry (Wong & Rosenbaum, 2012; Gu & Gao, 2006; Hobson, 1995; Wan, 2012), destination development (Wong, 2011; Wan & Kong, 2008; McCartney, 2008) and tourism demand and economic impact (Chu, 2011; Song & Witt, 2006). Very few studies have investigated the Macau online travel market. For example, Choi, Lehto and Morrison (2007) identify image representations of Macau on the Internet by studying Chinese tourists' information-seeking behaviours on Macau websites. Tang, Choi, Morrison and Lehto (2009) also analyse Macau's online tourism information sources. However, there has been no investigation of Macau online travellers' characteristics, their preferences for online booking websites and the reasons why some visitors choose not to book online, creating a research gap which this study sets out to fill.

3. Expected Research Findings

This study aims to investigate the characteristics of Macau luxury hotel visitors. Expected to determine who booked their rooms online, their booking channels and the reason why some travellers booked offline. The differences between leisure and business travellers will be selected. Macau tourism practitioners may adopt the research findings to customize their websites to cater for the needs of travellers. In terms of Macau visitors' on- and offline booking experiences, branded travel agencies may have a better chance of attracting "floating" customers. Familiarity increases trust, and a business with a good reputation or a well-known brand name is often selected as a searching or booking channel (Degeratu, Rangaswamy & Wu,

2000; Beatty & Ferrell, 1998). Thus, increasing the booking rate of leisure travellers, and building a trustworthy brand reputation with a reasonable price, are both necessary steps in the development of all online travel agencies. Additionally, hoteliers may consider to bear in mind that both business and leisure travellers place most value on the cleanliness, comfort and maintenance of rooms; the convenience of the location; the promptness and courtesy of the service; the safety and security of the environment and the friendliness and courtesy of the employees during their visit (Knutson, 1988, as cited in Yavasa & Babakus, 2005). Hence, it is advisable for hoteliers to highlight price and promotion information in bold text on their websites, and emphasise their product and service quality, in order to attract consumers' attention.

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