ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

A Thesis Submitted to the School of Graduate Studies of Addis Ababa University School of Commerce in Partial Fulfillment of the Requirement for Degree of Master of Arts in Marketing Management

The Effect of Online Booking System on Customer Loyalty: A Case of Selected Hotels in Addis Ababa

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May, 2020

Addis Ababa, Ethiopia

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APPROVAL BY BOARD OF EXAMINERS

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_____	_____
NAME OF EXTERNAL EXAMIER	**SIGNATURE**

STATEMENT OF CERTIFICATION

This is to certify that Abraham Zerihun has carried out his thesis on the topic entitled '**The Effect of Online Booking System on Customer Loyalty: A Case of Selected Hotels in Addis Ababa**'. This work is original in nature and suitable for the award of Masters of Artsin Marketing Management.

Certified by:

AndinetWorku **(PhD)**_____ _____

Signature Date

STATEMENT OF DECLARATION

I, the undersigned, declare that this research titled '**The Effect of Online Booking System on Customer Loyalty: A Case of Selected Hotels in Addis Ababa**' is my original work, prepared under the guidance of **AndinetWorku (PhD)**. All sources of materials used for this research have been duly acknowledged, the researcher further confirm that the research has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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Abraham Zerihun

Table of Contents

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LIST OF TABLES

LIST OF FIGURES

ABSTRACT

Customer loyalty has become highly valuable way of securing competitive advantage for hotels to improve organizational performances. Hotels use provision of online bookingssystem as an important strategy to increase the customer loyalty through quality service. This study was conducted with an objective of identifying effect of online booking system on customer loyalty at selected hotels in Addis Ababa. The study conceptualized and constructed five dimensions of online booking system: reliability,trust, ease of use, perceived usefulness and relative advantage. The study has targeted the users of online booking system. The study followed convenience sampling method that the customers were contacted at hotels. Data were collected from primary sources through questionnaire and analyzed through both descriptive and regression methods. This study has used multistage sampling to sample the customers in the targeted hotels. The hotels for the study were selected through simple random sampling method from the strata of star levels. A total of 9 hotels were targeted with sample size 308 respondents.The descriptive analysis was conducted by using mean and standard deviation and the regression analysis was conducted by using Ordinary Least Square regressions method. The result indicated that online booking system has effect on customer loyalty in the selected hotels. All indicators of online booking system performance (reliability,trust, ease of use, perceived usefulness and relative advantage) positively affect customer loyalty. Based on the findings, the study recommends that further improvement of online booking system that is implemented by the hotels.

Key Terms: Online Booking System, customer loyalty, hotel

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The growth of international tourism to 944 billion US dollars in the year 2018 shows how important the sector has become as a business activity (Ratnasingam, 2012). The steady growth of tourism has resulted in increased in the rate of hotel and resort occupancy at both national and global levels (Chang et al., 2019; Ratnasingam, 2012).

Searching hotels that meet the demand of the tourists is becoming highly practiced. Because of various reasons online reservation has become very import for the tourists and the hotels. Growth of the hotel and tourism industry has resulted on rapid growth of internet-based travel search hotel reservation websites and powerful search engines. Online reservations is made by the customer directly after accessing information provided by a hotel or its agents. Customer make reservation without physically visiting the hotels. The customer had an initial trust in the hotel.

Online reservation has different processes. The decision process of online hotel booking involves; trustingon accuracy and reliability of the information provided on website of hotel; trusting on website functionality to process the booking transaction and maintain the security and privacy of the personal information especially with regards to the customer's credit card information; and trusting that website of a hotel will fulfill the booking decision. The reservation is received and the booking is complete when a customer receives acknowledgement and confirmation. This will ensure that the hotel promised to actually fulfill their reservation and was confirmed when the customer arrived at the hotel to claim their reservation.

Customers compare the value of booking online and physically booking at the hotel. According to Katro (2011) the usefulness of the online booking system depends onjudgment of the customers, environment that the judgments is made and the time at the product is bought. The perceived customer value is about reasonable price and personalization possibilities.Monzó, (2015) stated that online booking improves customer

loyalty because of meeting specifications made on website. Customers are loyal when the hotel provide the services advertised during the online booking, otherwise customers are highly upset and never want to use the hotel again. Online booking has cost advantage when compared to physically searching a hotel. In addition, the customers feel safe that they already fixed problem of lacking a hotel.

In Addis Ababa many hotels use the service of online booking. Almost all star rated hotels use online booking. In addition, it is frequently observed in the hotels to physically reserve.

1.2 Statement of the Problem

Online platformshelped hotels to make cost effective andspeedy transactionseven in a long distance due to growth of information technology with regarding to internet(Peter & Olson, 2016). Peter & Olson, (2016) suggests that information technologies enabled to transform purchasing behavior of customers in hospitality industry. This innovation motivated consumersto prefer to online booking system to searching and making reservations physically. For the hotels found in Ehiopia, customers who make the online booking decisions had to rely on the information on the hotel's website and other information available from secondary or third-party sources. Thus, the growth of hotel websites has posed challenges for customers and has made them vulnerable to the reliability and trustworthiness of the information content on the hotel's website that the hotels provide unrealistic advertising on the websites (Shim,Eastlick, Lotz and Warrington, 2016). Previous studies suggest that online hotel information content emerged as a major inhibitor of online transactions.

But the online booking system problems on both the customers and the hotels that the online booking systems more technologically complicated and acquiring the service takes a long time to compare prices in different prices. According to Kracht& Wang, 2010)the service of online booking became complicated due lack of human interaction especially with the hotels. Further, similar services are provided by different online agencies and preference of the customers change easily that limit the customer to keep loyal to a hotel. In addition, the online booking service providers has limitation on ensuring their intermediary role and are not enhancing communication with customers and the hotel

service providers that limit the customer loyalty to the hotels (Kracht& Wang, 2010). Peter & Olson(2010) suggested that although building up and maintaining customer loyalty is difficult revealed that retaining customers makes profitable that than consistently searching new customers. Ling, Chai &Piew, (2010), Shim, Eastlick, Lotz and Warrington (2016) and Chang and Chen (2008)indicated that online system affect customer loyalty by the service reliability, trust on the service, perceived usefulness of the service, relative advantage obtained from the service in comparison with optional mode, perceived risks of the service and experience of using the service.

Most of previous studies on e-commerce gave little attention to customer loyaltybased on their online hotel booking decisions. But only few studies which are done outside Ethiopia have examined effect of online booking on customer loyalty. Based on this important gap in the literatures, this study is done the effect of online booking on customer loyalty in selected hotels in Addis Ababa.

1.3 Research Questions

- What is the effect of e-service reliability on customer loyalty in selected hotels in Addis Ababa?
- What is the effect of customer trust on customer loyalty in selected hotels in Addis Ababa?
- What is the effect of perceived customer usefulness on customer loyalty in selected hotels in Addis Ababa?
- What is the effect of relative advantage on customer loyalty in selected hotels in Addis Ababa?
- What is the effect of customers'ease of use on customer loyalty in selected hotels in Addis Ababa?

Hypothesis

Based on the research question raised the following hypothesis are put forward

H1: Reliability has positive effect on customer loyalty

H2: Trust has positive effect on customer loyalty

H3: Ease of Use has positive effect on customer loyalty

H4: Usefulness has positive effect on customer loyalty

H5: Relative Advantage has positive effect on customer loyalty

1.4 Objectives of the Study

1.4.1 General Objective

General objective of this study is to identify the effect of online booking on customer loyalty in selected hotels in Addis Ababa.

1.4.2 Specific Objectives

Specific objectives of the study include;

- To identify theeffect of e-service reliability on customer loyalty in selected hotels in Addis Ababa;
- To examine the effect of customer trust on customer loyalty in selected hotels in Addis Ababa;
- To analyses the effect of perceived customer usefulness on customer loyalty in selected hotels in Addis Ababa;
- To find out the effect of relative advantage on customer loyalty in selected hotels in Addis Ababa; and
- To identify the effect of customers perceived ease of use on customer loyalty in selected hotels in Addis Ababa.

1.5 Scope of the Study

This study has been conducted with an objective of identify the effect of online booking on customer loyalty in selected hotels in Addis Ababa. Geographically, the study scoped to Addis Ababa. Because of high use of the service by the customers, the study scoped to star rated hotels in Addis Ababa. Conceptually, the study scoped e-service quality, customer trust, perceived customer value, switching cost and perceived risk as independent variables. The study dd not include brand and customer experience because it is making comparison with other brands and to include customers who have no prior experience. Methodologically, the study scoped to using questionnaire as a data collection instrument.

1.6 Significance of the Study

This study conducted with an objective of identify the effect of online booking on customer loyalty in selected hotels in Addis Ababa. Therefore, this study is highly important to management of the hotels to retain their customers and also to attract new customers. In addition, the study can be used by online networking companies. Further, the study contributes to further studies in the area of online booking in hotels and its importance to customer loyalty.

1.7 Organization of the Study

The study isorganized into five chapters including the introduction part of the study. The first chapter deals with the background of the study, statement of the problem, objectives of the study, research questions, scope of the study, significance of the study and limitations of the study. The second chapter, present the review of related literature that deals with the concept of theoretical framework, empirical studies and develop study hypotheses, and conceptual framework. The third chapter deals with the methodology of the study. The fourth chapteris about data analysis result and discussions. In the fifth chapter, the study presents summary of major findings, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURES

2.1 Theoretical Reviews

2.1.1 Concepts and Definitions

2.1.1.1 Loyalty

The idea of loyalty has evolved from a behavioral perspective, which defines loyalty as repeat purchasing behaviors (Ehrenberg &Goodhart, 2010), to a cognitive perspective, which paying much attention on the attitudinal aspect of loyalty (Yang & Peterson, 2014), then finally to a composite perspective, which combines attitudinal attitude and repeat purchasing behavior together, referring them as two significant elements to the definition of loyalty (Han & Back, 2008). Based on the evolution, investigators then developed a new process approach (El-Manstrly& Harrison, 2013; McMullan & Gilmore, 2013) to define loyalty, pointing out that loyalty develops in a process including four phases, which are cognition, affection, conation, and action. While this dynamic view of loyalty is widely accepted by recent academic research (Han, Kwortnick, & Wang, 2018), its empirical validation is only limited to the offline context (Evanschitzky&Wunderlich, 2016; El-Manstrly& Harrison, 2013; Han et al., 2018). But this study goes to online booking.

2.1.1.2 Customer Loyalty

Customer loyalty is defined with consideration paid to the amount of buying for a given trademark. The level of loyalty is measured by the watching of the frequency of buying (Javalgi and Moberg, 2007). With the increase in the amount of accessible information in recent years, the conscious level of customers has improved continually. Today's customers are aware of the power they have on the market and that every activity is realized for them. It is now easier to reach the products and services. Before choosing a given trademark, consumers look at the price, newness, accessibility of the product and the additional services offered. As the alternatives increased, consumers' loyalty to the

products and services decreased (Tekinay, 2012). Today firms have entered into an effort to present at a lower cost than their rivals the products and services that can meet the customer wishes and expectations fully, so that they can render customers more loyal (Çoban, 2012).

Customer loyalty plays a critical role in an organization's success and customer loyalty becomes more important especially when customer acquisition alone does not equate to long term success. Customer loyalty is the main objective for strategic marketing planning since it brings about many favorable outcomes to companies. First, it is much less expensive to retain current customer than it is to seek new ones. Further, loyal customers are more likely to discuss past service experiences positively than non-loyal customers, creating a potential for word-of-mouth advertising at no extra cost to the service provider. Third, it secures the relationship between customer and service provider. Finally, loyal customers are more easily accessible than first-timers since organizations usually retain records, making targeted indirect marketing more feasible. This knowledge permits suppliers to precisely target the repeat segment and solicit direct responses to promotions.

Customer loyalty is often treated as repeat purchases or retaining existing customers (Gefen, 2002). Actually, there are many different definitions of customer loyalty. At first, it was defined as repeat purchase behaviors of customers (McConnel, 1968). As time passed by, researchers recognized the emotional attachment of customers to a certain brand and defined customer loyalty as the measurement of customer attachment towards a brand (Aaker, 1991). Jacoby and Chestnut (1978) defined customer loyalty as a psychological decision-making process. Then Dick and Basu (1994) referred customer loyalty as the possibility of a consumer switching to other brands when that brand made some changes either in travel information or prices. In a modification of Oliver's (1997) article, he conceptualized customer loyalty as the customer's deeply held commitment to repurchase a favorable product or service continually. He called "ultimate loyalty" as being driven by behavioral intentions based on extremely strong attitudinal preference. (Oliver, 1997) In contrast, Keller (1998) argued that customer loyalty was related to brand commitment but they were more distinctive. Keller (1998) measured customer

loyalty in a more behavioral perspective instead of the economic sense. When brand loyalty increases, customers tend to pay higher prices for their favored brand and being less sensitive to market moves.

2.1.1.3 Online Customer Loyalty

As e-commerce develops rapidly, it is also important to have a clear idea of how online loyalty is different from the traditional customer loyalty. Grondin (2002) conceptualized it as "the degree to which a consumer is willing to purchase again from a favored online supplier". In the same year, based on the theory of Zeithaml et al. (1996), Gefen (2002) referred online customer loyalty to the customer's willingness to maintain connections with the existing online service provider and have the intention to recommend it to other customers. Different from previous research, Liang, Chen and Wang (2008) pointed out the psychological dimension of online customer loyalty. It was defined as the psychological and attitudinal attachment to the online supplier, accompanied by an intention to make efforts in the purpose of maintaining the original customer–supplier business relationship (Liang, Chen, and Wang, 2008).

Cyr et al. (2009) made a precise definition: the willingness to revisit a website, or to rebuy products from this website again. A study by Aberdeen Group defined online customer loyalty as the process of attracting new customers and maintaining existing customers in an e-commerce environment (Aberdeen Group, 2009). Hsu, Wang and Chih (2013) developed the research by recognizing the switching behavior of consumers. They classified it as a customer's willingness to purchase from a website and the customer have little possibility to switched websites for the same product. But there is a widely accepted definition made by many scholars. It was demonstrated as 'customer's preferable attitude toward the website supplier that leads to the repeat purchasing behavior.

2.1.1.4 Online booking systems

The term E-Tourism was defined by Buhalis in his book E-tourism: Information Technology for Strategic Tourism Management as "the digitisation of all the processes and value chains in the tourism, travel, hospitality and catering industries that enable organizations to maximize their efficiency and effectiveness" Buhalis, 2003. It is also

defined as “the application of ICTs (Information and Communication Technologies) on the tourism industry” Buhalis, (2013). E-tourism can offer “a possibility to create added value for tourist products” Cosma et al., (2006). The evolution of the Internet has implications in all fields of activity, especially in tourism and has changed the strategic and operational management of businesses intourism sector. The Internet supports all business functions (e-commerce, e-marketing, e-human resources, emanagement, etc.) and all sectors of the tourism industry: e-airlines, e-hospitality, e-tour operators, e-travel agencies and e-destinations Buhalis, 2008.

A reservation is “an advanced booking to reserve space for a designate time and date” Tesone, 2005: 152. Because the moment of the service purchase is not the same with the moment of consumption, a reservation is considered a booking transaction. Usually the reservation is followed by the confirmation. Clients can pay for the hospitality services in advance or at the end of their stay (before they depart from the facility). Nowadays clients’ preferred method of booking a room in a hotel is the online method. There are a number of studies on the online travel market. More than 148 million travel bookings are made on the Internet each year, and the percentage of Internet travel reservation is of 57% Statistic Brain, 2012. According to the same source the online travel sales reached 162.4 billion dollars in 2012.

Usually hotels use multiple online distribution channels in order to be more visible on the Internet and to attract as many clients as possible. The Internet sources for hotel booking are: brand websites (65.4%), merchant websites (19.5%), opaque website (11.3 %) or retail websites (3.7%) (Statistic Brain, 2012). The most profitable distribution channel is the hotel website. Many hotels developed their own websites in order to promote their products and services, to attract clients and also to offer them the opportunity to book a hotel room directly on the website, without using other intermediaries. In this way hotels don’t have to pay commissions to online travel agencies or to other third parties, they can sell their services directly to clients. Finding new ways to encourage clients to reserve rooms directly on the hotel website should become a major strategic objective for hotels’ marketing departments Matei, 2013. There are some actions every hotel should take to attract more clients to their website: to redesign the hotel website from the user

perspective; to create Call to Action; to keep the website updated with the latest news, products and services; the integrated and automated management of online reservations Matei, 2013. An online booking system should support all the phases of the reservation process: they should offer information on room availability and tariffs, should allow clients to fill in personal data, confirm booking and make online payments. Online booking engines were defined by Landvogt (2004) as "tools to store, publish and update the dynamic data availability and prices, and additionally provide the users with a regular reservation process" Ivanov, (2008). The integration with the Property Management Systems (PMS) is very important therefore PMS providers offer also website booking systems compatible (integrated) with the PMS. In this way, all information needed is automatically retrieved from the PMS and bookings, cancellations and amendments made online are automatically updated into the PMS database. Another important aspect of an online booking system is to accept online payments and also to ensure the security of transactions. The providers of online booking software often offer Search Engine Optimization (SEO) services. SEO is defined as "the process of improving the website ranking and visibility in search engines by figuring out what terms or phrases people are searching, and using those terms on your website soyou will routinely rank among the top results in nearly every search" Carr and Collins, 2013. Many clients use search engines to find a hotel and SEO can help hotels to be more easily reached by clients.

2.1.1.5The Effect of Internet on hotel bookings

Electronic sales in the travel industry started their development long before terms such as B2C and B2B emerged because products and services related to travel are ideal for electronic sale. Travel booking is based on information as a result of the characteristics of tourism products: intangibility, heterogeneity and geographic fixation. Both sides of the tourist market, supply and demand, recognized that and their interest pushed the development of many forms of electronic distribution in tourism.

The Internet has enabled organizations to distribute products both through direct distribution and through a network of channels. Intermediaries involve online travel agencies, as well as search engines, which are able to distribute static and dynamic information, like availability and prices. Electronic intermediaries have grown

dynamically, forcing all tourist organizations to think about changing business models and value chains. Using Web solutions, the booking sales cycle often includes various intermediaries on the path from the supplier (hotel) to the buyer (customer), resulting in the emergence of the negative aspects of increased technological capabilities. In some cases, the number of intermediaries between hotel room and guest would climb up to five, making the distribution more complex and expensive. Because of that, service providers must carefully choose the appropriate booking channel or combination of booking channels, not neglecting their own website and direct online marketing. Most hotels use booking opportunities through their own website increasingly, saving money on agency commissions, but in such a case, it is more difficult to reach out to the guests.

2.1.2 Theoretical Framework

2.1.2.1 Framing theory

For almost three decades, researchers have examined message framing as a means to persuade consumers to make particular choices (e.g. make healthy lifestyle choices, choice for engaging in recycling). Framing effects occur when (small) changes in the presentation of a message produce (large) changes in consumer behavior (Chong &Druckman, (2007). In many instances, the alternative phrasing of a message of the same basic issue alters the meaning for the customers (Zaller, 1992). A message can be phrased by highlighting the gains (positive consequences) or by highlighting the losses (negative consequences). O'Keefe and Jensen (2007) define a gain-framed message as "a persuasive appeal that emphasizes the advantages of compliance with the communicator's recommendation or viewpoint" and a loss-framed message as "an persuasive appeal that emphasizes the disadvantage of noncompliance with the communicator's recommendation or viewpoint" (p. 623). Thus, a positively framed message emphasizes the positive consequences of engaging in a particular behavior and a negatively framed message emphasizes the negative consequences if the behavior is not undertaken (e.g., Quick & Bates 2010; Kahneman&Tversky 1981). Examples of the different types of message framings include alternative descriptions such as "90% employment" versus "10% unemployment" or "97% fat free" versus "3% fat" (Chong &Druckman, 2007). These alternative descriptions attract the consumers' attention to a

specific aspect, while the essence of the message is identical (90% employment = 10% unemployment). This study uses frame theory whether the online system creates positive message to users of the system and the customers of the hotels.

2.1.2.2 Construal Level Theory

In this study we draw on work that has indicated that psychological distances influence individuals' thoughts and behavior. The underlying theory for explaining this is construal level theory. The basic premise of this theory is that people think in an abstract way (high-level construal) when an event is distant from them, while they think more concretely (low-level construal) about an event that is closer to them (Trope &Liberman, 2003). Trope, Liberman and Wakslak (2007) define low-level construal as "relatively unstructured, contextualized representations that include subordinate and incidental features of events", and define high-level construals as "schematic, decontextualized representation that extract the gist from the available information" (p. 83). Therefore, this study use this theory to identify the level of expectation made by the customers to reach the hotels.

2.1.2.4 Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) was developed from TRA by Davis (Davis 1985). He proposed that systems use is a response that can be explained or predicted by users' motivation which in turn is directly influenced by an external stimulus consisting of the actual systems features and capabilities.

Davis further developed his conceptual model to propose Technology Acceptance Model (TAM) as follows in figure 2.2.

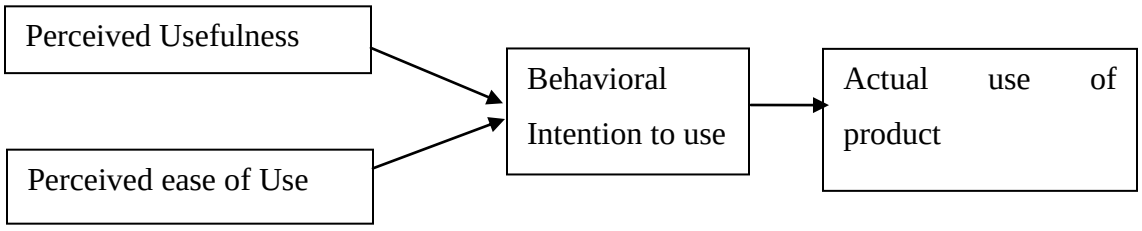


Figure 2. 1Technology Acceptance Model (Source: Davis 1985)

In his conceptual model Davis suggest that users' motivation can be explained by three factors: perceived ease of use, Perceived Usefulness, and Attitude toward Using the System. Attitude towards using is a function of two major beliefs: perceived usefulness and perceived ease of use perceived ease of use has causal effect on perceived usefulness. Design Features directly influence perceived usefulness and perceived ease of use and design features is an external variable hence it affects the attitude and behavior indirectly through perceived usefulness and perceived ease of use.

2.1.2.5 Refined TAM

Subsequent research by Davis (1989) and Venkatesh (1996) refined the TAM suggesting that the mediating effect of attitude could be excluded as empirical evidence found that the attitude element did not fully mediate the effect of perceived usefulness on intention to use.

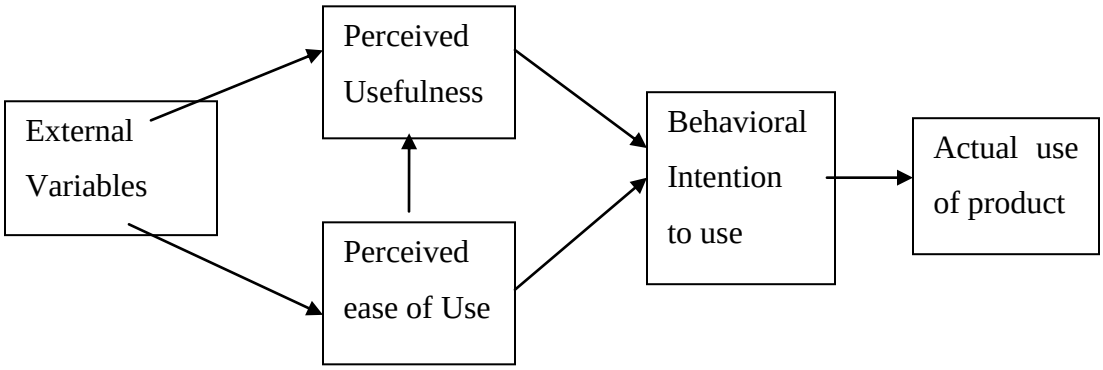


Figure 2. 2Refined TAM(Source: Davis (1989) and Venkatesh, 1996)

TAM is widely used popular technology adoption model with regard to information technology. It has proven to be a theoretical model in helping to explain and predict user behavior of information technology (Azeez, 2011). The TAM suggests that two beliefs – perceived usefulness and perceived ease of use are instrumental in explaining the variance in users' intentions. However, Davis (1989) noted, future technology acceptance research must address how other variables affect usefulness, ease of use and user acceptance. Therefore, perceived ease of use and perceived usefulness may not fully explain behavioral intentions towards the use of technological products necessitating a search for additional factors that can better predict the acceptance of the product.

2.2 Empirical Review

Reichheld and Schefter (2000) stated that customer loyalty depends on their trust or provision of trustworthy environment that the website trust has significant association loyalty of online customer. As demonstrated by Kim, Jin, and Swinney (2009) trust and customer loyalty were positively related with each other at online services.

Doolin, Dillon, Thompson and Corner (2005) stated that perceived risk is relative to experience of customersabout online shopping. It indicated that customer loyalty is influenced by negative experience of the customers that increased the perceived risk by the customer. According to (Chang & Chen, 2008) since customers look to decrease risks, the experience of risk help explain customer behavior in the online purchasing. In addition to that, Ling et al. (2010); Ward and Lee (2000) found that in an in online shopping, customer loyalty if affected by trust on the service provider and its perceived brand. In addition, the brand name attracts new customers through making them feel comfortable during the process of purchasing (Ling, Chai &Piew, 2010). Shim, Eastlick, Lotz and Warrington (2001) also indicated that purchasing behavior of online market is greatly influenced by successful previous purchasing experience. According to Chang and Chen (2008) experience of customer has positive effect on future purchasing intentions that customers who had positive prior experiences are eager to repeat purchase.

Monzó, (2015) showed that E-service quality is used as a strategic element by travel agencies to increase the competitiveness.Sigala and Sakellaridis (2014) opined that reliability of online significantly important factor of online purchases. Since highqualified service is required to satisfy the customers, online customer loyalty is difficult to obtain. Thus, quality of online booking system is an important factor of online customer loyalty. The quality of online booking system involves such elements as Internet technologies, website design and website content that have a positive effect on customer loyalty (Gregory &Kingshuk, 2011). Lee et al. (2004) suggested that the commission to the provider of the booking system is also important to improve the e-service quality, which includes overall information, package features, marketing and promotion strategies and tangibility of products or intangibility of services.

Chen & Barnes(2007) stated that trust is important for customer-supplier relationship thatcustomers hesitate and feel riskier when making a decision for online purchasing because of lack of touch of online hotels. Customer loyalty depends on affective trust that the customer is confident that the travel package offered by the travel agency will meet initial expectations of the consumers. Delgado and Munuer (2001) agreed with his study, claiming the sense of security held by the tourists that the travel agency would meet his consumption expectations could be called customer trust. Undoubtedly, trust can be regarded as the essential factor that exists before any intention or behavior of buying, no matter online or offline travel agencies. It was also defined by Moorman, Deshpande, and Zaltman (1993) that depending on an exchange partner was called customer trust. Kim, Ferrin, and Rao (2008) conceptualized trust as the belief that the supplier in an online context would fulfil its obligations. It was found by Alsajjan and Dennis (2010) that trust had a connection with the attitude, the intention and the behavior of customers. Customers who has the confidence in online travel agency websites have a positive attitude toward the agency and are more likely to repurchase. Yoon and Kim (2000) stressed the importance of company reputation as a variable that couldn't be ignored. In reality, any service provider in an online context who is unable to establish a trust relationship with his customers is destined to fail (Beatty, Dick, Reatty& Miller, 2011).

Perceived customer value is seen as one of the most important factors that influence online customer loyalty (Katro, 2016). It takes both the ratio of the customers' input or output and the service suppliers' input or output into account (Oliver &DeSarbo, 2018). It was defined by Zeithaml (2018) as "the customer's general assessment of the utility of a product or service according to his own perceptions". Bolton and Lemon (2009) recognized the concept of perceived cost, including monetary and non-monetary payments such as money consumption and time consumption. He argued that it can be defined as "customers' evaluation of the perceived cost of the product (Bolton & Lemon, 2009)". Sirdeshmukh, Sabol and Singh (2012) classified perceived customer value as a superior goal. Katro (2016) found out pricing and personalization possibilities can be the determinants factor for perceived value. It was also stated that customer judgments, the environment in which customers make these judgments and the time at which customers buy products also have an impact on perceived value (Monzó, 2015).

Relative advantage of the online booking system is indicated by perception on switching cost that was defined as “the perception of the scale of the additional costs required to end the current relationship and find a new alternative” (Porter, 1980). It was demonstrated by Morgan and Hunt (2014) that switching cost had a nature of only economics. Nowadays with the help of the Internet, searching costs for price, travel information, physical travel (Nielsen & Norman, 2010) and also comparisons among different stores can be reduced (Bakos, 2007; Lynch &Ariely, 2010). As time passed by, Sharma and Patterson (2010) realized that switching cost, however, might also consists of psychological and emotional costs. Gobé (2011) also believed that the emotional aspect of switching costs was what made a key difference for consumers. When customers attach it to a specific functional or emotional value experienced earlier, then he is more likely to keep loyal to a certain online booking system. It was revealed later that switching costs play a significant role in affecting customer loyalty through the sense of satisfaction. Hauser, Simester and Wernerfelt (2014) indicated that switching costs in essence may reduce customers’ sensitivity to their satisfaction levels. On the occasion that switching costs were high or the switching processes were especiallypainful, there were more chances that dissatisfied customers maintain their initial relationships with current hotel and reluctant to dissolve the relationship. In this way, fake loyal customers rather than committed loyal ones may exist.

However, there are also some potential negative outcome that can be regarded as risks identified so far. Firstly, the Internet fraud problems increase every year. Secondly, the problems related with spyware and other vulnerable secure systems are likely to lead to the feeling of worried and insecure by customers about their information provided for the website (Wang & Ling, 2008). It was found out that confidentiality and security problems are the major concerns to the Internet channel. The potential losses perceived by customers in making the purchase of products or services are referred to customer perceived risks. Compared to other factors discussed above, consumers’ perceived risks in the context of online travel agency have received little attention. Perceived risks were classified by Jacoby andKaplan (1972) into four dimensions, which are financial, psychological, social and physical risks. Based on this, Roselius (1971) added one more risk, that was time risk. Jarvenpaa and Todd (1997) confirmed the previous scholars’

research, stating that such perceived risks as economic, social, performance, security risks are specifically associated with online context. From another perspective, Lin et al., (2009) adopted a tri-dimensional view which classifies perceived risk into risks connected with the product itself, risks connected with the Internet as the purchase platform, and risks connected with the website on which the transaction is conducted. Recognizing these problems, McKnight, Choudhury and Kacmar (2002) pointed out that customer trust plays a significant role in helping customers reduce perceptions of risk and insecurity in online travel agency context. It's impossible for customers to give service suppliers such personal information as credit card information, living address or personal identification number without trust (Hoffman, Novak and Peralta, 2009).

2.3 Conceptual Framework

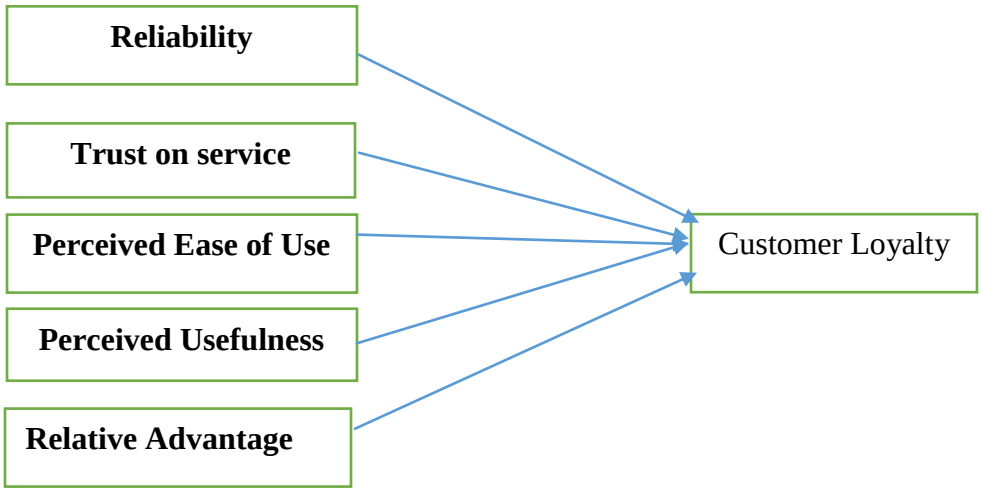


Figure 2. 3 Conceptual Framework Source: Own Design, 2020

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Approach

The three methods that are commonly implemented in a research are quantitative, qualitative and mixed, where one of them is not better than the others, all of this depends on how the researcher want to do a research of study (Creswell, 2005). Creswell (2005) asserted that quantitative research is a type of educational research in which the researcher decides what to study, asks specific, narrow questions, collects numeric (numbered) data from participants, analyzes these numbers using statistics, and conducts the inquiry in an unbiased, objective manner. Variables can be defined as attributes or characteristics of individuals, groups, or sub-groups of individuals (Creswell, 2009). Quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, i.e., cause and effect relationship between known variables of interest or it employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistics data (Creswell, 2009). Therefore, in terms of methods, this research has employ quantitative method while conducting the study.

3.2Research Design

Designing a study helps the researcher to plan and implement the study in a way that will help the researcher to obtain intended results, thus increasing the chances of obtaining information that could be associated with the real situation (Burns & Grove, 2001). This study follows both descriptive and explanatory research designs in order to address the aforementioned objectives. The data for the study is quantitative in nature which is collected from primary sources. The researcher used the cross-sectional field survey method to assess the relationship between online booking system and customer loyalty. In the cross-sectional field survey, independent and dependent variables were measured at the same point in time by using a single questionnaire. In addition the study is also said

to be associational in design because there is the intent to establish the relationship between independent and dependent variable of the study.

3.3 Population of the study

Population is an identifiable total group or aggregation of elements that are of interest to the researcher and pertinent to the specified information problem (Hair, et al., 2000). This study has two stages for targeting population and also the sample. In first stage the hotels were targeted and in the second stage the employees were targeted. According to Ministry of Culture and Tourism of Ethiopia (MOCT), 2019), the number of star rated hotels (3-5) in Addis Ababa is 48 out of this 8 five stars, 17 four star and 38 three star rated hotel. Therefore, the population of the study consist of staff drawn from the selected star rated hotels in Addis Ababa. The study has used 3 hotels from each star level. Therefore, the study conducted in 9 hotels. Among the hotels, from 5 star hotels; capital, Radisson Blu and Marriottrandomly selected. Among the 4 star rated hotels; Dreamliner, Harmony and Nexus were selected. Finally, from 3 star hotels; Addissinia,Caravan and Aphrodite. Then customers who used online bookingwere targeted for the study and the recent period report was used.

Table 3. 1 Target Population and Samples

List of Hotel	Star	Online booked customers
Radisson Blu	5	241
Capital Hotel	5	151
Marriott	5	138
Dreamliner Hotel	4	182
Harmony Hotel	4	162
Nexus hotel	4	147
Addissinia Hotel	3	120
Caravan hotel	3	107
Aphrodite hotel	3	92
Total	9	1,340

In the second stage the study has identified the number of target population in the selected hotels. Target population of the study is 1,340.

3.4 Sampling Method

Zimande (2012) defined sampling as the act, process or technique of selecting a representative part of a population for the purpose of determining the parameters or characteristics of the whole population.

According to Alreck & Settle (2005) the choice of sample size is normally made after considering statistical precision, practical issues and availability of resources. On the other hand, Tabachnick & Fidell(2001) noted that samples are selected on a random basis and those samples are considered as representative of the population. This study usednon-probability convenience sampling method.

A different sampling paradigm by Lowler (1984) noted that there is no a single precise way for the determinations of sample size hence there are a number of inadequacy for deciding on sample size. Malhotra & Peterson(2006) stated that, the larger the sampling size of a research, the more accurate the data generated.

However, to determine the sample size of the study, the study has used Yamane's (1967) formula. He provided a simplified formula to calculate the sample size. This formula is based on a 95% desired confidence level and 5% desired level of precision.

$$n = \frac{N}{1 + N(e)^2}$$

Where: - n = Sample size

N = population size

e = level of precision

Based on computation by using this formula, the sample size is determined to 308 respondents.

Table 3. 2 Sample Size

List of Hotel	Star	Online booked customers	Sample
Radisson Blu	5	241	55
Capital Hotel	5	151	35
Mariot	5	138	32
Dreamliner Hotel	4	182	42
Harmony Hotel	4	162	37
Nexus hotel	4	147	34
Addissinia Hotel	3	120	28
Caravan hotel	3	107	24
Aphrodite hotel	3	92	21
Total	**9**	**1,340**	**308**

Source: MOCT (2019) and own computation, (2019)

This study has used multistage sampling to sample the customers in the targeted hotels. The hotels for the study were selected through simple random sampling method from the strata of star levels. The researcher randomly selected the amount of respondent sampled who found in the hotel. The study has used the sampling frame of MOCT(2018).

3.5 Data Sources and Type

The researcher used both primary and secondary sources for the analysis of this study. The primary data was gathered through questionnaire. According to Biggam (2008), primary data is the information that the researcher finds out by him/herself regarding a specific topic. The main advantage with this type of data is that it is collected with the research's purpose in mind. It implies that the information resulting from it is more consistent with the research questions and objectives.

3.6 Data Collection Procedures

The primary data was gathered using questionnaire. The researcher distributed the questionnaire to sampled respondents. For the purpose of this study a quantitative methodology involving both close-ended and open ended questionnaire was used as the measuring instrument. The close-ended questionnaires can be administered to groups of people simultaneously, since they are less costly and less time consuming than other measuring instruments. The Likert-type scale method used a range of responses:

‘stronglydisagree’, ‘disagree’, ‘Neutral’, ‘Agree’, and ‘Strongly Agree’, with a numeric value of 1-5, respectively. The usage of this particular scaling method ensures that the research study illustrates the ability to assess the responses and measure the responses quantifiably so that a pattern or trend may be produced in order to assess research hypotheses. As (Neuman, 2003) hypothesized, it is a process of asking many people the same questions and examining their answers.The questionnaire helped to cover larger target groups than using other means like interview, given the quality and chance of no response due to the pandemic.

3.7 Method of Data Analysis

After the data are collected both descriptive and inferential statistical techniques were employed to analyze the data. The data was analyzed using SPSS 25 computer software. The statistical tools aligned with the objectives of the research. Inferential statistics is particularly the Pearson’s correlation was used to show the relationship and the strength/degree as well as direction of associations between variables. The other inferential statistics used is regression analysis to show interdependence of independent variables and dependent variable. Thus, both the strength of the relationship between variables and the influence of independent on dependent variable and statistical significance was assessed.Regression analysis was estimated by using the Ordinary Least Square (OLS) methods.

3.8 Validity and Reliability Analysis

3.8.1 Validity

Bryman & Bell (2007) defined validity as how much an instrument of data collection measures what it is intended to measure. The important issue of measurement validity relates to whether measures of concepts really measure the concept or not. There are several ways of establishing validity such as content validity; convergent validity concurrent validly; predictive validity; construct validity; and convergent validity. This study addressed content validity through the review of literature and adapting instruments used in previous studiesSharma and Patterson (2000), Wang & Ling, (2008), and Katro, (2011).

3.8.2 Reliability

Reliability is the consistency of a test, survey, observation, or another measuring device. The level of reliability of the instrument indicates the consistency of the variables. Cronbach‘s alpha is an index of reliability associated with the variation accounted for the true score of the underlying construct and it can only be measured for variables which have more than one measurement question. 0.5 is a sufficient value, while 0.7 is a more reasonable value. Therefore, the reliability of the questionnaire is analyzed by using Cronbach’s alpha statistics.

Table 3. 3Reliability Analysis

Variables	Cronbach's Alpha	N of Items
Reliability	.797	4
Trust	.812	3
Ease of Use	.736	5
Perceived Value	.808	3
Relative Advantage	.768	4
Customer Loyalty	.735	3

Source: Survey, 2020

As it is indicated in the table 3.3 above, all Cronbach‘s alpha indexes are above 0.7 suggesting that the variables are consistent to measure customer satisfaction.

3.9 Ethical consideration

Every person involved in the study was entitled to the right of privacy and dignity of treatment, and no personal harm caused to subjects in the research. Information obtained held in strict confidentiality by the researcher. All assistance, collaboration of others and sources from which information was drawn were acknowledged.

CHAPTER FOUR

RESULT AND DISCUSSION

4.1 Introduction

This chapter of the study presents result of data analysis and interpretation of the results. Further, based on the findings, discussions are presented. The first section of the chapter is about general information about the respondents. In the next section, the chapter presents about descriptive analysis on the study variables. The result of the estimation of online booking on customer loyalty is presented in the third section with respective discussion.

Based on the sample size determined, total of 308 questionnaires were distributed to customers of the hotels. Among the questionnaires 212 questionnaires were returned that are usable for the data analysis. Therefore, this study has a response rate of 68.83%. The data collected from these respondents is presented in following sections by using descriptive statistics and inferential statistics.

4.2 General information on the participants

The study data was collected from 212 customers of the hotels. In this section of the chapter general information about the customers is presented and the result of the data analysis is tabulated in table 4.1 below by using descriptive statistics such as frequency and percentage.

As shown in the table 4.1 below, the general information assessed about the customers are mainly demographic characteristics such gender, age, educational level, and employment type. In addition, the study assessed purpose of the trip and frequency of visiting their current hotel. As depicted in the Table 4.1 below, 61.3% of the customers were males and 38.38% are females. This suggests online booking system is used by males than females.In addition, this finding suggests the majority of customers of the hotels are males. Regarding the age of the respondents, majority of the respondents were at age category of years from 31 to 40 years that comprises 9.8% of the respondents and 17.9% of the respondents were at age category ‘below 31 years’.

Table 4. 1 General Information

Variable	Category	Frequency	Percent
Gender	Male	130	61.3
	Female	82	38.7
Age	Below 31	38	17.9
	31 to 40	148	69.8
	41 to 50	26	12.3
Education	Below University Degree	2	.9
	University Degree	92	43.4
	Master Degree and above	118	55.7
Purpose	Vacation	120	56.6
	Occupation	92	43.4
Experience	First time	46	21.7
	2-5 times	102	48.1
	Above 5 times	64	30.2

Source: Own Survey, 2020

Fewest group of respondents were at age between 41 and 50 years.This finding suggests that online booking system is preferable by young customers. Finally, education level of the respondents was assessed as demographic information. As shown in the Table 4.1 above, 55.7% of the respondents have educational qualification of masters and above and followed by respondents with university degree that comprises educational qualification of 43.4% of the respondents. The educational qualification of the respondents suggests that the customers have strong educational qualification easily to operate the online booking system.

In addition to demographic information, the study assessed purpose of the trip and frequency of using the current hotel. Regarding the purpose of the trip, for majority of the customers purpose of the trip is vacation that is comprises 56.6% of the respondents. Although it is smaller than vacation purpose, for large number of customers occupation is purpose of their journey that include 43.4% of the customers. This suggests online

booking system is more preferable by tourists than customers with occupational visit.The respondents have experience of frequently using the hotel. As presented in Table 4.1 above, 48.1% of the customers have used the hotels 2 to 5 times. This group of customers is followed by customers who have used the hotels for above 5 times that include 30.2% of the respondents. These two categories of the customers comprise 78.3% of the customers used in the study. Only 21.7% of the customers have no prior experience of using the current hotel. Experience of the customers in using the hotel suggests that the hotels have loyal customers who use the hotels repeatedly.

4.3 Descriptive Statistics

This section of the study presents features of the online booking system based on the result of descriptive statistics such as mean and standard deviation that are computed from the frequency of responses (see Annex B). The features of the system assessed by the study include reliability of the service, trust on the service, ease of use, perceived value and switching cost.

4.3.1 Reliability

The quality of the system is rated by the customers and the result of description about the reliability is presented in Table 4.2 below.

Table 4. 2 System Reliability

Reliability	N	Mean	Std. Deviation
The online booking system completes a task accurately	212	3.9057	1.03519
The online booking system delivers the service exactly as promised	212	3.8821	.90823
The online booking system performs the service right at the first time	212	3.2736	.78533
The online booking system tasks without errors	212	3.9811	.86513
Reliability	**212**	**3.7606**	**.71183**

Source: Own Survey, 2020

As shown in Table 4.2 above, mean score values are at level of high for accurately completing online booking, meeting the promises of the system and performing without errors. But mean score value is at level of neutral for performing right first time. The overall result shows, reliability is level of high mean score. Based on this finding the study suggests the online booking service provided by the hotels is highly reliability that the system highly complete accurate booking, meets the promises and standards of online booking and perform without errors.

4.3.2 Trust

The level of perceived trust on the system is shown in Table 4.3 below. Trust on the system is indicated by features such as keeping accurate record, security of the system, and feeling safe.

Table 4. 3 Trust on the System

Trust	N	Mean	Std. Deviation
The online booking system keeps accurate record of transaction	212	3.7642	.90864
The online booking system is secured	212	3.5472	.87224
I feel safe by using the online booking system	212	3.1509	.94184
Trust	**212**	**3.4874**	**.77436**

Source: Own Survey, 2020

The result suggests customers perceive that the system highly keeps accurate record of their order and it is highly secured. But the customers undecided to feel safe by booking online. The overall result suggests that online booking system is trustworthy. As shown by general information in Table 4.1 above, majority of customers have an experience of using online booking system for orders in their current hotel. This suggests they trust the service based on their experience. Based on the descriptive statistics, the study suggests that customers of the hotels trust online booking that the system keeps records accurately for orders committed and payments made and the system is secured to make transactions and order services.

4.3.3 Ease of Use

Another important feature of the online booking assessed by the study is using the system easily. The simplicity of the system is indicated by easily accessing information, easily operating, existence of language preference of the customers, availability of clear and easily understandable information and availability of clear instruction. The perceived performance of the system regarding easily using is presented in Table 4.4 below.

Table 4. 4 Ease of Use

Ease of use	N	Mean	Std. Deviation
Easy to find information in the online booking system	212	3.7736	.57240
The online booking system is easily usable	212	3.6651	.79460
The languages in the online booking system easy to understand.	212	3.2689	.72750
Information and texts in the online booking system are clear and easy to understand	212	3.8113	.87203
The online booking system provides clear instruction.	212	3.8585	.95826
Ease of Use	**212**	**3.6755**	**.55483**

Source: Own Survey, 2020

As shown in Table 4.4 above, majority of the mean scores are at the range of 'high' suggesting that online booking system is highly easy to use. Specifically, the online booking system is characterized as highly easy to find information from the system about the hotel facilities and another options, the system is easily usable, clear and easily understandable information, and the system has clear instructions. But the mean score (3.27) for availability of languages is at the range of neutral suggesting some problem of the system regarding the availability of different languages. The online booking system is mainly provided in English that some customers are facing difficulty in using the service in English.The overall performance of the system regarding easily using the system is indicated by mean score of 3.68 that suggest high easiness of the system to use.

4.3.4 Usefulness

The usefulness of the system is assessed to identify appropriateness of online booking in hotel service. It shows the value of system to make online reservation. The summary of responses about the system usefulness is presented in Table 4.5 below by using three characteristics of useful system.

Table 4. 5 Usefulness of the System

Usefulness	N	Mean	Std. Deviation
The online booking system gives 24 hours and 7 days service	212	3.7830	1.02578
The online booking system accomplish my tasks more quickly	212	3.9151	.85007
The online booking system make Ease my tasks	212	3.7830	.96385
Perceived Usefulness	**212**	**3.8270**	**.80707**

Source: Own Survey, 2020

As depicted in table 4.5 above, high mean scores were computed for responses about the characteristics of usefulness of the system. All mean scores are at the range of high perception/practice. The online booking system highly provides the reservation service throughout the day. The service highly enabled to accomplish other tasks of the customers unaffected. Further, the responses suggested that the online booking system makes easy the hotel reservation. This description suggests that the online booking system is highly important to undertake the hotel reservation tasks.

4.3.5 Relative Advantage

Finally, the study assessed performance of the system in comparison with physical reservation. The relative importance of the service is presented by using cost advantage, service accessibility time, efficiency, and risk that technology services provides advantages of lower cost to physical visit, longer time of service availability, more efficient operation than manual handling, and less riskier than traditional methods. The result of assessment about the relative performance of the service is summarized as follow in Table 4.6 below.

Table 4. 6 Relative Advantage of the System

Relative Advantage	N	Mean	Std. Deviation
The online booking system is lesser costly than physical booking	212	3.8113	1.01284
The online booking system is available at the time the hotels do not operate	212	3.8396	.81032
The online booking system operate with better efficiency than physical booking in the hotels	212	4.0708	.86517
The online booking system is less riskier than using physically visiting the hotel to book	212	3.6038	.96556
Relative Advantage	**212**	**3.8325**	**.70520**

Source: Own Survey, 2020

As shown in Table 4.6 above, all characteristics of relative advantage have mean score values at range of 'high'. The highest mean score is computed for higher efficiency of the system than physical booking. Physical reservation is mainly challenged by payment systems in the hotels that the customers are requested to pay in cash or deduction from the bank account of the customer must be confirmed for successful reservation. But there is frequent failure of the payment system used by the hotels. The overall mean score is computed as 3.83 suggesting that online booking has higher advantage than physical booking in the hotels. The finding of the study regarding the relative advantage of the system suggests that online booking system is cost effective regarding searching hotels physically; the system is functional at the time the hotels do not work; the system is efficient than reservation at the hotels; and ordering by using the service is less riskier than reservation at the hotels regarding to the payment system failures and checking online the availability of the desired services.

The descriptive analysis about the features of the online system shows that hotels in Addis Ababa provides good online booking system that encourage the customers to use the service.

4.3.6Customer Loyalty

This study was conducted with main objective of identifying the effect of online booking on customer loyalty at hotels in Addis Ababa. The study assessed perceived loyalty of customers of the hotels by using descriptive statistics before making association with online booking system. The loyalty of the customers are rated and mean scores are computed.The perceived loyalty of the customers is presented in table 4.7 below.

Table 4. 7 Customer Loyalty

Customer Loyalty	N	Mean	Std. Deviation
I intend to use the hotel in the future	212	3.7358	1.04225
I will recommend the hotel for others	212	3.7123	.78929
I believe it is worthwhile for me to use the hotel	212	3.6557	.81416
Customer Loyalty	**212**	**3.7013**	**.71900**

Source: Own Survey, 2020

As shown in Table 4.7 above mean scores for features of loyal customers are at range of 'high' suggesting that the customers highly intend to use the hotels in future, they highly recommend others also to use the hotel and the hotel is highly worthwhile to use. The overall mean score is computed as mean score of 3.70 suggesting that the customers are highly loyal to the hotels.

4.4 Correlation Analysis

Pearson correlation method was used to identify the relationship between the independent variables and dependent variable. Table 4.8 below presents the correlation coefficients and respective significance of the correlation.

As shown in the table 4.8 below, all independent variables have significant correlation with dependent variable at significance level of 1%. This findings suggests online booking system is significantly related with customer loyalty. In addition, the result shows that coefficients of the correlation for all variables are positive that suggests online booking system is positively related with customer loyalty.

Table 4. 8 Correlation Matrix

	Customer Loyalty	Reliability	Trust	Ease of Use	Usefulness	Relative Advantage
Customer Loyalty	1					
Reliability	.704**	1				
Trust	.561**	.544**	1			
Ease of Use	.842**	.577**	.466**	1		
Usefulness	.710**	.451**	.351**	.719**	1	
Relative Advantage	.577**	.382**	.317**	.497**	.514**	1

**. Correlation is significant at the 0.01 level (2-tailed).

4.5 Regression Analysis

In the previous section of the study, the descriptive statistics of the independent variables affecting the dependent variable customer loyalty were presented based on the rate provided by the customers of the hotels. In this section of the study, the study presents the result of data analysis about the effect of the performance of the online booking system on the loyalty of customers by using inferential statistics such as F-tests and t-tests based on estimation by OLS model. Before making the interpretation on the result and discussion on the findings, the study checked goodness of the model based on the classical model assumptions.

4.5.1 Model Assumption Tests

In this section of the study, the result of basic assumptions of the OLS model are presented. These tests include multicollinearity, normality and linearity tests.

4.5.1.1 Multicollinearity Test

Multicollinearity test was conducted by using variance inflation factor (VIF). According to Velnampy&Sivesan (2012) multicollinearity exists when VIF values are above 10. Result of multicollinearity test is presented in Table 4.8 below.

Table 4. 9 Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	Reliability	.564	1.772
	Trust	.667	1.500
	Ease of Use	.384	2.604
	Usefulness	.450	2.222
	Relative Advantage	.688	1.453

a. Dependent Variable: Customer Loyalty

As depicted in table 4.8 above, result of diagnostic test for multicollinearity presents that the VIF values are well below from value of 10 and the value of tolerance is above 0.10. This suggests that there is no multicollinearity among the study independent variables that implies that features of the online booking system cannot represent one another.

4.5.1.2 Normality Test

Among the important assumption of OLS model is normal distribution of residuals. The normality test was conducted by using Shapiro-Wilk method the result is presented in Table 4.9 and Figure 4.1 below.

Table 4. 10Tests of Normality

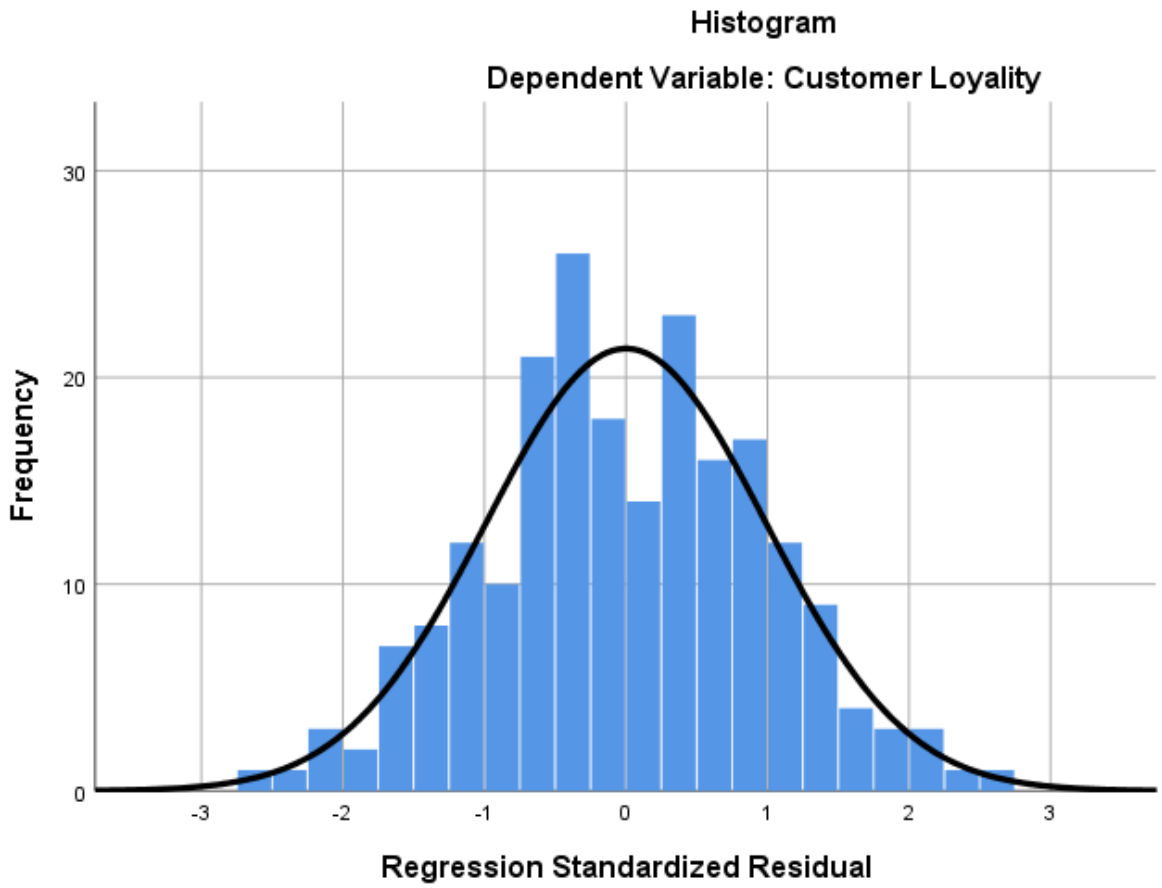
	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Standardized Residual	.039	212	.200*	.996	212	.873

Source: Own Survey, 2020

As shown in Table 4.9 above, statistic of Shapiro-Wilk test is statistically insignificant. Therefore, the study accepts the null hypothesis that the residuals are normally distributed.

Further, the normal distribution of the residuals are depicted in figure 4.1 below by using histogram.

Figure 4. 1 Distribution of Residuals



Source: Own Survey, 2020

As depicted in the figure 4.1 above, standard residuals are a little bit far away from the curve, many of the residuals are fairly close more to the curve and the histogram is bell shaped. This implies that the majority of scores lie around the center of the distribution (sothe largest bars on the histogram are all around the central value. Therefore, this indicates that the residuals are normally distributed and the model used is appropriate in meeting normal distribution of the residuals.

4.5.1.3 Linearity Test

This test was conducted to identify the overall linear relationship between dependent variable and independent variables. This test is conducted by estimating the effect of squared predicted values on the dependent variable. The result of the linearity test is presented in Table 4.10 below.

Table 4. 11 Linearity Test

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.679	.028		132.236	.000
	Predicted Value	.679	.032	.945	21.503	.000
	Squared Predicted Value	.022	.018	.053	1.202	.231

Source: Own Survey, 2020

As shown in Table 4.10 above, squared predicted value is statistically insignificant suggesting that dependent variable and independent variables are linearly associated. This implies that features of the online booking system has linear association with customer loyalty.

4.5.2 Estimation Result

The study after checking the appropriateness of the model, in this section presents the results of estimation of effect of online booking system on loyalty of the customers. The dimensions of online booking system are used as independent variables and the customer loyalty is used as dependent variable. The result of estimation used for the study include model summary, ANOVA and coefficients.

Table 4. 12 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.905[a]	.819	.815	.30918

a. Predictors: (Constant), Relative Advantage, Trust, Usefulness, Reliability, Ease of Use

b. Dependent Variable: Customer Loyalty

As shown in the table 4.11 above, the value of R is positive. This suggests that on overall, online booking system (i.e, write you're IVs) has positive effect on customer loyalty at the selected hotels. Further, the value of R-squared is 0.819. This implies that 81.9% of variation in customer loyalty is due to variation in online booking system (i.e., the independent variables).

The result of estimation about significance of the effect of online booking on loyalty of customers is presented in Table 4.12 below.

Table 4. 13 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	89.387	5	17.877	187.016	.000[b]
	Residual	19.692	206	.096		
	Total	109.080	211			

a. Dependent Variable: Customer Loyality

b. Predictors: (Constant), Relative Advantage, Trust, Usefulness, Reliability, Ease of Use

As shown in Table 4.12 above, based on the result of F-test, the association between online booking and customer loyalty is statistically significant at significance level of 1%. This finding suggests that online booking system has significant effect on customer loyalty at hotels in Addis Ababa. Based on these findings this study reveals that online booking system has positive significant effect on customer loyalty at Star rated hotels in Addis Ababa.

The individual effect of the independent variables (i.e., online booking system on the dependent variable (i.e., customer loyalty) is presented in Table 4.13 below. The features of online booking system used in the study include reliability, trust, ease of use, usefulness, and relative advantage. These features are used as independent variables when estimating the effect of online booking on customer loyalty.The study made interpretation based on the standardized coefficients, t-value and significance level.

As shown in table 4.13 below, all independent variables have positive coefficient and they are statistically significant at significance level of 1%. This result suggests reliability, trust, ease of use, usefulness, and relative advantage of online booking system has positive and significant effect on customer loyalty at star rated hotels in Addis Ababa.

Table 4. 14 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.891	.157		-5.677	.000
	Reliability	.258	.040	.255	6.475	.000
	Trust	.100	.034	.108	2.970	.003
	Ease of Use	.608	.062	.469	9.817	.000
	Usefulness	.134	.039	.151	3.412	.001
	Relative Advantage	.138	.036	.135	3.782	.000

Source: Own Survey, 2020

Comparison among the features of online booking system was made by using t-statistics. According to the t-values, ease of use (t = 9.82) of the system has highest effect and followed by reliability (t = 6.48) of the system. Although its effect is statistically significant at significance level of 1%, trust (t = 2.97) on the system has least effect on the customer loyalty and followed usefulness of the system. Relative advantage has the third highest effect on customer loyalty. This finding suggests that dependence of customer loyalty varies on features of the system; mainly affected by reliability of the system.

4.5.3 Hypothesis Summary

Based on the estimation result, hypothesis of the study is summarized as follows by using the alternative hypothesis. The summary of the hypotheses is presented in table 4.14 below.

Table 4. 15 Hypothesis Summary

Hypotheses	Coef.	Sig.	Decision
H1:Reliability has positive effect on customer loyalty	.255	.000	Accepted
H2:Trust has positive effect on customer loyalty	.108	.003	Accepted
H3: Ease of Use has positive effect on customer loyalty	.469	.000	Accepted
H4: Usefulness has positive effect on customer loyalty	.151	.001	Accepted
H5: Relative Advantage has positive effect on customer loyalty	.135	.000	Accepted

Source: Own Survey,2020

As shown in the table 4.14 above, all coefficients are positive and statistically significant. Therefore, the study rejected the null hypotheses and accepted the alternative hypotheses. The first hypothesis of the study is about effect of reliability of the online booking system on customer loyalty. The coefficient of reliability is 0.255 and it is statistically significant at 0.01 significance level. Based on this finding the study infers that unit increase reliability of the system result on 0.255 increase in customer loyalty. This implies that reliability of online booking system has significant positive effect on customer loyalty in star rated hotels in Addis Ababa.

The second hypothesis of the study is about effect of trust on customer loyalty. As depicted in the table above, coefficient of trust is 0.108 and significant at significance level of 0.01 suggesting that trust on the booking system has positive and significant effect on customer loyalty at star rated hotels in Addis Ababa. Further, the magnitude of the coefficient indicates when perceived trust on the system increase by 1 unit, customer loyalty increase by 0.108 units.

Coefficient of 0.469 is computed for effect of ease of use on customer loyalty which is statistically significant at 0.01 significance level. As a result the study accepted the third hypothesis that trust has positive and significant effect on customer loyalty of star rated hotels in Addis Ababa. The coefficient indicates that when perceived trust on the system increases by 1 unit, customer loyalty increases by 0.469.

Usefulness of the system has coefficient of 0.151 and statistically significant at significance level 0.01. This implies unit increase in perceived usefulness of the system increases customer loyalty by 0.151 units. As result the hypothesis that usefulness of the online booking system has positive effect on customer loyalty is accepted.

Finally, coefficient of relative advantage is 0.135 and significant at significance level of 0.01 that suggest relative advantage has significant positive effect on customer loyalty at star rated hotels in Addis Ababa. The value of coefficient suggests when perceived relative advantage increases by 1 unit, customer loyalty increase by 0.135.as a result the alternative hypothesis that relative advantage has positive effect on customer loyalty in star rated hotels in Addis Ababa is accepted.

4.6 Discussions

This study was conducted to identify the effect of online booking system on customer loyalty at Star Rated Hotels in Addis Ababa. The online booking system has 5 features; reliability, trust, ease to use, usefulness and relative advantage that were used as independent variables when identifying the effect of online booking on customer loyalty. Therefore, this study was conducted with one main objective and 5 specific objectives. Data for the study was collected through structured questionnaire from customers of the hotels that reserved the hotel services by using online booking system. The data was analyzed by using descriptive and inferential statistics. The descriptive statistics such as mean and standard deviation were used to identify the perceived performance of the online booking and customer loyalty that are rated by the customers. The inferential statistics such as F-test and t-test were used to identify effect of the online booking system on the customer loyalty after estimating the association by using the OLS model. This section of the study presents discussion for the findings of the study based onaforementioned objectives.

4.6.1 Effect of Online Booking System on Customer Loyalty

The effect of online booking system is positive and statistically significant at significance level of 1%. Online booking system is very important factor to increase customer loyalty in hotel industry in Addis Ababa. It was found that online booking service provided by the hotels explain a significant amount of variance in customer loyalty F (5, 206) = 187.016, p = .000, R^2= .819. It has very high effect that reaches to 81.9% of variation on customer loyalty. The online booking service provided by the hotels enabled the customers to frequently use the same hotel instead of searching another hotel. The customers who access online booking system of the hotel that they used earlier are more loyal than the customers who have lower accessibility of the online booking system of the hotel they use. This finding is inline with finding of Hsu, Wang and Chih (2013) providing online booking system to customers to purchase from a website leads to the repeat purchasing behavior.

4.6.2 Effect of Reliability of Online Booking System on Customer Loyalty

The analysis shows that reliability did significantly predict customer loyalty *(βeta* = .25, *t* (211), *p* = .000. The effect of reliability of the online booking system is positive and statistically significant at significance level of 1%. Therefore, the null hypothesis that reliability has no effect is rejected and alternative hypothesis that reliability of the online booking system has positive effect on customer loyalty is accepted. The quality of the online booking system affects the loyalty of the customers. When the online booking system is reliable, the customers decide frequently to use the hotel that they have the prior experience. The accuracy of the system in booking, meeting promises and standards of online booking and performing without errors. According to Monzó, (2015)an efficient online booking system is a strategic element for hotels to increase the competitiveness especially regarding the retaining customers. Gregory &Kingshuk, (2016)revealed that quality of online booking system is an important factor of online customer loyalty as it involves such elements as Internet technologies, website design and website content that all can have a positive impact on customer loyalty.

4.6.3 Effect of Trust of Online Booking System on Customer Loyalty

The analysis shows that trust did significantly predict customer loyalty *(βeta* = .108, *p* = .000. In the regression analysis, the coefficient of the trust is positive and statistically significant at significance level of 1%. Based on this finding the alternative hypothesis that trust on the online booking system has positive effect on customer loyalty at Star Rated hotels in Addis Ababa is accepted. This implies hotels that have more secured online booking system have more loyal customers. The online booking system that keep accurate record of transactions and contain strong security features encourages the frequent purchase of service of the hotels. Ling et al. (2015) found that in an online booking system, when customers were determined to purchase, trusted and branded companies could be seen as a determining factor of their choices. Shim, Eastlick, Lotz and Warrington (2016) revealed that a trust from previous purchasing experience could greatly influence customers' future purchasing behavior in the online atmosphere. Chang and Chen (2018) opined that customer trust had an influence on future purchasing intentions because customers who had positive prior trust are eager to repeat purchase. It

is impossible for customers to give service suppliers such personal information as credit card information, living address or personal identification number without trust (Hoffman, Novak and Peralta, 2014).

4.6.4 Effect of Ease of Use of Online Booking System on Customer Loyalty

The customer loyalty is mainly affected by simplicity of the online booking system. The analysis shows that ease of use did significantly predict customer loyalty *(βeta* = .469 and *p* = .001. The coefficient of ease of use is positive and effect on customer loyalty is significant at significance level of 1%. As a result, the study rejected null hypothesis that ease of use of the online booking system has no effect on customer loyalty is rejected and the alternative hypothesis that the online booking system has positive effect on customer loyalty is accepted. This finding suggests that customers who perceive the online booking system is easy to use, they have intention and decision on future purchase of the service of the service. The ease of the system is indicated by easily accessing information, easily operating, existence of language preference of the customers, availability of clear and easily understandable information and availability of clear instruction. The online booking system that includes these features encourages future and frequent purchase of the service. The mean score values suggests the online booking system of hotels in Addis Ababa includes these features.This finding is similar to finding of Sigala& Sakellaridis (2014) and Jarvenpaa& Todd, (2017) that suggested when the online booking system is easy to use there is higher intention to use the system and the service of the hotel. In contrast, complicated systems discourage frequent use.

4.6.5 Effect of Perceived Usefulness of Online Booking System of Customer Loyalty

The analysis shows that perceived usefulness did significantly predict customer loyalty *(βeta* = .151 and *p* = .000). Coefficient of perceived usefulness is positive and significant at 1% significance level. Based on this finding, the study accepted the hypothesis that perceived usefulness has positive effect on customer loyalty at the selected hotels in Addis Ababa. This indicates the effect of perceived usefulness of online booking system is positive and significant. Monzó, (2015) stated that customers intend to use the same hotel when they found the online booking system valuable regarding the time of

availability and lower interruption with other activities. As shown in the descriptive analysis, the online booking system of the hotels is available throughout the day and it does not affect performance of other activities. The customers who have found the booking system is useful in regarding cost and benefit have frequent use of the hotels. This finding is congruent to finding of Katro (2016) that also found that perceived usefulness is a significant predictor of customer loyalty.

4.6.6 Effect of Relative Advantage on Customer Loyalty

The analysis shows that relative advantage did significantly predict customer loyalty *(βeta* = .135 and p = .000. Relative advantage has positive coefficient and statistically significant at significance level of 1%. As a result, the null hypothesis that relative advantage of online booking system has no effect on customer loyalty is rejected and alternative hypothesis that relative advantage positively affects customer loyalty is accepted. This finding suggests customers who found the online booking system is advantages to physical reservation, they use the same hotel instead of searching new hotel. When customers attach relative advantage to a specific functional or emotional value experienced earlier, then they more likely to keep loyal to a certain online booking system. Hauser, Simester and Wernerfelt (2014) revealed that switching costs play a significant role in affecting customer loyalty through the sense of satisfaction that relative advantage play a significant role in affecting customer loyalty through the sense of satisfaction. Hauser, Simester and Wernerfelt (2014) indicated that switching costs in essence may reduce customers' sensitivity to their satisfaction levels.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Major Findings

This study was conducted mainly to identify effect of online booking system on customer loyalty at star rated hotels in Addis Ababa. Based on features of online booking system, five specific objectives that guide the study were developed. To meet these objectives, data was collected from customers of the hotels through structured questionnaire.The data was analyzed by using descriptive and inferential statistics. To evaluate the level of perceived performance of the online booking system descriptive statistics such as mean and standard deviation were used and the effect of online booking on the customer loyalty was examined by using OLS regression method.Based on the result of these analyses following major findings were reached.

- The effect of online booking system is significant on customer loyalty at significance level of 1%. The value of R-squared suggested that 81.9% of variation in customer loyalty is due to variation in perceived performance of online booking system.

- The effect of reliability of the online booking system is statistically significant at 1%. The quality of the online booking system has positive effect on customer loyalty.This suggests when the customers found the booking system reliable, they continue to use the same booking system.

- The effect of trust is significant at significance level of 1%. Its effect is positive on customer loyalty at the selected hotels in Addis Ababa.

- The ease of use has positive coefficient that is statistically significant at 1%. This imply customers of the hotels that perceived the system is easy to use continue to use the booking system of the hotel that result on future purchase.

- The perceived value of the booking system is indicated by perceived usefulness. The effect of perceived usefulness of the system is positive and significant

statistically at significance level of 1%. When the customers perceive the system is valuable based on cost advantage and time of accessibility the customers continue the booking system of the hotel.

- Relative advantage represents the switching cost of the online booking system. It has positive effect on loyalty of customers. Its effect is significant at significance level of 1%.

5.2 Conclusions

Based on the major findings, the study draws following conclusion.

- Online booking system has positive effect on customer loyalty at star rated hotels in Addis Ababa.Hotels that provide efficient online booking system has loyal customers.

- Reliability of the online booking system has positive effect on customer loyalty that customers who found the booking system is quality in providing intended information they continue to use the booking system of the hotel.

- The effect of trust on the online booking system is positive on customer loyalty. The customers who perceive the booking system of the hotel is trustworthy and free of risks become loyal to the services of the hotels.

- The online bookings system provided by the hotels is easy to use that helped to retain the customers to use the system. As a result, the customers decided to use the hotel when they have demand for services of the hotel.

- Perceived usefulness of the booking system has positive effect on customer loyalty. The customers who found the system is useful with respect to cost and other benefits decide to use the online booking system of the hotel and then services of the hotel.

- Relative advantage has positive effect on customer loyalty at the selected hotels. Customers after checking the advantage of the system, they analyzed the switching cost to other system and physical reservation, they found the online

booking system of the hotels is relatively advantageous that the decision enabled to use the hotels.

5.3 Recommendations

Based on the conclusion drawn, the study provides following recommendations to customer management of the hotels.

- The hotels are recommended to improve efficiency of the online booking system in regarding making the system reliable, secured, easy to use, have good values, and competitive other systems.

- The hotels with lower performance of customer loyalty are highly recommended to improve quality of the online booking system by including relevant information, improving accuracy of the system for transaction recording and check commitment of errors.

- The hotels are recommended to increase security of online booking system as internet security is challenged from time to time. Since the booking system is linked with payment systems, it is highly recommended to check genuinely of the system as it is free from the security risks.

- As hotels have customers from different backgrounds especially educational level, they are recommended to make online booking system easy to use as much as possible by considering other features of the system like security and quality.

- Finally, since this thesis has shown that online booking system is a statistically significant predictor of customer loyalty, hotels are recommended to make their online booking system competitive with the online booking system of their competitors.

5. 4 Limitation and Direction for Future Research

This study was conducted by using data collected through questionnaire only. As a result detailed information was not collected through other data collection instruments that helps to collect detailed information. In addition, the study has not included controlled

factors when estimating the effect of online booking system that limits finding of the study. Therefore, further studies are recommended to include detailed data by collecting though interview and moderating and mediating factors that affect customer loyalty in hotel industry.

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APPENDIX A: QUESTIONNAIRE

Dear Sir/Madam

Request for Participation in a Research Study

I am Postgraduate student at Addis Ababa University. As partial fulfillment for the Masters of Arts Degree in Marketing Management, I am conducting a research study on effect of Online Booking System on Customer Loyalty (A case of Star Rated Hotels in Addis Ababa).

Therefore, I would appreciate if you could spare a few minutes of your time to answer the following questions. All the information provided will be purely used for academic purposes and your identity will be treated with utmost confidentiality.

Your assistance will be highly appreciated and thank you in advance.

Yours faithfully,

Abraham Zerihun

Part I: General Information of Respondents

1. Gender
    - □ Male
    - □ Female
2. Age
    - □ Below 30
    - □ 31 up to 45
    - □ 46 up to 60
    - □ Above 60
3. Education level:
    - □ Below University Degree
    - □ University degree
    - □ Master Degree and above
4. What is the purpose of your journey?
    - □ Vacation
    - □ Occupational
5. How many time did you use the hotel?
    - □ Fist time
    - □ 2-5 times
    - □ 6-10 times
    - □ More than 10 times

Part 2: For response of your perception about the questions provided (where SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; and SA = Strongly Agree)

2.1 To what extent do you agree with following statements for the online booking system?

Service Quality							
#	Code	Statement	SD	D	N	A	SA
9	SQ1	The online booking system completes a task accurately					
10	SQ2	The online booking system delivers the service exactly as promised					
11	SQ3	The online booking systemperforms the service right at the first time					
12	SQ4	The online booking system tasks without errors					

Trust on the service							
#	Code	Statement	SD	D	N	A	SA
13	TR1	The online booking system keeps accurate record of transaction					
14	TR2	The online booking system is secured					
15	TR3	I feel safe by using the online booking system					

Perceived Ease of Use							
#	Code	Statement	SD	D	N	A	SA
17	EU1	Easy to find information in the online booking system					
18	EU2	The online booking systemis easily usable					
19	EU3	The languages in the online booking system easy to understand.					
20	EU4	Information and texts in the online booking system are clear and easy to understand					
21	EU5	The online booking system provides clear instruction.					

Perceived Value							
#	Code	Statement	SD	D	N	A	SA
22	PV1	The online booking systemgives 24 hours- 7 days service					
23	PV2	The online booking system accomplish my tasks more quickly					
24	PV3	The online booking system make Ease my tasks					

Switching Cost							
#	Code	Statement	SD	D	N	A	SA
25	SC1	I use the online booking systemwith lesser cost than the cost I incur to use the service in physical visit					
26	SC2	I get service from the online booking system at the time the hotel does not operate					
27	SC3	The online booking systemoperate with better efficiency than the service provided in the hotel					
28	SC4	The online booking system is less riskier than using physically visiting the hotel to book					

Part 3: For response of your loyalty to use the hotel

Please indicate your level of agreement for your loyalty to the hotel.

Loyalty							
#	Code	Statement	SD	D	N	A	SA
29	Lo1	I intend to use the hotel in the future					
30	Lo2	I will recommend the hotel for others					
31	Lo3	I believe it is worthwhile for me to use the hotel					

APPENDIX B: RESPONSE FREQUENCY

The online booking system completes a task accurately

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	1.9	1.9	1.9
	Disagree	25	11.8	11.8	13.7
	Neutral	25	11.8	11.8	25.5
	Agree	91	42.9	42.9	68.4
	Strongly Agree	67	31.6	31.6	100.0
	Total	212	100.0	100.0	

The online booking system delivers the service exactly as promised

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	.9	.9	.9
	Disagree	21	9.9	9.9	10.8
	Neutral	26	12.3	12.3	23.1
	Agree	114	53.8	53.8	76.9
	Strongly Agree	49	23.1	23.1	100.0
	Total	212	100.0	100.0	

The online booking system performs the service right at the first time

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	1.9	1.9	1.9
	Disagree	26	12.3	12.3	14.2
	Neutral	96	45.3	45.3	59.4
	Agree	80	37.7	37.7	97.2
	Strongly Agree	6	2.8	2.8	100.0
	Total	212	100.0	100.0	

The online booking system tasks without errors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	1.9	1.9	1.9
	Disagree	12	5.7	5.7	7.5
	Neutral	21	9.9	9.9	17.5
	Agree	122	57.5	57.5	75.0
	Strongly Agree	53	25.0	25.0	100.0
	Total	212	100.0	100.0	

The online booking system keeps accurate record of transaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.4	1.4	1.4
	Disagree	27	12.7	12.7	14.2
	Neutral	19	9.0	9.0	23.1
	Agree	131	61.8	61.8	84.9
	Strongly Agree	32	15.1	15.1	100.0
	Total	212	100.0	100.0	

The online booking system is secured

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	.9	.9	.9
	Disagree	34	16.0	16.0	17.0
	Neutral	36	17.0	17.0	34.0
	Agree	126	59.4	59.4	93.4
	Strongly Agree	14	6.6	6.6	100.0
	Total	212	100.0	100.0	

I feel safe by using the online booking system

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.4	1.4	1.4
	Disagree	64	30.2	30.2	31.6
	Neutral	50	23.6	23.6	55.2
	Agree	88	41.5	41.5	96.7
	Strongly Agree	7	3.3	3.3	100.0
	Total	212	100.0	100.0	

Easy to find information in the online booking system

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	4	1.9	1.9	2.4
	Neutral	46	21.7	21.7	24.1
	Agree	152	71.7	71.7	95.8
	Strongly Agree	9	4.2	4.2	100.0
	Total	212	100.0	100.0	

The online booking system is easily usable

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	28	13.2	13.2	13.2
	Neutral	30	14.2	14.2	27.4
	Agree	139	65.6	65.6	92.9
	Strongly Agree	15	7.1	7.1	100.0
	Total	212	100.0	100.0	

The languages in the online booking system easy to understand.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	.9	.9	.9
	Disagree	28	13.2	13.2	14.2
	Neutral	94	44.3	44.3	58.5
	Agree	87	41.0	41.0	99.5
	Strongly Agree	1	.5	.5	100.0
	Total	212	100.0	100.0	

Information and texts in the online booking system are clear and easy to understand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	29	13.7	13.7	14.2
	Neutral	11	5.2	5.2	19.3
	Agree	139	65.6	65.6	84.9
	Strongly Agree	32	15.1	15.1	100.0
	Total	212	100.0	100.0	

The online booking system provides clear instruction.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.4	2.4	2.4
	Disagree	13	6.1	6.1	8.5
	Neutral	45	21.2	21.2	29.7
	Agree	93	43.9	43.9	73.6
	Strongly Agree	56	26.4	26.4	100.0
	Total	212	100.0	100.0	

The online booking system gives 24 hours- 7 days service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	3.8	3.8	3.8
	Disagree	18	8.5	8.5	12.3
	Neutral	37	17.5	17.5	29.7
	Agree	98	46.2	46.2	75.9
	Strongly Agree	51	24.1	24.1	100.0
	Total	212	100.0	100.0	

The online booking system accomplish my tasks more quickly

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	.9	.9	.9
	Disagree	15	7.1	7.1	8.0
	Neutral	29	13.7	13.7	21.7
	Agree	119	56.1	56.1	77.8
	Strongly Agree	47	22.2	22.2	100.0
	Total	212	100.0	100.0	

The online booking system make Ease my tasks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	.9	.9	.9
	Disagree	19	9.0	9.0	9.9
	Neutral	57	26.9	26.9	36.8
	Agree	79	37.3	37.3	74.1
	Strongly Agree	55	25.9	25.9	100.0
	Total	212	100.0	100.0	

I use the online booking system with lesser cost than the cost I incur to use the service in physical visit

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	1.9	1.9	1.9
	Disagree	9	4.2	4.2	6.1
	Neutral	81	38.2	38.2	44.3
	Agree	47	22.2	22.2	66.5
	Strongly Agree	71	33.5	33.5	100.0
	Total	212	100.0	100.0	

I get service from the online booking system at the time the hotel does not operate

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	.9	.9	.9
	Disagree	5	2.4	2.4	3.3
	Neutral	62	29.2	29.2	32.5
	Agree	99	46.7	46.7	79.2
	Strongly Agree	44	20.8	20.8	100.0
	Total	212	100.0	100.0	

The online booking system operate with better efficiency than the service provided in the hotel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.4	2.4	2.4
	Disagree	6	2.8	2.8	5.2
	Neutral	24	11.3	11.3	16.5
	Agree	111	52.4	52.4	68.9
	Strongly Agree	66	31.1	31.1	100.0
	Total	212	100.0	100.0	

The online booking system is less riskier than using physically visiting the hotel to book

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	33	15.6	15.6	16.0
	Neutral	52	24.5	24.5	40.6
	Agree	89	42.0	42.0	82.5
	Strongly Agree	37	17.5	17.5	100.0
	Total	212	100.0	100.0	

I intend to use the hotel in the future

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.4	1.4	1.4
	Disagree	20	9.4	9.4	10.8
	Neutral	72	34.0	34.0	44.8
	Agree	52	24.5	24.5	69.3
	Strongly Agree	65	30.7	30.7	100.0
	Total	212	100.0	100.0	

I will recommend the hotel for others

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	19	9.0	9.0	9.0
	Neutral	48	22.6	22.6	31.6
	Agree	120	56.6	56.6	88.2
	Strongly Agree	25	11.8	11.8	100.0
	Total	212	100.0	100.0	

I believe it is worthwhile for me to use the hotel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	31	14.6	14.6	14.6
	Neutral	26	12.3	12.3	26.9
	Agree	140	66.0	66.0	92.9
	Strongly Agree	15	7.1	7.1	100.0
	Total	212	100.0	100.0	