

PART I

INTRODUCTION

1.1 Background

One of the technologies which brought information revolution in the society is the Internet Technology and is rightly regarded as the third wave of revolution after the agricultural and industrial revolution (Gangeshwer, 2013). Internet as an advertising medium is better than conventional advertising medium. Recent research suggests simply increasing interactions between firms and consumers in the online or offline brand communities can lead to null or even negative outcomes. However, given the growing use of the Internet for both brand information and expression of opinions, proactive management of online interactions is increasingly important to firms' long-term successes (Alden et al., 2016). However, word-of-mouth has become much more important to influence consumer behavior, compared to other forms of marketing communications, such as advertising (Augusto & Torres., 2018). For example, the Internet is an important distribution channel in the hospitality industry. Internet advertisement in this industry also offers distinct opportunities to build brands online. The growing role of branding is well documented in the tourism and hospitality sector, particularly subject in the highly competitive hotel industry (Casidy et al., 2018). Based on current report, the most valuable hotel brands in 2016 were Hilton, with a brand value of US \$ 8.4 billion, followed by Marriott, in second place with brand value of over US \$ 5 billion, and Hyatt in third place, at over US \$ 4billion

(Casidy et al., 2018). The distinctive value that the Internet offers over conventional media is the capacity to interact with consumers contrary to other forms of media.

In the hyper-competitive industry luxury, branding is crucial because brand is an important factor that effect product or service loyalty (Ahn et al., 2018). Potentially valuable brand marketing websites are powerful tools providing opportunities for cultivating customer relationships. Tourists' use of mobile technology has grown rapidly, there is less research taking a critical view of the value of this technology and questioning the often-implicit assumption that mobile technology is a desirable contribution to the tourist experience, though there is recognition of the potential for exclusion due to the digital divide (Dickinson, Hibbert, and Filimonau, 2016). Respondents explained that the hotel's main adopted marketing strategies should be in line with the hotel's website, including search engines and internet companies such as booking.com or Expedia. A recent research shows that the emergence of distribution channels such as discount websites is one of the major drivers for luxury hotels' high performance (Liu et al., 2017). A strong brand helps to simplify consumers' decision-making process by decreasing the perceived risk and increase expectations and many consumers choose hotel because of its reviews that has strong relationship with the hotel brand (Casidy et al., 2018).

Moreover, Mr. Spiteri argued that BC is marketing since it involves a two-way interaction with your audience. Website interactivity supports a company to deliver its brand messages to Internet users (Barreda et al., 2016). In the hotel

context, interactivity website openly implicates involving traveler and creating a personalized relationship with them (Barreda, 2014). Coyle, Smith, and Platt (2012) identified online interactivity as a strategic advance for brands and highlights the need for empirical research where the progress might improve the comprehension of the system-mediated interactivity, especially in the formation of brands. For interactive travelers, hotel branded website is a brochure, a booking tool, a salesperson, and is thought to provide interactive experiences form with interactive features brand awareness, enhance brand equity and influence a positive brand image of the hotel. Therefore, pleasing travelers with website interactivity features is important in an online context hotels as it results in an effective way to build relationships with travelers (Barreda, 2014).

This research examined the ways in roommates responsiveness, one of the dimensions of interactivity, as measured in the levels of helpfulness represented in microblog postings from companies that can affect perceived trustworthiness, perceived goodness, attitude toward the brand and intention to try or purchase the brand (Coyle et al., 2012).

To this date, small number of researchers in the tourism, travel, and hospitality field have located efforts to analyze the persuasive effect of website interactivity on branding constructs. Therefore, this reserach purposes to close this research gap with the conceptualization and the effect of the dimensions of website interactivity items, namely social interactivity and system interactivity, on the dimensions of brand knowledge (e.g., brand image and brand awareness) and brand value. Moreover, other contributions of this research are to help hoteliers in

strategic approaches to create and enhance positive brand image and the formation of brand awareness using the dimensions of website interactivity in order to improve the purchase intention.

There are structures of this research as follows. Firstly, it discuss the background of the research by reviewing previous research in the domain of online travel and information technology literature to show the arguments for the purpose of the research. Secondly, the design of the research and the data collection methods is explained in the methodology section. Thirdly, findings are then proposed. Forthly, managerial implications for hoteliers in addition to the limitations of the research are discussed.

1.2 Problem Formulation

The formulations of the problem in this research are as follow:

1. Does two way communication influence brand awareness?
2. Does two-way communication influence brand image?
3. Does brand awareness influence brand image?
4. Does brand awareness influence brand value?
5. Does brand image influence brand value?
6. Does brand value influence purchase intention?

1.3 Research Objectives

Based on the formulation of the problem above, the purpose of this research are as follows:

1. To determine the influence of two way communication on brand awareness.
2. To determine the influence of two way communication on brand image.
3. To determine the influence of brand awareness on brand image.
4. To determine the influence of brand awareness on brand value.
5. To determine the influence of the brand image of the brand value.
6. To determine the influence of brand value on purchase intention.

1.4 Research Benefit

In this research, there are some benefits to be achieved:

1. For students

This research can be used as a form of learning processes associated study which were the influence of website interactivity, brand awareness, brand image, brand value, and consumer purchase intention on hotels booked through the website application.

2. For academic

This research can be used, applied and learn to know about the factors that influence purchase intention,

3. For practitioners

This research has benefits for hotels who want to develop their marketing by leveraging the application site for booking hotel rooms and the provision of information to facilitate and develop the marketing of the hotel.

1.5 Systematical Writing

This thesis composed of five chapters. The detailed explanation of the systematics of writing in this thesis is described below.

Chapter I: INTRODUCTION

This chapter discusses the background of this research, the problems formulation of this research, the limitations of this research, the objectives of this research, the benefits of research both theoretical and practical, and the systematics of the research.

Chapter II: LITERATURE REVIEW

This chapter explains the theoretical basis of every variable used in this research such as destination image, perceived quality, perceived value, and word-of-mouth. This chapter also provides the details of the hypotheses generated from each variable and provide the research framework.

Chapter III: RESEARCH METHODOLOGY

This chapter explains the methods used in this research that contains information of roommates also in terms of population, sample, sampling technique, variables of the research, and the testing methods used in this research.

Chapter IV: DATA ANALYSIS AND DISCUSSION

This chapter shows the data analysis and discussion of the results are based on statistical computations by using theoretical concepts. This chapter also shows the interpretation of the research, which is based on theories that have already been existed.

Chapter V: CONCLUSIONS AND RECOMMENDATIONS

This chapter contains conclusions about the results of the analysis of the research that has been done. Moreover, this chapter also exhibits the limitations of the research conducted which is very useful for future research.

