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CUSTOMER ACCEPTANCE AND USAGE OF MOBILE HOTEL RESERVATION APPS (MHRA): THE INFLUENCE OF TECHNOLOGY READINESS, DETERMINANTS OF UTAUT2, TRUST AND M-SATISFACTION ON POST PURCHASE BEHAVIOUR

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ABSTRACT

Technology acceptance models have been used widely in studies aimed at predicting and explaining the customer's acceptance and usage of new technologies. However, the limited research focuses on the realm of mobile apps within the hospitality industry. This study examines the customer's acceptance and usage of Mobile Hotel Reservation Apps (MHRA) by focusing on the aspects of their Technology Readiness (TR), Trust, Mobile Satisfaction (M-Satisfaction) and subsequent behaviour. This study extended the Unified Theory of Acceptance and Use of Technology (UTAUT2) model with the Technology Readiness Index (TRI2.0). A quantitative research method through an online survey was used. The data of 422 respondents were first analysed in SPSS Statistic 22 program, and further empirical analysis was made via SmartPLS 3.0. This study adopted the PLS-SEM analysis. In the first step, the Measurement Model analysis was operationalised to confirm the reliability and validity of the survey instruments. In the second stage, the structural model was utilised to assess the study's hypotheses. The results from the data analysis of this research confirm that the customers' state of technology readiness is divided into two groups: motivator and inhibitor. The motivator type of customers possessed a favourable inclination towards the usage of MHRA, while the inhibitor showed a hostile attitude towards acceptance and the usage of MHRA technology. Meanwhile, Effort Expectancy, Facilitating Conditions, Hedonic Motivation and Habit are the main factors influencing their M-Satisfaction. As expected, satisfaction with the MHRA will affect their future behaviour. Another key finding of this study is the mediating effect of mobile satisfaction. This study found that M-Satisfaction mediates the relationship between Effort Expectancy, Social Influence, Hedonic Motivation and Habit towards post-purchase behaviour. In contrast, the remaining determinants were found to be insignificant. This study found customers perceived Trust as an essential predictor between Performance Expectancy, Effort Expectancy, Facilitating Conditions and M-Satisfaction. Overall, this study's findings highlighted the potent factors influencing customers' acceptance of smartphone-based mobile reservation apps within the hotel environment. This significantly contributed to enhancing the body of knowledge within the realm of mobile technology acceptance and benefited the hoteliers by shedding some light on the prospect of investing in mobile hotel apps. This study's empirical findings contribute to the continuous development of the MHRA and provide apps developers and hotel operators with insights for designing more user-friendly, secure, and innovative solutions. Future research on MHRA could concentrate on a variety of facets to improve user experience, security, and efficacy, such as usability tests to identify areas for development in app navigation, search functionality, and booking process in order to increase app usage and user satisfaction.

Keywords: Technology Readiness; Acceptance and Usage; UTAUT2; Trust; Mobile Satisfaction; Post Purchase Behaviour;

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CHAPTER 1

INTRODUCTION

1.1   Preamble

This chapter starts with the discussion on the background of the study, followed by the research issues and problem statements. Next, this chapter continues with the objectives of the research, research questions and the presentation of the basic conceptual framework. The significance of the study is presented to the possible outcome of the study. Finally, this chapter discussed the definition of terms used throughout the research and the thesis organisation.

1.2   Background of the Study

Mobile device usage has expanded with the growing market penetration of smartphones and tablets. Since then, it has become some of the most important electronic devices in people's daily lives. In 2015 alone, smartphone sales reached over one-billion units, while tablet sales reached over 150 million units worldwide (Cabra et al., 2022; Goasduff & Rivera, 2015). Since then, the global smartphone penetration rate has increased and estimated to have reached over 78 percent in 2020. This is based on an assessed global population of 7.8 billion and an estimated 6.4 billion smartphone subscriptions.

In 2021, the number of smartphone users in Malaysia reached about 29 million. With a growing population, Malaysia's smartphone users are expected to increase by another 1.74 million by 2025. Recently, the COVID-19 epidemic has made mobile devices even more crucial among the human population, allowing activities for building and improving social relationships and general wellbeing (De et al., 2020; David & Robert, 2021). Social isolation prevented the virus from spreading, while the shift to online activities increased mobile phone usage among consumers. Hilmy (2022) added that during the Covid-19 outbreak, the percentage of smartphone users in Malaysia increased to almost 100 percent, which estimates that almost every Malaysian uses their mobile phone to look for information or get recent news or updates.