



**FACTORS THAT INFLUENCE CONSUMER  
BEHAVIOR TOWARDS ONLINE RESERVATION:  
A CASE STUDY ON PNB PERDANA HOTEL &  
SUITE ON THE PARK**

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## ABSTRACT

Malaysia is rank one of the ten countries in the world with the highest number of internet users. Travel market one of the fast growing following hotel industry since more consumers are reserving their hotel reservations via online travel agencies. So, hoteliers need to put more efforts to develop and maintain their own direct booking websites since now they face advancement of Internet technology era. More and more hotel customers have used internet to search information related to the hotel. The aim of this research is to study the factor that influences consumer behavior towards online hotel reservation. Furthermore, it is to know the most factors that influence consumer behavior towards online reservation. The study focused on the three factors, which are information, price and trust. The three factors are affecting to the behavior of consumer and lead them to make a decision to booking the hotel. To carry out this study, 108 copies of structured questionnaires were distributed to the consumer who had experience in online hotel booking. Various statistical tools and test such as descriptive analysis, reliability, correlation and regression is used for collected data accurately. This study also reveals that information and price have significant relationship with dependent variable which is consumer behavior towards online reservation. While trust does not have any relationship with dependent variables because there is other variable would influences consumer behavior towards online reservation.

## CHAPTER 1: INTRODUCTION

### 1.1 BACKGROUND OF STUDY

The Internet is an important tool for people to search for information as well as for conducting business transactions. It also serves as a platform for numerous industries to positively impact their growth. One such industry is the tourism industry. It is one of the fastest growing industries in which the Internet has continued to gain importance. This due to the fact that before making any travel plans, tourists would need to look up relevant information. This is to ensure that they would be able to reach a decision that suits their wants and needs. According to Kok Li-Ming and Wai (2013), countries in the Asia Pacific region especially China, India, Indonesia, Singapore, Malaysia and Thailand has shown a remarkable development in online travel sales. The increased growth of the tourism sector has also helped to increase revenues in the hotel industry. A traveller would need to be well equipped with sufficient information during the planning stage. As such, travellers would use the Internet to search for information related to their travel plans, as well as for buying airplane tickets and booking their accommodation online. That is why the Internet is an integral part of a company's strategy to spread knowledge about their business and is also one of the key marketing strategies that can be used to boost sales.

The aim of this research is to determine the factors that influence consumer behaviour towards online hotel reservation. Consumer