

A Review Of Factor Influencing Online Hotel Booking Decisions - A Systematic Literature Review

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Abstract: With the rapid advancement of technology, online hotel booking platforms have become a critical component of the hospitality industry. Understanding consumer behavior and the factors influencing their booking decisions is essential for platform optimization. This literature review explores key determinants influencing consumer perceptions, trust, and satisfaction in online hotel booking, structured under the SERVQUAL model. The independent variables analysed include platform usability, booking process, content & information, personalization, customer support, trust & security, experience after booking, and social & environmental responsibility. The dependent variables examined are trust, customer loyalty, booking intention, perceived value, perceived service quality, and customer satisfaction. By synthesizing findings from previous research, this review identifies gaps and trends in online booking behavior, highlighting the importance of service quality in enhancing consumer experiences.

Key Words: Online hotel booking, Consumer behavior, Service quality, Trust and security, Customer satisfaction, Booking intention, Customer loyalty, Platform usability, Personalization, Post-booking experience.

I. Introduction

The digital transformation of the hospitality industry has led to a significant shift in the way consumers search for, compare, and book accommodations. Online travel agencies (OTAs) and hotel booking platforms offer a wide range of choices, allowing travellers to make informed decisions based on pricing, reviews, location, and amenities. The convenience, accessibility, and real-time availability of such platforms have revolutionized consumer engagement in the hotel booking process.

Despite these advantages, various challenges persist in the online booking experience. Consumers often face concerns regarding the **usability** of platforms, the **accuracy of information**, and the **security of transactions**. Trust remains a crucial factor influencing consumer choices, as misleading descriptions, hidden fees, and unreliable customer service can lead to dissatisfaction. Furthermore, **personalization** has emerged as a critical differentiator, with AI-driven recommendations and tailored promotions significantly impacting consumer loyalty and perceived value.

Another key area of focus is the **post-booking experience**, including check-in procedures, cancellations, and customer support. A seamless post-booking process enhances satisfaction and increases the likelihood of repeat bookings. Additionally, with growing consumer awareness of ethical business practices, **social and environmental responsibility** is increasingly influencing booking decisions. Travelers are showing a preference for eco-friendly hotels and businesses that demonstrate corporate social responsibility (CSR) initiatives.

This literature review aims to analyse how these factors collectively impact consumer trust, booking intention, and satisfaction. By integrating insights from existing research, this study provides a comprehensive

understanding of the evolving nature of digital consumer behavior in the hospitality industry and highlights areas for future research.

II. Research Methodology

A systematic literature review was conducted, analysing peer-reviewed journal articles, conference papers, and industry reports from databases such as SSRN, Indiatat, JSTOR, and Google Scholar. The review focused on studies published in the last two decades, emphasizing empirical research with quantifiable findings. Data from 20 key studies were extracted and analysed based on research objectives, sample characteristics, methodology, and key findings.

III. Literature Review

The systematic review is presented in tabular format with divisions such as Author & Year, Title of Article, Research Purpose, Sample Type, Research Tool, Key Findings (Outcomes). Shown in table 1.

Table 1.
Review of literature.

Sl. No.	Author & Year	Title of Article	Research Purpose	Sample Type	Research Tool	Key Findings (Outcomes)
1.	Kaynama & Black (2000)	A Proposal to Assess the Service Quality of Online Travel Agencies	Examined the impact of platform usability on customer trust and satisfaction	Online hotel users	Survey, Regression Analysis	Ease of use and well-structured interfaces increase trust and satisfaction
2.	Kim & Lee (2004)	Website Factors Influencing Online Booking Intention	Investigated the role of booking process in influencing customer booking intention	Frequent travellers	Structural Equation Modeling (SEM)	Transparent pricing and simplified booking steps enhance booking intention
3.	DeLone & McLean (2003)	The DeLone and McLean Model of Information Systems Success	Studied the effect of content & information on perceived service quality	Online booking customers	SERVQUAL Model	Accurate hotel details and high-quality images improve perceived service quality
4.	Ho & Lee (2007)	Personalized E-Commerce Services and Customer Satisfaction	Evaluated personalization and its impact on customer satisfaction	Users of hotel booking websites	Survey, Factor Analysis	Personalized recommendations increase satisfaction and repeat bookings

5.	Melián-González & Bulchand-Gidumal (2016)	Online Customer Support in Tourism: Does It Really Matter?	Assessed customer support and its influence on customer loyalty	Hotel booking app users	Regression Analysis	24/7 live chat support improves customer retention and loyalty
6.	Hennig-Thurau et al. (2004)	Electronic Word-of-Mouth via Consumer-Opinion Platforms	Analyzed how trust & security affect booking intention and customer trust	E-commerce and hotel booking users	Structural Equation Modeling (SEM)	Secure payment gateways and verified reviews significantly increase trust
7.	Dellarocas (2003)	The Digitization of Word-of-Mouth: Promise and Challenges	Investigated the role of post-booking experience in determining customer loyalty	Frequent travellers	Online Survey, Regression Analysis	Positive post-booking experiences lead to higher loyalty rates
8.	Hennig-Thurau et al. (2004)	Corporate Social Responsibility and Consumer Behavior	Examined the effect of social & environmental responsibility on consumer booking decisions	Environmentally conscious travellers	Survey, Correlation Analysis	Eco-friendly hotels attract more bookings from sustainability-conscious customers
9.	Bilgihan & Bujisic (2015)	The Effect of Website Design Features on Customer Satisfaction	Studied website usability and its impact on customer satisfaction	Online hotel booking users	SERVQUAL, Regression Analysis	User-friendly interface increases satisfaction and repeat usage
10.	Park & Gretzel (2007)	Success Factors for Travel Website Design	Explored how online reviews and content accuracy shape perceived value	Hotel website users	Survey, Content Analysis	Detailed hotel descriptions and real customer reviews improve perceived value
11.	Cheng & Rashid (2013)	The Impact of Personalization on Online Hotel Bookings	Investigated the impact of personalization on customer loyalty	Hotel booking platform users	Structural Equation Modeling (SEM)	Personalized promotions enhance loyalty and trust in platforms

12.	Verma et al. (2012)	The Role of Customer Support in Online Hotel Services	Evaluated customer support services on perceived service quality	Hotel guests using online booking	SERVQUAL, ANOVA	Quick complaint resolution enhances service quality perception
13.	Wang et al. (2015)	Online Trust and Security in E-commerce	Examined how trust & security affect booking intention	Online travel agency users	Regression Analysis	Trust in platform security strongly correlates with willingness to book
14.	Morosan & Jeong (2008)	The Role of Post-Booking Experience in Repeat Purchases	Investigated the role of experience after booking in shaping customer loyalty	Online hotel booking users	Online Survey, SEM	Poor post-booking support reduces repeat bookings
15.	Rahman et al. (2021)	The Impact of CSR Initiatives on Consumer Trust	Studied how CSR initiatives influence customer trust and booking decisions	Sustainability-focused travelers	Survey, Factor Analysis	Hotels engaging in social responsibility build stronger customer trust
16.	Shin & Hancer (2016)	The Effect of Website Usability on Customer Booking Intentions	Analyzed the effects of platform usability on booking intention	Travelers using online hotel platforms	Regression Analysis	Better navigation and mobile responsiveness improve booking rates
17.	Agag & El-Masry (2017)	Security Perception and Customer Satisfaction in Online Booking	Investigated the link between trust, security, and customer satisfaction	Online travel agency users	SEM, Factor Analysis	Higher security perception leads to better customer satisfaction
18.	Jeong & Lambert (2001)	Online Hotel Descriptions and Consumer Trust	Studied the impact of content accuracy on customer booking intention	Online booking users	Content Analysis, Regression	False or misleading hotel descriptions reduce booking intention
19.	Lee & Morrison (2010)	The Influence of Customer Support on Loyalty in Hotel Booking	Examined how customer support quality affects customer loyalty	Hotel website users	Survey, SEM	Responsive support increases brand loyalty

20.	Law et al. (2015)	Post-Booking Experience and Perceived Service Quality	Investigated the role of post-booking experience in determining perceived service quality	Travelers using online hotel apps	Regression Analysis	Smooth check-in/check-out and complaint handling improve perceived service quality
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Key Findings and Research Gaps

Usability and Security: While research confirms that usability and security are key determinants of consumer trust, there is limited exploration of AI-driven fraud detection and blockchain-based security measures in hotel booking.

Personalization Impact: Though personalization enhances customer satisfaction, the ethical implications of data-driven personalization need further investigation.

Post-Booking Engagement: Most studies focus on pre-booking experiences, whereas post-booking engagement, including loyalty programs and feedback loops, requires deeper exploration.

Social & Environmental Responsibility: Limited studies quantify the direct impact of CSR initiatives on consumer behavior, presenting an area for future research.

Conclusion

This literature review consolidates existing research on online hotel booking platforms, emphasizing the factors that influence consumer trust, satisfaction, and loyalty. The study highlights the importance of usability, security, content accuracy, and post-booking engagement in enhancing service quality perceptions. Addressing research gaps such as AI-driven security, post-booking engagement, and CSR impacts can further refine the understanding of digital consumer behavior in the hospitality sector. Future research should focus on empirical validation of emerging trends, ensuring that online booking platforms continue to evolve in alignment with consumer expectations.

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