

# Hotel website performance: evidence from a transition country

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## HOTEL WEBSITE PERFORMANCE: EVIDENCE FROM A TRANSITION COUNTRY

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### **Abstract**

**The Purpose** – An evaluation of 197 hotel websites in Croatia was conducted to determine whether hotels in this economically lagging transition country exploit the potentials of the Internet as a marketing tool.

**Design/Methodology/Approach** – A team of 30 trained assistants evaluated the websites using an amended modified Balanced Scorecard (mBSC) approach from the user-friendliness, site attractiveness, marketing effectiveness, and F&B informativeness perspectives. MANOVA was used to test main and interaction effects of hotel size, quality rating, and location on four website performance perspectives.

**Findings** – Although hoteliers recognize the importance of online presence, most are not effectively using websites from the user-friendliness, marketing effectiveness, and F&B perspectives. Hotel quality rating, location, and their two-way interaction are significant in explaining differences in site attractiveness and marketing effectiveness. Hotel size does not explain the differences among the four website perspectives.

**Originality** – In lieu of the rapidly evolving IT and consumer trends, this study provides hoteliers with an updated website assessment tool that can serve as a point of comparison against contemporary e-marketing approaches. Moreover, since tourism website evaluation is an under researched topic in transition economies, this article makes a contribution in the needed direction. The study ends with a discussion of results and implications for hoteliers, policy makers, and scholars.

**Keywords** website evaluation, balanced scorecard (BSC), hotels, transition countries, Croatia

### **INTRODUCTION**

In the academic literature, Internet has been recognized as increasingly important information dissemination, communication, online purchasing, and distribution channel for hotels and consumers (Buhalis & Law, 2008; Musante et al., 2009). Moreover, in the tourism and hospitality context, website quality directly and positively impacts on customer satisfaction and purchase intentions (Bai et al., 2008). As of June 2012, there are over 2.4 billion Internet users worldwide (Miniwatts Marketing Group, 2013). According to the Nielsen (2010) company survey of over 27,000 Internet users in 55 countries, booking a hotel/tour ranked fifth out of 21 products/services global consumers were expected to purchase online in the next six months. Moreover, hotel websites ranked second in the U.S. (Google/IPSOS OTX Media CT, 2011) and fourth internationally (Travelport, 2010) as a source of travelers' trip planning information.

In response to the increasing demand for online services, many hotels have established websites to promote their services and products, strengthen their customer relationships, and convert e-lookers into e-buyers (Law et al., 2010; Morrison et al., 1999; O'Connor & Frew, 2002). However, Internet presence is not a guarantee of success (Liang & Law, 2003), and many businesses have failed to utilize their websites effectively (Chung & Law, 2003; Kim et al., 2009). To improve the effectiveness of a business website, evaluation of website performance has been a growing concern among tourism scholars since the late 1990s (Law et al., 2010).

Despite these tendencies, a closer inspection of the tourism website evaluation scholarly research comprehensively reviewed by Law et al. reveals the following two gaps in the available research. First, extant hotel website evaluation studies lack (understandably so) measures that are reflective of the latest sought-after website-related information, services, and applications by today's sophisticated travelers. Indeed, since the rapidly developing technology forces hotels to frequently update their websites, researchers need to continuously amend their website evaluation instruments by adding new items or characteristics (Lee & Morrison, 2010). While several approaches have been used to comprehensively measure website performance, this study reports on the past, present, and future of one of the recommended approaches, the modified Balanced Scorecard (mBSC; Feng et al., 2003; Ismail et al., 2002; Klein et al., 2004; Lee & Morrison, 2010; Morrison et al., 1999, 2004; So & Morrison, 2004).

Second, all but one of the peer reviewed articles (i.e., Spremić & Strugar, 2008) has focused on lodging establishments in developed and developing countries (e.g., Law et al., 2010; Morrison et al., 2004). Meanwhile, much less is known about the performance of hotel websites in transition economies. Yet, in comparison with the developed European countries, most transition economies today are lagging behind in their level of economic development (Borozan, 2011; Uvalic, 2010) and were among the hardest hit by the current global economic crisis (European Bank for Reconstruction and Development, 2011).

If this pattern also holds in the hotel sector, then one would expect that the information, services, and applications provided by websites of hotels in transition countries are insufficiently aligned with the needs of today's sophisticated travelers. Through an empirical evaluation of hotels' websites in Croatia, this article may provide impetus to improved website user-friendliness, attractiveness, marketing effectiveness, and F&B informativeness.

The lack of scholarly research on hotel websites in transition countries, along with the need to update the website evaluation instruments with the latest attributes and trends, form the basis for this study. The main objectives of this study are to:

1. Amend the mBSC approach to hotel website performance evaluation with input from hotel operations managers and web designers;
2. Use the mBSC to assess the relative strengths and weaknesses of hotel websites in one transition country from the user-friendliness, site attractiveness, marketing effectiveness, and F&B informativeness perspectives;
3. Empirically explore whether the hotel website performance is associated with hotel's size, quality rating, and location;

4. Provide a set of recommendations to help hotel operators improve the design and marketing of their websites.

Ultimately, this study's findings can serve as a point of reference to aid practitioners in realizing which aspects of their website need improvement and their website's position in the marketplace against competitors. For academics, this study provides a systematic approach for evaluating hotel websites, helps them better understand what has been achieved in transition economies thus far, and is expected to indicate gaps/areas for further research.

The rest of the paper is organized as follows; we first review the BSC approach. We then describe the methodology employed, followed by a discussion of the results and the study's conclusions and implications.

## **1. THE BSC EXPLAINED**

To date, researchers interested in lodging website performance have been experimenting with different methodologies, and the BSC approach has been one of these (Klein et al., 2004; Lee & Morrison, 2010; Morrison et al., 1999, 2004). The BSC represents a counting method to website evaluation, where the website evaluators (i.e., students, researchers, consumers, suppliers, practitioners, or policymakers) verify the presence or absence of a number of website attributes on a well-prepared checklist, where most items on a checklist are taken from adopted or modified models (Law et al., 2010).

The initial BSC was developed by Kaplan and Norton (1992, 1993) in response to a need to shift the focus from solely financial objectives to also include non-financial measures in evaluating business performance (Morrison et al., 2004; Werner & Xu, 2012). It is a widely used strategic management tool that utilizes performance yardsticks from the financial, customer, business process, and technology perspectives to assess and manage organizational performance (Lee & Morrison, 2010). By merging these different perspectives, the BSC affords managers a better understanding of the interrelationships and tradeoffs between competing performance dimensions and improves their decision making and problem solving outcomes (Barker et al., 2003). Now, over 133 public and private sector organizations (of every size and spanning every industry) from around the globe use the BSC (Harvard Business Publishing Newsletters, 2010).

Although BSC does not evaluate all aspects of a hotel website, nor does it measure a website from every possible perspective, it forces website evaluators to consider multiple perspectives of website performance (Morrison et al., 2004). While the first tourism and hotel website evaluation study that used the BSC (i.e., Morrison et al., 1999) had its shortcomings – as acknowledged by its authors – these have been subsequently corrected to some extent through a modified BSC (mBSC) used in the follow-up studies of hotel websites by Klein et al. (2004) and Lee and Morrison (2010).

The evolution of the mBSC approach can also be seen by examining the types of perspectives and the number of items employed to measure them over time. For instance, Morrison et al. (1999) used 25 critical success factors (CSF) across technical (6 CSFs), marketing (7 CSFs), internal (3 CSFs), and customer (9 CSFs) perspectives. Klein et al. (2004) employed 41 items to capture user-friendliness (9 items), site attractiveness (9 items), marketing effectiveness (18 items), and technical qualities (5 items) perspectives. In a study evaluating the websites of upscale hotels, Lee and Morrison (2010) used 71 items for the customer (22 items), marketing (34 items), and upscale (15 items) perspectives.

Previous research also suggests adding F&B and several destination-related factors to the mBSC (Horng & Tsai, 2010; Jeong, 2004; Kim et al., 2009; Kline et al., 2004; Lee & Morrison, 2010). Namely, as tourists seek new and authentic experiences, food and drink consumption is one of the central components of their leisure experience and is becoming one of the most important destination attractions (Beer, 2008; Boyne et al., 2003; Crouch & Ritchie, 1999; Du Rand & Heath, 2006; Hjalager & Richards, 2002; Kivela & Crofts, 2006).

This makes food an important vehicle for the marketing of tourist destinations and the tourism-related industries and businesses (Boniface, 2003; Hall & Sharples, 2003; Hjalager & Richards, 2002; Horng & Tsai, 2010; Ignatov & Smith, 2006; Okumus et al., 2007). Since tourism organizations at different levels can be involved in marketing a destination (Wang & Fesenmaier, 2007), it is plausible that a hotel should increase the amount of destination-related features (i.e., food, restaurants, attractions, etc.) on its website in an effort to partake in developing an image which will position both the hotel and the surrounding destination in the marketplace as a viable destination for visitors.

One apparent weakness of mBSC is the operationalization of its technical perspective. Namely, from a personal conversation with the web designers, we learnt that the automated online tools used by previous studies to assess the website's technical aspects, such as *netmechanic.com*, *thewebstegarage.com*, *siteowner.com*, and *linkpopularity.com*, can produce misleading results. These automated tools were used to assess dead link check, HTML check, reciprocal hyper linking, registration with search engines, load time, traffic monitoring, browser compatibility, spelling, readiness check, and link popularity (Douglas & Mills, 2004; Feng et al., 2003; Ismail et al., 2002; Kim et al., 2003; Lee & Morrison, 2010; Morrison et al., 1999; Qi et al., 2008; So & Morrison, 2004; Stepchenkova et al., 2010). Thus, when an automated online test of a given website returned a low rating or score, that same website was considered technically inferior.

In reality, however, even if a website achieves a low score, the end-user (i.e., a tourist) may have a technically flawless experience. For instance, in HTML write-up, the standard procedure is to indent one tab (or a few spaces) when starting a new element that is a child element of the tag above it. While indentation has no bearing on how the page is rendered to a tourist, it has an adverse effect on the readability of the code by the aforementioned automated online tools (i.e., it will likely receive a low score). Alternatively, a website can score high on the currency of links measure, yet some of

the links can be worded poorly so the visitor does not know where he will go if he clicks. The remaining measures contain similar weaknesses that can lead to erroneous conclusions about a website's technical quality.

This by no means suggests that there are no valid measures of website technical functionality. On the contrary, technical aspects of a website can be properly inspected; however, that would require an authorization from the hotel owner/manager to access the server where the website is stored. For these reasons, the technical aspects were not included in this study's mBSC instrument.

## 2. METHODOLOGY

This study's sampling frame comprises an official listing of Croatia's 699 lodging establishments in 2011, courtesy of Croatia's Ministry of Tourism. Of these, 55 did not have their individual website, and thus were excluded from our dataset. Of the remaining 644 lodgings, a stratified random sample of 197 (30%) hotels was generated using an online research randomizer (<http://www.randomizer.org>).

Our sample was obtained by splitting the sampling frame into 16 strata, with each stratum comprising a unique combination of one hotel quality rating (2-star, 3-star, 4-star, and 5-star), one location (Adriatic Croatia and continental Croatia), and one size (small [i.e., <26 rooms] and large [i.e., >25 rooms]). For instance, the first stratum was made up of small 2-star hotels in Croatia's Adriatic region. The second stratum contained small 2-star hotels in Croatia's continental region. The third stratum comprised small 3-star hotels in Croatia's Adriatic region, etc. We then obtained a random sample from each stratum that is proportional to the total population. Since Croatia's law affords many exemptions for hotels with 25 rooms or less, this number served as a cut-off criterion for small hotels (Croatian National Gazette, 2013).

A two-page anonymous self-administered mBSC instrument in Croatian was used for data gathering. Based on the discussions with two hotel operations managers and two website designers (Chung & Law, 2003), the mBSC used in this study comprises a total of 59 website attributes across four perspectives (i.e., user-friendliness, site attractiveness, marketing effectiveness, and F&B information availability) on the performance of hotel websites. To reduce subjectivity, this study employed a dichotomous yes/no response for each of the 59 website attributes (Ismail et al., 2002).

User-friendliness was evaluated with 12 yes/no items. Therein, the following new item was added: 'is Skype clearly available on homepage?' Moreover, based on the instrument pre-test, an item 'is there limited vertical and horizontal scrolling?' used in previous studies was split into two items, one dealing with vertical scrolling, and the other with horizontal scrolling. Site attractiveness was evaluated with eight yes/no items. Marketing effectiveness was measured using 33 yes/no items. Several new items were added, such as 'availability of destination map with marked tourist points of interest (e.g., bike trails, wine roads, etc.),' 'panoramic view of hotel's surroundings,' 'local weather forecast,' etc. Six specific items of F&B information availability were

evaluated with yes/no responses. For instance, one item read 'can menu be printed directly from the hotel's website?'

A group of 30 tourism and hospitality undergraduate students from the southern Croatia's largest public university were recruited to evaluate 197 hotel websites. Prior to website evaluations, all of the evaluators attended a training session that provided specific instructions on how to use the mBSC instrument. They all then pilot evaluated two hotel websites with the same mBSC instrument. The two inter-rater reliability tests for the dichotomous scale data were then performed on the scores of 30 evaluators. The Kendall's coefficients of concordance for the first and second website pilot evaluations were  $W=.437$  and  $W=.533$ , respectively. Since a result in the 0.4-0.6 range is considered to indicate a moderate level of agreement (Landis & Koch, 1977), this study's results for the inter-rater reliability showed a moderate agreement level.

After the training phase, each evaluator was given a list containing either six or seven websites. No two evaluators assessed the same website. Evaluations were conducted in October 2012 and within the same computer laboratory during the same time frame. Throughout the website evaluation process, two proctors were in the computer laboratory to assist the evaluators when questions arose with respect to the websites or measurement criteria.

Descriptive statistics included frequency analysis of all variables and overall means for each of the four website performance perspectives. Inferential statistics included a series of Chi-square ( $\chi^2$ ) tests, a non-parametric Friedman test, and MANOVA.  $\chi^2$  tests for equality of proportions were used to examine the relationships between the individual website attributes/items and hotel size, quality rating, and location. Friedman test was used to check whether differences among the four performance perspectives were significant. MANOVA was used to test the main and interaction effects of hotel size, quality rating, and location on each of the four website performance perspectives.

### **3. FINDINGS AND DISCUSSION**

#### **3.1. Descriptive statistics**

The characteristics of hotels in this study's random sample mirror those in the population. That is, of the 197 lodging establishments, majority are large (63%) 3-star hotels (52%) located in Croatia's Adriatic (akin to coastal) region (81%; Table 2). Due to representativeness of our sample, this study's results can be generalized to the population of lodgings in Croatia.

Table 1 shows the percentages for the 59 website criteria. The descriptive analysis revealed that Croatia's hotel websites are missing many important attributes and features. For the user-friendliness perspective, hotels' websites most often lack site map or index, the search option, downloadable plug-ins to use the website's content effectively, and Skype. The web site attractiveness attributes are present in most of the observed lodgings. However, many hotels do not use their web page space effectively or have aesthetically unappealing site backgrounds.

As for the 33 marketing effectiveness features, many problems were evident. Hotels' websites lack updating, maps/directions to and from, virtual tours, panoramic views, local weather information, calendar of events, links to local activities and attractions, special offers, information about owners/managers, awards information, links to social networks, FAQs, guest comments, links to other local information, terms and conditions, privacy policy, and payment methods and security. Most sites had no information about organized child care, pet care, as well as special internal (wellness, transportation, weddings, meetings, etc.) and external (teambuilding, sightseeing, gastro tours, wine roads, sailing, diving, etc.) hotel services. Importantly, about two-fifths or so hotels do not have the option to book accommodation on all pages, while one-third does not even offer the booking option on their homepage.

These descriptive findings generally suggest that Croatian hotel web pages for the most part serve merely as electronic brochures. Meanwhile, websites' transaction function (i.e., the sales activities; Kiang et al., 2000) remains an unexploited opportunity for a substantial number of lodgings. Moreover, hoteliers' failure to provide links to and information about destination's attractions, activities, festivals, and things-to-do helps explain why in the 1987-2010 period tourists have continuously been dissatisfied with the variety of things to see and do in Croatia (Institute for Tourism, 2010, 2007, 2004). That is, oftentimes the attractions and events are out there, however tourists simply are not made aware of them.

Table 1: Overall performance by website attribute

Perspectives & attributes		No	Yes
		%	
<i>User-friendliness</i>			
U12	Is Skype clearly available?	92.4	7.6
U6	Is there limited horizontal scrolling?	91.9	8.1
U5	Are links to required plug-ins provided?	84.8	15.2
U7	Is there limited vertical scrolling?	77.2	22.8
U3	Is a site search engine provided?	63.5	36.5
U2	Is a site map or index available?	61.4	38.6
U11	Is a fax number clearly available?	29.4	70.6
U8	Is a direct e-mail address clearly available?	28.9	71.1
U1	Is a home button available from all pages?	26.9	73.1
U9	Is the mailing address clearly available?	23.9	76.1
U4	Are navigation tools clear and effective on each page?	18.3	81.7
U10	Is the telephone number clearly available?	18.3	81.7
<i>Site attractiveness</i>			
A5	Is the background aesthetically appealing?	44.7	55.3
A8	Is the web page space used effectively?	42.1	57.9
A2	Is the homepage clear and uncluttered?	27.4	72.6
A3	Is there a sufficient contrast between background and text?	20.8	79.2
A7	Are colors used discreetly?	19.3	80.7
A6	Are the photographs of good quality?	18.8	81.2
A4	Are photographs available to reinforce the text content?	15.2	84.8
A1	Is the text clear and readable?	11.7	88.3
<i>Marketing effectiveness</i>			
M31	Is information on pet care provided?	94.9	5.1
M20	Are FAQs provided?	93.4	6.6



Perspectives & attributes		No	Yes
		%	
M30	Is information on child care provided?	91.4	8.6
M18	Are any awards/recognitions that the hotel has earned posted?	89.8	10.2
M21	Are guest testimonials available?	88.8	11.2
M14	Does the text introduce the owners/managers?	85.8	14.2
M23	Are documents needed by international travelers posted?	79.7	20.3
M6	Is a virtual tour provided?	79.2	20.8
M17	Is calendar of events provided?	78.7	21.3
M26	Is information on site privacy policy available?	76.6	23.4
M28	Is information on online payment security available?	75.1	24.9
M3	Is a map showing destination attractions and things-to-do available?	73.6	26.4
M24	Are links to information about other local services provided?	72.6	27.4
M8	Is local weather provided?	72.1	27.9
M25	Are site usage terms available?	69.0	31.0
M27	Are types of payment available?	66.5	33.5
M7	Is a panoramic view provided?	66.0	34.0
M19	Are links to social networks provided?	65.0	35.0
M12	Are links to local activities and attractions provided?	64.0	36.0
M33	Is information on special external hotel services provided?	61.9	38.1
M11	Is information on local activities and events provided?	59.4	40.6
M1	Is the website up-to-date?	53.8	46.2
M13	Are special offers available?	51.8	48.2
M10	Does the text describe the uniqueness of the hotel?	47.7	52.3
M16	Is online booking of room available on all pages?	43.1	56.9
M32	Is information on special internal hotel services provided?	40.6	59.4
M9	Are room rates available?	34.5	65.5
M15	Is online booking of room available on homepage?	33.0	67.0
M22	Is destination general information available?	23.4	76.6
M2	Are maps and directions to and from the hotel available?	22.8	77.2
M29	Are all pages equally available in all languages listed?	18.8	81.2
M4	Are photographs of the hotel's exterior provided?	14.7	85.3
M5	Are photographs of the guest rooms provided?	10.2	89.8
<i>F&amp;B informativeness</i>			
F6	Are high chairs available?	96.4	3.6
F4	Is online purchase of gift certificates available?	94.4	5.6
F3	Are gift certificates available?	89.8	10.2
F2	Can menu be printed?	87.8	12.2
F5	Are operating hours posted?	79.2	20.8
F1	Is menu available?	66.5	33.5

Source: Authors'

Regarding F&B informativeness, the majority of websites do not have a menu available on the site, menu cannot be printed, there are no gift certificates and they cannot be purchased online, restaurant operating hours are not available, and information regarding high chairs is not provided. While Croatian 2-4 star hotels are not legally required to serve lunch and dinner, many of them do, however the availability of an in-house restaurant may not be apparent to a site's visitor. Even for those lodgings that do not have a lunch/dinner restaurant on premises, they nevertheless could and should furnish information about destination's eateries and possibly generate third-party sales through partnerships with local restaurateurs.

This being said, 52% of Croatia's visitors are families with children, and gastronomy was a motive for visiting Croatia in 2010 for 22% of tourists (Institute for Tourism, 2010). Furthermore, while visiting restaurants, cafés, and sit-down pastry shops was a dominant activity for 70% of tourists, 69% of them dined outside their lodging establishment, and only one-fifth (19%) used the half-board option. Thus, Croatia's lodgings appear to be missing the boat on communicating their own and/or destination's gastronomic offerings and generating F&B sales through their websites.

Frequencies, percentages, average means, and overall means for the four website perspectives across all levels of independent variables are presented in Table 2. The site attractiveness had the highest overall mean (75) among the four perspectives; however lodgings scored poorly on user-friendliness (48.6), marketing effectiveness (39.5), and F&B informativeness (14.3).

Table 2: Mean evaluation scores by variable and perspective

Variable	User friendli-ness	Site Attractive-ness	Marketing effective-ness	F&B informative-ness	Average mean	n (%)
<i>Quality rating</i>						197 (100)
2-star	47.99	66.38	35.01	10.92	39.45	29 (15)
3-star	46.36	75.97	36.69	12.14	41.48	103 (52)
4-star	53.09	76.39	43.60	18.21	47.39	54 (27)
5-star	49.24	81.82	56.75	24.24	55.32	11 (6)
<i>Size</i>						197 (100)
small	47.45	77.78	35.56	10.88	41.20	72 (37)
large	49.27	73.40	41.70	16.27	44.95	125 (63)
<i>Region</i>						197 (100)
Adriatic	47.80	73.90	38.96	12.89	42.84	159 (81)
continental	51.97	79.61	41.55	20.18	46.65	38 (19)
Overall mean	48.60	75.00	39.46	14.30		

Source: Authors'

### 3.2. Inferential statistics

The results from the  $\chi^2$  tests show that 15 of the 59 website attributes were significantly different ( $p < .05$ ) among the four hotel quality ratings (Table 3). Generally, the more stars a hotel has, the higher its score in terms of the provision of a site search engine, destination map, virtual tour, panoramic view, local weather, special offers, online booking on homepage, online booking on all pages, award posting, guest testimonials, site usage terms, internal hotel services, external hotel services, and menu.

Since 52% of Croatia's hotels in 2011 had a 3-star rating, one would expect a greater competition in this group, which would result in the creation of websites of comparable quality to those of 4- and 5-star hotels. While 3-star hotels are largely independent properties run by domestic owners or managers, many of the 4- and 5-star hotels are affiliated with an international chain and run either by experienced foreign nationals or by a limited number of seasoned Croatian managers. Therefore, the less-than-effective use of websites by 3-star hotels is perhaps due to a lack of local knowledgeable managers capable of fully exploiting the potentials of the Internet as a marketing tool.

Ultimately, 3-star hotels need to focus on providing a site search engine, destination map with attractions and things-to-do, virtual tour of hotel's interior, panoramic view of hotel's surroundings, an online booking option on all pages, guest testimonials, and a menu for an in-house restaurant and/or an outside eatery in the destination. They also need to provide information on local weather, hotel's special offers, any recognition that the hotel has earned, site usage terms, and pricing of hotel's internal (MICE, fitness, shuttle, weddings, christenings, communions, confirmations, retirements, etc.) and external (teambuilding, self-guided and organized sightseeing tours, performing arts, gastronomy-related tours, local cruises, boat charters, scuba diving and snorkeling, etc.) services. Moreover, these hotels should encourage the vendors of external services to set up their own direct online B2C sales platform, which could then easily be embedded into a hotel website. This way, hotels could boast great service and generate new revenue streams.

In terms of hotel size, large hotels outperformed small ones in terms of (1) the availability of site search engine, FAQ, gift certificate, and online booking on homepage, and (2) the provision of information on special offers, child care, hotel's internal services, and restaurant hours of operation. Since small hotels are almost exclusively stand-alone and owner-run properties, their less-than-effective use of websites can perhaps be explained by a shortage of the local Internet-savvy managers. This being said, small hotels need to provide answers to frequently asked questions, gift certificates, and homepage 'book online' option. They also need to provide website visitors with the easily discoverable information on special deals, hotel's internal services (including child care), and operating hours for in-house and/or area restaurants. Large hotels, on the other hand, need to provide an easily accessible e-mail address.

In regards to location, lodging establishments in continental Croatia scored higher than their Adriatic counterparts in terms of the availability of a fax number, directions to and from the hotel, printable menu, and links to required plug-ins. This finding is somewhat surprising because 96% of total tourist overnights in Croatia are realized in the Adriatic region (Institute for Tourism, 2010). One would thus expect hotels in the tourism-intensive Adriatic Croatia to have websites of higher quality than those in the continental region. Perhaps it is the paucity of tourism in continental Croatia that has forced the hoteliers there to exploit their websites more effectively. Ultimately, lodgings in Croatia's Adriatic region need to provide an easily accessible fax number, hotel driving directions, links to required plug-ins, and a printer-friendly version of an in-house and/or area restaurant menu.

Table 3: **Individual website attributes/items and hotel size, quality rating, and location**

Attribute	Levels of independent variables (quality rating, size, and location)				df	$\chi^2$
	<i>5-star</i>	<i>4-star</i>	<i>3-star</i>	<i>2-star</i>		
U3	45 <sup>a</sup>	52	27	38	3	.021
M3	36	43	19	17	3	.009
M6	55	24	18	10	3	.017
M7	64	45	27	28	3	.022
M8	64	15	31	28	3	.007
M13	91	57	41	41	3	.005
M15	100	82	63	41	3	.000
M16	82	67	56	31	3	.005
M18	46	13	6	7	3	.000
M21	46	15	8	3	3	.001
M25	64	37	22	38	3	.014
M32	91	76	50	52	3	.001
M33	46	54	33	24	3	.025
F1	55	46	25	31	3	.025
	<i>large</i>	<i>small</i>				
U3	46	19			1	.000
U8	65	82			1	.011
M13	55	36			1	.010
M15	72	58			1	.049
M20	10	1			1	.025
M30	12	3			1	.026
M32	70	40			1	.000
F3	14	3			1	.009
F5	26	13			1	.029
	<i>continental Croatia</i>	<i>Adriatic Croatia</i>				
U3	22	40			1	.027
U5	26	13			1	.034
U11	84	67			1	.040
M2	90	74			1	.044
F2	32	8			1	.000

<sup>a</sup> Percentage, obtained by dividing each frequency value by the total in the crosstab output from the Chi-Square ( $\chi^2$ ) test for equality of proportions.

Source: Authors'

Friedman's test was significant ( $\chi^2(3)=369.789$ ,  $p<.001$ ), suggesting that the four perspectives are not equally present on lodgings' websites. While hoteliers focused heavily on their websites' aesthetic appearances, they neglected the web-based principles of user-friendliness, marketing, and F&B (Table 2). This is a significant problem, since marketing, the availability of F&B information, and the website's ease of use all play an important role in the overall performance of lodging's website. Thus, hotels in Croatia need to center more on improving these three aspects of their websites.

The average mean score for the 2-star hotels (Table 2) was the lowest (39.5), whereas 5-star lodgings scored the highest (55.3). Surprisingly, although 5-star hotels scored the highest on site attractiveness, marketing effectiveness, and F&B informativeness, they scored somewhat lower on user-friendliness. In terms of size, small hotels scored higher on site attractiveness, whereas large hotels fared better on the remaining three perspectives. Also, lodgings in continental Croatia scored overall higher than their Adriatic counterparts, especially in the area of F&B (20.2 vs. 12.9).

MANOVA test was strongly significant ( $p < .000$ ) for differences among average means in respect to the hotel quality rating and marginally significant ( $p = .056$ ) for differences in hotel size (Table 2). Thus, the more stars a hotel has, the higher the overall quality of its website. Similarly, the websites of large hotels outperform those of their smaller counterparts. MANOVA did not reveal any significant differences in respect to hotel location.

Among the four website perspectives, the results of MANOVA revealed that hotel quality rating is significant in explaining the differences in website attractiveness (in the 66.38-81.82 range) and marketing effectiveness (in the 35.01-56.75 range). Furthermore, lodging websites in continental Croatia are significantly more attractive and have a significantly greater presence of F&B information than their counterparts in the Adriatic region. Additional statistically significant differences in website marketing effectiveness and site attractiveness were observed in the interaction of hotel quality rating and location. With the exception of the 2-star hotels, all other hotel categories exhibited greater marketing effectiveness in continental Croatia. Similarly, all but the 2-star hotels displayed more attractive websites in the continental region. Conversely, only the 2-star hotels in Adriatic Croatia had more attractive and effective websites.

These findings come as a surprise because one would expect hoteliers in the tourism-intensive Adriatic Croatia to place greater online emphasis on gastronomy, as compared to the tourism-light continental region. This paradox can perhaps be explained by Croatia's continuous overreliance on the sun and sea experience (Croatian Ministry of Tourism, 2003; Croatian National Tourist Board, 2010) – and not much else, e.g. gastronomy and the variety of things to see and do. There were no statistically significant differences in website perspectives that could be explained by lodgings' size. In terms of the other 2-way, 3-way, and 4-way interaction effects on each of the four website performance perspectives, MANOVA did not reveal any significant results.

## CONCLUSION

A finding that over 90% of Croatia's hotels have their own website suggests that their owners/managers recognize the importance of online presence. However, hoteliers in Croatia are not taking full advantage of the Internet as a marketing tool. More specifically, most lodgings in Croatia are not effectively using websites from the user-friendliness, marketing effectiveness, and F&B informativeness perspectives. Additionally, majority of hotels (i.e., over 50%) underperformed on 33 out of the 59 total website attributes examined in this study. It appears that the Croatian hoteliers use

their websites as meager electronic brochures, thus failing to communicate the unique selling points of both hotel and a destination to its target audiences.

On top of that, an opportunity to use a hotel website as a platform to facilitate and execute sales transactions seems to escape the owners and operators of hotels in Croatia. Stated differently, there is much room for improvement in all three perspectives. Hotel quality rating, location, and the interaction thereof explained the differences in two out of the four website perspectives (i.e., marketing effectiveness and site attractiveness). Hotel size did not explain the differences among the four website perspectives.

While this study helps pave the way for hoteliers in Croatia and elsewhere, the findings herein could also be useful for the Association of Employers in Croatian Hospitality (this awkward name denotes the Croatian hotel association) and Croatia's Ministry of Tourism (MINT), the latter being in charge of enhancing the international competitiveness of Croatia's travel and tourism industry and increasing its exports, thereby creating Croatian employment and economic growth. For instance, both the hoteliers' association and MINT could organize training courses in e-commerce, which should positively influence hoteliers' knowledge and management skills, thereby leading to improved e-business practices in Croatia's lodging sector.

This study was limited to a website performance assessment by a group of trained evaluators, instead of actual tourists. Hence, future research should use a sample of actual travelers. Another potential limitation is that this study's results for the inter-rater reliability showed a moderate agreement level. Future studies should thus conduct more extensive website evaluation training sessions. Alternatively, the researchers should also complete the evaluations of every hotel in the sample before the evaluators. The researchers should then compare their results with those of the evaluators to fix the possible discrepancies.

Much like this study, future research should consider revising the mBSC instrument to keep up with the continuously evolving technology and consumer trends. Because this is one of the very few tourism website evaluation studies in transition countries, more research is needed in other transition countries and sectors that make up the tourism and hospitality phenomena in these economies.

For hotels, web is one tool that can be of great assistance in building profitable customer relationships. Therefore, hotels should continuously monitor their websites' performance, enabling them to track the amount of business that their websites generate. The current study provides hoteliers with a website assessment tool that can serve as a point of comparison against contemporary e-marketing approaches.

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