Article Title
Website adoption and sales performance in Valais’ hospitality industry

Citation

Abstract
An analysis of 147 Valaisan hotels’ monthly revenue between 1992 and 2003 indicated that website adoption related positively to a performance indicator—Revenue per Available Room or RevPAR. That is, the RevPAR of hotels was higher after adoption than before and hotels with no web presence showed a negative trend in revenues. Furthermore, revenue growth rates were stronger for hotels with their own website than for hotels with a web presence via regional portals. These patterns suggest that Internet technologies have a positive impact on hotel performance, perhaps via improved marketing and distribution.

Methods
To investigate the economic impact of website adoption, this study analysed a performance indicator before and after hotels in Valais, a Canton in Western Switzerland, adopted websites. The authors merged three data sets (Scaglione et al., 2004a, Office Federal de la Statistique, and Valais Tourisme ) into a master database of Valais hotels. For confidentiality, the data set was anonymised after merging the three databases. The database contained three organisational variables for each hotel: star category, number of rooms and website age.

Results
The mixed effect of hotel category with adoption-time showed an overall significant relationship with hotel RevPAR according to type III statistics. The only category that gave enough evidence was the four stars category. The average RevPAR for this category hotel was 137.95 SFR before website adoption and 140.40 SFR after, a 1.78% increase.

Conclusion
This study investigated how performance indicators in Valais’ hospitality industry related to the adoption of website. The results suggest that website adoption, specifically for hotels with their own domain or in a portal, related positively to RevPAR. In other words, the revenue was higher after adoption than before adoption. The inclusion of a control group in the analysis helps rule out other possible factors explaining the RevPAR increase in two first groups, such as inflationary growth. Furthermore, revenue growth rates were stronger for hotels with their own domain than for hotels with a web presence via regional portals. Hotels with no web presence showed a negative trend in revenues. The results of this study align with an analysis of 288 Spanish SMEs showing a positive relationship between website content and increased sales (Merono-Cerdan and Soto-Acosta, 2007). Moreover, positive effects for larger hotels
and hotels in large destinations, support conclusions by Konings and Roodhooft (2002). That is, e-business has little effect on productivity in small enterprises, but positive effects on performance in large firms. The observed patterns suggest that Internet technologies might have a positive impact on hotel performance, perhaps via improved marketing and distribution.