

Impact of Virtual Reality on Hotel Reservations: Evidence from the Colombo District, Sri Lanka

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Abstract

Over the past few years, Virtual Reality technology (VR) has become a promising marketing innovation in the hospitality industry owing to the advantages it provides in enhancing customer experiences as well as reducing uncertainty in making decisions. The use of VR in hotel marketing is slowly becoming common in Sri Lanka, especially the Colombo District since there are many hotels competing with each other. This paper aims at examining the effect of important attributes of VR such as immersive experience, visual attractiveness, informativeness, and trust & credibility on hotel reservations. The research was carried out quantitatively with the help of a structured questionnaire being used as a tool to collect data from 250 respondents. A convenience sample was used in the study with the help of analysis techniques such as descriptive statistics, reliability, correlation, and multiple regression analysis with the aid of SPSS. It emerged that all the four attributes have positive effects on hotel reservation decisions. However, trust & credibility and immersive experience had more effect than visual attractiveness and informativeness. The results point towards the importance of designing immersive and interesting content using the VR technology that will help the company win the customers' trust and increase their intention to reserve. The present research will contribute to the existing knowledge by demonstrating the potential usage of VR technology in marketing for the hotel industry. Furthermore, this research may provide some insights for hotel managers in Sri Lanka on the use of VR technology within the tourism industry.

Keywords: *Immersive Experience, Visual Appeal, Informativeness, Trust and Credibility, Virtual Reality, Hotel Reservations.*