

Chapter 14

Ready, Set, Go!

The Study of Consumer Behavior of Online Hotel Booking in Jakarta

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ABSTRACT

The aim of this research is to identify the factors that could influence customers' attitudes and intentions to continuing online purchases in reserving a hotel room by using the theory of perceived characteristics of innovating scale and the theory of reasoned action as the main theories. Multiple regression analysis was utilized to analyze the relationship between the independent variables and customer attitude and intentions as the dependent variables. The results concluded that all the variables in perceived characteristics of innovating scale had an influence on attitude, and the variables in the theory of reasoned action except online subjective norms had a negative influence on intention. Visibility had the strongest impact on customer attitude, and offline subjective norms also became the strongest influence on intention to continue online purchases.

INTRODUCTION

This research is a replication of a study conducted by Lynda Andrews and Constaza Bianchi with the title of 'Consumer Internet Purchasing Behavior in Chile' (2013).

The use of the internet leads a business's performance and improves efficiency in terms of financial management, market expansion, inventory and human resources management (Burns-Millyard, 2016). Asian countries have long seen strong opportunities to do business by using e-commerce to expand their target market and find other income sources (Bauer, Patel, & Veira, 2015).

DOI: 10.4018/978-1-5225-7095-0.ch014

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The advancement of technology has enabled various services in the tourism industry such as companies offering booking of hotel rooms, flights and travel packages to flourish (Bilgihan & Bujisic, 2014). The internet has become one of the most significant channels for hotel room distribution (Doolin, Burgess & Cooper, 2002; Lehto, Kim, & Morrison, 2006; Thakran & Verma, 2013). The adoption of e-booking in the tourism and hospitality industry began and grew rapidly because the nature of its services appeared to fit in well with information technology and its systems (Crnojevac, Gusic, & Karlovcan, 2010).

Despite the growing trend of e-commerce usage in the travel industry in Indonesia, very few studies have discussed the factors which lead to attitude and intention to conduct e-commerce transactions in the context of the travel industry. Tourism and hospitality scholars have also assessed the importance of purchase intention and its influencing factors in various contexts (Wang, Law, Guillet, Hung & Fong, 2015). Even though there has been significant innovation in the tourism industry, the success of new products or services is heavily dependent on the acceptance of and positive responses to these products by “innovative consumers” (Litvin, Kar, & Goldsmith, 2001), those who are more motivated to try something new and different within various product categories. Innovators are eager to try new products, and are open to diverse product options (Wang, 2014).

It has been acknowledged that studies on purchase intention could be used as sources of reference to understand the channel that customers use to make a purchase; however this does not lead to understanding of the psychological process of the channel choice decision (Morosan and Jeong, 2008). Previous studies have noted that even though customers may obtain information on hotels from other websites, they make reservations through the hotels’ official websites (Ling, Guo, & Yang, 2014), indicating that customers may have different preferences when it comes to online purchasing.

The study has several objectives. First, the study is conducted to investigate whether there is any positive influence between attitude and intention to continue purchasing a product using the internet and how other factors such as relative advantage, compatibility, ease of use, demonstrability and perceived risks will influence consumer attitudes to continue using the internet to make hotel booking purchases. In addition to that, the study is also aimed at investigating whether online and offline subjective norms positively influence consumer attitude towards continuing to use online system to conduct hotel booking.

LITERATURE REVIEW

There are two major theories utilized in this study. The first theory is the theory of reasoned action (TRA) first proposed by Ajzen and Fishbein (1980). Additionally, the theory of Perceived Characteristic of Innovating Scale (PCI) that was developed by Moore and Benbasat (1991) is used to explain some attributes of technological innovation that would influence attitudes for e-commerce adoption. Different personalities may lead to specific buying behavior, as the measured personality characteristics can have strong relevance to the reliability and validity of a research useful to marketers and academicians alike (Mowen, 1999).

Relative Advantages

Rogers (1962, p. 229) defined relative advantage as “the degree to which an innovation is perceived as being better than the idea it overtakes”. Relative advantages determine the customers’ attitudes to technology adoption, which in this study context is when the customers perceive that conducting online

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