

TRAVELOKA WEBSITE QUALITY ON CUSTOMER SATISFACTION AND PURCHASE INTENTION FOR UNIVERSITY IN INDONESIA

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Abstract

Purpose - The aim of this study is to investigate the relationship between website quality on consumer satisfaction and purchase intention for university student in Indonesia. **Design/methodology/approach** - A theoretical framework is used for this study. A total of 401 questionnaires were collected to empirically test the measurement and structural model. The results are based on SEM analysis and equation modelling by using Lisrel software. **Findings** - The findings confirm this study reveal that Traveloka website quality influences customers' satisfaction, which in turn affects ones intention to purchase. The strongest determinants of website quality are website functionality and website security and privacy. **Practical Implication** - This study is able to help those who are in the hospitality industry and can also help future researchers as a guide for their research in the same or relevant scope of study.

Originality/value - This study contributes to the field of e-commerce marketing, online travel agent and e-tourism research. The results of this study help E-commerce companies to retain their customers, and thus, gain long-term value for the company. In online travel agent companies, the competition is tight. Hence, it is very important that customers have a pleasant experience and return repeatedly to create value for the company.

Keywords: Customer Satisfaction, Online Travel Agent Website, Purchase Intention, Website Quality.

1. Introduction

The application of Information Technology to the Hospitality Industry developed very rapidly in the early 1970s (Collins & Cobanoglu, 2008; Kasavana & Cahill, 2007; Sammons, 2000). Since decades, information technology has played an important role in transforming and developing the hospitality and tourism industry (Collins et al., 2013; Wang et al., 2015). Information technology has proven to be very useful in increasing efficiency and productivity in any industry. This has been shown to reduce costs, increase productivity and increase revenue, especially in the hospitality industry (Siguaw, Eng & Namasivayam 2000). The success of a travel or tourism business depends greatly on how well they utilize available and developing technology. "(Mamaghani, 2009).

Online travel agent business has now entered into different groups, one of the online organizations are always being grown today is building up a site. As of now, the website must be one that is claimed by an organization. What's more, numerous key advantages of which are claimed site as a methods for giving data, advancement and correspondence with clients. For this situation, the site has filled in as a feature of the client relationship. Along these lines, organizations must most likely present a website that demonstrates skill and quality.

The website has turned out to be exceptionally created and can bolster the improvement of the business world for example, website based business which is progressively well known these days. Online business is a dynamic arrangement of advances, applications and business forms that interface organizations, shoppers and certain networks through electronic exchanges, exchange merchandise and administrations with data made electronically (Sharma, 2002). One approach to make online deals is to utilize the website (Susianawati et al., 2017).

Based on APJII (Asosiasi Penyelenggara Jasa Internet Indonesia) or Indonesia Internet Service Provider Association said that internet user in Indonesia 2018 is 64,8% (Indonesia population is 264,16 million) which mean that 171,17 million people in Indonesia is an active internet user. Its increase from 2017 is 143,26 million internet users. Below is the percentage of internet users in Indonesia:

Table 1.1 Internet user penetration in Indonesia, by Age, 2018
% of population in each group

No	Age Range	Internet User	Not Internet User
1	5-9 years old	25,2	74,8
2	10-14 years old	66,2	33,8
3	15-19 years old	91,0	9,0
4	20-24 years old	88,5	11,5
5	25-29 years old	82,7	17,3
6	30-34 years old	76,5	23,5
7	35-39 years old	68,5	31,5
8	40-44 years old	51,4	48,6
9	45-49 years old	47,6	52,4
10	50-54 years old	40,9	59,1
11	55-59 years old	40,0	60,0
12	60-64 years old	16,2	83,8
13	above 65 years old	8,5	91,5

Source : APJII (Asosiasi Penyelenggara Jasa Internet Indonesia) or
Indonesia Internet Service Provider Association

Table 1.2 Internet user percentage in Indonesia, by Education level, 2018
% of population in each group

No	Education Level	Internet User	Not Internet User
1	Elementary School	41,4	58,6
2	Junior High School	80,4	19,6
3	Senior High School	90,2	9,8
4	College	92,6	7,4
5	Bachelor Degree	85,1	14,9
6	Master Degree	83,3	16,7
7	Doctoral Degree		100

Source : APJII (Asosiasi Penyelenggara Jasa Internet Indonesia) or
Indonesia Internet Service Provider Association

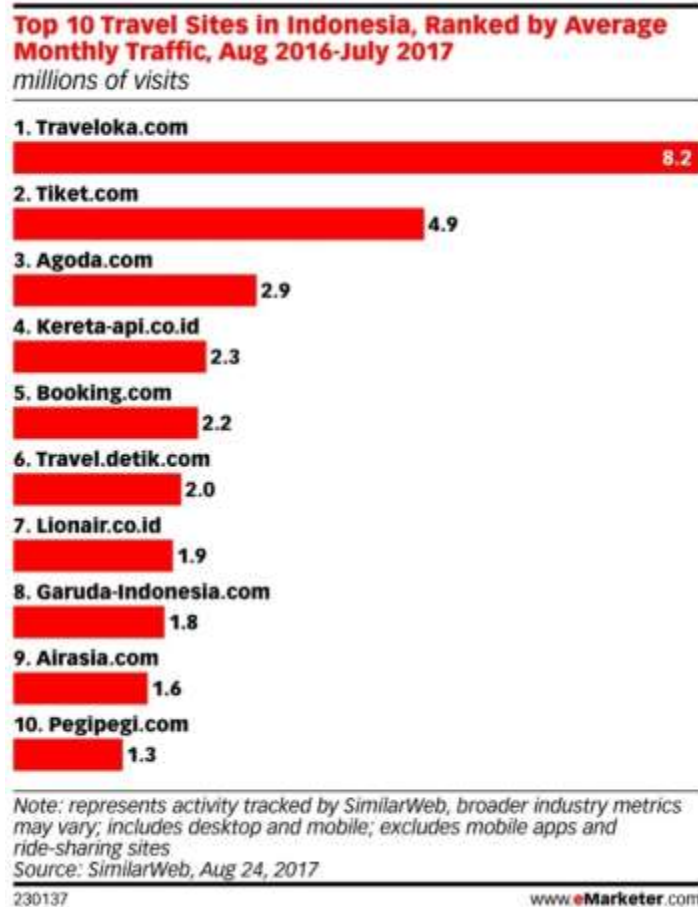


Figure 1.1 Top 10 Travel Sites in Indonesia

Traveloka is an Indonesian start-up company focusing on flights, hotels, trains, flight + hotel packages, attractions & activities, connectivity products, airport transports, and buses. Based on similarweb, Traveloka is currently ranked as is #51 in website performance in Indonesia and number #1 as a travel sites by average monthly traffic Aug 2016 – 2017 in Indonesia. According to Technasia website, Traveloka has become a company worth more than US \$1 billion, as well as leading the travel startup business in Indonesia. Keeping in mind all the above constraints, this study is interested in conducting a study entitled "Traveloka Website Quality on Customer Satisfaction and Purchase Intention for University Student in Indonesia".

2. Literature Review

According to Walczak (2010: 5), "the quality or the quality of the website homepage can be seen as an attribute of the website whose utility to help consumers". Previous research quality website identifies several dimensions of website quality, information quality dimensions, ease-of-use, usability, aesthetics, trust building technologies and theemotional appeal". In the research conducted by Sørnum (2014), website quality is all aspects related to online information and services, design aspects and technical features that customers must undergo during online interactions with websites. According to the research of Shia, Chen, Ramdanyah & Wang (2016) states that web quality is a method for measuring the quality of a website that has become one of the company's strategies for communicating and making it a tool for transactions with consumers created by Stuart Barnes and Richard Vidgen.

Service providers in all industries strive to satisfy consumers because of its impact on their performance and profits (Ryu et al., 2012). As a result, academics and practitioner have attracted great importance. Oliver(1997,(p.13) considered satisfaction as the response of the consumer's fulfillment and defined it as, "the psychological state resulting from the combination of the emotion surrounding disconfirmed expectations is coupled with a consumer's prior feelings of a consumer experience". In another study, Anderson and Srinivasan (2003, p. 125) argued that "satisfaction can be best understood as an ongoing assessment of the surprise inherent in a product acquisition and/or consumption product."

Jarvenpaa and Todd (1997) focused on that administration quality was most significant in E-business sites. As indicated by a Boston counseling gathering study (2002), 41% of online customers quit utilizing internet shopping site when they encountered disappointment of exchange. This examination further brought up that unsatisfied clients spent less cash in online buys.Consumer loyalty affected the cash spent on the site and on the off chance that a client was happy with the general site quality, at that point he may purchase esteem included administrations like lodging booking, enlist a taxi, and etc.

Security and personalization are significant for web based shopping. Kim and Lim (2001), found that framework quality and data quality as most significant in client fulfillment. Delone and Mclean (1992) proposed a model to gauge the nature of data framework by alluding the work done by researchers during the 1980s. Afterward, Delone and Mclean (2003) proposed a refreshed model for estimating data framework achievement. Data quality is a key factor in the achievement of online travel ticket booking site.

In the same vine, Oliver (1997, p. 13) also explained customer satisfaction as "a judgment that a product, or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfillment, including sub or over fulfillment levels." Satisfaction has proven to be a major determinant of positive behavioral intentions in the context of human – computer interactions, e.g. buying intentions, e-WOM and long-term loyalty (Anderson and Srinivasan, 2003; Hsu et al., 2012).

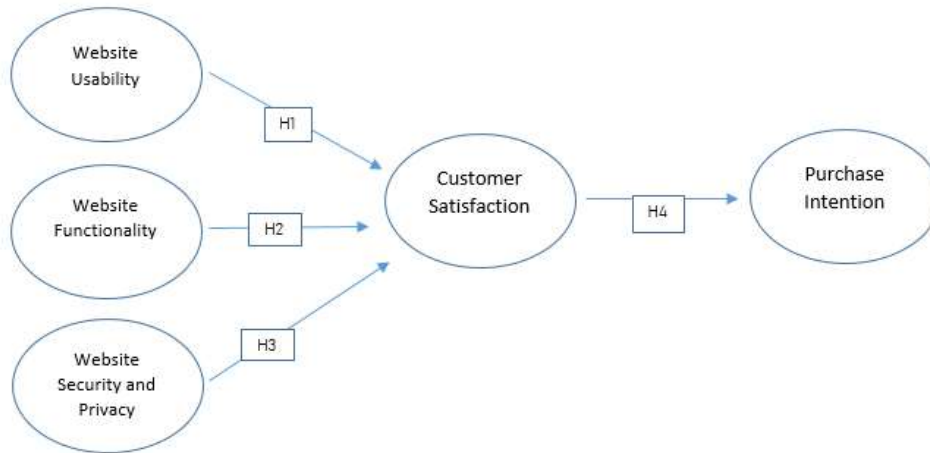
Thus, customer satisfaction is a well-studied concept, and the understanding of its determinants and consequences has been emphasized by many scholars. In addition to satisfaction, customers' buying intentions have also been widely discussed in the literature (Ali et al., 2015; Ryu et al., 2012) because it is a significant dimension of behavioral intentions (Zeithaml et al., 2006) and is substantial to understanding actual buying behavior (Hsuetal.,2012;Wangetal.,2015).

In addition, facilitating the collecting of data on purchasing intentions compared to actual behavior is also a reason for its wide application in hospitality and tourism research (Buttle and Bok, 1996). Zeithaml et al. (2006) stated that a large amount of literature on buying intentions is available in offline environments. However, internet progress has not only transformed it into an important distribution channel for selling the products and services firms, but has also changed the buying and decision – making behavior of consumers (Wang et al., 2015). Hsu et al. (2012) stated that frameworks for understanding buying intentions in offline channels can largely be applied to online channel discussion. Online buying intentions are considered as an important outcome variable and are defined as consumers' willingness and intention to participate in an online deal based on their website quality and information evaluation.

The S-O-R framework proposes that stimulus (s) is a trigger that causes changes to individuals' internal/organismic states (O), resulting in their approach or avoidance responses(R)(MehrabianandRussell,1974). Asper Donovan and Rossiter(1982,p.36), the S-O-R framework is a "parsimonious description of environments, intervening variables and behaviors" and that is why it has been recently studied in a number of studies within the

hospitality industry (Ali et al., 2015; Hsu et al., 2012). Based on the S-O-R framework, a research model is developed for this study.

Figure 2.1. Conceptual Model



Hypothesis:

H1: Website usability in online travel agent website will have positive influence on customer satisfaction.

H2: Website functionality in online travel agent website will have positive influence on customer satisfaction

H3: Website security and privacy in online travel agent website will have positive influence on customer satisfaction.

H4: Customer satisfaction in a online travel agent website will have positive influence on purchase intention.

3. Research Method

This type of research is categorized into quantitative descriptive study. In this study, the survey method was used. The data was collected from University Students in Indonesia. The target population for the survey were mostly students from any major in Indonesia. Data were collected by conducting a Web-based survey during March – May, 2019. The population in this study is traveloka.com users in Indonesia. The sample used by 401 respondents to the sampling technique is done by sampling incidental. The study was restricted from to 18 years to maximum 40 years old. The first section involved a screening question to ensure that respondents had experience of booking via hotel website during the past one year. Hence, the sample for this study only includes those experienced consumers who had experience with online hotel bookings. These condsection of questionnaire was designed to capture information regarding respondents demographic characteristic such as age, gender, income, maritalstatus,etc. Then those respondents ere given the questionnaire and the responses were recorded. Demographic details such as age, gender, and educational level were collected. Using the 5- point Likert scale, answers for the questionnaire were recorded with 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree.This study used the statistical package of Lisrel for analysis of the data.

The survey was conducted on 401 samples. The recall method was used as the methodology for the study. In this method, the respondents are individuals who had booked online tickets at least once in the last one year. The questionnaire was divided into two parts. In the first part, basic

information of the respondents such as age, gender, etc. were collected. In the second part, main questions were asked regarding website quality, customer satisfaction, and purchase intention. About 32,2% males and 67,8% females in the age group below 18 years (6,1%), 18-25 (89%), 26-35 (2,2%), and 36-45 (1,5%), above 45 (1.2%) were the respondents in this study.

4. Findings and Analysis

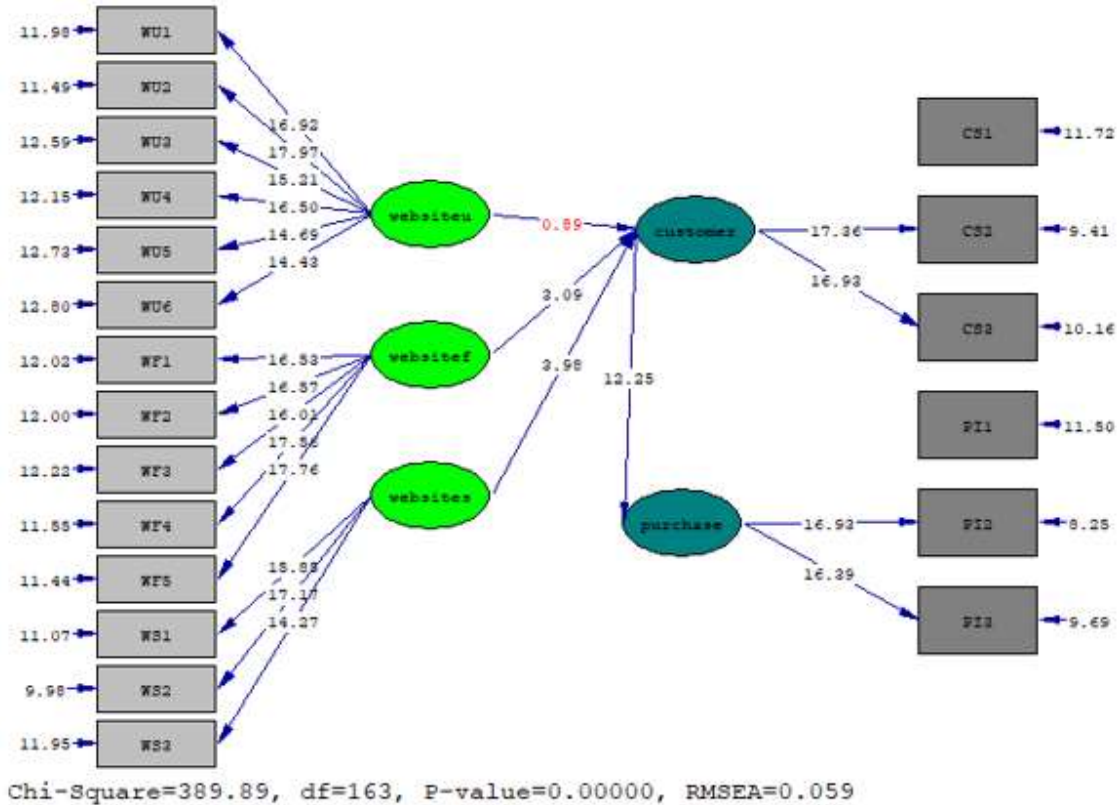


Figure 4.1. Research Model

Table 4.1. Factor Analysis

Indikator	Standardized loading factor
<i>Traveloka Website Usability</i>	
Clear Language	0,74
Easily Understandable information	0,78
User-friendly layout	0,69
Well-organized information	0,74
Graphics matched with text	0,66
Simple website navigations (e.g menu or site map)	0,67
<i>Traveloka Website Functionality</i>	
Reservation information	0,74
Facilities information	0,74
Information of promotions/ special offers	0,72
Price information	0,77
Information of destination	0,78
<i>Traveloka Website Security and Privacy</i>	
Privacy policy relating to customers' personal data	0,72
Information of secure online payments system	0,78
Information of third-party recognition	0,68
<i>Customer Satisfaction</i>	
Very satisfied with the information received from hotels' website	0,76
Have a positive attitude toward Traveloka website surfing	0,85
Interaction with the hotels' website is very satisfying	0,83
<i>Purchase Intention</i>	
It is likely that I will transact with hotels' website in the future	0,76
Given the chance, I intend to use Traveloka website	0,86
Given the chance, I predict that I should use Traveloka website in the future	0,83

Table 4.2. Quality Criterion

Attitude	Average Variance Extracted	Composite Reliability	Cronbach's Alpha
Website Usability	0,487	0,713	0,861
Website Functionality	0,591	0,772	0,864
Website Security and Privacy	0,53	0,654	0,773
Customer Satisfaction	0,601	0,713	0,859
Purchase Intention	0,602	0,714	0,853

From the above table, it is noticeable that all the values of composite reliability and cronbach's alpha lies greater than 0.7 (Nunnally, 1978).

Table 4.3. Result

Direction	T value	Critical Value	Result
Website Usability - Customer Satisfaction	0,89	1.96	Not Supported
Website Functionality - Customer Satisfaction	3,09	1.96	Supported
Website Security and Privacy - Customer Satisfaction	3,98	1.96	Supported
Customer Satisfaction - Purchase Intention	12,25	1.96	Supported

Note: Critical Value >1.96.

5. Conclusion and Implications

Based on the result of these studies, Traveloka identified factors which influence the customer satisfaction leads to purchase intention are website functionality and website security and privacy. In his study, Bhattacharjee (2001) found that customer satisfaction strongly affected purchase intention thus supporting these studied.

In addition, the two-way communication on online travel agent websites also creates an appropriate atmosphere to promote customer relationship management, leading in customer satisfaction and beneficial behavioral intention (Pontetetal.,2015).

A number of academics used these arguments to evaluate the characteristics and content of online travel agent websites. However, little research has been done to assess the features of the Traveloka websites from the point of view of services quality and how it affects the perceptions and behaviors of customers. The present study intends to fill this research gap by undertaking an empirical survey and examining the interrelationship between the quality of the traveloka website, customer satisfaction and buying or purchase intention.

As customers become more technologically skilled, they are more involved in online purchases and have greater demands for the online presence of online travel agents. Therefore, to capture the profitable online business, Traveloka Management should allocate more funds to create website into multifunctional platforms that would satisfy website information, design and customer needs (Hsu et al., 2012).

This study is limited to university students in Indonesia who have a higher rate of participation compared to general internet users in Indonesia. Results prove that university students in Indonesia determined that Traveloka website quality (website functionality and website security and privacy) will affect the customer satisfaction and lead to the purchase intention. For the next research, the other variable might be considered for study.

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