

THE IMPACT OF PERCEIVED VALUES AND INFORMATION SHARING ACTIVITY TOWARDS PURCHASE INTENTION IN ONLINE TRAVEL AGENTS

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Abstract Virtual marketplace requires travel agents to give more efforts to increase potential customer's purchase intention, mainly by increasing customer's perception of value for the services offered. There is also information constantly revolving in the internet which may strengthen or weaken these perceptions. In this research, we aim to explore the values influencing someone's motive to purchase transportation tickets collaborated with interpersonal information gathering. This paper consists of perception into customer behavior and preference towards online travel agent based on some variables. We carried out empirical study to examine the hypothesis correlating to the research model using IBM SPSS for data analysis. The result shows that the customers' intent to book tickets via online travel agent is potentially relied on perceived values and information sharing activity.

Keywords : online travel agent, customer choice, online information, service provider, perceived value

Introduction

Public or mass transport requires a mean of entrance, usually in a form of ticket. Now, with the existence of internet which moves a lot of activity to the virtual media, bookings can be done from mobile electronic devices. Transport service providers and travel agents have prepared a system that provides all of their available transport schedule on the internet.

The main problem that arises with the internet intervention in business activity is the lack of physical interaction between the seller and buyer (Terblanche, 2018). Another thing, regarding internet and mobile electronic devices, is a portion of society

who has difficulty to go online, mostly senior citizen. The percentage is relatively small, but this is why transport service providers and travel agents must be able to design their web and application interface to be as simple as possible. The main goal of having mobile and online solution, other than keeping up with the new technology to stay competitive, is to expand the market and extend market reach.

To be able to increase customer's intention to do business with them, travel agents should increase how customers value their service (Chi, Yeh, & Tsai, 2011). How potential customers' perception towards these effort affects the purchase intention is what we would like to study this time. We have decided on three values that have the significant role in this activity; emotional value, performance value, and social value.

Objectives

In this paper, we will study about impact of perceived value and information sharing activity to customer's intention to purchase from a travel agent. These two variables are difficult to control from travel agents' side, but still possible.

Research Problems

According to the introduction, there are some things gathered; perceived values have impact towards purchase intention in online travel agent assisted by info sharing activity for strengthening the motive to purchase flight tickets at online travel agent

Literature Review

A. Online Travel Agent

Online travel agent is an internet-based market place which specializes in providing information concerning travel necessities and allows customers to book travel-related services. The services provided are transportation, hotel, tour, activity, etc. (Amaro & Duarte, 2013). They are the third party intermediary who collaborates with the actual service providers to market the service providers' products and services.

B. Perceived Value

Perceived value can be interpreted as how customers or users see the use or worth of product or service and the level it can satisfy their expectations compared to competitors of similar product or service (Mohd Suki & Mohd Suki, 2017). The main idea is to compare cost to benefit. Perceived value will show customer satisfaction and loyalty, so it will give impact on the product and service offered.

1. Emotional

Emotional value can be inferred as a person's psychological feelings affected by inside and outside factors causing a burst of feeling expressed by the person themselves (Lu & Su, 2009). The simplicity of looking out for tickets will generate a pleasure from the customers' view to keep ordering tickets from the website. A website owner should take emotional value seriously because one of the most important indicators of success in online business is gaining customers' trust (Kim & Moon, 1998).

The website users' impression towards the online transaction can magnify the urge to do transactions. Trustworthiness acquires the customers' dedication to keep ordering ticket from an online travel sites. Capability and encouragement of the online travel site is gratifying for the users for trusting the transaction towards the website (Smith, 2011).

2. Performance

Performance value is how the service serves value of service to customers, whether the performance exceeds the target market and customers' prospect (Shih-Tse Wang, 2017). Accessibility is one of the most vital points for gaining customers to use the website services. Along with websites, some even make downloadable applications to increase the ease of use (Davis, 2013) to speed the booking process. Another thing is unique website design that draws customers' interests to explore it deeper without making them bored (Tarafdar & Zhang, 2005). The feature is supported with the ease of use in

navigational aspect of the website for boosting the customers visit. This aspect allows visitors to look for information without further guidance which means that even a customer who is illiterate in modern technology can surf with minimum attempt. Most clients do not like to challenge themselves to search for online flight ticket because the more excessive their effort is, the more time consumes to book for proper ticket (Dickinger & Stangl, 2013).

3. Social

Social value can be defined as the profitable social interaction between one person with another person in an actual place or online interface (Ramanathan & Ramanathan, 2014), in this case, between the travel agent and customers there is an online travel agent platform. This value concentrates on how the travel agent can obtain a broader social and economics profit by measuring the service ratings from the customers themselves.

Comments on service in the website and rating system are the most common feedback. Users who lack of experience in online transaction are more prone to be disappointed with the service which make them unwilling to leave comments via online platform due to their first time trying to purchase flight tickets online (Zhang, Cui, & Wang, 2014). The comment and rating system creates an easier method for them to give feedbacks (Tadelis, 2016).

C. Information Sharing Activity

Information sharing activity is an activity which an organization or person do by distributing significant information in exchange of the usage of a trusted platform to add numbers of suggested sites as references (Pei & Yan, 2019). Customers will exchange reviews or experience from what they got from using the similar service (Shankar, Smith, & Rangaswamy, 2002). Review itself refers to evaluation or analysis that is generally elaborated by service users, in most cases customer's review is in the form of comments and articles. The content of review unfolds the features, quality and reliability of a service provider and the facilities obtained from customers (Wakefield & Blodgett, 1996). An example of it is social media of the travel agent, where people can both interact with the agents or with other customers (Loo, 2020). Information clarity can be interpreted as the standard of how vivid information is. Especially the information from the internet platform which might be blended with incorrect information due to the freedom of expression that everyone can do on online sites, needs to be sorted out to prevent misunderstanding in selecting actual information (Sobel et al., 1996). Both reviews and information clarity serve as dimensions of this activity.

D. Purchase Intention

Purchase intention is defined as an impulse that will lead to the purchasing of goods or services encouraged by the seller's reputation and the goods or service quality in which the buyer can seek for alternatives on discovering the wanted goods (Raineri & Rachlin, 1993). The underlying dimension for this variable is value for money and willingness to purchase. Value for money is basically what customer expect they can get with the money they have (Ezeuduji & de Jager, 2015). They will always try to get the most of it.

Willingness to purchase is the degree of which customer agree to spend their money without worrying about potential risk (Pei & Yan, 2019).

Research Model and Hypothesis

H1 : Perceived value positively influences purchase intention

H2 : Perceived value positively influences information sharing activity

H3 : Information sharing activity positively influences purchase intention

H4 : Perceived value positively influences purchase intention mediated by information sharing activity

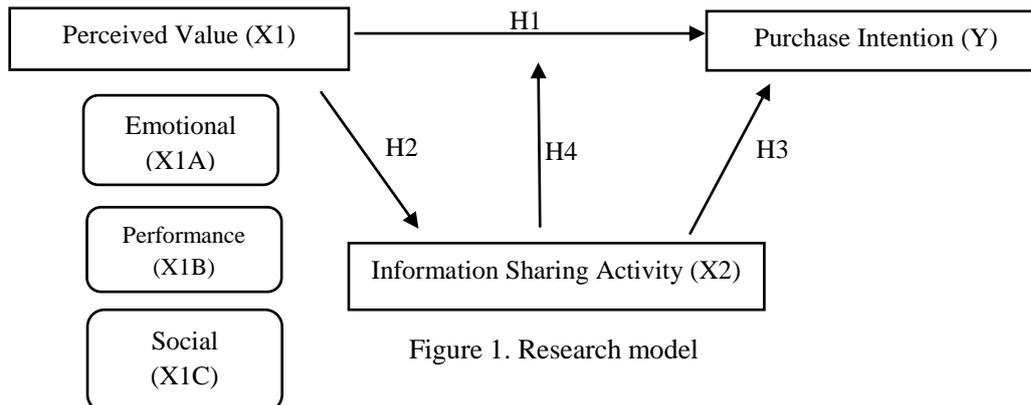


Figure 1. Research model

Methodology

Research is undertaken by using quantitative method through questionnaire shared online on social media. The respondent targets are people who have experiences on booking airplane tickets via website or application online. In questionnaire, respondents are asked to select answers on multiple choice-based questions about their trustworthiness and feedback towards online travel agent, as well as their intention on buying the tickets via online travel agents. Aside from that, there are some additional questions regarding the respondents' basic identities.

Population

The exact population of online travel agents user is unknown, writers decided to use non probability sampling. This sampling method is commonly used for research exact population size is unknown (Gulo, 2002).

Sample

When defining sample for unknown population size, writers decided to use technique theorized by Malhotra (2006), where sample size must be at least four or five times the amount of items in questionnaire. Since the questionnaire has 20 questions, it means we must extract at least 100 samples minimum. The method we used was simple random sampling. We managed to extract 280 data from respondents.

Data Analysis

Analysis method used was path analysis using SPSS. The test we ran involved validity test, reliability test, normality test, simple linear regression, and regression with moderation variable. The result will be explained on the discussion section.

Discussion & Result

After receiving feedbacks from our questionnaire, we started working on analyzing the data. Most of our data analysis activity is assisted with SPSS application. Discussion will cover the findings we got .

A. Validity, Reliability, and Normality test

We started with checking the validity and reliability of the data. First was validity test with Pearson Product Moment method. In this test, we can conclude the data is valid if the score (r score) gained for the item is higher compared to the score on Pearson Product Moment table (r table). After checking all the 20 questionnaire items, we confirmed each item was valid.

The next test was reliability test for variables. Reliability test were done with Cronbach Alpha method, if the Cronbach Alpha's value is >0.6, items are reliable. The result shows that variable X1's Cronbach Alpha is 0.746, variable X2's Cronbach Alpha is 0.665, and variable Y's Cronbach Alpha is 0.676.

Normality test was done with probability plot method in SPSS, where data was considered normal if the spread was still around the diagonal line. Variables are paired and system will analyze the data. Normality test showed between X1 and Y, X2 and Y, and X1 and X2, all results showed in a normal spread.

B. Simple Linear Regression test

This test was used to analyze relation between two variables. Each result will have three tables, model summary, ANOVA, and coefficients, followed by a narrative explanation. We made three tests for each relationship; X1 with Y, X2 with Y, and X1 with X2. Each result is explained below.

1. Result for X1 and Y

From model summary result, correlation (R) between the variables is 0.671. From this output we get determination coefficient (R square) of 0.451. This means that X1 impacts Y by 45.1%. From ANOVA, significance result is lower than 5% ($0.000 < 0.005$), which means the regression model can be used to predict if there is an impact from X1 to Y.

$$Y = 2.535 + 0.853X$$

The regression coefficient shows that every increase of 1% from perceived value, then score for purchase intention will increase by 0.853. Since the regression coefficient is scored positive, it means that the impact score of X1 to Y is positive. From coefficient table we also get significance of $0.000 < 0.05$, which can be concluded that X1 impacts Y.

The result indicates hypothesis H1 is accepted; perceived value positively influences purchase intention.

2. Result for X2 and Y

From model summary result, correlation (R) between the variables is 0.519. From this output we get determination coefficient (R square) of 0.269. This means that X2 impacts Y by 26.9%. From ANOVA, significance is lower than 5% ($0.000 < 0.005$), which means the regression model can be used to predict if there is an impact from X2 to Y.

$$Y = 10.461 + 0.415X$$

The regression coefficient shows that every increase of 1% from information sharing activity, then score for purchase intention will increase by 0.415. Since the regression coefficient is scored positive, it means that the impact score of X2 to Y is positive. From coefficient table we also get significance of $0.000 < 0.05$, which can be concluded that X2 impacts Y.

The result indicates hypothesis H3 is accepted; information sharing activity positively influences purchase intention.

3. Result for X1 and X2

Table 1. Score before adding X2 as moderation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.605	0.366	0.359	1.529
a. Predictors: (Constant), Emotional * Info Sharing, Emotional, Info-Sharing				

From model summary result; correlation (R) between the variables is 0.622. From this output we get determination coefficient (R square) of 0.387. This means that X1 impacts X2 by 38.7%. From ANOVA; significance is lower than 5% ($0.000 < 0.005$), which means the regression model can be used to predict if there is an impact from X1 to X2.

$$Y = 0.564 + 0.938X$$

The regression coefficient shows that every increase of 1% from perceived value, then score for information sharing activity will increase by 0.938. Since the regression coefficient is scored positive, it means that the impact score of X1 to X2 is positive.

The result indicates hypothesis H2 is accepted; perceived value positively influences information sharing activity.

C. Regression Test with Moderating Variable

Regression test's goal is to show an impact from independent variable towards dependent variable. In this test, however, there is additional variable called "moderating variable" which can either strengthen or weaken the impact. The next part will show the result of perceived values impact towards purchase intention moderated by information

sharing activity.

1. X1A as independent variable, X2 as moderation and Y as dependent variable
The first R square result of perceived emotional value shows impact to purchase intention by 22.9%. After added with information-sharing activity as moderation variable, it increases to 36.6%. This result shows a positive increase after moderating variable addition which means that information-sharing activity variable boosts or increases perceived emotional value impact to purchase intention.

Table 2. Score after X2 is added as moderation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.478	0.229	0.226	1.680
a. Predictors: (Constant), Emotional				

2. X1B as independent variable, X2 as moderation and Y as dependent variable
The first R square result of perceived performance value shows impact to purchase intention by 27.7%. After added with information-sharing activity as moderation variable, it increases to 37.6%. This result shows a positive increase after moderating variable addition which means that information-sharing activity variable boosts or increases perceived performance value impact to purchase intention.

Table 3. Score before adding X2 as moderation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.527	0.277	0.275	1.626
a. Predictors: (Constant), Performance				

Table 4. Score after X2 is added as moderation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.613	0.376	0.370	1.516
a. Predictors: (Constant), Performance * Info Sharing, Performance, Info-Sharing				

3. X1C as independent variable, X2 as moderation, and Y as dependent variable
The first R square result of perceived social value shows impact to purchase intention by 33.8%. After added with information-sharing activity as moderation variable, it increases to 39.5%. This result shows a positive increase after moderating variable addition which means that information-sharing activity variable boosts or increases perceived social value impact to purchase intention.

Table 5. Score before adding X2 as moderation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.582	0.338	0.336	1.556
a. Predictors: (Constant), Social				

Table 6. Score after X2 is added as moderation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.628	0.395	0.388	1.494
a. Predictors: (Constant), Social*Info Sharing, Info-Sharing, Social				

Conclusion

The analysis regarding impact of perceived values to purchase intention in online travel agent shows positive result. This impact is further boosted with information sharing activity. As we know, the internet is a virtual place where people freely roam, so if online travel agent has built good system for booking and successfully planted decent image in customers' opinion, the next thing they can do to increase purchase intention is by facilitating information sharing activity around their customers.

To be precise, all three variables of perceived value positively influence purchase intention when mediated by information sharing activity, this means that hypothesis H4 is accepted; Perceived value positively influences purchase intention mediated by information sharing activity.

Limitation and Future Research

Despite the tangible finding concerning the data analysis outcome, our study has a limitation to prevent extension of the problems along with future research that could reinforce them. Writers limit their discussion only in scope of travel agents that are operating online, with three chosen variables as indicators. Writers will not consider impacts affected by another values. There are lots of perceived values, each with differing natures and impacts to customers' perception. Since we have chosen emotional, performance, and social values, we suggest that the next research can start from analyzing similar impacts but with diverse values. Moderating variable can also be changed to other activity that can potentially boost customers' perception.

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