

Electronic Word of Mouth and Purchase Intention on Traveloka

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Abstract— Traveling recently became a trend in several countries including Indonesia. The Present of e-commerce in travel industry such as online travel agency (OTA) both local and global have been affecting in communities behavioral and purchasing patterns. Most of Indonesian now tends to use booking online to meet their needs in related to transport, hospitality and tourism. That makes the role of electronic word of mouth (EWOM) also becomes very important for consumer in their online purchasing process. Consumer often to rely on EWOM in review form to collect many information and make purchase decision. The purpose of this study is to examine the influence of EWOM toward consumer purchase intention at Traveloka as one of popular local OTA in Indonesia. The study was conducted by sending directly online questionnaires to 50 respondents in Bandung city who previously had used online booking services at least once on either Traveloka application or website. This research uses structure equation modeling (SEM) in analyzing data research. The result of this study indicates that credibility, quality and quantity of EWOM have negative influence toward intention purchase in Traveloka. From this result Traveloka needs to maintain and improve their consumer satisfaction to consistently learn trust and positive EWOM among consumers to attract intention purchase on other consumer to using them.

Keywords—E-Word of Mouth; Online Travel Agency; Purchase Intention

I. INTRODUCTION

Traveling recently became a trend in several countries. Based on World Tourism Organization, there are a total of 1322 million international tourist arrivals in 2017 [1]. With almost all activities touched by technology and internet, the importance of communication and technology in tourism sector has significantly following to increase [2]. A lot of e-commerce are emerging and growing rapidly along with both that development of digitalization and travel trend in the world. However with the increasing number of Online Travel Agency (OTA) options, customers have to deal with the amount of information that must be faced before their purchase activities [3]. They also have to deal with a lot of product review in

various quality and credibility in order to get specific information about the product [4].

The present of e-commerce in traveling industry like travel online agent (OTA) have been affecting communities behavior and consumer purchasing patterns. A lot of customers start considering to use a booking online whenever they need anything that related to tourism especially for hospitality and transportation. As intangible products that can make them difficult to measure their quality prior from consumer to purchase [5]. From consumers generally always rely on information from word of mouth (WOM) from relative or acquaintance to know attributes and product quality [6]. Nowadays in digital era, consumers are more likely to use WOM through a social media model called electronic word of mouth (EWOM) [7]. Although in a virtual community, consumers can not touch the product or meet EWOM writer to develop trust.

At that time, the role of electronic word of mouth (EWOM) become very important in obtaining information for their purchase decision. Some literatures has identified that electronic word of mouth (EWOM) significantly influence on consumer purchase intention [8] [9] [10] [11] [12] [13] [14] [15]. Some of the previous study also has examined the influence of EWOM on purchase intention to tourism and hospitality industry [10] to fulfil the gap of the research, this study will examine some of information quality, credibility and Quantity factor related of EWOM adopted from other prior research to identify their influence to purchase intention on OTA.

EWOM is an online form of Word of Mouth (WOM). In addition EWOM is considered an effective way to build awareness in marketing communications [16]. Beside of that to monitoring consumer respond, OTA usually providing their own opinion platform now in their site or application to easier their consumer to search any information. that platform can helps travelers obtain information and share personal experiences, opinions, photos, hotel reviews and holiday advice [17] For example, Traveloka [18] as a one of leading travel company in Southeast Asia who is providing such as hotel,

plane and train ticket and any travel necessary. They have more than two billion trusted online review from hotel guest who will other their user to in make choices [18].

As a result, when consumers read product information, reviews and recommendations, they must depend on their own expertise and engage to determine the credibility of EWOM [12]. Online review (OR) is part of EWOM. As part of it, online consumer reviews help them to determine EWOM credibility and make purchasing decisions. The quantity and quality of online consumer reviews are important characteristics affecting consumer information-processing.

Purchase intention is as consumer intention in purchase a certain product, service or brand [13]. Purchase intentions are formed under the assumption of delayed transactions and, as a result, are often regarded as important indicators of actual purchas [19]. The purchase intention also have been considering as main accurate predictor in actual purchase behavior because they is an important stage of actual purchase [20] [21] [22] which is can give benefit to companies.

This study aim to examine the effect of credibility, quality and quantity of ewom and the factor to purchase intention in OR form on OTA site. There was also some reseach about quality, quantity and credibility of ewom [23] [24]. The dimenstion of ewom quality will adopted from some (relevance, understandability, sufficiency, objective and timeless) [25] [26] This study will also measure EWOM credibility using five dimensions that adopt some research [23] [27] [28] that are expertise, trustworthiness, homophily and aggregated recomendation rating.

H1: EWOM quality positively influence purchasing intention.

H2: EWOM quantity positively influence purchasing intention.

H1: EWOM credibility positively influence purchasing intention.

II. METHOD

This research of study has used quantitative method. This research is related of EWOM and purchase in-tention on Traveloka. To examine the study, the re-searchers prepared questionnaire that related to the issue. The questionnaire was created and distributed to Traveloka user directly and through online. The final number of respondent for this research is 50 Traveloka users in Bandung city. The target of this research was customer who previously had used Traveloka at least once through the website or appli-cation.

The questionnaire employs multiple choice questions with regard to variables using the Likert scale with 5 value. To examining EWOM from traveloka user, the data collected and analyzed with Structural Equation Modelling by using SPSS dan AMOS. In process of analysis the data, the researches through EFA (Exploration Factor Analysis) dan CFA (Confirmatory Factor Analysis). Based on the data of respondent was consist of female (76%) and male (24%). The age majority (59%) is 17 until 25 years old and for the majority of occupancy (52%) is company employment.

All item has through validity and relability before conducted analysis more deeply. In this reseach all item has been said to be valid and reliable. In validity measurement that show that $r_{label} = 0.23$ with $(n) = 50$. And for reliability measurement show that $\alpha > r_{label}$ where that means the item was reliabel. The all item analysed by exploration factor analysis (EFA) analysis every item for dimension or variable using SPSS than countinue with confirmation factor analysis (CFA). After all the step the result have to reduce some item. the finally, structural equation model was conducted.

III. RESULTS AND DISCUSSION

The tabel 1 result show that the goodness fit of the reseach indexes for the structure model and provides a reasonably good fit for the data degrees of freedom $(df) = 38$, $p > 0.05$; comparative fit index $(CFI) = 1.0000$; root mean square error of approximation $(RMSEA) = < 0.05$. All of these fit indices are acceptable, suggesting that the overall structural model provides a good fit.

Table 1. Goodness of fit.

Model	CMIN	D F	P	CMIN / DF	CFI	RMSEA
Default model	33.672	38	0.6698	0.8861	1.0000	0.0000
Saturate model	0.0000	0			1.0000	0.2426
Indepe ndence	213.61	55	0.0000	3.8839	0.000	
Model						

Another tabel 2 show the hypotesises test of the research. The result show that opposite result the previous result [29] that identified positive effect of EWOM Quality and Quantity to purchase intention. That also opposite of the result of studies that show the significantly impact of one variable or all Credibility, Quantity and quantity EWOM directly to purchase intention [22] [23] [24] [26]. This result rejected all hypothesizes H1-H3 that mean not supported the previous study about ewom quality, credibility and quantity.

Table 2. Regression summary model.

Model	Estimate	S.E.	C.R.	P	
PI \leftarrow Quality	2.2828	2.4821	0.9197	0.3577	Rejected

Cont. Table 2.

Model	Estimate	S.E.	C.R.	P	
PI \leftarrow Quantity	-1.5822	2.3464	-0.6743	0.5001	Rejected
PI \leftarrow Credibility	0.4910	1.2952	0.7046	0.7046	Rejected

In this study the result do not support the hypothesis. It is probably because the number of the respondents are too small and the focus on online review for this research is only on online review platform at Traveloka site or its application perspective only. Some consumers just come and leave only to collect more information and considering other option from other accommodation and other site. The consumer without planning or wanting to book hotel usually just come for updating information or review. Maybe if this research adding and involving other variable as the reason or motive factors

from EWOM make a big the difference because the result by reading online review that can make a change in the mouth-to-mouth message of the reader to other consumers about the perspective of the product because the belief of online consumer articulation it's the same concept with traditional word of mouth [29].

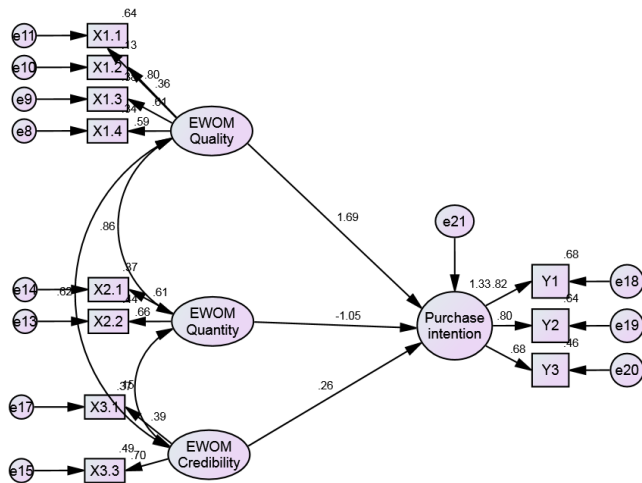


Fig. 1. Final of final SEM analysis.

IV. CONCLUSION

EWOM have a strong impact in the hospitality industry [30] and tourism industry. It can be really useful for collect lot negative and positive information of the product. Company need to make their review platform more lively not just to give rating and comment but also can be place to discussion. So the credibility, quality and quantity can grow in customer perception toward any information they see in review.

The importance of online review is not only for general online consumer but also for company because online review from user are assisting people in making decisions to buy and improve website usability [31]. EWOM are an important part of the online experience for marketers and consumers [30]. This study limitation focus just to review online from the site of an OTA. For the future research, the study about EWOM review can be researcher more deeply.

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