ANALYSIS OF FACTORS THAT INFLUENCE HOTEL REPURCHASE INTENTION

(Empirical study of online hotel bookings through Traveloka apps in Indonesia)

Compiled To Meet The Requirements To Obtain a Bachelor of Economics in Management Department at the Faculty of Economics

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APPROVAL PAGE

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Abstrak

Penelitian ini dilakukan untuk menganalisis faktor-faktor yang mempengaruhi pembelian ulang hotel secara online. Populasi dalam penelitian ini adalah seluruh pelanggan hotel online. Teknik pengambilan sampel menggunakan purposive sampling dan diperoleh 176 responden yang pernah memesan hotel pada aplikasi traveloka. Penelitian ini menggunakan 7 variabel yang meliputi 4 variabel bebas dan 1 variabel terikat serta 2 variabel mediasi. Variabel independen meliputi harga, kualitas, ulasan online, dan kepercayaan pada situs web pihak ketiga. Variabel terikatnya adalah niat beli ulang. Sedangkan persepsi nilai dan kepercayaan pada hotel sebagai variabel mediasi. Analisis data yang digunakan adalah metode penelitian kuantitatif dengan menggunakan Structural Equation Modeling (SEM) dengan Smart PLS versi 3. Hasil penelitian ini menunjukkan bahwa dalam direct effect yang meliputi online review, perceived value price, quality berpengaruh signifikan terhadap repurchase intention. Sedangkan kepercayaan terhadap hotel dan kepercayaan terhadap situs pihak ketiga tidak berpengaruh signifikan terhadap niat pembelian ulang. Untuk pengaruh tidak langsung, diketahui bahwa persepsi nilai sebagai mediasi harga dan kualitas terhadap niat membeli kembali memiliki pengaruh yang signifikan. Namun, kepercayaan terhadap hotel sebagai mediasi review online tidak berpengaruh signifikan terhadap niat beli ulang.

Kata kunci: Niat pembelian ulang, Pemesanan hotel online, Nilai yang dirasakan, Kepercayaan terhadap situs pihak ketiga, Kepercayaan terhadap hotel, Harga, Kualitas.

Abstract

This study was conducted to analyze the factors that influence hotel repurchase online. The population in this study were all online hotel customers. The sampling technique used purposive sampling and obtained 176 respondents who had booked hotels on the traveloka application. This study uses 7 variables which include 4 independent variables and 1 dependent variable and 2 mediating variables. The independent variables include price, quality, online reviews, and trust in third party websites. The dependent variable is repurchase intention. While perceive value and trust in the hotel as a mediating variable. The data analysis used is quantitative research method using Structural Equation Modeling (SEM) with Smart PLS version 3. The results of this study indicate that the direct effect,

which includes online review, perceived value price, quality has a significant effect on repurchase intention. Meanwhile, trust toward hotels and trust toward third-party sites have no significant effect on reprchase intention. For the indirect effect, it was identified that perceived value as a mediation of price and quality on repurchase intention has a significant effect. However, trust toward hotels as an online review mediation has no significant effect on repurchase intentions.

Keywords: Repurchase intention, Online hotel bookings, Perceived value, Trust toward third-party site, Trust toward hotels, Price, Quality.

1. INTRODUCTION

Changes in our society and everyday activities have resulted from the advancement in telecommunication and computer technology. The internet appears to be bringing significant changes to all aspects of life, especially in the business and marketing worlds. We can find various things on the internet, including information, social networks, apps, news, videos, images, and shopping, making it easier for people to shop without wasting time and energy. This convenience makes online shopping even more appealing. One of the businesses that take advantage of the development of the internet is the hotel industry (Carroll & Sileo, 2007).

Hotel is one type of public service that provides temporary housing for someone who needs it for a specific time. Meanwhile, according to the Decree of the Minister of Tourism, Post and Telecommunication No. KM 37/PW. 340/MPPT-86 in Sulastiyono (2011) is a type of accommodation that uses part or all of the building to provide lodging, food and beverage services, as well as other supporting services for the public which are managed commercially. People who want to stay at a hotel come from a different area from the hotel's location. Hotel reservations used to be considered "locked" because customers did not know room rates or availability. As a result, people who want to book a hotel must use an agent or come directly to the hotel. It is considered less effective if it is carried out when people are more aware of technological advancements. With the availability of websites that promote online hotel

reservations, the general public can quickly and efficiently access the details they need about their travel plans.

Several travel agency companies in Indonesia are currently using e-commerce & digital economy transaction models, like Traveloka.com, Pegipegi.com, Tiket.com, Nusatrip.com, and other well-known travel agency websites. The term "digital economy" refers to using the internet and modern technologies to allow people to buy whatever they want, whenever and wherever they want. As a result, online ticket booking enthusiasts are rising in size, and the number of tourists is increasing. This phenomenon is evidenced by the hotel forecast data from year to year (Bella, 2018).

An online hotel booking service aims to make it easier for customers to make hotel reservations. This service can also have a good brand image in customers' eyes by providing various prices with attractive quality to bring up a good perceived value. Perceived value is an overall consumer assessment of product benefits based on what they receive and provide (Lai, 2004).

If it follows the customer's perceived value obtained from the service's use, trust from customers will emerge. Until now, people are still reluctant to make online purchases in implementing online hotel bookings because the description does not match reality. So, hotel owners must increase consumer confidence by join a trusted third-party website. Based on Dong & Ling (2015). hotel it is working with third-party websites to improve its competitive position and achieve sustainable development in the era of e-commerce. Besides that, hotel must also build trust in the hotel itself. To build trust in hotels, hotel owners need to provide an online review column. Positive reviews mainly encourage a change in positive attitudes towards the hotel (Vermeulen & Seegers, 2009).

After customers begin to believe in hotels, customers will start to enter the repurchase intention stage and choose the hotel they think is the best and worth it. In the opinion of Upamannyu, Gulati, Chack, & Kaur (2015), repurchase

intention is a customer evaluation or activity of a customer when making the first purchase and has a positive attitude to experience repeated purchases the future.

2. METHOD

This study is explanatory research employing the quantitative research method. Quantitative research is research by obtaining data in the form where this research is useful to examine the relationship between independent variables and dependent variables. The sampling technique used in this study is purposive sampling. A purposive sample is to produce a sample that can be logically assumed to be representative of the population. The sample used in this study is people who have experience using e-wallet. The number of representative samples is 176 respondents. In this study, data was collected through an online survey. The list of questions in the questionnaire covers issues related to price, quality, perceive value, trust toward hotel, trust toward third party sites, online review and repurchase intention. In this study, a questionnaire was used with a Likert index scale of 1-5.

3. RESULT AND DISCUSSION

3.1 Influence of online reviews on trust toward hotels

The first hypothesis test result shows that the statistical t value is 6,451> t table 1.96 with significance obtained by 0.000 <0.05. This indicates that the first hypothesis is accepted. There is a positive and significant influence among online reviews of Trust towards hotels. Increasingly positive and valid online reviews will increase customer trust towards the hotel. Before buying goods, most people tend to browse the internet to read online reviews about the quality of the product they are going to buy. Such research (Vermeulen & Seegers, 2009) states that customers will read both positive and negative reviews left by previous guests on online travel websites.

3.2 Influence of perceived value on repurchase intention

The second hypothesis test result shows that the statistical t-test amounted to 5,479> t table 1.96 with significance obtained by 0.000 <0.05. This suggests a second hypothesis is accepted. There is a positive and significant influence between perceived value to repurchase intention. The greater the Value of perceived Value will increase the decision of repurchase intention towards the hotel. This follows the theory that perceived value is defined as the exchange between price and quality, with the concept of value for money (Kim, Kim, & Park, 2017). Customers will buy a product/service offered if the price that must be issued is smaller than the perceived value in their minds. Customers will become loyal customers if they think the value delivered is more than their minds perceived value.

3.3 Influence of price on perceived value

Testing the third hypothesis shows that the statistical t value is 2,737> t table 1.96 with significance obtained by 0.006 <0.05. This suggests a third hypothesis is accepted. There is a positive and significant influence between the price and perceived value. The more rational the price of a hotel will increase the perceived value of customers towards the hotel. According to (Kim, Xu, & Gupta, 2012), in online hotel booking services, customers tends to compare prices objectively with reference prices, which will shape their perception of the cost. (Kim, Kim, & Park, 2017) said that perceived value had been broadly defined as the exchange between price and quality, with the concept of value for money.

3.4 Influence of quality on perceived value

Testing the fourth hypothesis shows that the statistical t value is 9,335 > t table 1.96 with the acquired significance of 0.000 < 0.05. This suggests a third hypothesis is accepted. There is a positive and significant influence between quality and perceived value. The more qualified a hotel will increase the perceived value of customers towards the hotel. Because nowadays, consumers tend to choose a product because of its advantages, be it more exclusive features or better

customer service. This statement is supported by research (Ye, Li, Wang, & Law, 2014) confirming that each customer perceives service quality. In general, perceived quality has been used as a criterion for assessing how well a hotel's services meet customer standards.

3.5 Influence of trust toward the hotel on repurchase intention

Testing the fifth hypothesis shows that the t statistical value is 1.734 < t table 1.96 with a significance of 0.084 > 0.05. This indicates that the fifth hypothesis is rejected. There is no positive and significant influence between Trust toward hotels and repurchase intention. Trust in hotels does not affect the intention to repurchase the hotel.

3.6 Influence of trust toward third-party sites on repurchase intention

Testing the sixth hypothesis shows that the t statistical value is 0.933 < t table 1.96 with a significance of 0.351 > 0.05. This indicates that the sixth hypothesis is rejected. There is positive and no significant influence between Trust toward third-party sites and repurchase intention. Trust in traveloka does not affect the decision to rebooking intention of the hotel.

3.7 Influence of price on repurchase intention mediated by perceived value

Testing the seventh hypothesis shows that the t statistical value is 2.240> t table 1.96 with a significance of 0.016 <0.05. This indicates that the seventh hypothesis is accepted. There is a positive and significant influence between price on repurchase intention mediated by perceived value. Perceived value help price to attract customer to repurchase hotel.

3.8 Influence of quality on repurchase intention mediated by perceived value.

Testing the eighth hypothesis shows that the t statistical value is 4.703 > t table 1.96 with a significance of 0.000<0.05. This indicates that the seventh hypothesis is accepted. There is a positive and significant influence between quality on repurchase intention mediated by perceived value. Perceived value help quality to attract customer to repurchase hotel.

3.9 Influence of online review on repurchase intention mediated by trust toward hotel

The nineth hypothesis testing shows that the t statistic value is 1.590 < t table 1.96 with a significance of 0.112> 0.05. This shows that the seventh hypothesis is rejected. There is a positive and insignificant influence between online reviews on repurchase intention mediated by trust in the hotel. Trust in hotels does not help online reviews to entice customers to repurchase the hotel.

4. CONCLUSSION

Based on the result of data obtained from respondent, all variables in the direct effect which include price, quality, perceived value, online review have a significant effect on repurchase intention. while all variables of trust to hotels and websites have no significant effect on repurchase intention.

In the indirect effect, price and quality variables have a significant effect on repurchase intention through perceived value as a mediating variable. while online review has no significant effect on repurchase intention through trust toward the hotel as a mediating variable.

4.1 Implication of Study

The results of this study indicate that price, quality, perceived value, online reviews have a positive effect on repurchase intentions. This implies that hotel managers need to understand consumer expectations and perceptions of value. To increase the consumer's perceived value, hotels may consider offering competitive rates or discounts for direct bookings through certain websites. In addition, keep prices consistent with their classification and take care to prevent cost overruns. Good quality will lure consumers to repurchase because they are satisfied. Hotels should offer complete product and quality information because before making a purchase, most customers will look at previous user reviews and stop buying if they find negative reviews.

4.2 Research Limitation

This research is only for Traveloka customers. Whereas many customers order in other applications. This research is only for customers who booked hotels six months ago, even though there was a COVID-19 case that reduced the number of customers booking a hotel. This study uses the Quantitative method by disseminating and analyzing questionnaires from respondents. Therefore, questionnaires are made permanent and limit respondent's ideas to share their thoughts and opinions.

4.3 Suggestion

For more research, use other hotel booking apps. Additional respondents are needed because there are currently many tourists every year, and there is a habit of staycations for millennials. Add a question field with the reason or purpose of the decision to rebooking a hotel.

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