Analysing Factors of Online Advertisement for Purchase Intention in Online Travel Booking Application

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ABSTRACT

The growth of smartphone users supported the acceleration of online transportation business. To support its business growth, the business company should make strategy to increase purchase intention. Based on recent research in other business field, perception of consumer regarding advertisement attributes will be intended to purchase intention to buy from online web shopping. More specific, motivation factors also influence to purchase intention, including product involvement and trust to web. This research will conduct research on how motivational factors (such as product involvement and trust in the website) and online advertisement affect purchase intention in online travel booking. Based result of data analysis, Perceived Entertainment has the biggest influence to Trust with t-value 17.805. Next, Perceived Informativeness also has influence to Product Involvement with score 12.021. Trust has influence to Intention to purchase with score 12.385. Unfortunately, Product Involvement has the worst influence to Intention to purchase with score 5.106.

Keywords : Online Advertisement, Purchase Intention

I. INTRODUCTION

Based on the survey result of Yayasan Lembaga Konsumen Indonesia (YLKI) showed that as many 77.7 % of random samples supported and used online transportation for helping their daily life (Saputri 2017).

In other hand, the growth of smartphone users also supported the acceleration of online transportation business. Based on the survey of Statistika in 2017, the number of smartphone user in the world is 2,32 billion users (Statista 2017).

Referring to the results of the survey shows that business with online using application assistance is a considerable market opportunity (Ratnasari and Haji 2018). To support its business growth, the business company should make strategy to increase purchase

intention (Pratama et al. 2017). Based on recent research in other business field, perception of consumer regarding advertisement attributes will be intended to purchase intention to buy from online web shopping. More specific, motivation factors also influence to purchase intention, including product involvement and trust to web (Kim, Kim, and Park 2010; Zhau and Bao 2002)

Online advertisement is type of advertising that used media of technology to select the suitable advertisement based on history of online consumer behaviour, so that the offered advertisement more relevant to consumers in order to increase the purchase intention (Zhau and Bao 2002).

In hence, perception of consumer regarding advertisement attributes will be intended to purchase intention to buy from online web shopping. More specific, motivation factors influence to purchase

intention, including product involvement and trust to web (Kim, Kim, and Park 2010).

This research will conduct research on how motivational factors (such as product involvement and trust in the website) and online advertisement affect purchase intention in online travel booking.

II. LITERATURE REVIEW

A. Online Advertisement

Based on the definition of Hawkins (1994), web advertisement is defined as advertising delivered via electronic information dissemination services. This phenomenon was previously known as electronic advertisement. Various formats of web advertisement include banner advertisement (advertisement placed on a web page in the form of rectangular-shaped images), sponsorship advertisement (advertisement related to pay for a particular web page or part of a page) and interstitial advertisement (ads that appear on web page pages either in full or partial-screen form) (Hawkins 1994).

In particular, Chandon et al. (2003) quotes from a survey by Advertising Bureau (2000) that banner advertisement comprises 55% of total online shopping, sponsorship contributes 30%, interstitial advertisement accounts for 5%, email for 1% and others by 8% (Chandon, Chtourou, and Fortin 2003).

No matter which forms of web advertising are employed, the main purpose of web advertising is to get customers to visit online shopping center sites, and store them on websites for as long as possible, so that they can interact with the website for long term "stickiness" to the website (R. R. Dholakia and Fortin 2001).

B. Online Travel Booking Application

In this research, we used the famous online travel booking in Indonesia, i.e. Traveloka, which is shown in Figure 1. This application supports all transaction by online network, including travel booking.
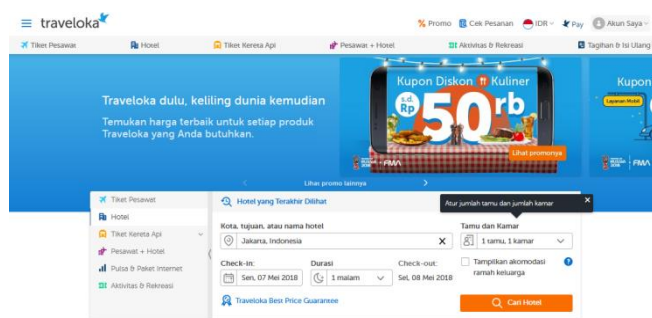

Figure 1. Traveloka: Online travel booking application

C. Related Works

Based on recent research from Zhaou and Bao (2002) and Kim et al. (2010), this research is derived. Zhaou and Bao (2002) have been studied about how using online advertisement in offering the relevant content to online consumers behaviour. Hence, the advertisement can be accepted or rejected depending on online consumers' perception whether it will fulfil their goals (Zhau and Bao 2002).

Based Kim et al. (2010), consumer perceptions about the attributes of web advertising will likely influence the intent to buy from online shopping sites. More specifically, motivational factors influence to make purchases, such as product involvement and trust in the website (Kim, Kim, and Park 2010).

This research will conduct research on how motivational factors (such as product involvement and trust in the website) and online advertisement affect purchase intention in online travel booking.

III. METHODOLOGY

Research phases that used for completing this research. In the first stage, preparation of the online advertisement factor instrument. The second stage is preparation of motivation factor instruments and the incorporation of all instruments prior to data collection. Further data collection was done by using the online questionnaire to the respondents in

accordance with the research topic. After data collection, data processing and data interpretation will be completed. Data processing will be done by using Partial Least Square (PLS) method.

A. Data Collection

Three-hundred-three surveys were returned from 1,225 random samples because of an invalid and incomplete response. The respondent of data is user of online travel booking named Traveloka.com. The final data for this research is 922 data with the distribution are shown in Table 1.

TABLE I

DEMOGRAPHICS OF RESPONDENTS

Classification		Number	Percentage
Gender	Male	460	49.89%
	Female	462	50.11%
Age	< 21	440	47.72%
	21 – 30	447	48.48%
	31 - 40	23	2.49%
	41 - 50	10	1.08%
	> 51	2	0.22%
Education Level	High school	475	51.52%
	Diploma	87	9.44%
	Undergraduate	343	37.20%
	Graduate	17	1.84%
Salary	< Rp. 2000.0000	479	51.95%
	Rp. 2000.0000 – Rp. 3000.0000	130	14.10%
	Rp. 3000.0000 – Rp. 4000.0000	190	20.61%
	Rp. 5000.0000 – Rp. 6000.0000	69	7.48%
	> Rp. 6000.0000	54	5.86%
Total		922	100%

B. Research Model

In this research work, we used model that is consisted two main variables, i.e. advertisement and motivation. The research model is adapted from research model that is proposed by Kim et al. (2010) that is modified based on research aim (Kim, Kim, and Park 2010). The used research model of this study is shown in Figure 2.
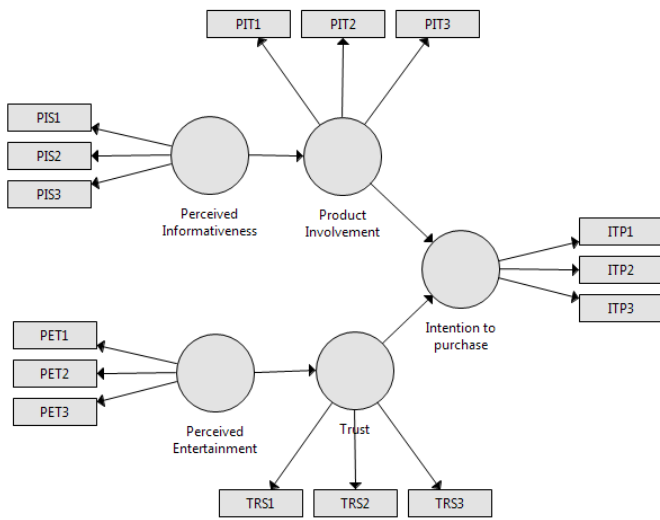
Figure 2. Research model

The hypothesis is used for this research:

H1: Perceived informativeness is positively influenced to product involvement in application

H2: Perceived entertainment is positively influenced to trust toward application

H3: Product involvement is positively influence to purchase intention through application.

H4: Trust toward websites is positively influenced to purchase intention in application.

C. Data Analysis

Our experimental set up based on SmartPLS calculation result. We used a partial least squares (PLS) regression by using bootstrap resampling method to investigate structural model. To see whether convergent validity is validated, we only proceed loading factors with score which is greater than or equal to 0.7. Moreover, in an attempt to do reliability of model validation, we used Cronbach's alpha (CA), composite reliability (CR), and average extracted variance (AVE) (Fornell and Larcker 1981;

Izquierdo-Yusta, Olarte-Pascual, and Reinares-Lara 2015). The minimum score of Cronbach's alpha (CA), composite reliability (CR), and average extracted variance (AVE) used is as explained by (Hair et al. 2006; Yana, Rusdhi, and Wibowo 2015) which must be greater than 0.7.

IV. RESULTS

We explored result of research by utilizing a partial least squares (PLS) regression using bootstrap resampling method to investigate structural model. In the beginning, to validate convergent validity.

TABLE II
CONVERGENT VALIDITY

Item	Loading Factors
ITP1	0.885
ITP2	0.701
ITP3	0.860
PET1	0.880
PET2	0.904
PET3	0.861
PIS1	0.824
PIS2	0.886
PIS3	0.843
PIT1	0.889
PIT2	0.891
PIT3	0.794
TRS1	0.819
TRS2	0.851
TRS3	0.874

We only accepted loading factors with score which is greater than or equal to 0.7 as shown in Figure 3 and Table 2.
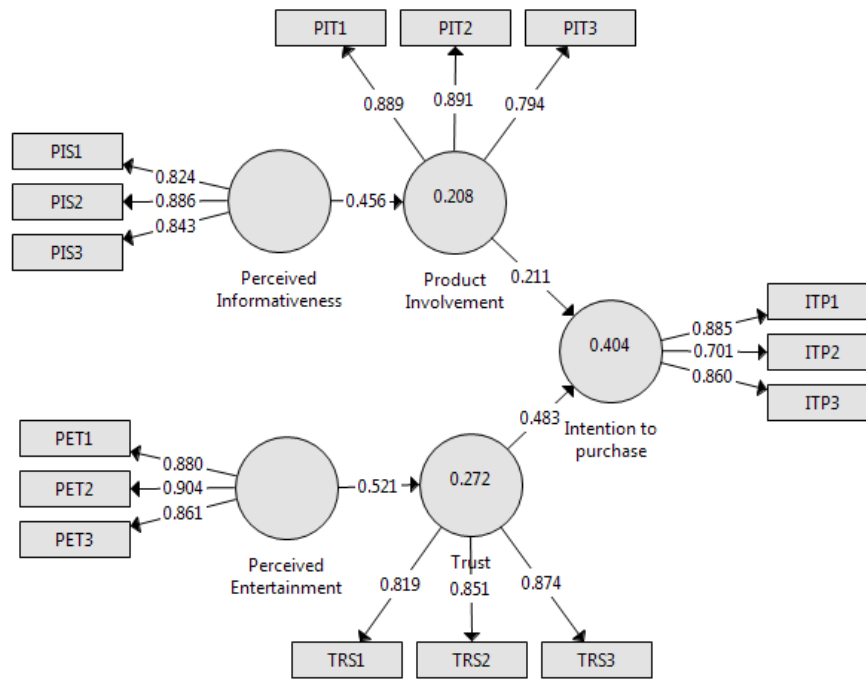
Figure 3. Research model

Then, to ensure reliability of model validation, we used Cronbach's alpha (CA), composite reliability (CR), and average extracted variance (AVE) (Fornell and Larcker 1981; Izquierdo-Yusta, Olarte-Pascual, and Reinares-Lara 2015). The minimum score of Cronbach's alpha (CA), composite reliability (CR), and average extracted variance (AVE) used is as explained by (Hair et al. 2006; Yana, Rusdhi, and Wibowo 2015) which must be greater than 0.7 as shown in Figure 4 and Table 3.

TABLE III
CONSTRUCT RELIABILITY AND VALIDITY

Factor	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Intention to purchase	0.757	0.806	0.859	0.672
Perceived Entertainment	0.857	0.861	0.913	0.778
Perceived Informativeness	0.810	0.818	0.888	0.725
Product Involvement	0.823	0.842	0.894	0.739
Trust	0.806	0.812	0.885	0.720

In this research, we used significant level 0.05 with two-tails to test hypothesis that have defined. Based result of data analysis, Perceived Entertainment has the biggest influence to Trust with t-value 17.805. Next, Perceived Informativeness also has influence to Product Involvement with score 12.021. Trust has influence to Intention to purchase with score 12.385. Unfortunately, Product Involvement has the worst influence to Intention to purchase with score 5.106.

TABLE IV

MEAN, STDEV, T-VALUES, P-VALUES

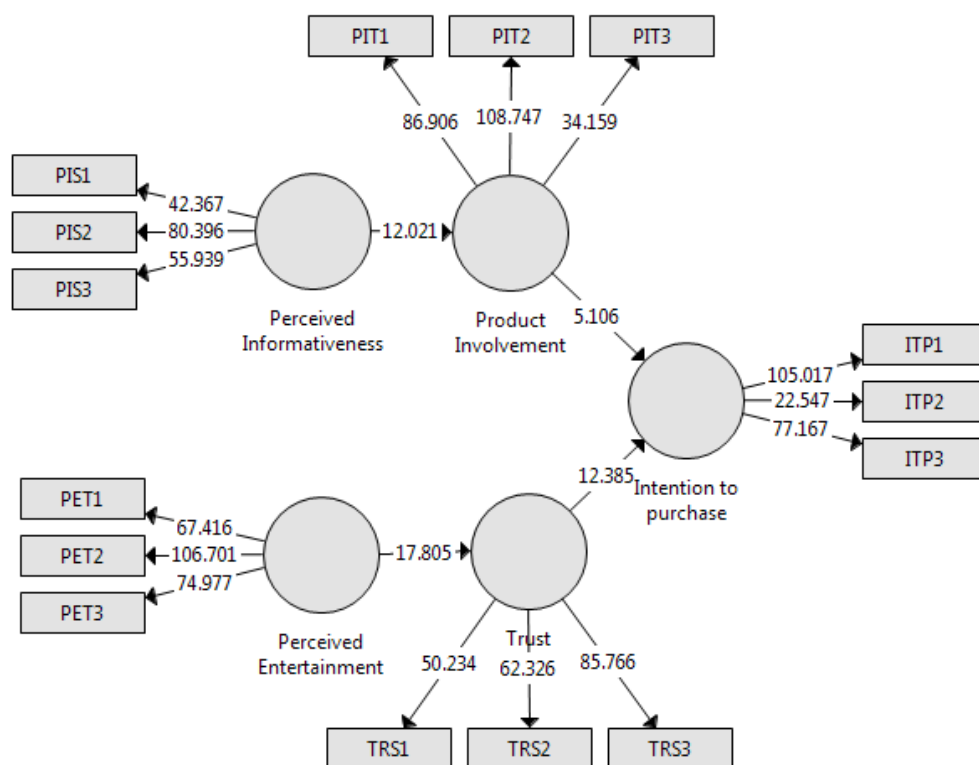| Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Perceived Entertainment -> Trust	0.521	0.521	0.029	17.805	0.000
Perceived Informativeness -> Product Involvement	0.456	0.457	0.038	12.021	0.000
Product Involvement -> Intention to purchase	0.211	0.211	0.041	5.106	0.000
Trust -> Intention to purchase	0.483	0.484	0.039	12.385	0.000

Figure 4. Research model

V. CONCLUSION

Based on research experiment, we conclude:

1. Related to research data, the respondent of data is user of online travel booking named Traveloka.com. The final data for this research is 922 data

2. The experimental set up based on SmartPLS calculation result. We used a partial least squares (PLS) regression by using bootstrap resampling method to investigate structural model

3. As the result of hypothesis testing, we used significant level 0.05 with two-tails to test hypothesis that have defined. Based result of data analysis, Perceived Entertainment has the biggest influence to Trust with t-value 17.805. Next, Perceived Informativeness also has influence to Product Involvement with score 12.021. Trust has influence to Intention to purchase with score 12.385. Unfortunately, Product Involvement has the worst influence to Intention to purchase with score 5.106.

VI. AKNOWLEDGEMENT

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