

**INFLUENCE OF INTERNET IN DETERMINING  
PURCHASE OF ONLINE FLIGHT TICKETS**

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# **INFLUENCE OF INTERNET IN DETERMINING PURCHASE OF ONLINE FLIGHT TICKETS**

**by**

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# **PENGARUH INTERNET DALAM MENENTUKAN PEMBELIAN TIKET**

## **PENERBANGAN ATAS TALIAN**

### **ABSTRAK**

Walaupun sebilangan besar pengguna di Malaysia merupakan pengguna Internet, mereka juga adalah merupakan pelancong yang kerap melancong. Oleh sebab itu, penggunaan Internet semakin meningkat dari hari ke hari. Syarikat penerbangan sedang bergerak ke arah menggunakan internet sebagai media untuk mendapatkan maklumat penerbangan dan juga untuk membeli tiket penerbangan. Oleh itu, Internet merupakan platform global untuk pelbagai penggunaan yang berbeza, dan ianya adalah penting bagi syarikat penerbangan untuk mempunyai pemahaman yang mendalam terhadap pengguna dan keperluan mereka. Oleh yang demikian, adalah penting untuk mengenal pasti faktor-faktor utama yang boleh menjadi elemen untuk perancangan strategik bagi industri penerbangan untuk memperoleh keuntungan. Faktor-faktor utama yang dikenal pasti untuk kajian ini ialah Perlakuan Pengguna, Kualiti Perkhidmatan, Kemudahan Penggunaan, Kemudahan Melayari Internet, Harga, Kos Pertukaran dan Laman Web yang Responsif. Kajian ini dijalankan untuk menganalisis hubungan antara faktor-faktor utama dan kesannya ke atas niat untuk membeli. Kajian ini bertujuan untuk mengkaji faktor-faktor utama yang mempengaruhi Internet dalam menentukan niat pembelian tiket penerbangan. Kajian ini adalah berdasarkan *Technology Acceptance Model* sebagai teori asas. Objektif kajian ini dicapai melalui borang soal selidik. Borang soal selidik telah dimuat naik dalam *surveymonkey.com* dan ia telah diedarkan kepada 417 individu. Sebanyak 194 data daripada responden telah dikumpulkan. Data ini dianalisis dengan menggunakan perisian SPSS. Dapatan kajian ini menunjukkan bahawa kesemua faktor-

faktor utama seperti Perlakuan Pengguna, Kualiti Perkhidmatan, Harga, Kos Penukaran Laman Web Responsif mempunyai hubungan positif dengan Niat Pembelian. Kemahiran Penggunaan dan Kemahiran Melayari Internet didapati tidak mempunyai hubungan positif dengan Niat Pembelian. Di samping itu, kajian ini juga menghuraikan tentang limitasi serta cadangan kajian masa depan. Hasil kajian ini akan memberikan maklumat yang berguna untuk Industri Penerbangan dalam perancangan strategi mereka. Penglibatan dalam Internet perlu diiktiraf sebagai sumber utama untuk pertumbuhan industri mereka.

# **INFLUENCE OF INTERNET ON DETERMINING PURCHASE OF ONLINE FLIGHT TICKETS**

## **ABSTRACT**

While a large number of consumers in Malaysia are typically Internet users, they are also considered as frequent travelers. Usage of the Internet, are increasing from day to day. Airline companies are moving towards using the Internet as a platform to obtain air travel information as well as to purchase flight tickets. Thus, with the Internet being a global platform for many different usage, it is essential for airline companies to have an in depth understanding on consumers and their needs. It is essential to identify key factors that can be an element for strategic planning for airline industry to be profitable. The key factors identified for this research are Attitude, Service Quality, Ease of Use, Internet Search Skill, Price, Switching Cost and Website Responsiveness. The research is undertaken to analyze the relationship between these key factors and the effect it has on Purchase Intention. The research is designed to investigate the key factors that influences the Internet in determining the purchase intention of flight tickets. The research is based on Technology Acceptance Model as the underlying theory. The objectives of the research are achieved through survey questionnaires. Questionnaires were uploaded in surveymonkey.com and it was distributed to 417 individuals. A total of 194 respondents were collected. The data than were analyzed using SPSS data analysis software. The findings of this research show that except for Ease of Use and Internet Search Skill, all other key factors such as Attitude, Service Quality, Price, Switching Cost and Website Responsiveness have positive relationship with Purchase Intention. Further, this research also elaborates on limitation it has as well as future suggestion.

The result of this study will provide useful information to Airline Industry in their strategy planning. Social media has to be recognized as primary source for the growth of their industry.

# **CHAPTER 1 - INTRODUCTION**

## **1.1 Background of the Study**

Until the last couple of years, airline companies selling and purchasing of flight tickets was a complete conventional method of using the on-the-deck counter and travel agencies (Koo, Mantin, & O'Connor, 2011). It is said that this conventional method is not cost saving as it incurs expensive commission payments and other multiple transaction fees. Airline companies are facing prominent challenges in ensuring there is a profit and cost balance in their business (Zahir, Saleh, Ghoneim, Dennis, & Jamjoom, 2013). The high competitions among travel agencies has forced airline companies to look into other options to profit.

The Internet is a huge network linking many parties such as institutions, firms, organizations and individuals from all over the world (Law & Leung, 2000). The growth of the Internet is so rapid that it just takes 3 years for Internet to reach 50 million users, comparative to 38 years for radios and 13 years for televisions (Law & Leung, 2000).

The Internet is a perfect tool for airline companies to sell their flight tickets as it has characteristics such as intangible, inseparable production and consumption, perishable and seasonal (Tomás & Elena, 2013). Using the Internet for purchasing flight tickets was effective in reducing costs, and at the same time, changing the company to become more efficient and productive.

The benefits obtained from using the Internet for purchasing flight tickets has proved as many. It saves costs and time, makes consumer easy to compare process and allows consumers to have convenient booking (Bigné, Hernández, Ruiz, & Andreu, 2010). The

same article states that by using the Internet to purchase flight tickets, it reduces processing charges, transfers the organization into a paperless world and eventually allows great flexibility on itinerary changes. According to Shah Alam and Mohd Yasin (2010), the global outreach produces by the Internet whereby consumers can obtain their purchases from anywhere around the world is a huge benefit provided by purchasing flight tickets online.

Firms have started to include the Internet as one important element into their business by manipulating information from various source to have a complete understanding of the Internet's role in their business (Fernando, 2010). Internet has allowed prospect to develop and create marketing techniques that differs from the normal conventional techniques (Cheng, Dale, & Liu, 2008) Internet tremendously influence the marketing effort of the airline companies.

The airline companies in Malaysia has seen a gradual increase in its revenue as well as the total number of passengers per annum. Referring to Table 1.1, Malaysia Airlines (MAS) has an increment of 9.02% in its revenue when it is compared within the year of 2012 and 2013 (Malaysian Airline, 2014). Analyzing the total passengers carried by MAS, it can be seen in Table 2.2 that there is an increment of 19.67% from the year 2012 to 2013 (Malaysian Airline, 2014). Meanwhile, Air Asia is experiencing a steeper increase in revenue and passenger load. There is a 3.24% increment on the revenue and 9.95% increment on total passenger for Air Asia from 2012 to 2013 (Air Asia, 2014). A booming 18% of total revenue for Air Asia in 2011 is represented by its ancillary business (Toole, 2011). Ancillary business includes add-on services such as pre-booked

of seating, baggage supersize and pre-booked meals which can only be done via the online booking method.

Thus, increasing business for the airline companies can be largely associated with its involvement in the Internet based marketing.

Table 1.1

<i>Annual Report for Air Asia and MAS (Revenue Comparison)</i>				
<u>Year</u>	<u>MAS (RM'000)</u>	<u>%</u>	<u>AirAsia</u>	<u>%</u>
2009	RM11,605,511		RM3,133,000	
2010	RM13,585,559	14.52	RM3,948,000	20.62
2011	RM13,901,421	2.27	RM4,495,000	12.17
2012	RM13,756,411	-1.05	RM4,946,000	9.11
2013	RM15,121,204	9.02	RM5,112,000	3.24

Table 1.2

<i>Annual Report for Air Asia and MAS (Passenger Comparison)</i>				
<u>Year</u>	<u>MAS(mil)</u>	<u>%</u>	<u>AirAsia(mil)</u>	<u>%</u>
2009	13870		14253	
2010	15708	11.71	16054	11.22
2011	17046	7.80	17986	10.74
2012	16651	-2.37	19678	8.60
2013	20733	19.67	21853	9.95

Statistical data shows that flight tickets are the most sold and purchased item online.

43.8% of consumers purchase flight tickets online (Shah Alam & Mohd Yasin, 2010).

With the rapid growth of technology, a big portion of retail activities happens via the Internet. Therefore, it is important to analyze the influence of Internet on determining purchase of online flight tickets.

## **1.2 Research Problem**

Due to the rapid growth of Internet which changing into a platform for online retailing, it is proven that consumer able to shop anywhere at any time. The usage of Internet has such a wide use in marketing activities, starting from obtaining data, spreading information, retrieving information, product communication as well as consumer support. The usage of Internet does not limit consumer to networking media only, but extends to means of transaction in global market (Lim & Ting, 2012). This expansion, invites multiple organizations, especially airline companies to have an opportunity to join in the competition (Lim & Ting, 2012).

Internet is a platform where millions of people are logged in at all times. Since it is a global reaching platform, it is essential for airline companies to understand what consumer wants in this competitive environment. Being aware that Internet is playing a major role on purchasing flight tickets, identifying the factors affecting purchase intention through the Internet are essential. Analyzing how consumer decide on purchase intention need to be done to satisfy and succeed in the competitive business environment.

Even though there is a tremendous increase of usage of the Internet for online purchasing, there are less consumer whom actually purchase online (Lim & Ting, 2012). Consumer uses the Internet to retrieve information, but to actually purchase any product is still vague (Lim & Ting, 2012). Some consumers avoid online purchasing as privacy and security concern causes hesitation on their intention. Jensen (2012) mentions that due to the intangible nature of the Internet, online purchasing is associated with insecurity concern. It has become a high involvement process for information search in

order to enhance quality and reduce risk of the purchase (Jensen, 2012). There are also evidence showing that consumer retrieve information from the Internet, but end up purchasing using the conventional method (Jensen, 2012).

Given the importance that Internet plays on online purchase intention of flight tickets, it is fundamental to examine factors influencing the Internet on determining purchase intention of flight tickets. A number of factors contribute to influence of the Internet on purchase intention of flight tickets have been identified and verified.

Some of these factors include attitude (Bigné et al., 2010), ease of use (San Martin & Herrero, 2012; Shah Alam & Mohd Yasin, 2010), internet search skill (Udo, Bagchi, & Kirs, 2010), price (Wang, Yeh, & Liao, 2013), service quality (Caruana & Ewing, 2010), switching cost (Wu, Chen, Chen, & Cheng, 2014) and website responsiveness (Kim & Lennon, 2013). The lists of factors having a positive or negative impact on consumers' propensity to purchase do not seem to be very different from the considerations encountered in offline environments. However, the sensitivities individuals display for each variable might be very different in online marketplaces.

This study examines the influence of the Internet on determining purchase of flight tickets with regards to Attitude, Ease of use, Internet Search Skill, Price, Service Quality, Switching Cost and Website Responsiveness. The study would like to further analyze these factors in order to find out if these factors are still major contributors to consumer using the Internet to purchase flight tickets.

Attitude towards the acceptance of the Internet is an important factor in measuring influence of the Internet on purchase intention of flight tickets. Developing a positive

attitude towards the Internet and its attributes will influence their intention to purchase flight tickets. Thus it is essential for consumer to have a positive attitude towards the Internet in whole, in order to develop purchase intention of flight tickets (Kim, 2012).

Developing Internet's Ease of Use very much depends on the ability of airline companies to create an easy to learn and understandable websites to help consumer to maneuver online (Featherman, Miyazaki, & Sprott, 2010). It involves the consumer's perceptions towards the process leading to the final outcome (Cho & Sagynov, 2015). The final outcome in this study refers to consumer's flight tickets purchase intention with the influence of the Internet.

Lack of Internet Search Skill has a lot of probability to hinder consumer having purchase intention (van Deursen & van Dijk, 2011). It prevents consumer from obtaining the correct information and often push them to have misunderstanding on the limited information received. Even though Internet search engines largely helps consumers to find information on flight tickets, the use of search engines requires advanced skills (van Deursen & van Dijk, 2011). Thus, Internet Search Skill is deemed to be an important factor to influence purchase intention of flight tickets.

Consumer's constant effort to scout for the cheapest Price is an important factor in determining purchase intention (Gupta & Kim, 2010). Internet thus allows consumers to compare prices by providing many cheapest possible alternatives such as direct airline's website prices, discounted prices through travel websites as well as constant price promotions. Price can also be used as competitive strategies among airline companies to attract consumers.

An important component for airline companies to focus is the level of service to their consumers. Airline companies need to deliver top notch quality services if they want to hold to their business, regardless of online or conventional method (Gounaris, Dimitriadis, & Stathakopoulos, 2010). Airline companies are moving forward to concentrate on delivering two types of Service Quality, which is based on company interaction with their consumer and services that rely more on Internet and ecommerce (Nikhashemi, Haque, Yasmin, & Khatibi, 2012).

Purchasing flight tickets through online becoming extremely important to airline companies whom depends on the Internet to grow their business. A high quality website which provides a good online experience to consumers is important to create purchase intention to consumers (Hasanov & Khalid, 2015). Thus, it is crucial to measure Website Responsiveness based on current global requirement of consumer worldwide.

Switching Cost includes not only monetary value, but beyond that, it involves consumer's time and psychological effort in going through the process of dealing with a totally new environment (Yen, 2010). In the context of this study, Switching Cost relates to moving from conventional method of purchasing flight tickets to online purchasing.

### **1.3 Research Questions**

In reference to the problem statement stated above, this study plans to search answers for the questions raised below:

1. Is there a relationship exists between Attitude and purchase intention of airline flight tickets?

2. Is there a relationship exists between Ease of Use and purchase intention of airline flight tickets?
3. Is there a relationship exists between Internet Search Skill and purchase intention of airline flight tickets?
4. Is there a relationship exists between Price and purchase intention of airline flight tickets?
5. Is there a relationship exists between Service Quality and purchase intention of airline flight tickets?
6. Is there a relationship exists between Switching Cost and purchase intention of airline flight tickets?
7. Is there a relationship exists between Website Responsiveness and purchase intention of airline flight tickets?

#### **1.4 Research Objectives**

In conjunction with the research question stated in the previous section, the importance to conduct a research on analyzing the factors influencing Internet on determining purchase intention of flight tickets is vital. This research will focus on airline companies on a whole, no-frill airlines and the full service airlines. There is a difference between both types of airlines as there are certain distribution channels that is only used by either one of the airlines to present their availability and prices (Buhalis, 2004). For example, no-frill airlines uses the Internet to attract consumers by providing information on all their ancillary services, whereas, full service airlines, does not have the need to do so as it is already included as part of their service. However, the same article states that the

variance is becoming more and more unclear by each individual airline carriers have begun to compete with each other. Therefore, this study commences to accomplish the following objectives:

1. To determine whether a relationship exists between Attitude and purchase intention of airline flight tickets.
2. To determine whether a relationship exists between Ease of Use and purchase intention of airline flight tickets.
3. To determine whether a relationship exists between Internet Search Skill and purchase intention of airline flight tickets.
4. To determine whether a relationship exists between Price and purchase intention of airline flight tickets.
5. To determine whether a relationship exists between Service Quality and purchase intention of airline flight tickets.
6. To determine whether a relationship exists between Switching Cost and purchase intention of airline flight tickets.
7. To determine whether a relationship exists between Website Responsiveness and purchase intention of airline flight tickets.

### **1.5 Research Significant**

Airline companies not like other organizations that sells vehicles, food or apparel, as airlines are a part of service industry. In the service sector, many companies compete among each other to offer their best even though their offering are relatively similar end services.

The issues of various factor influencing the Internet on purchase intention of flight tickets is an ongoing topic for the past two decades. The need to understand which factors that are contributing to the influence of the Internet on purchase intention is important for managers, providers and researchers. Airline companies need this information on how their consumer act and react to the concept of using the Internet for purchasing flight tickets. By understanding which area to focus, airline companies will be able to build stronger relationship with them. Only through understanding the factors that will push consumer to have purchase intention, airline companies can able to plan their strategy to become profitable in this competitive edge over their competitors and to provide maximum consumer satisfaction.

Today, the Internet is a far easier option for consumers to purchase flight tickets. The advantages range from quick and easy ways to compare prices on multiple airlines to enabling consumers to have wider range of options before making a decision. The convenience that it offers will be a major plus point for consumer to switch to online purchasing. It enables airline companies to build relationship with consumers and prospects through regular, low-cost personalized communication, reflecting the move away from mass marketing.

The increasing benefit of online marketing eventually pushes both consumer as well as companies to turn their focus to capturing their purchase and sell activity through the Internet. The conveniences that Internet provide goes to the level where transaction could be done by consumers around the clock without the concern off opening hour's limitation. Airline companies could sell their service without worrying on the distance barrier. Airline companies can widen their target market to global level and at the same

time consumer can able to reach the airline companies without physically need to be present at the designated airline company's sales/counter booth. Besides, the cost incurred to airline companies to market their service is cheaper compared to physical retail outlet. One big advantage that airline companies possess by marketing through the Internet is the ability to personalize their offers to consumers through building a profile of their purchasing history and preference. The information obtained from tracking the history and preference will be useful for airline companies to make targeted offers that reflect their interest. For future improvement, Internet marketing will enable airline companies to take advantage to the growing importance of incorporating social media into their business strategy. It will further boost up the Internet marketing campaigns by incorporating social networking.

With so many prominent benefits highlighted, it is essential for airline companies to understand thoroughly on the key factors that contributes to the influence of the Internet on determining the purchase intention of flight tickets. By understanding the importance and role that these factors contributes, airline companies can able to arrange strategy and improve their focus on these factors in order to further improve purchase intention. This study focus on seven factors that determines Internet's influence (Attitude, Service Quality, Ease of Use, Internet Search Skill, Price, Switching Cost and Website Responsiveness) and determine whether these factors significantly influence purchase intention of flight tickets. By applying the Technology Acceptance Model (TAM), this research contributes to the growing body of knowledge specifically on the influence of the Internet on online marketing.

## **1.6 Definition of Key Terms**

**Internet** – a global network of networks based on the TCP/IP protocols, enabling computers of all kinds directly and transparently to communicate and share services throughout much of the world (Maeyer, 1997)

**Online Marketing** – electronic messages and media used by an organization to collectively influence its perceived brand value (Gurau, 2008)

**Attitude** - tendency to react in a regularly favorable or unfavorable behavior towards the Internet, in which the respondent can be cognitive, emotional or behavioral (Craton & Lantos, 2011)

**Ease of Use** - the ability to find one's way around the web, to locate desired information, to know what to do next and very importantly to do so with minimal effort (Constantinides, 2004)

**Internet Search Skill** - combination of the users' experience with computers, the training they obtained, and overall knowledge or skills (Lu & Philip, 2009)

**Price** – average of the bid and ask price rather than either the bid or ask service as a better approximation of the transaction price (Guillaume et al., 1997)

**Service Quality** – proactive prevention of defects and mistakes mixed with initiative in producing merit in internal processes along with its result (Christiansen, 2011)

**Switching Cost** - Costs perceived, anticipated, and/or experienced by a buyer when changing a relationship from one seller to another (Matzler, Strobl, Thurner, & Füller, 2015)

**Website Responsiveness** - The extent to which a website facilitates efficient and effective shopping, purchasing, and delivery (Long & McMellon, 2004)

**Purchase Intention** - purchase probability associated with an intention category at the percentage of individuals that will actually buy product (Halim & Hamed, 2005)

## **1.7 Structure of the thesis**

This chapter covers issues that introduce the context of the research such as background of the study, research problem, research questions, research objectives, research significance and definition of key terms.

**Chapter Two:** reviews literature regarding the variables of the study (Attitude, Ease of Use, Internet Search Skill, Price, Service Quality, Switching Cost, Website Responsiveness and Purchase Intention) and relevant theory to identify gaps. Based on the gaps in literature and theory, a conceptual framework and hypothesis are formulated.

**Chapter Three:** includes a discussion on the research paradigm and design. It describes population and sampling technique. The study instruments are described in details. The chapter also describes reliability and validity of the questionnaires, data collection procedures and data analysis techniques.

**Chapter Four:** explains the analysis and results of study variables. SPSS is employed throughout the entire analysis process.

**Chapter Five:** discusses the results, implications, and limitations. Suggestion for future researches are presented.

## **CHAPTER 2 - LITERATURE REVIEW**

### **2.1 Introduction**

This literature review explores each element discussed in this research. The chapter starts with an elaboration on the model and theory used in this study. Then, an extensive elaboration of literature review on the constructs (Independent Variable & Dependent Variable) will be discussed. It is separated to two dominants, which is, the key factors and the impact it has on Purchase Intention. It will begin with an elaborated discussion on Purchase Intention. Then, it will be followed by literature review for all the seven factors (Attitude, Service Quality, Ease of Use, Internet Search Skill, Price, Switching Cost and Website Responsiveness). Continuing the discussion, hypotheses formation will be discussed. At the end of the chapter, we would be able to see the entire frame work of this research through the theoretical frame work.

### **2.2 Models and Theories Approached**

There are a handful of models and theories used in researches concerning technologies. By far, the more prominent theories incorporated in research studies are Technology Acceptance Model (TAM), Theory of Reasoned Action (TRA) and Theory of Planned Behaviour (TPB). These theories explain well on the influence of factors such as Perceived Usefulness, Perceived Ease of Use, Attitude, Subjective Norm and Perceived Behavioural Control towards Behaviour Intention as well as the Actual Behaviour.

#### **2.2.1 Technology Acceptance Model**

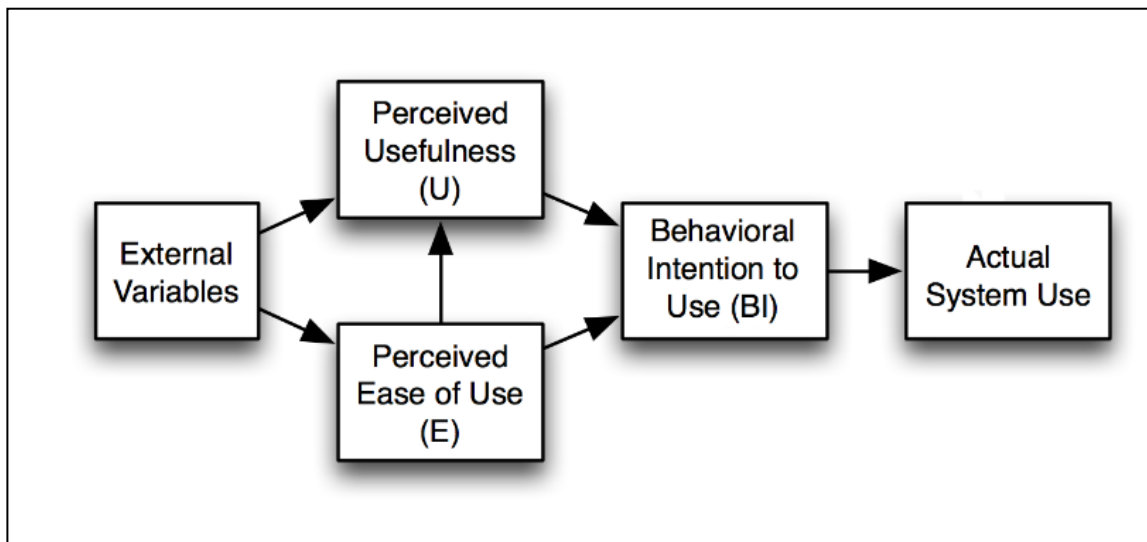
Out of many attempt to understand the process of user acceptance of information technology systems, Technology Acceptance Model (TAM) is the most researched theoretical framework (Davis, 1989). The theory is an extension from Theory of

Reasoned Action (TRA). TRA posits that an individual's behaviour is directly connected to their intention to perform a behaviour, and this behaviour intention is influenced by the individual's attitude and subjective norms linked to the target behavior (Kwak & McDaniel, 2011). In accordance to the conceptualization of TRA, TAM focuses into the factors that influences behavioural intention to later actually behave in certain ways (Kwak & McDaniel, 2011).

TAM is a theory for explaining and predicting technology acceptance and use (Davis, 1989). The essence of TAM is the causal chain of effect, in which the actual behaviour in adopting and using technology is determined by the intention to use the technology, and intention to use by itself is determined by belief associated with consequences of using the technology (Sheng & Zolfagharian, 2014). The set of beliefs are divided into two dominants, which is perceived usefulness and perceived ease of use. Perceived usefulness is referred to the level where individual feels that using a technology benefits them into performing the actual behaviour, whereas perceived ease of use refers to the belief that using a technology is effortless (Davis, 1989). The original TAM theory posits that perceived usefulness and attitude as the direct variables to behavioural intention, but the parsimonious TAM posits that perceived usefulness and perceived ease of use has a stronger effect, and therefore, frequently used in the literatures (Davis, Bagozzi, & Warshaw, 1989). The robust nature of TAM in reflecting user's acceptance of technology in many context provides a useful foundation for researchers connecting to consumer acceptance of online purchase (Tong, 2010).

TAM has a few dominant construct/variables such as perceived usefulness, perceived ease of use, behavioural intention and actual behaviour. The linkages between these

constructs/variables posits that external factors that links to perceived usefulness and perceived ease of use influences the behavioural intention of an individual to perform or act on the actual behaviour. Behavioural intention further influences the Actual Behaviour of the individual. Figure 1.1 below portrays the framework in which TAM model operates:



*Figure 2.1. Technology Acceptance Model*

In the context of this study, we have adapted only partial of the TAM model. The study have adopted External Variables, Perceived Usefulness and Perceived Ease of Use and studies the influence that it has on Behavioural Intention. Actual Behavior is omitted from this entire research.

In the context of the Internet, perceived usefulness is defined as "the degree to which consumer believes that the information obtained from the Internet will provide a range of benefits that would otherwise be difficult to obtain without participating in it" (Munoz-Leiva, Hernández-Méndez, & Sánchez-Fernández, 2012). The definition is further extended in this study, whereby perceived usefulness is defined as the degree to

which consumers believe that using the Internet will improve their believe on the Internet during information seeking process and further influence them to have purchase intention of flight tickets. Two factors have been categorized under perceived usefulness for this study, which is Attitude and Service Quality. It is stated that when consumer perceive Internet to be useful, they develop a positive Attitude towards the intention to use and participate in the Internet (Hossain & de Silva, 2009; Shin & Kim, 2008). A service delivered in the most beneficial form to consumer and gives satisfaction to consumer ensures the Service Quality is in the high level. Intervention of the Internet in enhancing service quality has triggered consumer interest on having purchase intention (Unnikrishnan, 2010).

Ease of use is related to the structure of the website, where consumer has to find the site simple to use, easily understandable content and features as well as prompt information seeking process (Munoz-Leiva et al., 2012). In the context of this study, perceived ease of use is referred to the degree to which consumer finds it easy to find for information on the Internet to further trigger them to have purchase intention of flight tickets. Five factors categorized under perceived ease of use for this study is Ease of Use, Internet Search Skill, Price, Switching Cost and Website Responsiveness. Ease of use perceives the Internet as a system that can be used to get information without much difficulties (Hackbarth, Grover, & Yi, 2003). Ease of Use can be developed through repeated usage of the Internet and training on computer literacy (Wang, Wang, Lin, & Tang, 2003). Once consumer finds the entire technology is bearable and easy to use, the intention to purchase through the Internet will grow higher (Shen & Chiou, 2010). In the context of Internet Search Skill, it reflects the ability of an individual to adapt and easily maneuver

the Internet. The Internet is an information system consisting of information delivery systems such as browser, portals, search engines and networking system. The skill to use the Internet can inspire individual and further encourage the Internet usage. The difference in Price information displayed in the Internet compared to other traditional advertisement channel will trigger consumer to consider a purchase intention through the Internet (Tso & Law, 2005). Besides, the quantity purchased that gives the difference in the pricing also triggers the purchase intention for consumer to purchase air flight tickets through the Internet (Subramani & Rajagopalan, 2003). Switching Cost is an element that determines purchase intention (Al-Smadi, 2012). Switching Cost as one of the determinant in this study refers to understanding how an individual's perceived cost becomes a decision maker on whether to stop existing supplier and engage with new supplier (Gall & Olsson, 2012). In the context of this study, Switching Cost are all the costs that are involved and taken into consideration before switching from conventional airline purchasing method to purchasing through the Internet. The purpose of including Website Responsiveness is pivotal for an online transaction's success. Individual perceive a good website responsiveness when they can achieve their intention to make an online purchase with a quick visit to a website without placing too much effort into it (Lee & Kozar, 2012). In context with this study, the argument that is brought forward by website responsiveness is the ability of certain website to interact promptly with user. This element will determine the user's intention to purchase online.

### **2.3 Purchase Intention**

Purchase Intention is created under the thought of a pending transaction, which is also an important indicator to the actual purchase (Chang & Wildt, 1994). Purchase Intention

have been defined as measurement that is used frequently to identify buying intention within an allocated period of time (Brown, Pope, & Voges, 2003). The actual buying rate is higher on consumer who has intention to purchase compared to those who has no intention to purchase (Brown et al., 2003). Purchase Intention does not necessarily proportioned to actual buying behaviour, but it influences the actual purchase to a certain degree (Brown et al., 2003). In another article, online purchase intention refers to situation where consumer willingly intends to make online transaction (Ling, Dazmin, Piew, Keoy, & Hassan, 2011). It is also defined as consumer's intention to create an online relationship with organizations that work through the Internet. This process contains three stages, which is information retrieval, information transfer and product purchase (Ling et al., 2011).

Attitude is defined as an individual's predisposition to respond in certain manner, and in this study's context, in respond towards the Internet (Limbu, Wolf, & Lunsford, 2012). The same article states that when the information in the Internet is relevant and well organized as well as provides enough safety cues, it will help consumer to develop positive attitude towards purchase intention. Attributes of attitudes such as confidence, clarity, reliability and accessibility represents as dimensions that forms purchase intention (Laroche, Kim, & Zhou, 1996). The benefits achieved such as proper use of time, increasing statistic of computer literate consumers as well as tighter security system on online environment had increased consumer's willingness on purchase intention (Kim & Kim, 2004). In another article, attitude towards secure transaction through the Internet such as payment security, information privacy, return policy and

service guarantee greatly influences the purchase intention for a consumer (Kim & Kim, 2004).

Service Quality is defined as the consumer's belief on the level of excellency of a product/service (Caruana & Ewing, 2010). The Internet allows the development and aggregations of systems that further up brings the airline company's service and allows consumers to customize their online environment (Caruana & Ewing, 2010). Quality of a service or product is influenced by the service attribute information (Chang & Wildt, 1994). Eventually, this leads to the decision of purchase intention. Service quality that includes attributes such as quality information on a well-designed web page and additional functions that determines the level of the service quality eventually influences the purchase intention of consumer (Kuo, Wu, & Deng, 2009).

The value of a product will determine the purchase intention, where product or service value contents the price (Chang & Wildt, 1994). If a service is considered low in value due to high price, thus, the purchase intention will be low and vice versa (Chang & Wildt, 1994). When making a decision on purchase intention, consumer are said to have the tendency to compare prices of the product or services (Chang & Wildt, 1994). Competitive prices displayed online such as good value for the price paid is indeed an element that determines the purchase intention of a consumer (Kim & Kim, 2004). Price has also been identified as an important factor that influences the experience of consumer as well as determines the purchase intention (Wong & Law, 2005). When consumer places price as a criteria for obtaining a product/service through the Internet, lower price will positively affect purchase intention and they consequently prefer discounted items (Konuk, 2015).

Ease of use is defined as consumer's perception on performing a certain task that requires effort and ideally, consumer would want a minimal effort to be placed (Amin, Rezaei, & Abolghasemi, 2014). The trend of increasing usage of the Internet has set new goals for airline companies, which is, to come out with advanced, user-friendly, context aware and customized services in the airline environment (Amin et al., 2014). Numerous previous studies found that Ease of use is a significant factor influencing online purchase intention (Chu & Lu, 2007). Consumer might find a task in online is important, but may not consider doing it online if the process of using the Internet system is difficult and outweighs the benefit it produces (Davis, 1989).

Internet Search Skill is referred to the ability to help users successfully search for information in the Internet (Smith, 2004). The same article states that there are various techniques that can be used by consumers to educate themselves to better use the Internet. User with lesser Internet usage tend to have less purchase intention. It is said that consumer with below six months of Internet usage are less likely to make online purchase (George, 2002). The same article also suggest that self-efficacy on the Internet search skill significantly relates to purchase intention whereby consumer tend to be inclined to have a purchase intention when they are well-versed on navigation through the Internet.

Switching cost is defined as costs that consumer absorbs when making a change in supplier (Chiang & Chen, 2014). The same article states that costs is not the only element looked into during a switching behaviour, but the degree of social and psychological risk that consumer goes through is also considered. Switching cost is an important element for increasing purchase intention through the Internet, as the ever

changing technology on the Internet portrays to be much more beneficial comparative to the conventional ways that traditional method possesses (Yen, 2015).

Website responsiveness is referred to the usability of the website and consumer's experience during information seeking and completing a task (Sørum, Normann, & Clemmensen, 2013). The article further claims that website responsiveness is important to consumer, therefore the aspects that are being looked into are fast access, easy navigation on the website, and a complete overview of the order before consumer makes a final purchase decision. Website is now becoming the major communication channel between consumer and airline companies, thus it is important to ensure a high quality website which incorporates information quality, system quality, ease of use, privacy, service quality and responsiveness (Ali & Ali, 2016).

## **2.4 Attitude**

Attitude is defined as forecasting individual behaviour when there are choices given based on a variety of preferences (Martino & Zan, 2010). It is portrayed as a tendency to react to a specific object in a positive or negative manner (Martino & Zan, 2010). Attitude is also defined as the outcome linked with a mental object and representation which is categorized to propositions and schema (Greenwald, 1989). Attitude is generally defined as tendency to react in a regularly favourable or unfavourable behaviour towards an object, in which the respondent can be cognitive, emotional or behavioural (Craton & Lantos, 2011). It is a strong determinant to assess reaction and content of manipulative effort. An individual who has a positive attitude towards the growth of the Internet and online purchase will respond favourably to purchase intention of flight tickets via the Internet and an individual who has a negative attitude will oppose

to any communication or transaction intention in the Internet (Greenwald, 1989). It is appropriate to consider an individual as both a computer user and also a consumer. Flight tickets purchases through the Internet are relatively new technology that balances an individual's skill to acquire information about the flight tickets and their willingness to use the technology to acquire it (Smith, 2004). Attitude are evolved over time via learning process such as referencing group, experience and personality (Pento, 2002). There are multiple elements that forms a positive attitude towards purchase intention of flight tickets, such as website complexity, convenience of use, easy access to information and consumer service policies (Limbu et al., 2012). Attitude towards the Internet purchase intentions depends on trust and belief (Jarvenpaa, Tractinsky, & Saarinen, 1999). It is stated that the online users whom are new to the Internet purchasing of flight tickets were excited about the entire online purchasing concept, but at the same time reluctant to make an actual purchase from the Internet due to lack of trust (Jarvenpaa et al., 1999). It is crucial for airline companies to display their privacy and security policy at an accessible level to help develop a sense of belief (Smith, 2004). This statement is also supported by Limbu et al. (2012) stating that privacy and security portrayed in the Internet plays an important role in influencing consumer to have purchase intention of airline flight tickets. Positive attitude towards the Internet could only be built when consumer believes that the retailer possesses both ability and motivation to produce product and services that meets the consumer expectation (Jarvenpaa et al., 1999).

Past experience in dealing with online purchases also encourages the intention to purchase through online. Expert Internet users develop a positive attitude towards

purchase intention of flight tickets, where consumer with a certain level of good experience maneuvering the Internet will be less reluctant than the novices and increase their purchase intention on flight tickets (Riley, Scarpi, & Manaresi, 2009). Past experience will lead to lesser uncertainty and further leads to increasing purchase intention (Goyal, Maity, Thamizhvanan, & Xavier, 2013). This statement is also supported by an article from Goyal et al. (2013), stating that a previously successful online purchase will eventually lead to more purchase intention and vice versa, a failed online purchase will not lead to purchase intention. It is also said that a more positive attitude towards online purchase intention is achieved with many attractive services being offered by the airline companies via the Internet (Smith, 2004). Apart from this, consumers are believed to form an opinion and change their purchase pattern based on the message being brought forward in an online advertisement done by airline companies. And this helps consumer to positively influence and form a willingness to make a purchase of flight tickets through the Internet (Wu, Wei, & Chen, 2008).

However, it is also stated that older generation individuals are more difficult to adopt to the changes in technology and thus would find the idea of purchase intention through the Internet as a difficult task (Pento, 2002). Airline companies have stated that some individuals are not reachable through their marketing methods as the fear and lack of belief on mutual information exchanges overpowers the willingness to adopt the new technology (Smith, 2004). Besides, there are also certain individuals who are reluctant to come out of their comfort zone and would prefer to continue to make purchases through traditional method (Smith, 2004). Consumer would not simply indulge themselves into purchase intentions via online references if they have a lack of trust on the safety of their