Airline E-ticket Online Purchase Intention Among University Student

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Abstract

Purchasing products and services via online is an important way of doing business for many tourism and hospitality intermediaries and travel operators. This study aims to examine the relationship linking students perspective of cognitive factors and their intentions to purchase online airline e-ticket from online travel agencies. Using convenience sampling, a total of 302 survey questionnaires were distributed to hospitality and tourism students in UiTM via google form. 245 responses were received and used for data analysis. Regression results revealed that two cognitive factors have significant relationships with students intentions to purchase airline e-ticket online. These include perceived risks and web security. Of these two attributes, web security have the most significant impact on students intentions to purchase airline e-ticket online. The study provides insights to online travel operators on the factors to concentrate in improving their services to customers as well as assist them in boosting their sales in the future and to achieve customer loyalty.

Keywords: Online Travel Agency, airline e-ticket, online purchase intention, university students, cognitive factors

1. Introduction

The advancement of technologies led to the high dependency of individuals on the internet which changed the method of offering products and services to the tourism industry (Gan, Sim, Tan, & Tan, 2006; Gregory, Kline, & Breiter, 2005). Internet provides a platform for conducting business and has attracted many people using it. The Internet is a perfect tool in the tourism industry because it has so many functions such as promoting and providing information to the user before they start their journey. It is a fact that the internet helps human life and makes it easier for them.

Online Travel Agency or more known as OTA is an online company that sells various tourism related services to the consumer via the usage of the Internet. This industry has also been recognized as the biggest online medium in selling their product and services followed by airline, and hotel as booking and payment made using this platform serves as their source of revenue based on the volume of sales through online channels (Conyette, 2012). OTAs attracts consumer especially those who wanted purchase the travel product and services without the hassle of
having to drive and walk-in to a travel agency to purchase them. They can make the purchase online from the comfort of their home.

Furthermore, this platform has created many opportunities for the OTAs and related e-marketers to conduct business more efficiently and economically (Mansour Samadhi et al., 2009). E-marketing has enabled consumers to connect and interact with marketers. For instance, consumers can purchase products or services and search for any information through the internet. Understanding the behavior of the online consumer is a priority issue for practitioners competing in the rapid expanding virtual marketplace as they will increase the sales. The interaction between the marketers and online consumers is very important. Hence, the marketers will know the demand in the market in order to improve their services.

Youth travel has become a large sector of global tourism as compared to other markets of tourism, and now representing 23% over billion of international tourist. The conception of youth tourism is well-defined as all tourism activities that are appreciated by young whose age are between 15 and 29 years (Horak and Weber, 2000). They are the new tourists who seek for the experience by traveling to destinations around the world. This generation is social media users and is tech savvy (Chigne, 2017), and social media and internet are their primary source of information. It is very likely they use OTA as in general there is a shift in which booking are now made online and on-the-go rather than using offline intermediaries (Euromonitor, 2017). Therefore it is essential to know if cognitive factors such as perceived risk, web security, price perception, perceived usefulness and perceived trust will affect university students intentions to purchase airline e-ticket from OTA.

2. Literature Review

2.1 Cognitive Factors and Online Purchase Intentions

Cognitive factors are factors that are related to reasoning, perception, and evaluation (Seng and Khalid, 2016). Cognitive factors relate to the individual’s characteristics that affect performance and learning. These variables help set performance to improve or drop the efficiency. Cognitive factors include certain variables such as concentration, memory, and reasoning (Danili and Reid, 2006). Cognitive influences are intrinsic to people and modulate external stimuli with behaviours and behavioural responses. According to Roy (2013), cognitive factors are internal and are derived from actions by means of measures such as precision in performing a task, such as remembering a list of words or the time taken to identify certain words on a text page. There are many cognitive factors may influence the student's intention to buy airline tickets via online. These factors include perceived risk, web security, price perception, perceived usefulness and perceived trust.

The first factor, perceived risk can be explained as a feeling of fear on the product that they buy and do not fulfil or fail from what they expect. It also can be explained when a customer makes a judgment or perception before they purchase any goods and services such as an airline ticket, booking hotel before they make any transaction. The consumer may have any certain doubt that the product, especially the product, is highly priced. Perceived risk reduces consumer willingness to purchase products online (Barnes et al., 2007). The argument proves that there are risks felt are from the assumptions and perception of an individual. The second factor web security, according to Udo (2001), was one of the major reasons why web users preferred not to make online purchases. Chung and Law (2003) described the features of the website as forms of amenities details, customer contact details, reservations, area information and website management information. Furthermore, according to Gray (1999), the security of
customer information has increased the concern to the public. Web security includes risks that lead to the economic distress of data, for example fraud, data leakage, misuse and misconduct of internet users. Law and Leung (2000) stated that the airline website features attributes which help customers make reservations online. The next factor is price perception. Price is something that determines how much you must pay, or how much it's for sale. According to Nikhashem et al., (2011), price is also a part of key factors that can influence customer e-transaction decisions. Under conditions characterized by such volatility in performance, price perception is likely to have an increased role in deciding both post-purchase satisfaction and return intention. The next factor is related to perceived usefulness. It can be defined as someone trusting that technology can be useful for them in their work or task (Davis, 1989). They know with the current technology, all the things are made possible. They do not need to go all the trouble to the travel agency to book their flight ticket. The students also perceived usefulness by using this kind of medium because it saved their time, excitement, free and flexibility (Leeelayouthayotin, 2004). When the students successfully buy tickets with online services, they tend to use the same services when they seem to be useful (Barnes and Vidgen, 2002). The final factor is related to perceived trust. Trust was described as the user's belief in the provider of mobile commerce after considering its characteristics such as safety and brand (Chong, Chan and Ooi, 2012). According to Motlaq et. al., (2012), e-trust is the major factor especially for the airline industry to retain loyal customers in this era. Moreover, McKnight and Chervany, (2002) strongly stated that for interpersonal and corporate relationships, trust is essential because it indicates critical risk, vulnerability or interdependence.

Recent technological change in the services sector has evolved the distribution of service delivery, face-to-face service to self-service (Lu, Chou, and Ling, 2009). Some users find the technology as an experiment of culture and favour communications (Zeithaml and Gilly 1987), while others say that technical use does not bring any significant benefits and tend to do things as they have always done. Specifically, no technical alternative is mentioned, but the self-service option, including self-services based on technology, seems to be considered. In the web world, the customer intention to buy online decides the strength of the intention of a buyer to perform a purchasing activity on the Internet. According to Ling et al. (2010), purchase intention can be defined as one of the components of consumer cognitive behaviour that is how an individual intends to purchase a specific brand. Purchase intention is an important tool for predicting the buying cycle. Purchase intention may be a means for producers to gather information about how the product they make will satisfy the customer (Tee, 2018).

2.1 Relationship Between Cognitive Factors And Purchase Intention

Cognitive factor and purchasing intention were tested in previous studies by Lopez-Bonilla and López-Bonilla (2013). The results indicate that cognitive factors are the reason why customers prefer traditional or online bookings. Cognitive factors play important roles in purchasing an online ticket, particularly in today's modern era of technology. Students will be more interested in technology that is quicker in terms of accessing information and easy for them to use in the payment process. Perceived usefulness is an imperative dimension that calculates the behavioural intention to purchase online. Moreover, perceived ease of use and perceived usefulness were found to influence the purchase intention of students toward the technology (Cham, Low, Lim, Aye, & Ling, 2018). Price signifies as a critical factor which has always influence consumers in making online purchase decision (Phan and Mai, 2016). Next, trust also plays a critical role in affecting the online purchase intention (Lim et al., 2019; Meskaran, Ismail & Shanmugam, 2013). When the consumers have higher level of trust toward the online retailer, they will more likely to have higher online purchase intention (Lim & Cham, 2015). The last factor, perceived risk is one
of the psychological processes encountered by the consumers during the purchasing of merchandise online (Lim et al., 2019; Singh, 2015). Liang and Huang (1998) argued that the nature and the degree of risk perceived by the consumers regulate their intention to shop online. Another study by Chew et al., (2013), which also tested to determine the main component that could affect the purchasing of airline tickets by the consumer. These studies gather data on the university students’ intention to buy e-tickets from the OTA. Therefore the present study believed that there is a significant relationship between cognitive factors such as perceived risk, web security, price perception, perceived usefulness, perceived trust and purchase intention of students towards purchasing airline e-tickets.

3. Methodology

This study employed the use of a descriptive research design using a quantitative approach. The population were among UiTM students’ of Puncak Alam Campus particularly the students from the Faculty Hotel & Tourism. These students were chosen because of the courses they took at the university which requires them to undergo field trips and site visits as part of their course assessments. The total population of student recorded is 1396 which comprises of five courses. The sample size for this study is 302 as according to Krejcie and Morgan (1970). Data were collected using a questionnaire that included 30 items to assess cognitive factors and their intentions to purchase airline e-ticket online. To test the reliability and validity of the items, they were tested using cronbach’s coefficient alpha for its consistency. Cognitive items was measured using 25 items and purchase intentions was measured using 5 items. Questionnaire items were adapted from Chen and Barnes (2007) as well as Mahdzar and Shuib (2016). A five-point likert-scale was used. Questionnaires were distributed online via google form to students. A total of 245 responded and were used for further analysis. Data collected were analyzed using Statistical Pacakge for the Social Sciences (SPSS) for descriptive analysis while regression analysis were used to the relationships between variables.

4. Findings

4.1 Respondents Profile

Majority of the respondents are female constituted 81.6 percent while male constituted 18.4 percent. In regards to age group, 79.2 percent of respondents were from age 21-23 years old, 18.4 percent respondents were from age between 24-26 years old, and 2.4 percent from age between 18 – 20 years old. As for the semester in which the students are registered in UiTM, 2.0% were students from semester 1. Both students in semester 2 comprised of 12.7% and semester 5 constituted 12.7%. 11.4% were respondents from student in semester 3. Semester 4 students comprised of 24.5%, while 31.0% are from semester 6. Furthermore, 1.2% were students from semester 7 and remaining 4.5% were semester 8 students.

4.2 Descriptive Statistics

The study shows the perception of students towards intentions to purchase online e-ticket in general (Table 1). These sections contain 30 questions that were asked to 302 respondents. Mean indicated average scores among respondents.
Table 1: Mean Score

<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicator</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cognitive Factors</strong></td>
<td>I often purchase airline e-ticket.</td>
<td>3.51</td>
</tr>
<tr>
<td></td>
<td>I feel that airline e-ticketing is trustworthy and honest.</td>
<td>3.82</td>
</tr>
<tr>
<td></td>
<td>I feel that airline e-ticketing is dependable.</td>
<td>3.87</td>
</tr>
<tr>
<td></td>
<td>I have confidence to purchase airline e-ticket.</td>
<td>3.90</td>
</tr>
<tr>
<td></td>
<td>The purchasing of airline e-ticket meets my expectation.</td>
<td>3.87</td>
</tr>
<tr>
<td></td>
<td>There is a low risk for purchasing online.</td>
<td>3.26</td>
</tr>
<tr>
<td></td>
<td>Purchase airline e-ticket will not cause financial risk.</td>
<td>3.21</td>
</tr>
<tr>
<td></td>
<td>The thought of purchase airline e-ticket makes me feel comfortable.</td>
<td>3.73</td>
</tr>
<tr>
<td></td>
<td>I think the purchase transaction and payment is safe and worry-free.</td>
<td>3.58</td>
</tr>
<tr>
<td></td>
<td>I want to be sure before I purchase anything to avoid risky purchase.</td>
<td>4.12</td>
</tr>
<tr>
<td></td>
<td>Airline e-ticketing website offers personal privacy assurance.</td>
<td>3.93</td>
</tr>
<tr>
<td></td>
<td>Airline website is keeping its promise and obligations.</td>
<td>3.84</td>
</tr>
<tr>
<td></td>
<td>As compare to other website, airline e-ticketing website is secure.</td>
<td>3.80</td>
</tr>
<tr>
<td></td>
<td>Airline e-ticketing website will not disclosure my personal information to third</td>
<td>3.69</td>
</tr>
<tr>
<td></td>
<td>The infrastructure of airline e-ticketing website is dependable.</td>
<td>3.82</td>
</tr>
<tr>
<td></td>
<td>My perception on price influences my buying decision.</td>
<td>4.21</td>
</tr>
<tr>
<td></td>
<td>I always search for price promotion when I want to purchase airline e-ticket.</td>
<td>4.29</td>
</tr>
<tr>
<td></td>
<td>I always compare the current offer price of airline e-ticketing with my previous</td>
<td>4.18</td>
</tr>
<tr>
<td></td>
<td>I will increase purchase frequency of airline e-ticket at promotion price.</td>
<td>3.97</td>
</tr>
<tr>
<td></td>
<td>I always compare the price of airline e-ticketing offered by all the Airline</td>
<td>4.26</td>
</tr>
<tr>
<td></td>
<td>The content or information on the website is useful for purchasing airline e-ticket.</td>
<td>4.15</td>
</tr>
<tr>
<td></td>
<td>The information on airline e-ticketing website facilitates decision making</td>
<td>4.09</td>
</tr>
<tr>
<td></td>
<td>Airline e-ticketing website is easy and functional for purchasing online.</td>
<td>4.14</td>
</tr>
<tr>
<td></td>
<td>Airline e-ticketing website is simple to use, even when using it for the first time.</td>
<td>4.02</td>
</tr>
<tr>
<td></td>
<td>It is easy to find the information I need from airline e-ticketing website.</td>
<td>4.04</td>
</tr>
<tr>
<td><strong>Purchase Intention</strong></td>
<td>I plan to purchase airline e-ticket in near future.</td>
<td>3.94</td>
</tr>
<tr>
<td></td>
<td>I intend to purchase airline e-ticket in the future.</td>
<td>4.13</td>
</tr>
<tr>
<td></td>
<td>It is very likely that I will purchase airline e-ticket.</td>
<td>4.08</td>
</tr>
<tr>
<td></td>
<td>Purchase airline e-ticket is something I would do.</td>
<td>4.11</td>
</tr>
<tr>
<td></td>
<td>I am willing to continue to purchase airline e-ticket.</td>
<td>4.18</td>
</tr>
</tbody>
</table>

Table 1 shows recorded mean score between 3.21 to 4.29. The highest mean is 4.29 representing the price perception of cognitive factor. Meanwhile, the lowest mean comes from the perceived risk, an item labelled as purchase airline e-ticket will not cause financial risk with a score of 3.21. For the purchase intention contained 5 items measured by Likert scale with 1 representing “Strongly Disagree” to 5 representing “Strongly Agree”. Table 1 also stated that for purchase intentions, the highest mean of 4.18 proved most respondents were towards a level of agree and willing to continue to purchase airline e-ticket. It can be concluded that the mean for items of cognitive factors (perceived risk, web security, price perception, perceived usefulness and perceived trust) have a mean that is towards at the level of agree (4) answered by respondents in the questionnaires for cognitive factors, and also the same (agree) towards purchase intentions.
4.3 The relationship between cognitive factors and students’ online e-ticket purchase intentions

To see whether there is a significant relationship between students’ perception of cognitive factors and their intentions to purchase online e-ticket, multiple regression was conducted. The outcomes demonstrated that there is a significant relationship between cognitive factors of students intention to purchase online e-tickets. The students perception of cognitive factors was able to explain 12.4% ($R^2=0.124$, $F$ – change = 6.748, $p < 0.000$) of the variance in intentions to purchase online e-tickets. It evidently showed that students perception of cognitive factors of perceived risk and web security, were found significantly and positively influence their purchase intentions for online e-tickets. Other cognitive factors such as price perception, perceived usefulness and perceived trust however, were found not significant. Besides that, Table 2 shows the value of Beta Coefficient for this study. Pallant (2005) stated that beta coefficient indicates which variable(s) are important to the model by looking at the largest value while ignoring the negative signs. This study suggests that among the factors cognitives, web security (0.225) is the strongest influence on the variance of purchase intention and followed by perceived risks (0.221). However, other cognitive factors such as price perception, perceived usefulness and perceived trust have statistically insignificant relationship towards the variance of purchase intentions.

Table 2: Coefficient Purchase Intentions

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.111</td>
<td>0.268</td>
<td></td>
</tr>
<tr>
<td>Perceived Risk</td>
<td>0.221</td>
<td>3.187</td>
<td>0.002</td>
</tr>
<tr>
<td>Web Security</td>
<td>0.225</td>
<td>3.414</td>
<td>0.001</td>
</tr>
<tr>
<td>Price Perception</td>
<td>-0.62</td>
<td>-9.79</td>
<td>0.328</td>
</tr>
<tr>
<td>Perceived Usefulness</td>
<td>0.037</td>
<td>0.566</td>
<td>0.572</td>
</tr>
<tr>
<td>Perceived Trust</td>
<td>0.044</td>
<td>0.657</td>
<td>0.512</td>
</tr>
</tbody>
</table>

Dependent Variable: Purchase Intentions

5. Conclusions

The goal of the research is to know whether perceived risks, web security, price perception, perceived usefulness, and perceived trust have a direct impact towards towards students purchase intentions of online e-ticket. These research results indicate that not all factors found to have a direct impact towards students’ purchase intention in the case of buying an airline ticket online. Only perceived risks and web security have a direct impact towards students’ purchase intention.

The research results give OTA an insight into the factors that influence their customers purchase intention, which is 12.4% based on the model. Perceived risk and web security was found to be significant factors to influence students’ online purchase intention on qirline e-ticket. The result is consistent with the previous study from the last decade (Gefen, 2000; Liang and Huang, 1998; Mitchell, Davies, Moutinho and Vassos 1999) and still a crucial predictor in the present study of online purchasing. This may probably due to the students’ online purchasing e-ticket experience are minimal. High exposure to online purchasing with OTA and frequent experiences with online e-ticket purchase may improve student’s confident and lessen perceived
risk particularly product risk, financial risk and privacy risk if they intent to purchase non-digital products (Dai, Forsythe, & Kwon, 2014; Tarigan, 2018).

Referring to the results of coefficient regression, perceived usefulness has no significant effect on students’ online e-ticket purchase intention. The result is consistent with the previous study from Chen and Yee (2014) which indicated that perceived usefulness is insignificant in explaining the online purchase intention. Most of the consumers like to use innovative technologies which are less complex and informative to improve their purchase experience. Price perception also did not reflect any significant relationship with students’ purchase intention toward online e-ticket. The results of this study were contradicted with Kinney, Ridgway and Monroe (2012) and Lin, Lee, Lin, and Lin (2009) which recommended that consumers tend to buy less when they need to pay more. One possible justification for the context of this study is differences in behaviour between online and traditional shopper. Online shoppers may put more emphasis on needs and least concern about price if the products was able to fulfil their requirement, whereas traditional shoppers are price concern as they have higher price conscious and obtaining a low price for the chosen product is more important than anything (Donthu & Garcia, 1999; Park, Kim, & Foxx, 2012). Lastly, the study found perceived trust has no significant influence on students’ online purchase intention of online e-ticket although previous studies found that trust is positively associated with online purchase intention (Grabosky, 2001; and Chui, Lin and Tang, 2005, Jin, 2020).

The result has shown that the independent variable, cognitive factors had a significant influence on online e-ticket purchase intention. Among all the cognitive attributes, web security had the strongest impact on online e-ticket purchase intention followed by the perceived risks. Overall, the result of this study is consistent with studies by Corman and Baloglu (2011); and Lee and Kozar (2006), stating that information security has been recognized as a significant element for ensuring wide participation for website purchasing and perceived risks such as privacy risk, product risk and convenience risk are the important reasons in influencing online purchase intentions. This research will give advantages and gave insights to airline and travel marketers and officials in improving the quality of services in delivering their website purchase, on the cognitive factors that effect on their customer behavior purchase intentions particularly in selling airline e-ticket. It is proven cognitive factors such as perceived risks and web security are very important in encouraging purchase intention for online services. Thus, marketers must pay attention to these factors that can enhance customer experiences when making a purchase online such as offering personal privacy assurance, secure, dependable website as well as low risk, worry-free and payment safe while they are using the website for online purchases.

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