Factors Adopting E-Travel Website: The Case of Indonesia

Vera Pujani, Alfitman, and Refdinal Nazir

Abstract—E-travel is travel agency’s companies employing internet and website as e-commerce context. This study presents numerous initial key factors of electronic travel model based on small travel agencies perspectives. Browsing previous studies related to website travel activities are conducted. Five small travel agencies in Indonesia have been deeply interviewed in case studies. The finding of this research is identifying numerous characteristics and dimension factors and travel website operations including owner-manager roles, business experiences, characteristically business, and technological aspects. This study is the preliminary research related to travel website adoption in Indonesia. The further study would be conducted in questionnaires of the quantitative research in Indonesia contexts as a developing country.

Keywords—Tourism, travel agency, e-commerce, website, developing country, small business, case study.

I. INTRODUCTION

The utilization of internet in business activities is a great alternative for most industries in undertaking online business. There is numerous business sectors employing internet as the significant tool to increase the business performance. The travel industry is one of the largest and fastest growing industries around the world working with the internet, especially in purchasing the flight and accommodation via websites [3]. The travel activity using internet is identified as e-commerce adoption and is facilitated by website operations to catch the various benefits of commerce transactions [12].

However, the prior studies argued that the utilisation of e-commerce is still ineffective in Developing Countries such Indonesia especially among small business enterprises [6]. The constraints of e-commerce activities including understaffed technology infrastructures, less financial support, low education’s levels and poor English capabilities are as major problems in Indonesia contexts –[7]. Diffusion internet usage in Indonesia is facilitated by internet cafes services [6] and is indentified as early adopter [2].

The Indonesian area is unevenly spread [24]. Over 200 million Indonesian people are living across 12,000 islands, with 60% of them on Java Island. Also, as most Indonesian regions are separated by ocean, Indonesian development is slow, which leads to an unbalanced economic growth. Therefore, geographical problems are the main issues in performing business activities in Indonesia. Accordingly, e-commerce and e-travel is a prospective option doing business in Indonesia especially in small travel business. As prior explanations, the research questions is in following statement:

What the succes factors influencing e-travel adoption in small travel agencies in Indonesia?

This article is arranged in the beginning, the review of e-commerce and e-travel are presented. In the next section, is continued by research methodology and results to answer the research questions. The last section, the conclusion and implication are discussed.

II. LITERATURE REVIEWS

A. E-commerce Website

Nowadays, the emergent internet technology, at the beginning of the twenty-first century, has dramatically changed the trend of information systems (IS) applications to, internetworked e-business or e-commerce systems [24]. E-commerce is defined as internetworked e-business and e-commerce systems. E-commerce is identified able to contribute to the advancement of business in developing countries [6].

In the face of the failure of dot.com activities around 2000-2001 [7], world wide web are still booming, in particular to gain the potential customers [3], as virtual markets and marketing tools [11]. In addition websites may be explained as: (1) ‘many-to-many communication’, incorporates interactivity with people and computers; (2) ‘flow’ which represents network navigation; and (3) ‘experiential and goal-directed behaviours’ which refers to extrinsic and intrinsic motivation.

DeLone and McLean [7]-[9] measured the success model of the e-commerce activity using the combination of technological, behaviour and organisational perspectives. The many factors influences e-commerce including quality, use and user satisfaction. There is three aspects of the quality; system, information and services. System quality refers to how good the system is in terms of its operational characteristics, Information quality refers to how good the system is in terms of information system output, in the meantime, Service quality refers to how good the service supplied by an information service provider is, in terms of the internal organization, external vendor and third party [7]. The literature presents that Feature is identified as factors in the success of website uses.

The previous studies distinguished four main features provided within a website: the informational features of a site including the General, products, business contacts, company-related, and customer-related information. The website also provide the ordering feature including, either a printable order form, fax, e-mailed order form, direct order by e-mail, or online sales facilities and a financial transaction process [6].

V.P. is with Andalas University, Padang, 25163 Indonesia (phone: 62-751-71088; fax: 62-751-71089; e-mail: vpujani@gmail.com).

This research was sponsored and financially supported by ministry of Indonesia Higher Education is 2012.
Customer service facilities also are provided in the website for instance before transaction; searching for dealers, agents or stores; purchasing for estimating a loan repayment; and post-purchase for ordering, shipment status. In addition, websites also provides feature for communication with club membership and services across organisations or mailing list [6].

The commercial website should reflect on building user trust, regarding to securities, trustworthiness, privacy and transaction rules [5]. Building the trust may be through social structures which is based on community responsibility.

The construct of the *use* is investigated in a main measure of the model of website success. Using the website is as everything which visit to the website, to navigate inside the site, to recapture, to execution [7].

### III. WEBSITE TRAVEL (E-TRAVEL)

The development of travel agencies is to deliver realized services related to additional value and usefulness for customers especially to increase its operations based on e-commerce contexts (e-travel) [2]. E-commerce in travel agencies have four major commercial functions: marketing, requisite information, customer service and electronic transaction [1]. The design of operations and the technology uses to attract a potential customer is considered. Hence, the satisfaction, customer need fulfillment and enhancement of loyal customers also should be concerned.

The integrative model by Sanchez-Franco, Javier and Rondon-Cataluna [26] measured the relationship the quality including usability and visual aesthetics to overall satisfaction. In the meantime, the online travel communities, customer loyalty and customer involvement are significant factors operating online travel. Furthermore, website design, satisfaction and trust are able to develop the high customer loyalty.

In line with previous paragraph, the customer satisfaction of online travel service is identified as success model in tourism activities [19]. Conducting a content analysis on six travel websites and 53 attributes of six web quality dimensions were presented in this study. This illustration presents navigability, playfulness, information quality trust, personalization and responsiveness identifying the six antecedent of online travel service. The research finding shown that the service quality of the travel website provided was able to increase the customer satisfaction.

However, the success model of e-commerce in tourism contexts is influenced by the necessary supporting and helping the growth of the online tourism market. The requirement of the tourist companies is communication network and its guarantees to gain the competitive advantages, satisfies to optimize the customers’ needs and the corporative structures. E-commerce in tourism includes business deals (transactions), which are realized through telecommunication systems, the most used of which is Internet [12].

Online travel and websites have been the most frequently visited online information facilities by travelers [6]. A strategy-inconsistent dimension can be discovered through a radar chart analysis of the 4PsC (Product, Promotion, Price, Place, and Customer Relationship) dimensions and a transaction phases analysis. To evaluate the effectiveness of the travel website, the manager should regularly check whether or not it is fulfilling the objectives that were established for it. This research employs a strategic e-travel evaluation framework to introduce a five-stage process for examining the consistency of website’s presence and its intended strategies. The finding show that an travel website’s strategy-inconsistent criteria can be easily identified through a gap analysis and criteria performance matrix.

Chen and Yung [5] procedures produced two results to explore the business models for travel Websites. The first, the difference between a business models derived from this empirical study and from Mahadevan’s model. Three streams “Value-added market making process”, “Free offerings”, and “Infomediaion” contributed a larger difference than the other streams. The dimensions for the travel portals were direct/indirect and strategic/functional. The dimensions for the product/service providers were information/sales and revenue/value streams; and the dimensions for the market makers were variable factors.

The study of genders differences regarding to information channels and e-travel functionality choice is presented [13]. Gender is one of the crucial aspects during operations of online travel business in general and especially in promotion. There is the differences between males and females in processing the information and making decision. Based on this study, the gender is as a behaviour aspect doing online travel operations.

Regarding to the tourist perception toward online travel, it shown that online and offline channels could coexisted delivering tourism services. This finding presents that tourist still required the professional service and advice offered [14].

### IV. RESEARCH METHODOLOGY

This study presents of the inductive approach and an exploratory study in qualitative research. The data obtained was derived from company’s perspectives. Five small travel agencies in Padang were selected as informants in this research. Padang is the capital city of West Sumatra Province in Indonesia and in 2009 had occured the earth quake disaster which had destroyed the tourism industry. For that reasons, doing research toward e-travel would be able to recover the tourism industry in Padang.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Main Product</th>
<th>Website (<a href="http://www">www</a>.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regina Adventure</td>
<td>Marine, adventure</td>
<td>reginaadventure.com</td>
</tr>
<tr>
<td>Padang Indah Tour</td>
<td>Tour, Umroh, Ticketing</td>
<td>padangindahtour.blogspot.com</td>
</tr>
<tr>
<td>Keumala Holiday</td>
<td>Tour, Ticketing</td>
<td>keumalaholiday.com</td>
</tr>
<tr>
<td>Pelangi Holiday</td>
<td>Tour, Rent Car</td>
<td>pelangiholidays.com</td>
</tr>
<tr>
<td>Ero Tour</td>
<td>Tour, Ticketing, Marine</td>
<td>ero-tour.com</td>
</tr>
</tbody>
</table>

Thus, in-depth interview was conducted as data collection and transcribed the data obtained. The owner or marketing manager of 5-travel agencies were selected as informant in this study (Table I). The data analysis is conducted by indentifying theme and coding the answer of each informant as a qualitative research. Finally, the summary of all theme of research is able to carry out the research questions.
V. RESULTS

The current research has conducted by interviewing five small travel agencies that has the own travel website in Padang areas. The result of this research illustrates a preliminary study of e-travel adoption especially among small travel agencies. There is the explanations of characteristics of informant and travel agency website. Thus, the identification of success factor in adopting e-travel is presented.

A. Characteristic Informants

Based on the result, there some information related to informant (interviewee) as in Appendix 1. As the result seen that the interviewee is owner, marketing staff or operator who are relative young (20-40 year old) with middle educational level without IT background educations and relative new doing travel business (1-7 years). These data obtained given a clear illustration regarding to initial transformation’s process doing e-commerce activities in the travel business.

B. Characteristic of Travel Website

Beside the informant profile, there are the data gained related to characteristics of its websites. Based on website of the server and domain presents that website uses are relative simple and tend to as the informative websites. However, these website conditions related to business specifics of travel industries which focus on the collaborative markets rathermore individual [33]. These website were built relative new or at least 5 years ago which operates as the B2B2C e-commerce and majority of website cost is the average of one million Indonesian Dollars. Additionally, these websites were developed by the owner with up dating in annually but especially for Pelangi Holiday is every day with new letters published.

Regarding to website contributions on travel business is much signifiant. The majority of online contribution is around 70 % comparing with offline contributions excluding Ero tour only 40%. This presents that e-travel has given significantly contributions on organizations and worked e-travel.

C. Characteristics of Website Features

The feature provided by travel websites is identified based on the study by Abdinnour-Helm and Chapparo [2]. There is four-user interface dimensions including user friendliness (F1), attractiveness (F2), marketing effectiveness (F3) and technical aspects (F4). These instruments present 41 items (features) using human factors, website design and usability concepts (see Table 2). There is e-travel evaluation based on user friendly and features provided. The ranking of e-travel operations is shown which lowest total score is the best operation. In conversely, the highest score is a poor operation.

Based on Table 2 (see also Appendix 2,3,4,5), shown that the best operation of e-travel is Pelangi Holiday and the poor is Ero Tour. It conditions illustrated the comparison between Pelangi Holiday and Ero Tour using e-travel activities. Pelangi Holiday is micro travel agencies with 2 workers and 15 workers for Ero Tour. In the mean time related to the tenure of business activities; Pelangi was 4 years and 14 years operations (see Appendix 1). Briefly, the older company is assumed more stable in business activities and they are not really need to extend its strategic business.

D. Perspective Toward E-Travel Website Development

The majority of idea to develop website was appeared by the owner. They attempted to extend their travel business and improve the number of customers employing presence websites. This condition in line with Spremig and Hlupic [28]. They presents the website development is motivated by business process change of E-commerce by owner. The e-commerce strategi process of the change to be e-commerce is formulated.

However, the travel website which is identified as newly established company doing the development of their owned websites rather than older travel companies. As newly established, the travel companies try to hard work finding the new customer. In the meantime, the older travel companies already have the number of customer and business partner doing extensive collaboration of travel business. In travel business, the collaborative relationships is the crucial factor using different motivations [33]. Besides that, the partner of distribution channels is identified as essential factors doing tourism activities including hotels and travel [27]. Therefore, the companies which have been long operating were quite satisfied with the number of stable partners, conversely with newly companies.

The development of travel website by the research informant, there are no significant problem during the development processing, since the majority, they work with uncomplicated websites. However, for the new established companies, there are have technological skill problems. In line with Pujani [24], small business and medium companies tend to employ a simple websites of e-commerce activities in organizations especially in developing countries.

E. E-Travel Success Factors

The utilization of website in tourism business has become a commonly available technology, however, the success factors of e-travel adoption is still required. There are numerous important factocs to adopt e-travel in SME’s contexts including owner-manager roles, business experiences, characteristical business,and technological aspects.

F. Owner-Manager Roles

In this research, all informants are as a owner-manager in its travel agencies. It means the full motivation to undertake business using the website is revealed. The role the owner and manager to adopt and imply the new technology is required [17]. The owner-managers are cited as the central point for innovation and inter-relationship between business characteristics and attributes and hence decision making processing. Additionally, owner-manager motivations, values, attitude, abilities, communication, knowledge are the fundamental to small business undertaking innovation,
technology adoption and use. The comment from informants was presented:

“I believe the internet would be more give fortune to my business, especially in tourism industries, internet is a crucial requirement to improve our business..... eventhough in the beginning stage, only develop the own website...”

The role of top managers to persuade all people related to main activities and behaviours in organizations have identified as crucial factors to adopt new technology especially using internet and website among small travel agencies [31]. Since, the top manager has the power and authority to adopt intensively e-business. Salwani et. al [25] supports prior statement where managerial beliefs on e-commerce innovation related to their perceives and acts had investigated as the significant performance of e-commerce usage. There is commonly comments related the roles:

“this firm is belonging to me and hence I work with my 2-3 friends, because of that reason, easy for us to make decision especially related e-travel adoption decisions...”

G. Entrepreneur Talent and Business Experiences

Undertaking e-travel business is identified as the extending process of the ordinary travel business. The advent of internet offers has given the extensive opportunities for small travel business to increase competitive advantage and global environment [1]. Therefore, the extending of travel business become e-travel requires special spirits to imply website operations. Related to the spirits, talent of manager as an entrepreneur has identified by Nieto, Hernando-Maestro and Minoz-Gallego [18] as a considerable factor using the rural tourism website. They add, that entrepreneur talent is able to provide the engine for the development of economically unstable conditions. Beside entrepreneur talents, business experiences in the tourism industry also identify as a desirable factor operating e-travel. As, experience in tourism business is able to play as moderator and potential effect on performance working with e-travel contexts. Here comments included:

“Using prior experiences during worked with a travel agency.....it make me convinced to generate the own website to operate online travel agency business......especially, if the website visitors ask about service-product offered, we should convey with accurate and reliable information......”

H. Technological Aspect

The use of the internet provides numerous benefits for the variety of the SME’s tourism industry. There are many business advantages during undertaking e-travel including sales and revenue growth, strong competitive advantage, improving distribution channel and establish the global reputation [1]. Based on the data obtained, identifying the simple and low cost website are believed suitable technology for SME’s contexts. The simple website in operating e-travel is able to anticipate organizational and resources problem of SME’s conditions [24]. The technology competence is able to explain the use of e-travel the variance in e-commerce activities [25].

Regarding using e-travel, some urgencies to operate website in small travel agencies are to get more the new customers and establisig in tourism market. The comment from informant:

“... doing business today have to make use technologies especially in tourism industries which encourage new customers locally and globally.... as well how to introduce our destinations to outsiders/foreigners where we have not own website yet.... doing intensive communication with potential customers....”

The intensity of e-travel adoption may be measured by activities of communication, online transaction, documentation and procurement [31]. Not only using e-travel for the external transaction but also much doing internal activities travel agencies business including preparation for any administration works and database for every transaction and customer’s data.

I. E-travel Performance

Doing e-travel is give any opportunities going to improve the performance and achievement in travel agencies business. There are many benefits that we can obtain during operating e-travel. Some reason from informants doing e-travel:

“e-travel give chances for us doing business in travel agencies with lower cost.....as we just stay at home...but we can get many transactions via e-travel.....We can focus to more satisfied our customer with quick response during communication with them (customers)...so, we can keep a good relationship with any customers”

The e-travel benefits can be derived with intensive uses via website activities. However, the efficiency and effectively are two issues in organizational performance which are desirable. Therefore, many companies in particularly SMEs should pay attentions using e-travel to create contributions to organizations.

VI. Conclusion

The current paper present related to e-travel activities in Indonesia. There is study focusing to small travel agencies business which located in one region in Indonesia namely Padang. Using a preliminary study, this paper identified about the illustration of e-travel adoption and its factors influenced. Additionally, website evaluation also were conducted using feature’ identification of website provided. Finally, the empirical study should be undertaken using survey methos in qualitative approach to extend this research in the future.

APPENDIX I

Characteristics of Informants

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Duration of business (years)</th>
<th>Online vs Offline (%)</th>
<th>Informant age (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regina Adventure</td>
<td>5</td>
<td>75 : 25</td>
<td>37</td>
</tr>
<tr>
<td>Padang Indah Tour</td>
<td>4</td>
<td>90 : 10</td>
<td>35</td>
</tr>
<tr>
<td>Keumala Holiday</td>
<td>7</td>
<td>50 : 50</td>
<td>37</td>
</tr>
<tr>
<td>Pelangi Holiday</td>
<td>4</td>
<td>70 : 30</td>
<td>35</td>
</tr>
<tr>
<td>Ero Tour</td>
<td>14</td>
<td>30 : 70</td>
<td>46</td>
</tr>
</tbody>
</table>

International Scholarly and Scientific Research & Innovation 6(12) 2012 3574 scholar.waset.org/1999.10/2669
ACKNOWLEDGMENT

The author thanks to the ministry of Indonesian Higher Education as the sponsor and financial support of this research. It was founded as the national competition in the international research collaboration and scientific publications grant in 2012.

REFERENCES


**Vera Pujani** received the bachelor degree in Management study from Andalas University, master degree in Management of Technology from University Teknologi Malaysia and doctoral degree in Ecommerce study from Southern Cross University Australia in 2008. She was with the Department of Management at the Economics Faculty of Andalas University. Her current research interests include E-business, E-commerce, SMEs, and technology use in business.

**Alfitman** received master degree in Information system for Business from Gajah Mada University and bachelor degree in Management study from Andalas University.

**Refdinal Nazir** received doctoral degree in electrical engineering from Malaysia Technology University , master degree from Bandung Institute of Technology and bachelor degree from Bandung Institute of Technology.