

Importance of internet in e commerce



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Chapter 1

It is difficult to define tourism. Tourism is not an industry that is grouped into a single heading within the Standard Industrial Classification (SIC) (Bardgett, 2000). The definition of tourism mostly come from the purchaser, 'tourist', not the product itself (Bargett, 2000). Thereupon, World Tourism Organization (WTO) (1993) had defined tourism consists of activities of persons travelling to and staying places outside their usual environment for not more than one continually one year for leisure, or business purposes.

In Malaysia, tourism industry has been recognizes as second largest foreign exchange earning sector (Mohd Hanafiah & Mohd Harun, 2010). According to United Nations World Trade Organization (UNWTO) World Tourism Barometer (2009), in 2008, tourist arrivals in Malaysia are substantially higher than its neighbors. The table below (Table 1. 1) provides a good picture on comparison of number of visitors among Malaysia, Singapore and Thailand.

On the other hand, as the society has driven into Internet Era, tourism is extensively transformed by the by e-commerce phenomenon (Lee & Letho, 2012). Hensdill (1998) described the web as a perfect medium for selling travel. While, with the popularization of computers through the Internet, travel product suppliers such as airlines, car rental companies, and hotels have grasped the opportunity to change their traditional distribution methods by launching their products directly on the Internet (Kasavana, 1997; Montgomery, 1999; Morrison, Taylor, Morrison & Morrison 1999). Similarly, travel information is also available on the Internet from regional and national tourism boards in a large amount (Weeks & Crouch, 1999).

Nowadays, Internet has now become a promotional and advertising tool (Countryman, 1999). According to Martin (2004), the Internet suits the marketing principles for travel and tourism because it: (a) allows travel suppliers to set up a direct link with customers; (b) gets rid of the unfair barriers for customers and suppliers; (c) relieve equal competition; and (d) decreases price discrimination opportunities. Consequently, the Internet not only serves to deliver information (Walle, 1996) but also act as a public relations tool (Connolly, & Sigala, 2001).

Hence, it is important for travel agents to know which factors can affect travelers' intention to use travel website. By knowing this, travel agents not only can formulate the marketing strategies but also can design a website which the features are different from the competitors in order to gain competitive advantages.

Problem Statement

Due to the rapid growing of tourism industry in Malaysia and the importance of internet in e-commerce, many of the travel agencies have created their own website. The rivalry among the travel website itself has increase rapidly. Hence, to be an outstanding website among the others, and to gain the competitive advantage, the travel agency need to know which factor has the most significant influence the user to use travel website. The result is not necessary only for strategic marketing formulation, but also for the design of the web site features that are superior from competitors (Aziz et al., 2010).

The main problem that influences the users to adopt the websites will be the multi stage process for the travel decision making process (Aziz et al., 2010).

The consumers need to look careful each step before until final steps to successful purchases the travel packages. For instance, users may need to login the membership before to process to purchase the package. This continue with the double confirm before the purchased package is correct. Until the payment step, users also need to check the all information is correct and submit to pay. Besides that, the security, privacy and trust concerns are other minor problems that influence the users to adopt the websites. The information's quality, security, privacy, trust and the company's reputation have strongly influence on online consumers' trust in the websites (Kim, Ferrin, & Raghav Rao, 2007)

According to the past study of Aziz et al. (2010), social influence is the superiority in encouraging people to use travel websites. While, in the study of Ahmad and Juhdi (2008), they found out that internet self-efficacy had affected Malaysian travelers to use travel website. In the study of Chen (2006), trustworthy has a significant influence in an online travel websites.

There have been various studies conducted in different country such as, a study on web site quality for online travel agency in United States (Park, Gretzel, & Sirakaya-Turk, 2007); the factor affecting consumers' attitude towards online reservation by Vathianathan and Roy (2009) in India; and examine e-travel site, an empirical study in Taiwan (Lin, 2010). Yet, only a few studies have been carried out in Malaysia. In the study of Aziz et al. (2010), the influence of predictors on travel website, the study is only conducted in Klang Valley, which is just a portion of Malaysia. The result cannot represent as a whole. While, in the study of Ahmad and Juhdi (2008), the number of respondents is small and mainly specific in e-group

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subscribers who were basically active users of internet. Thus, the generalization of the findings is questionable.

Research Questions and Objectives

Research Questions

General Objectives

- To identify and examine factors that affect Malaysian travelers' intention to use travel website.

General Question

- What are the factors that affect Malaysian travelers' intention to use travel website?

Specific Objectives

- To examine the relationship between Perceived Ease of Use (PEOU) and Malaysian travelers intention to use travel website.
- To examine the relationship between perceived usefulness (PU) and Malaysian travelers intention to use travel website.
- To examine the relationship between social influences and Malaysian travelers intention to use travel website.
- To examine the relationship between self efficacy and Malaysian travelers intention to use travel website.
- To examine the relationship between travel motivation and Malaysian travelers intention to use travel website.

Specific Questions

- Is there any relationship between Perceived Ease of Use (PEOU) and Malaysian travelers' intention to use travel website?
- Is there any relationship between perceived usefulness (PU) and Malaysian travelers' intention to use travel website?
- Is there any relationship between social influences and Malaysian travelers' intention to use travel website?
- Is there any relationship between self efficacy and Malaysian travelers' intention to use travel website?
- Is there any relationship between travel motivation and Malaysian travelers' intention to use travel website?

Source: Developed for the research

Significance of the Study

Generally, the acceptance of the internet among users is normally examined with technology acceptance model (TAM) (Aziz et al. 2010). However, the two variable of TAM (Perceived Ease of Use and Perceived Usefulness) are still insufficient to test on the factors affecting Malaysian travelers' intention to use travel website. Therefore, the proposed model of this study is an extension of Technology Acceptance Model (TAM) as theoretical foundation. The model will be adding other variables such as, social influence, self efficacy and travel motivation to test on the dependent variable.

Travel agency would be among the first to benefit from the study. The finding of this study may help the travel agency to understand several affected factors that influence Malaysian travelers to use travel website. It is important to understand the consumers' acceptance of the online concept and the product and services provided are more suitable to be selling online.

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Hence, travel agency will have more relevant information or idea when creating the website. Besides, it's also helping those agencies that have an intention to invest in online store, so, they have a better idea of the trends in the market and thus they can increase their portion of the market place. Last but not least, travel agency can save more cost and time. For instance, small tourism enterprises won't be facing any risk in spending on costly web-based solutions and time with the help of this study by providing them useful information about the preference of the internet users.

1. 5 Chapter Layout

1. 5. 1 Chapter One: Research Overview

This research report comprises a total of five chapters. In chapter one, researcher furnish an overview of the study and describing the research situation. It has covered background of this study, a brief introduction of our research, statement of the problem, objectives of the study, hypothesis of the study and significance of the study.

1. 5. 2 Chapter Two: Literature Review

In chapter two, it includes the review of the literature, review of relevant theoretical models. Furthermore, it also consists of proposed theoretical framework and the hypotheses development.

1. 5. 3 Chapter Three: Methodology

For chapter three, it is an overview of the study's research methodology. This chapter includes our research design, data collection methods, sampling

design, research instrument, measurement construction, data processing, as well as data analysis.

1. 5. 4 Chapter Four: Data Analysis

In chapter four, it presents the research results and the analysis of the results which are relevant to the research questions and hypotheses. This chapter includes descriptive analysis, scale measurement and inferential analyses.

1. 5. 5 Chapter Five: Discussion, Conclusion and Implications

In chapter five, it is the summarizing chapter that discusses the overall findings followed by the conclusion. Thus, this chapter finds out the implication and limitation of the study. Finally, this chapter outlines the recommendations for future researches.