

How to Increase the Intention on Purchase at Agoda Through Perceived Value and E-Wom

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ABSTRACT

One of the pursuits or pastimes people engage in to satisfy their obligations for work, play, or other reasons is travel. Due to unreliable customer support, bookings made by clients are abruptly canceled, and promises of money back that are never kept, Agoda has gotten multiple negative evaluations from its users. Negative evaluations with 1 and 2 stars are frequently the result of issues with payment, service, and reservation dates. The methodology employed in this study involves selecting 154 respondents by nonprobability sampling and judgmental sampling. Distribution of questionnaires with sample data received from up to 150 respondents and processed using SmartPLS is how data is collected. The results of this study show a significant effect, specifically that E-WOM has a significant positive effect on perceived value, perceived risk, and purchase intention, and that price sensitivity has a significant positive effect on perceived value, perceived risk, and perceived value without having a significant positive effect on purchase intention.

Keywords: E-WOM, Price Sensitivity, Perceived Value, Perceived Risk, Purchase Intention.

ABSTRAK

Salah satu kegiatan atau hiburan yang dilakukan orang untuk memenuhi kewajiban mereka untuk bekerja, bermain, atau alasan lain adalah bepergian. Karena dukungan pelanggan yang tidak dapat diandalkan, pemesanan yang dilakukan oleh klien tiba-tiba dibatalkan, dan janji uang kembali yang tidak pernah ditepati, Agoda telah mendapatkan beberapa evaluasi negatif dari para penggunanya. Evaluasi negatif dengan bintang 1 dan 2 sering kali disebabkan oleh masalah pembayaran, layanan, dan tanggal pemesanan. Metodologi yang digunakan dalam penelitian ini adalah dengan memilih 154 responden secara nonprobability sampling dan judgemental sampling. Penyebaran kuesioner dengan data sampel yang diterima dari hingga 150 responden dan diolah menggunakan SmartPLS adalah cara pengumpulan data. Hasil dari penelitian ini menunjukkan pengaruh yang signifikan, khususnya bahwa E-WOM memiliki pengaruh positif yang signifikan terhadap nilai yang dirasakan, risiko yang dirasakan, dan niat beli, dan sensitivitas harga memiliki pengaruh positif yang signifikan terhadap nilai yang dirasakan, risiko yang dirasakan, dan nilai yang dirasakan tanpa memiliki pengaruh positif yang signifikan terhadap niat beli.

Kata Kunci: E-WOM, Sensitivitas Harga, Nilai yang Dipersepsikan, Risiko yang Dipersepsikan, Niat Beli.

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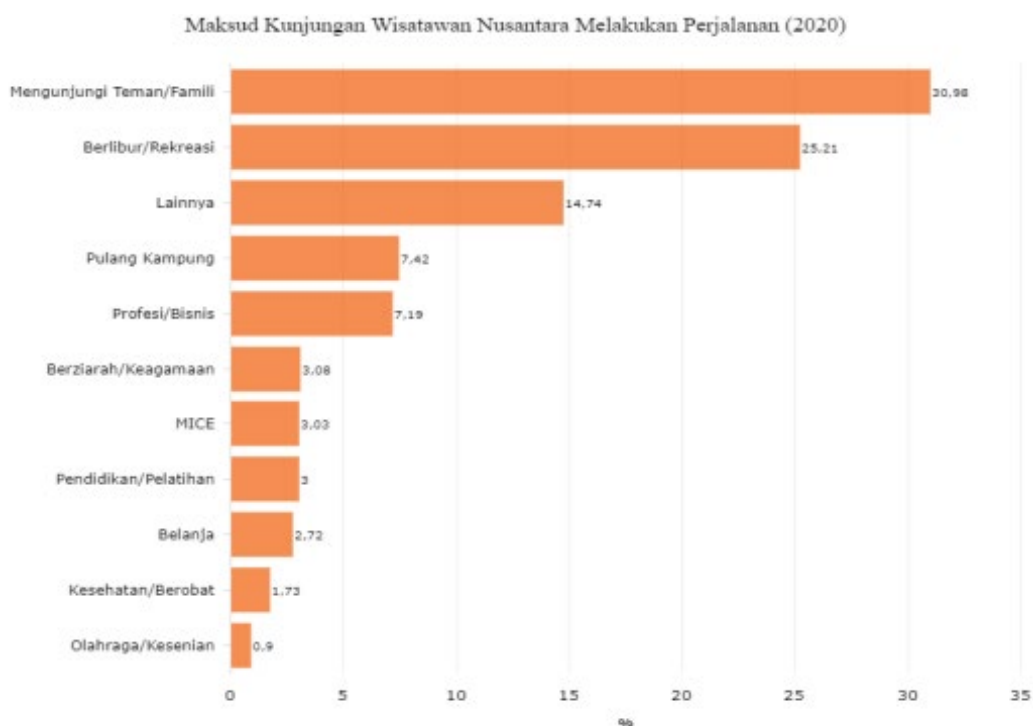


INTRODUCTION

Traveling is an activity or hobby carried out by someone to fulfill their activities for business, vacation, or other purposes (Hapsari et al., 2021). In the development of technology and the lifestyle of people in today's modern world, Traveling has become one of the activities favored by people in Indonesia. These activities are usually carried out by young and old people. According to the Association of Tourist Travel Businesses (Asita), booking tourist excursions increased when the Enforcement of Restrictions on Community Activities (PPKM) was eased, reaching 40% of normal conditions or more than twice the condition prior to the relaxing (Sharpley, 2006).

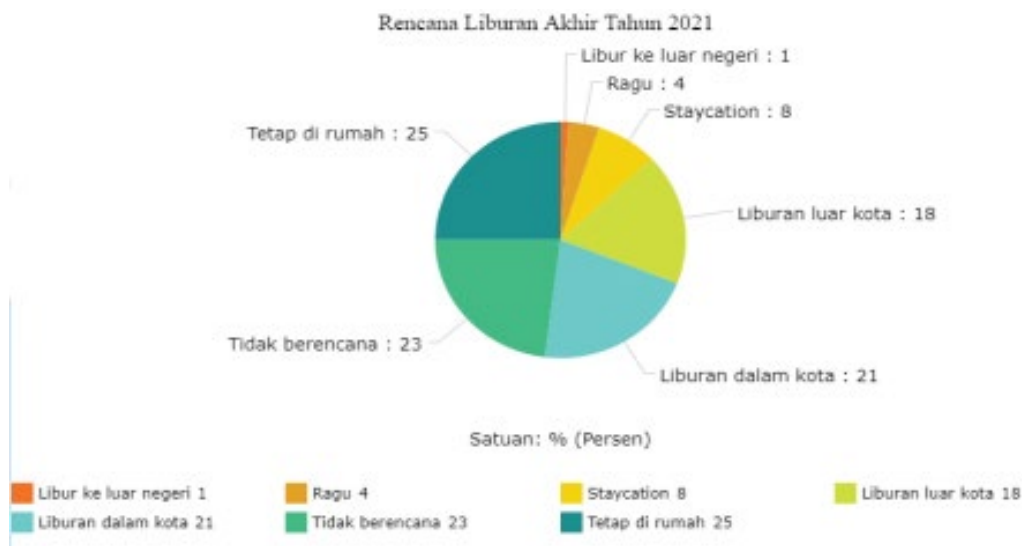
According to databoks.katadata.co.id by Irawan et al (2021), during the 2020 pandemic, the number of domestic tourist trips (foreign tourists) has experienced a significant decline of 28.19% to 518.59 million in 2020. This is due to the COVID-19 pandemic that has been endemic in Indonesia since early 2020 so that the government has limited people's activities to travel. People in Indonesia have several reasons to keep traveling with 3 reasons including meeting friends and family, vacationing, and returning home. As shown in Figure 1.

Based on a survey databoks.katadata.co.id by Susanto et al (2021), people in Indonesia plan to fill the 2021 year-end vacation with the top 3 choices including staying at home, not planning, and city vacations. This is due to a new variant of the virus called Omicron which was only discovered in 2021, so that every country tightens human movement. one of them is Indonesia, which has carried out PPKM Level 3 during the Christmas and New Year holidays, to be precise from December 24, 2021 to January 2, 2022. As shown in Figure 2.



Source: databoks.katadata.co.id

Figure 1
Purpose of Travel



Source: databoks.katadata.co.id

Figure 2
Year-end Vacation Plan 2021

Reporting from bps.go.id, there is a number of archipelago tourist trips in Indonesia from 2018 to 2020, overall in Indonesia there was a decrease in tourist trips in 2020 by 33% from the number of trips in 2019. There was a decrease in travel in 2020 from the number of trips in 2019 in 3 provinces in JABODETABEK, including: DKI Jakarta experienced a 35% decrease, West Java (Bogor, Depok, Bekasi) experienced a 36% decrease, and Banten (Tangerang City and South Tangerang) experienced a 41% decrease.

According to databoks.katadata.co.id, online travel agencies that are well known by the public in Indonesia such as Traveloka, Tiket.com, Agoda, and Pegipegi. Based on the results of the DailySocial survey in 2018, it explains that the highest online travel agency is Traveloka with 70.37% and Tiket.com with 27.27%. However, the agency named Agoda is 19.69%. The development of the era makes it easier to do activities, this also happens in the travel business. At that time, people were familiar with the term OTA. OTA is divided into 2 types, namely Offline Travel Agent and Online Travel Agent. Offline Travel Agent has 2 types of market share, namely Local Travel Agent for those located in the same area or country and Overseas Travel Agent for those located in areas separated by oceans, countries and even continents. Meanwhile, Online Travel Agent is a type of travel agent where all travel transaction activities are carried out online either through applications or websites (Pradini et al., 2022). Over time in 2015, the presence of a new hotel industry called VHO (Virtual Hotel Operator) which is an online platform that collaborates with inns while connecting their properties with consumers (Pramana et al., 2022). OTA (Online Travel Agent) Agoda according to Octavia and Tamerlane (2017) has several competitors in Indonesia.

In the Agoda application, there are several features that can be used by users such as; hotel room reservations, flight ticket reservations, private lodging reservations, flight and hotel reservations, monthly lodging reservations, car rentals, airport transportation reservations, and special offers. For hotel stays, Agoda offers 3-star hotels and below at the lowest price per night. There are activity features that can be booked by consumers personally such as a full day around the city of Jakarta during the day / night, traveling in the city of Jakarta for

shopping and culinary, etc. There is a discount promo of up to 12% for hotel bookings anywhere for Mastercard cards only which is only valid for accommodation room fees (excluding local taxes, service fees, surcharges, personal consumption, and the like).

Due to customer service that made unfulfilled promises about money back and displayed less professionalism, and abrupt cancellation of client bookings, Agoda acquired a number of negative ratings from customers. Over the past 3 years, Agoda has received several critical bad reviews from its users on Google Playstore. Negative evaluations with 1 and 2 stars are frequently the result of issues with payment, service, and reservation dates. Bad reviews related to funds on Agoda such as not refunding users who have canceled lodging or ticket bookings that have been paid in advance and the price displayed does not match the actual price. Bad reviews related to booking dates on Agoda such as not being able to change the booking date. Bad reviews related to service at Agoda such as lack of customer service because users cannot contact Agoda's customer service directly, cancellation of bookings is done unilaterally without the user knowing. Hence, there were 348 more negative reviews between 2020 and 2021, a 25% increase.

According to Suwanto (2012) explains that E-WOM has an impact on purchase intention because many types of content, like as product reviews, store ratings, user recommendations, and others, can influence a consumer's desire to buy something. So that this also happens at Agoda that the E-WOM in question is a review from Agoda users. According to Forman et al (2009) explains that Price Sensitivity has an impact on purchase intention because a person who is price-sensitive is one who responds more quickly to price changes due to his preference for value above other factors, whether an increase or drop in price. His perception of a product's value, attitude toward it, and decision to purchase it may all be impacted by this sensitivity. So that price sensitivity is a price change felt by Agoda users.

According to Al-Farisi et al (2021) explain, due to the advantages of online transactions, the utility and happiness of the product, as well as its drawbacks, like significant financial losses, pricing unpredictability, challenging item searches, and others, people's perceptions of value have an effect on their buy intentions. So that this happens to Agoda that the perceived value in question is part of the Agoda user review with the risks that may occur.

According to Lim (2003) explains given that it is linked to a wide range of potential outcomes or unforeseen circumstances that could happen when customers acquire a good or service, perceived risk is thought to have little effect on purchase intention. Customers are less likely to purchase a product the bigger the risk they may encounter.

METHODOLOGY

This research uses Exploratory and Conclusive designs. The sample used in this study was 150 respondents who were taken using NonProbability Sampling Technique with the type of Judgemental Sampling technique. Data was collected using a questionnaire for each variable tested. However, beforehand, validity and reliability tests were carried out, until the results obtained that all items used in this study were said to be valid and reliable. This study uses the Structural Equation Model (SEM) to process and analyze the data generated in the study. This study also uses the classic assumption test or OLS in examining the effect of each variable both partially and simultaneously. The data is then presented using descriptive analysis techniques.

Table 1
Bootstrapping Test Results

Variable	Hipotesis	Path Coefficient	Beta	p-value	t-value	Decision	R ²	f ²
Endogen		t						
PR	H2	EWOM -> PR	0,408	0,000	5,836	Terima H2	0,724	0,221
	H5	PS -> PR	0,489	0,000	7,236	Terima H5		0,317
PV	H1	EWOM -> PV	0,299	0,000	4,225	Terima H1	0,788	0,127
	H4	PS -> PV	0,334	0,000	4,055	Terima H4		0,146
	H9	PR -> PV	0,320	0,000	4,707	Terima H9		0,133
PI	H3	EWOM -> PI	0,268	0,000	2,509	Terima H3	0,673	0,059
	H6	PS -> PI	0,211	0,085	1,680	Tolak H6		0,033
PI	H7	PV -> PI	-0,029	0,841	0,197	Tolak H7		0,001
	H8	PR -> PI	0,425	0,000	4,237	Terima H8		0,135

Source: Data Process

RESULT AND DISCUSSION

When conducting the convergent validity test, it can be measured using Outer Loadings and Average Variance Extracted (AVE). According to Malhotra (2010), the Outer Loading criterion value is ≥ 0.7 , while according to Siswoyo (2016), it explains that the loading factor value of the criteria is different, but some experts suggest ≥ 0.4 . For Average Variance Extracted (AVE) has a criterion value of > 0.5 (Black & Babin, 2019). All indicators contained in each variable have met the existing requirements. Using Composite Reliability and Cronbach's Alpha (CA), reliability can be measured (CR) and Rho_A. According to Malhotra (2020) explains that Cronbach's Alpha (CA), Composite Reliability (CR) and Rho_A are acceptable if the criterion value is > 0.7 . All indicators contained in each variable have met the existing requirements.

According to Black and Babin (2019), explains that R² is a form of squared correlation also known as the coefficient of determination. Based on table 1 above, there is a relationship between variables whose accuracy level is measured by R², namely:

- According to test results, the electronic word-of-mouth and price sensitivity variables have a prediction power of 72.4% for the perceived risk variable.
- According to the test results, the electronic word-of-mouth, price sensitivity, and perceived risk factors had a combined predictive power of 78.8% for the perceived value variable.
- According to the test results, the electronic word-of-mouth, price sensitivity, perceived value, and perceived risk variables have a combined predictive power of 67.3% for the perceived value variable.

At the next stage, researchers conducted hypothesis testing based on the data contained in the hypothesis. The hypothesis can be accepted if the significant value is 5%, p-value < 0.05 , and $t_{value} > 1.655$. Based on table 1 above, the author explains the results of the hypothesis test as follows:

- H1: Electronic Word of Mouth has a positive effect on Perceived Value.
 This is because in table 1 above, the t_{value} result is 4.225, which is greater than the t_{table} value of 1.655. Then, for the p-value result of 0.000, where the calculation result is smaller than the p-value of 0.05. Based on this, researchers concluded that Electronic Word of Mouth has a positive effect on Perceived Value.

- b. H2: Electronic Word of Mouth has a positive effect on Perceived Risk.
This is because in table 1 above, the t_{value} result is 5.836, which is greater than the t_{table} value of 1.655. Then, for the p-value result of 0.000, which is smaller than the p-value of 0.05. Based on this, researchers concluded that Electronic Word of Mouth has a positive effect on Perceived Risk.
- c. H3: Electronic Word of Mouth has a positive effect on Purchase Intention.
This is because table 1 above shows the t_{value} of 2.509, which is greater than the t_{table} value of 1.655. Then, for the p-value result of 0.000, where the calculation result is smaller than the p-value of 0.05. Based on this, researchers concluded that electronic word of mouth influences purchase intention favorably. Iswara and Jatra (2017) found that electronic word of mouth had no impact on purchase intention, contradicting the findings of (Sosanuy et al's research from 2021, which also showed that electronic word of mouth has a favorable impact on purchase intention. Therefore, the author concludes that Electronic Word of Mouth can influence Purchase Intention. Comments and suggestions from consumers on purchase intentions will be positive, if consumers provide ratings or consumer comments saying positive things, so that consumers will suggest to relatives to make reservations at Agoda as a trusted recommendation.
- d. H4: Price Sensitivity has a positive effect on Perceived Value.
This is because in table 1 above, the t_{value} result is 4.055, which is greater than the t_{table} value of 1.655. Then, for the p-value result of 0.000, where the calculation result is smaller than the p-value of 0.05. Based on this, the researcher concludes that Perceived Value benefits from Price Sensitivity. The effect of this hypothesis test is supported by Iswara and Jatra (2017) research shows that Price Sensitivity has a favorable impact on Perceived Value. According to research by Liang et al (2018), price sensitivity has a favorable effect on perceived value. The authors draw the conclusion that Price Sensitivity can influence Perceived Value in this way. The price that consumers see on the perceived value will be positive, if the value is favorable such as good service to consumers. So that consumers will suggest to relatives to make reservations at Agoda.
- e. H5: Price Sensitivity has a positive effect on Perceived Risk.
This is because in table 1 above, the t_{value} result is 7.236, which is greater than the t_{table} value of 1.655. Then, for the p-value result of 0.000, where the calculation result is smaller than the p-value of 0.05. Based on this, researchers concluded that Price Sensitivity has a beneficial impact on Risk Perception. The effect of this hypothesis test is supported by research conducted by Park and Tussyadiah (2017) which states that price sensitivity has a positive impact on perceived risk related to financial risk. In research conducted by Sun (2014) states that price sensitivity has a positive impact on perceived risk related to financial risk. Therefore, the author concludes that Perceived risk may be impacted by price sensitivity. The price that consumers see on perceived risk will be positive, if there is a favorable risk such as a more affordable price for consumers. So that consumers will suggest to relatives to make reservations at Agoda.
- f. H6: Price Sensitivity does not have a positive effect on Purchase Intention.
This is because in table 1 above, the t_{value} result is 1.680, which is greater than the t_{table} value of 1.655. Then, for the p-value result of 0.085, where the calculation result is greater than the p-value of 0.05. Based on this, researchers concluded that Price Sensitivity does not have a positive effect on Purchase Intention.

The results that do not have a positive effect are supported by Liang et al (2018) research that Price Sensitivity has a negative effect on Purchase Intention. Therefore, researchers concluded that Price Sensitivity cannot influence Purchase Intention. The price of a product or service on consumer purchase intention will be negative, if the price offered by Agoda cannot attract consumers. So that consumers will not suggest to relatives to make reservations at Agoda.

- g. H7: Perceived Value has a positive effect on Purchase Intention.

This is because in table 1 above, the t_{value} result is 0.197, which is smaller than the t_{table} value of 1.655. Then, for the p-value result of 0.841, where the calculation result is greater than the p-value of 0.05. Based on this, researchers concluded that Perceived Value has no positive effect on Purchase Intention.

The results that do not have a positive effect are supported by the research of He et al (2018) that Perceived Value has a negative effect on Purchase Intention. Therefore, researchers concluded that Perceived Value cannot influence Purchase Intention. The value that consumers feel towards purchase intention will be negative, if the value of a product or service at Agoda is considered unfavorable to consumers. So that consumers will not suggest to relatives to make reservations at Agoda.

- h. H8: Perceived Risk has a positive effect on Purchase Intention.

This is because in table 1 above there is a t_{value} of 4.237, where the calculation result is greater than the t_{table} value of 1.655. Then, for the p-value result of 0.000, where the calculation result is smaller than the p-value of 0.05. Based on this, researchers concluded that Perceived Risk has a positive effect on Purchase Intention.

The effect of this hypothesis test is supported by research conducted by Pradhana et al (2021) which reveals that Perceived Risk has a positive effect on Purchase Intention and is not supported by Yip and Mo (2020) which reveal that Buying Intention is negatively impacted by Perceived Risk. Studying done by Amarullah et al (2022), it was stated that Buying Intention is negatively impacted by Perceived Risk. The authors draw the conclusion that Buying Intention can be influenced by Perceived Risk. The risk that consumers feel towards purchase intention will be positive, if the risk in making transactions on Agoda is considered favorable to consumers, such as paying a high price to get satisfying facilities. So that consumers will recommend to relatives to make reservations at Agoda.

- i. H9: Perceived Risk has a positive effect on Perceived Value.

This is because in table 1 above, the t_{value} result is 4.707, which is greater than the t_{table} value of 1.655. Then, for the p-value result of 0.000, where the calculation result is smaller than the p-value of 0.05. Based on this, researchers concluded that Perceived Risk has a positive effect on Perceived Value.

The effect of this hypothesis test is supported by research conducted by Henry et al, (2017) which reveals that Perceived Risk has a positive effect on Perceived Value. Therefore, the author concludes that Perceived Risk can affect Perceived Value. The risk that consumers feel about the perceived value of consumers will be negative, if consumers feel the value of a service or product at Agoda is considered favorable to consumers. So that consumers will suggest to relatives to make reservations at Agoda.

CONCLUSION

In the research and analysis that has been carried out by researchers using PLS-SEM software which aims to see the effect on Buying Intention at Launch of E-WOM, Price Sensitivity, Perceived Value, and Perceived Risk. The following conclusions from researchers, namely: Electronic Word of Mouth has a positive influence on Perceived Value. The perception of risk is positively impacted by electronic word of mouth. Buying Intention is positively influenced by electronic word of mouth. Price Perceived Value is positively impacted by sensitivity. Price Perceived Danger is positively impacted by sensitivity. Price Buying Intention is not positively impacted by sensitivity. Buying Intention is not positively impacted by Perceived Value. Buying Intention is positively impacted by perceived risk. Perceived Value is positively impacted by perceived risk.

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