INFLUENCING CONSUMER’S BEHAVIOR: PERSPECTIVE OF INFORMATION QUALITY AND CONSUMERS REVIEWS ON AIRYROOMS

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Abstract
Related to the rapid development of technology, many business models have been changed. It emerges the new concept of business model including VHO (Virtual Hotel Operator). Virtual Hotel Operators emerges on 2015 especially in particular countries such as India. India is the first country that introducing the concept of Virtual Hotel Operators. This concept was developed well in Asia including Indonesia. In Indonesia, there is a company that adopted the concept of VHO called as AiryRooms. AiryRooms is the budget hotel management company that manage and promote the best hotel room in Indonesia by applying the standard of procedure based on its standards. This research is to examine the factors of the intention to buy on Airy Room using some key factors such as Review, and Information Quality. Structural equation model is used to test the relationship of these factors with Satisfaction, Perceived Value, and Purchase Intention. The result indicate that Information Quality and Consumers Reviews as the important precursors then Satisfaction and Perceived Value are
the key determinants of purchase intention. By providing high-quality of information that is clear, timely, relevant, and easy to understand is essential to enhance the efficiency of searches, to increase customer’s satisfaction of the information, and to avoid information overload. Further studies are suggested to explore their comparison between respondents with and without experience using the Virtual Hotel Operator. The sampling method used in this study was adequately suited to its research purpose, the generalisability could be enhanced if future research systematically sampled from more diverse population.

**Keywords**

Information Quality, Virtual Hotel Operator, Consumer Review, Purchase Intention

1. **Introduction**

The hospitality industry in Indonesia has a robust growth in recent years. Inbound travellers, including those for the purpose of business, holiday, and meeting friends and relatives in 2017, reached 1.2 million person/times (Ministry of Tourism of the Republic of Indonesia, 2018). Budget hotels rose in the past five years as a popular trend in Indonesia’s lodging market due to high demand in Indonesia. By the time, budget travel is booming and is a multibillion dollar market, so it is safe to say the business model has big market potential (Avili, 2016).

Since the 1990s the emergence of the internet has been transforming the way that products and services are distributed to customers around the world (Berne et al., 2012). Over the past five years a new business model has taken centre stage in the market for transient lodging. Internet booking platform that facilitates and participates in the short-term transient rental of private homes and apartments is the fundamental nature of this new model (Brown & Lu, 2016).

It also supported by a research about Indonesian people related to the usage of Budget Hotel, it states that 40.60% Indonesia market are more comfortable for using Budget Hotel than before (W&S Market Research, 2016). Therefore, the development of technology and the increasing needs of good accommodation with a low fare emerge the concept called as Virtual Hotel Operator (Wiastuti et al., 2017).

AiryRooms founded in 2015 as a Technology company that manage good quality rooms around Indonesia. AiryRooms is one of Travel Company by Virtual Hotel Operator based. Basically, AiryRooms cooperate with some budget hotels for independently manage by AiryRooms brand. Budget hotels websites and mobile services have considerably replaced traditional travel agencies for helping users book their travel needs. One might suspect that
many travel agencies have begun diversifying their services or even form tighter cooperation with budget hotels apps and travel apps (Dailysocial.id, 2017).

Therefore, the focuses of this study is to identifying and determine the factors that can help to increase the consumer behaviour intention on purchase the orders by using AiryRooms online booking site. Besides, this study can identify the competitive strategy of Budget Hotel Industry due to the fact that the emergence of Virtual Hotel Operators in Indonesia.

2. Literature Review

2.1 Virtual Hotel Operator

Virtual Hotel Operators emerges on 2015 especially in particular countries such as India. India is the first country that introducing the concept of Virtual Hotel Operators. This concept was developed well in Asia including Indonesia. Here are some definitions of Virtual Hotel Operator from several official Virtual Hotel Operators; An online platform that the prospective hotel provide the description of product on its site and customers can choose the chosen hotel by itself (Nidarooms.com, 2018); An online platform that provide a medium for hotel partners and guests can learn and order the accommodations (Reddoorz.com, 2018); A business that operate the accommodation network by its brand by providing a booking online site in order the guest can reserve the room on the site (Zenrooms.com, 2018).

Basically, Virtual Hotel Operator does not have their own building or rooms but they are sell the brand by themselves. Virtual Hotel Operator. It is not only can help to increase sales but also enhance the value of the hotel by applied a hotel management based on Virtual Hotel Operator’s standards (Wiastuti, 2017).

2.2 Consumer Review

Online Consumer Review is a proxy of e-Wom and has a different with rating that able to assimilate by general service evaluation (Duverger, 2013). Reviews by online customers have a significant impact toward sales (Duverger, 2013) and Purchase Intention (Lee and Shin, 2014). Over past few years, Online Review becomes an important factor on Lodging Industry related to the following factors such as the quality of the review, quantity, and consistency. (Xie et al., 2016). Potential customers use an online review for decreased the risk and uncertainty related to the purchasing process. Then, suggestions and recommendation can help to determine the level of trust by customers (Sparks dan Browning, 2011).
2.3 Information Quality

Information Quality has 4 dimensions such as accuracy, currency, completeness, and format (Nelson et al., 2005). Related to a lot of informations from many sources, it can be stated that the society should be aware about receiving information. Choose the information that can be proven. The customers give an attention for the information quality, the availability of information or the lack of the information will influence customer experience also intention for purchase the online product and services (Ghasemaghaei and Hassanein, 2016).

2.4 Purchase Intention

Purchase intention is an important predictor for the actual purchase intention and this relation already empirically proven on tourism industry (Bai, Law, & Wen, 2008; Sparks & Browning, 2011). On online booking hotel process, purchase intention is indicates a willingness of customers to book the room through the site (Lien et al., 2015). Reasonable price, satisfied value, and brand trust can make customer for have a higher intention to buy the products and services (Kim et al., 2012).

3. Methods

3.1 Research Model

AiryRooms is a Virtual Hotel Operator especially Budget Hotel in Indonesia founded in 2015. AiryRooms provide a nice room to stay with a low fare standardized by its company (Medium, 2018). By the emergence of technology, AiryRooms provide easiness for the customer for looking a low fare hotel with good facilities by using a website as the medium for the purchasing orders. Thus, the buyer can see many options of Hotels and the reviews of the hotel itself.

The Questionnaire was developed according to the Airy Room booking site. According to the filling out the questionnaire, researchers were invited college students and fresh graduates of a total of 225 respondents. Researcher divided the respondents into some groups with several criteria for the respondents such as the one whom above 17 years old, has travel intensity for doing travelling for one until five times per month. Researcher give a direct questionnaire with several questions based on the research models. Then, the descriptive statistics were applied and hypotheses were tested using factors analysis, validity analysis, and structural equation modelling analysis to determine factors which influence purchase intention on AiryRooms.
3.2 Research Hypotheses

3.2.1 Impact of Consumer Review and Perceived Value

AiryRooms has difference from the other online booking hotel website. Instead of using rating, AiryRooms using thumbs up to ensure the customer about recommended hotel partners that sorted strictly from customers feedback. All reviews on AiryRooms are written by authenticated guests based on their stay. To establish review transparency and credibility, negative reviews on AiryRooms site are not allowed to delete by AiryRooms hosts. Several studies have shown that consumer reviews have a high impact on purchasing decisions (King et al., 2014). Consumer reviews are key references for travellers assessing accommodation options and are an important means of reducing travel risk (Papathanassis and Knolle, 2011). Vermeulen and Seegers (2009) research showed that consumer reviews improved hotel awareness more for lesser-known hotels than for known hotels. The content of the reviews are intended to allow the quality of the property evaluated by potential tenants.

Perceived value has its root in equity theory, which represents the trade-off between the quality or benefits which the customer receives, and the costs such as financial, energy, time and mental transaction costs that the customer incurs by evaluating, obtaining and using a product (Kotler, 2000; Komulainen et al., 2009). Perceived value defined by Zeithaml (2000) as a consumer overall assessment of the utility of a product based on what is received and what is given. This means that consumers will always search for an accommodation that can provide better value for them.

Customer perception of online reviews is dependent on quality and quantity. Consumer reviews can shape customer perception of the accommodation value. Thus, this study proposes the following hypothesis:

**H1.** Consumer reviews has a significant positive impact on customer perceived value in AiryRooms.
3.2.2 Impact of Information Quality and Satisfaction

Related to AiryRooms, AiryRooms has the standard for all the hotels that cooperated with its company. All of the provided facilities described on their booking online site in order customer able to book and purchase the chosen hotels based on their own will. According to Park & Kim (2003), Information Quality is consumer’s perception toward information quality from a product that is provided by e-commerce website. Based on the brand satisfaction factors, there are some studies that explain about the relation of information quality and customer satisfaction. Danniswara, et al. (2018) found that information quality and brand satisfaction are have a significant result that it shows the relation has a positive impact. Thus, it also describes by another research that information quality has a direct and positive impact on customer satisfaction and influence brand satisfaction (Wen et al, 2008, Park and Kim, 2008).

**H2.** Information Quality has a significant positive impact on customer satisfaction of other potential consumers in Airy Rooms.

3.2.3 Impact of Perceived Value on Consumers Purchase Intention

Perceived value defined as a consumer overall assessment of the utility of a product based on what is received and what is given (Zeithaml, 2000). Consumers wish to shop for products with those vendors who offer maximum value (Zeithaml, 2000; Kim et al., 2012). Ponte et al., (2015) highlighted that the higher the level of trust, the higher the perceived value, thus affecting the purchase intention. Dedeke (2016) conclude that online purchasing of travel services provide consumers with advantages such as time savings, increased convenience, and reduced costs. Moreover we assume in this research an overall judgment of value influences the online purchase intention on AiryRomms. Llach et al. (2013) examined the influence of perceived value on purchase intention of airline tickets, concluding that the effect is significant and positive in the tourism e-commerce field. Therefore, this study proposes the following hypothesis:

**H3.** Consumer’s perceived value has a positive impact on consumer’s purchase intention.

3.2.4 Impact of Customer Satisfaction on Consumers Purchase Intention

Satisfying customer is one of ultimate goals that service organizations seek because the long term benefits of having satisfied customers such as positive word of mouth comment, customer loyalty, and sustainable profitability (Greenwell et al., 2002; Liu & Jang, 2009). According to some studies, it indicates that enhances the satisfaction effect on purchase intention. Chen & Chang (2018) found that Information Quality have a significance impact on satisfaction thereby affecting purchase intention on online booking site.
Accordingly, this study evaluated the impact of customer satisfaction on consumers purchase intention as follows:

**H4.** Customer satisfaction has a positive impact on consumer’s purchase intention

### 3.3 Questionnaire Design and Analysis Method

This research discussed about consumer reviews and information quality that impact consumer behaviour intention by using AiryRooms as the case study. Related to this study, the questionnaire developed based on the operational definitions of the previous studies that suitable for the research (Chen & Chang, 2018). Likert 4-point scale from 1 (Strongly Disagree) to 4 (Strongly Agree) were used in the questionnaire. Based on the implementation, it distributed by invited the respondents and divided into some groups in order to the respondents can fully understand about the research questions. The valid responses were processed using structural equation model analysis to verify the variables and hypotheses.

### 4. Empirical Results and Analysis

#### 4.1 Result

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>121</td>
</tr>
<tr>
<td>Female</td>
<td>98</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
</tr>
<tr>
<td>17-24</td>
<td>127</td>
</tr>
<tr>
<td>25-30</td>
<td>92</td>
</tr>
<tr>
<td>31-36</td>
<td>0</td>
</tr>
<tr>
<td>37-45</td>
<td>0</td>
</tr>
<tr>
<td>&gt;45</td>
<td>0</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
</tr>
<tr>
<td>&lt;1.600.000</td>
<td>35</td>
</tr>
<tr>
<td>1.600.000-4.000.000</td>
<td>119</td>
</tr>
<tr>
<td>4.000.000-7.000.000</td>
<td>65</td>
</tr>
<tr>
<td>7.000.000-10.000.000</td>
<td>0</td>
</tr>
<tr>
<td>&gt;10.000.000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Travel Intensity</strong></td>
<td></td>
</tr>
<tr>
<td>&lt;3</td>
<td>162</td>
</tr>
<tr>
<td>3-5</td>
<td>57</td>
</tr>
<tr>
<td>&gt;5</td>
<td>0</td>
</tr>
</tbody>
</table>

According to the table above, it shows the profile respondent of this study that the data has more male respondent than female respondent. Then, the data collected represent most of the age respondents have been range from 17 to 24 while range 25 to 30 for the rest of them. Based on the data, the most income range is represents at below average of 4,000,000 million rupiah. It means most respondents have represents the standard of minimum wages in Indonesia.
Thus, the researcher also collected the respondents’ data about their travel intensity. The respondent’s data represents the travel intensity ranged from below three times to above five times. The profile of respondents of this study expected for the researchers to get the result of this study.

4.2 Discussion

The analytical values was obtained using AMOS 21.0 in this research. The goodness-of-fit using the indicators such as IFI, GFI, AGFI, RFI, and NFI may change with the sample size, and suggested using the relatively stable NNFI and CFI to assess the model fit (Hair et al., 2010). The NNFI of this study was 0.916 and CFI was 0.937, which were both greater than the recommended threshold of 0.9, there was a reasonable overall fit between the model and the data observed.

Table 2: Result of Model of Fit Test

<table>
<thead>
<tr>
<th>Indexes</th>
<th>Suggested</th>
<th>Actual</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Fit Measures</td>
<td>x2/df</td>
<td>&lt;3</td>
<td>2.714</td>
</tr>
<tr>
<td></td>
<td>GFI</td>
<td>&gt;0.8</td>
<td>0.904</td>
</tr>
<tr>
<td></td>
<td>AGFI</td>
<td>&gt;0.8</td>
<td>0.881</td>
</tr>
<tr>
<td></td>
<td>RMSEA</td>
<td>0.05-0.08</td>
<td>0.066</td>
</tr>
<tr>
<td>Incremental Fit Measures</td>
<td>IFI</td>
<td>&gt;0.9</td>
<td>0.923</td>
</tr>
<tr>
<td></td>
<td>CFI</td>
<td>&gt;0.9</td>
<td>0.937</td>
</tr>
<tr>
<td></td>
<td>NNFI</td>
<td>&gt;0.9</td>
<td>0.916</td>
</tr>
</tbody>
</table>

Furthermore, Hair et al., (2010) pointed out that each construct was evaluated separately by examining the indicator loading for statistical significance and assessing the construct’s reliability and variance extracted. As shown in Table 3, the scale composite reliabilities (CR) ranged from 0.71 to 0.91, exceeding the acceptable level of 0.70 (Hair et al., 2010). The average variance extracted for each construct ranged from 0.51 to 0.80, exceeding the acceptable level of 0.50. The results demonstrate convergent validity.

Table 3: Reliability and Convergent Validity

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach’s α</th>
<th>C.R</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review</td>
<td>0.86</td>
<td>0.71</td>
<td>0.55</td>
</tr>
<tr>
<td>Information quality</td>
<td>0.90</td>
<td>0.91</td>
<td>0.62</td>
</tr>
<tr>
<td>Perceived value</td>
<td>0.92</td>
<td>0.89</td>
<td>0.80</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.85</td>
<td>0.86</td>
<td>0.51</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>0.88</td>
<td>0.88</td>
<td>0.71</td>
</tr>
</tbody>
</table>

As reported in Table 4, the analytical results indicate that review is positively related to perceived value, thus H1 is supported. Furthermore, information quality is related
positively to satisfaction, thus H2 is supported. Also as hypothesised, consumer perceived value indicated has a significant positive relation to purchase intention, and information quality is related positively to purchase intention, thus providing support for H3 and H4.

Table 4: Result of Hypothesis Test

<table>
<thead>
<tr>
<th>Hypothesised relationship</th>
<th>Std. Regression Weight</th>
<th>S.E</th>
<th>C.R</th>
<th>Prob.</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Consumer Review → Perceived Value</td>
<td>0.708</td>
<td>0.047</td>
<td>2.013</td>
<td>0.028</td>
<td>Significant</td>
</tr>
<tr>
<td>H2 Information Quality → Satisfaction</td>
<td>0.880</td>
<td>0.072</td>
<td>2.283</td>
<td>0.022</td>
<td>Significant</td>
</tr>
<tr>
<td>H3 Perceived Value → Purchase Intention</td>
<td>0.841</td>
<td>0.202</td>
<td>3.091</td>
<td>0.002</td>
<td>Significant</td>
</tr>
<tr>
<td>H4 Satisfaction → Purchase Intention</td>
<td>0.770</td>
<td>0.819</td>
<td>2.536</td>
<td>0.011</td>
<td>Significant</td>
</tr>
</tbody>
</table>

5. Conclusion and Limitation

5.1 Conclusion

Finally, we found that our results indicate review has a positively significant influence on the perceived value of the hotels in AiryRooms. Also indicate that the purchase intention significantly positive influenced by perceived value. Therefore, if Virtual Hotel Operators provide a credible and transparency reviews, consumers will have greater trust and help them to choose the accommodation. The result confirmed prior research conduct by Ponte et al., (2015) that the purchase intention affected by higher the level of trust and the higher the perceived value,

This study shows a new finding distinct from those found in the previous research. No matter how much previous online hotel booking experience the consumer has, positive influence of review on the customer’s perceived value of the budget hotels is equally important.

For researchers as well as for hotel website managers this study also has important implications. In the construction of online hotel booking websites, website managers should pay attention to design every elements of the website such as the layout of the webpages to facilitate easiness on browsing and searching. According to reduce the costs perceived by customers during and after the process of purchasing orders, it is important to reduce the monetary costs (compensated) and non-monetary cost (time, psychological, and physical) investments required by customers. Therefore, providing high-quality information that is timely updated, relevant, clear, and easy to understand by customers is also essential to
improve the efficiency of searches, to increase customer’s satisfaction of the information, and to avoid information overload.

5.2 Limitation

This study surely has a number of limitations. The result and conclusions may be limited by the age and occupations of the sample population since the filled out of the questionnaires collected from younger individuals and students under 31 years old. Moreover, this study is focused on users’ perceptions of websites based on respondent without experience using the Virtual Hotel Operator before. Further studies are suggested to explore the comparison between respondents with and without experience using the Virtual Hotel Operator. Although in this study the sampling method was suited to its purpose, if the research systematically sampled from a more diverse populations the generalizability could be adequately enhanced.

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Appendix

Questionnaire Items

- **Review**
  1. R1: I think the review by customer on AiryRooms Site is Objective
  2. R2: I think the review by customer on AiryRooms Site is Reliable
  3. R3: I think the review by customer on AiryRooms Site is Close to the facts

- **Information Quality**
  1. IQ1: I think the information provided by AiryRooms about the prospective Hotel is Accurate
  2. IQ2: I think the information provided by AiryRooms about the prospective Hotel is regularly updated
  3. IQ3: I think the information provided by AiryRooms about the prospective Hotel is Complete

- **Perceived Value**
  1. PV1: I believe AiryRooms provide good value for money
  2. PV2: I believe AiryRoom provide easiness for booking a hotel in anywhere and anytime
  3. PV3: I believe shopping for accommodation on AiryRooms is worthwhile

- **Satisfaction**
  1. S1: Over other Virtual Hotel Operator channels, I prefer AiryRooms
  2. S2: I believe AiryRooms can meet my hotel accommodation needs
  3. S3: I am contented with the information provided by AiryRooms

- **Purchase Intention**
  1. PI1: I will likely use AiryRooms to find future holiday accommodation
  2. PI2: I would recommend AiryRooms to my friends
  3. PI3: I would prefer to use AiryRooms whenever I require accommodations