

## Factors Influencing Online Travel Purchase Decision Among Youth Traveller in Malaysia

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### ABSTRACT

While past research has mostly concentrated on online travel products, there has been little focus on the services provided through travel websites. In fact, only one study has specifically looked into how young consumers in Malaysia make online travel purchase decisions. Addressing the gap, the current study aims to explore and better understand the factors that influence these decisions among Malaysian youth travellers. This conceptual paper discusses important elements such as website design, perceived risk, perceived usefulness, subjective norms, and trust. It examines how these factors are connected and how they affect young consumers' choices. By doing so, the paper not only adds to the existing body of the research but also emphasises the importance of these factors in shaping the online travel purchase decision of youth in Malaysia.

*Keywords:* Online travel purchase decision, perceived risk, perceived usefulness, subjective norms, trust, website design

### INTRODUCTION

To build customer loyalty and encourage repeat purchases, it is essential for business to offer outstanding customer services (Gounaris et al., 2010; Rita et al., 2019). Excellent services quality plays a crucial role in achieving customer satisfaction which

often translates into favourable customer behaviours (Brady & Roberston, 2011). In the real of e-commerce, having a website with reliable system performance, accurate information, and high quality electronic services is key to success (Sharma & Lijuan, 2015). Customers are likely to avoid websites they perceive as untrustworthy. However, strong brand recognition can

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enhance the credibility of a website and help build customer trust (Chang & Chen, 2008; Mohsein et al., 2018).

Youth travellers are typically eager to explore new destinations and often have the leisure time to do so, although their limited disposable income can be a constraint. In today's digital ages, the promotion of both products and services has become increasingly widespread through technological platforms. At several stages of the product life cycle, from encouraging experimentation to implementing brand modification to sustaining brand loyalty, promotions are useful (Pinto & Castro, 2019). Even though they have the financial means to do so, young travellers when it comes to the value for their money (Glover, 2010).

## **PROBLEM STATEMENT**

Online travel agencies (OTAs) serve as platforms that consolidate services from various businesses within the travel and tourism industry, providing consumers with a convenient way to make reservations. These agencies promote and sell travel related products such as hotel accommodations, flight tickets, transportation services, and vacation packages through websites and mobile applications (Rezgo, 2019). For instance, Malaysia Airlines (MAB) leveraged the Airline Revenue Maximisation Solution (ARMS), which provides a comprehensive overview of an airline's revenue system and utilises predictive forecasting to tailor pricing and offers based on customers' willingness to pay. As a result, MAB achieved a 57% increase in passenger revenue yield in 2021, despite experiencing lower passenger traffic and reductions in capacity by 62% and 71%, respectively.

To foster repeat purchases and build customer loyalty, businesses must deliver outstanding customer service (Rita et al., 2019). Providing high-quality service is essential for achieving strong customer satisfaction, which often leads to favourable behavioural intentions (Brady & Robertson, 2001). In the context of e-commerce, success largely depends on the quality of a website's system, the accuracy and usefulness of its information and the overall quality of its electronic services (Sharma & Lijuan, 2015). Customers could choose not to visit a website they do not trust. Customers with high brand awareness may boost the dependability of websites and foster client trust (Chang & Chen, 2008; Mohsein et al., 2018). Online merchants often create information asymmetry as customers are unable to fully assess or understand the quality of services prior to making a purchase (Punyatoya, 2018).

Perceived risk plays a significant role in shaping online purchase behaviour. For example, users may worry about being limited to a narrow selection of accommodations, overpaying for lodging or needing to make repeated bookings. Additionally, concerns about data privacy and security arise when consumers are required to share financial details during hotel or flight reservations. Previous studies have emphasised how these concerns contribute to mobile apps (Ng & Wakenshaw, 2017; Laukkanen, 2016; Guttentang &

Smith, 2017). When booking travel online, customers must disclose extensive personal and financial information, which increases their exposure to potential risk. Common issues include receiving unsatisfactory services after completing a transaction, despite paying via credit or debit card. Similarly, Akhlaq and Ahmed (2015) conclude that when consumers perceive online transactions as risky, their likelihood of completing a purchase decreases.

In addition, previous research suggests that perceived usefulness has a stronger influence on user behaviour compared to perceived ease of use (Kucukusta et al., 2015). They concluded that when it comes to consumer's online travel, efficacy, efficiency and functionality are more important than perceived ease of use. When performance outperforms expectations, customer happiness rises (Liang & Shiau, 2018; Choi et al., 2015). Customer satisfaction with purchase decisions should be influenced by perceived usefulness.

Furthermore, people frequently look to groups for their standard or assessment regarding certain behaviour, but few researchers have examined the impact of subjective norms on online purchase decisions. According to Wang et al. (2016), it has been asserted that customers utilise social networking sites to connect with their friends and family when they want to look up for travel related information sources. The results also showed that customers' purchase decisions are positively influenced by immediate feedback about information sources. When searching for travel accommodations on websites, users examine the review left by previous guest where these reviews have a big impact on other customers purchasing decision (Sun et al., 2020; Mauri & Minazzi, 2013).

Aside from subjective norms, trust is another main issue that needs to be addressed in this study. Consumers' expectations for services or products form the basis of trust if these expectations are not discovered where consumers' confidence will decline or even vanish (Wijaya & Warnadi, 2019). Consumers' trust in online purchase and the impact of their privacy and security policy disclosure on websites (Punyatoya, 2018). Customers who have had positive experiences with a service provider in the past are more likely to trust them to keep their promises in the future (Ganesan, 1994). Having positive encounters minimise ambiguity and foster trust which should result in a longer lasting connection (Morgan & Hunt, 1994).

## CONCLUSION

The approach of the present study differs slightly from previous research. It aims to further explore consumer travel purchase decisions on travel websites using a cross-sectional methodology, incorporating both individual interviews and surveys for data collection. In addition to enrich the existing literature on online travel purchase decisions among youth, this study offers practical insights for both consumers and travel organisations. It highlights ways to enhance online travel platforms to better align with consumers' preferences and expectations, particularly among youth travellers. The study introduces a new conceptual

framework that expands the understanding of online travel purchase decisions. A significant contribution of this research lies in its extension of the Technology Acceptance Model (TAM) by incorporating three additional variables which are website design, perceived risk, and trust. By gaining deeper insights into youth purchase decisions, travel agencies can develop more effective marketing strategies and foster customer loyalty in online environments. Ultimately, this research aims to offer valuable guidance for improving the online travel purchase experience, especially for youth Malaysian travellers.

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