

Effects of Uncertainty Reduction and Benefits on Online Airplane Tickets Purchasing

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Abstract—Communication, media and informatics technologies that are increasingly rapidly developing internet users in Indonesia are potential for business people in Indonesia, where as the rapid growth of internet users, this also encourages e-commerce growth in Indonesia. Global information has influenced the ways and patterns of business activities in the trade industry, social and political governance. One of the technological advances that are widely used by people, organizations and companies is the internet. The purpose of this research is to know the effects of uncertainty reduction and benefits on purchasing airplane tickets online. The research method used is a descriptive method and explanatory survey. This research was conducted in Indonesia. The sample selection was done by using a convenience sampling technique with the number of samples of 50 respondents. A statistical method for data test using SPSS 22 for windows program. By using multiple linear regression analysis, the results show that uncertainty reduction has a partial effect on purchase decisions but not for online purchase benefits, and both of the variables simultaneously affect the purchase decision.

Keywords—*uncertainty reduction; online purchase benefit; online purchase decision*

I. INTRODUCTION

The use of the internet has entered various fields of human life, both in the political, social, cultural and economic and business fields. The development of the internet in Indonesia began in the early 1990s. At that time the internet network in Indonesia was better known as the association network, where the spirit of cooperation, kinship & mutual cooperation was very warm and felt among the perpetrators. Slightly different from the Indonesian internet atmosphere in its later development which feels more commercial and individual in some of its activities, especially those involving Internet commerce.

The development of the internet in Indonesia is very rapid, as shown by statistical data released by APJII (Association of Indonesian Internet Service Providers) internet users in Indonesia in 2017 is 143.26 million users, or around 54.68% of the total population of Indonesia of 262 million. When compared to Indonesian internet users in 2016 amounting to 132.7 million users, there was an increase of 10.56 million within 1 year. Then APJII (Association of Indonesian Internet Service Providers) also issued statistics on internet usage based

on age, with the majority of users being 19-34 years old at 49.52%. While the fewest users are aged 54 years and above, only 4.24%.

The rapid growth of internet usage in Indonesia has become a potential for business people in Indonesia, where along with the rapid growth of internet users, this will also encourage the growth of e-commerce in Indonesia. How come, with Indonesia's population of 256.2 million and the wide open market share of e-commerce in Indonesia, of course this is a very promising opportunity for businesses in Indonesia and abroad. E-commerce itself is the purchase, sale and marketing of goods and services through electronic systems. With the internet, it is possible to exchange information quickly across the entire world network and this is used by business people to conduct sales and purchase of their goods through the internet as a medium or commonly referred to as e-commerce.

E-Commerce in general can be interpreted as buying and selling transactions electronically through internet media. In addition, E-commerce can also be interpreted as a process of doing business using electronic technology that connects companies, consumers and society in the form of electronic transactions and the exchange or sale of goods, services, and information electronically. In conducting E-Commerce, the use of the internet is a favorite choice by most people because of the convenience that the internet network has.

According to the theory of uncertainty reduction the level of reciprocity has a positive relationship with uncertainty. Uncertainty is a situation that arises between communication participants when there is a meeting for the first time, for example when two people who do not know each other meet they will feel uncertainty about each other, and they will tend to imitate each other's behavior. When a prospective customer comes to the gallery and meets with the CRO (Customer Relation Officer), there is interpersonal communication between them. The relationship between the CRO and prospective customers in the initial meeting phase creates an uncertainty situation, when the level of uncertainty is high, a high level of reciprocity is created, if the level of uncertainty is low it will also produce a low rate of reciprocity. Uncertainty about the situation a person has greatly inhibited the achievement of effective communication. In an interaction it is very important to know how other people behave as a sign that he responds to us. In addition, it is also very important to explain why people behave as they show. Everything we can understand if we have knowledge of people who interact with

us by collecting information about them. Reducing the level of uncertainty can also be done if each party has an openness to share their information and experiences.

With the advancements in technology and the sophistication of today's gadgets, there are many benefits that consumers can feel for purchasing airline tickets online, consumers can book and compare the prices of airplane tickets on various airline ticket sales sites via smartphones. Currently there are many airline ticket sales marketplaces that routinely offer certain promos. The process of booking tickets on airline websites is even easier, with various payment alternatives, ranging from credit cards, ATMs, to payments at self-service outlets. The benefits felt by the community towards the airline ticket online purchasing system are flexible, fast, many choices and safe. The fame of a website is also very important to increase the trust of customers or users, but not only the fame of a website that can increase trust but services provided or also called E-services by a website also help increase trust. The service factors available from an e-commerce site are also very influential, what facilities are given to customers so they can make it easier for customers or users to get detailed information about goods that customers want to know about what items they buy and how the goods will purchase, as well as facilities to find out quickly about the products sought by buyers or users of the site, in addition to facilities that facilitate the use of the site, it also requires services from sites that can make customers or users feel comfortable in making transactions or after making transactions.

The internet is slowly starting to shift the culture of airplane ticket purchases from manual methods to more modern or often called booking online (online booking), ordering tickets can be done through smartphone which are connected to the internet. In Indonesia, there are at least 30 airlines that are commuting every day in the Indonesian sky, both large airlines, LCC (Low-cost carrier) airlines, and chartered airlines. Some of these airlines are from neighboring countries and from Indonesia themselves. In Indonesia the service has been introduced by the National Carrier Garuda Indonesia, Merpati Nusantara and Air Asia airlines. This means that airlines can deal directly with consumers, which of course will have a significant economic impact. According to William Liu, president and CEO of Abacus International, the World Tourism Organization predicts that in 2010 as many as 195 million travelers will flood the Asia-Pacific tourist destination. In 2020 it is predicted that the number will jump to 397 million, a quarter of the total international tourism.

Initially the application of online ticket purchases around 1998 only reached 1% and then rose to 2% percent in 1999. Currently it has reached 3%. This percentage is doubled on United States airlines, United Airlines, where 5% of its domestic flight revenue in the first quarter of this year is contributed by online sales with a 50-50 consideration between websites and others. With annual revenues of around 20 million US dollars, this means airlines scattered in the US will sell tickets online for more than one billion dollars by 2020, half of which are direct sales to consumers. Another airline, Northwest Airlines is even higher. Website sales increased from four percent last year to 6.5 percent this year. While for

all domestic destinations in the United States, the percentage is doubled.

According to Rejeki it is proven that there is an influence between experience level variables on the variable level of prospective customers uncertainty about postpaid service 30%, the remaining 70% is influenced by other variables [1]. While Zein states that the perception of benefit factors has a positive and significant influence on purchasing decisions [2]. This is because benefits are things that consumers expect in making purchasing decisions, consumers who expect productivity to increase, the effectiveness of performance increases, no need to waste time and enough energy to order airline tickets through agents or airports, just by ordering online.

This study aims to find out (1) the effect of reducing uncertainty on the behavior of buying airline tickets online and (2) the effect of the benefits of online transactions on the behavior of buying airline tickets online in Indonesia.

This research develops the research conducted the difference between this research and previous research is that if previous research was conducted on customer respondents about postpaid services, fashion consumers, then researchers will now conduct research with student and community respondents in Indonesia and Malaysia who have purchased airline tickets online [2].

E-commerce is as all forms of information exchange processes between organizations and stakeholders based on electronic media connected to the internet network. The author understands that E-commerce is a process of activities from starting to create products until finally the product provides benefits for the company and its stakeholders. The process of this activity includes creating products, communicating to customers, exchanging offers that have value for customers, can satisfy desires and build relationships with customers.

Communication is a tool to reduce someone's uncertainty, especially for people who have not known each other, so that when uncertainty is reduced it will create a conducive atmosphere for the development of interpersonal relations. Thus, uncertainty reduction is a process of communication and development of relationships about a person's beliefs or attitudes caused by certain situations.

The perception of benefits as a consumer assessment of the benefits of product information needed and felt when shopping at a web-based store. Based on the definition above, it can be concluded that the benefits of online purchasing are one form of communication with customers where a marketer sends messages that encourage consumers to share products and services developed by the company or information through audio, video, and written messages to others online.

In the context of business, products and services created by business owners will usually prioritize problem-solving as well, to order airline tickets using only gadgets or through websites and with the prices offered cheaper consumers feel they provide more benefits in their minds, by therefore the perception of benefits is the basis of consideration in this study.

According to Kotler and Armstrong consumer purchasing behavior refers to the buying behavior of end consumers -

individuals and households who buy goods and services for personal consumption [3]. From the above definition it can be concluded that purchasing decisions are a process carried out by consumers to buy a product after having information and comparing with other brand products.

The scope of this research is E-commerce which uses the Effect of Uncertainty and Benefits Reduction to find out its influence on the Decision of Online Supervisors.

According to Kotler and Keller define consumer purchasing decisions, namely the purchasing decisions of end-consumers and households who buy goods and services for personal consumption [4]. In studying consumer purchasing decisions, a marketer must look at things that influence purchasing decisions and make a determination on how consumers make their purchasing decisions. Decision making by consumers to purchase a product begins with an awareness of the needs and desires that Assael calls arousal need. If it has been realized that there are a need and the desire to find information on the product, he wants. After getting the information available. This selection process with the information evaluation process, using the criteria expected by consumers, one product to be purchased was chosen.

Perception of benefits as an individual's perception that using new technology will increase or improve their performance. In e-commerce the perception of benefits makes consumer confidence in assessing the extent to which the website provides better benefits in online transactions. There are at least two hierarchical related criteria by evaluating various brand alternatives, namely:

- Benefits that can be obtained by owning a product (benefit association), consumers determine the priority of the most desirable benefits and link the benefits criteria to the characteristics of the brand.
- Evaluating the brand based on the expected satisfaction level.

According to Turner Et al. Uncertainty is a communication tool to reduce someone's uncertainty, especially for people who have not known each other, so that when uncertainty is reduced it will create a conducive atmosphere for the development of interpersonal relations [5]. In communication carried out online, especially the formation of information in the process of purchasing airplane tickets online, this reduction in uncertainty can affect the behavior of buying airline tickets online. Then the first hypothesis is formulated as follows:

H1: uncertainty reduction affects the behavior of buying airline tickets online.

the benefit perception variable has the highest value on the attitude of online purchases resulting in positive and significant results. That way, the benefits of influencing consumer decisions to buy airplane tickets online increase productivity and effectiveness of performance and the efficiency of time and energy spent is getting lower. Then the second hypothesis is formulated as follows:

H2: Benefits of online transactions affect the behavior of buying airline tickets online.

II. RESEARCH METHODS

This research belongs to the type of quantitative research using survey methods. This research was conducted in two countries, namely Indonesia and Malaysia. The implementation time in Malaysia is carried out from July 29 to August 3, 2018. In this study the population used is all consumers both consumers in Indonesia and Malaysia who have purchased airline tickets online. The sample used was 130 respondents consisting of Indonesian and Malaysian consumers. The sampling technique in this study was nonprobability sampling in the form of convenience sampling technique.

To test the research hypothesis, the model is used as follows:

$$ONLINE_i = \alpha_i + \beta_1 UNCER + \beta_2 BENEFIT_i + e_i \quad (1)$$

To test H1 and H2 seen from the values of β_1 and β_2 , if the value of β_1 and β_2 is positive, the hypothesis is accepted. In this study the independent variables are Uncertainty Reduction (UNCER) and the Benefits of Online Transactions (BENEFIT). In this study the dependent variable is the decision to buy airplane tickets online (ONLINE).

Uncertainty Reduction (UNCER), according to West and Turner Communication is a tool to reduce someone's uncertainty, especially for people who have not known each other, so that when uncertainty is reduced it will create a conducive atmosphere for the development of interpersonal relationships [14]. UNCER is measured by 4 (four) indicators, namely (1) Having concerns in the early stages of interaction; (2) Having complete information about prices, promotions and flight times; (3) Having the level of importance of information and (4) Making predictions in the early stages of interaction.

Benefits of Online Transactions (BENEFIT) is the perception of benefits as a consumer's assessment of the benefits of product information needed and felt when shopping at a web-based store. BENEFIT is measured by 3 (three) indicators, namely (1) The use of the system can increase a person's level of productivity, (2) The use of a system can increase the effectiveness of one's performance; and (3) Use of the system is beneficial to individuals.

Online Flight Ticket Purchase Decision (ONLINE) is consumer purchasing behavior refers to the buying behavior of end consumers - individuals and households who buy goods and services for personal consumption (Kotler and Armstrong, 2012). ONLINE is measured by 4 (four) indicators, namely (1) Stability in a product or service; (2) Habits in buying products or services; (3) Provide recommendations to others; and (4) Make a repeat purchase.

In this study, the population is consumers who buy airplane tickets online in Indonesia and Malaysia. The sampling technique is convenience sampling. Obtained 50 respondents as samples in the study. Primary data in this study comes from distributing questionnaires, both directly and online to respondents related to the variables under study. The research instrument is prepared based on the indicators contained in the trust and the intention to transact which is then elaborated in the items in question. For closed questions measured using a scale developed from the Semantic Differential scale with intervals 1-7 with details 1 = very bad and 7 = very good. The

questionnaire that had been distributed to the respondents beforehand was tested beforehand the validity and reliability. Questionnaire trials were conducted on respondents who were in the population but outside of the research sample. The results showed all the statements in the questionnaire were valid and reliable.

III. RESULTS AND DISCUSSION

Below is a table of the results of multiple regression which aims to predict whether there is an effect of variable uncertainty reduction on the decision to buy tickets online partially.

Based on the results of testing the research hypothesis in Table 9, the influence of UNCER on ONLINE in Indonesia and Malaysia is indicated by the value of β_1 which results in a positive coefficient of 0.451 and Sig-value of 0.000. Therefore, Sig-value (0,000) < sig. tolerance (0.05) then there is an effect of reducing uncertainty about the decision to purchase airplane tickets online in the Countries of Indonesia and Malaysia proved to be significant.

This of course supports the research previously conducted by Zein with the title Effect of Trust, perception of risk, convenience and benefits of the decision to purchase online airline tickets through Traveloka [2]. Where the results state that the perception of benefit factors has a positive and significant influence on purchasing decisions.

Based on the results of testing the hypothesis in table 9, the effect of BENEFIT on ONLINE in Indonesia and Malaysia is indicated by β_2 produces a coefficient of 0.976 and Sig-value of 0,000. Therefore, Sig-value (0,000) > sig. tolerance (0.05) then there is an effect of the benefits of online transactions on the decision to purchase airplane tickets online in the Countries of Indonesia and Malaysia proved to be significant.

Where the results state that the perception of benefit factors has a positive and significant influence on purchasing decisions. This is of course in line with the results of previous studies conducted by Fitri and Ayu which show that risk perception variables, perceived convenience and perceived benefits prove to have a significant and positive effect on online purchasing decisions [6].

TABLE I. REGRESSION RESULTS

| ONLINE_i = α_0 + β_1 UNCER + β_2 BENEFIT_i + e_i | | | |
|---|--------------------|----------|-------------|
| | <i>Coefficient</i> | <i>t</i> | <i>sig.</i> |
| α_0 | -2,524 | -7,923 | 0,000 |
| β_1 | 0,451 | 15,916 | 0,000 |
| β_2 | 0,976 | 19,288 | 0,000 |
| R Square | 0,187 | | |
| Sig F | 0,000 | | |

IV. CONCLUSION AND SUGGESTIONS

Based on the results of the questionnaire survey and observations the researchers concluded that Malaysian students and other general public felt there was a significant influence between the effect of reducing uncertainty and the benefits of online purchases on purchasing decisions. Respondents felt that the level of accuracy or determination of information provided by online buying and selling affected uncertainty, getting the highest score of 256 with a maximum score of 350 with a percentage of 73.1%. Respondents felt that information technology helped in making airline ticket purchases online, getting the highest score of 292 with a maximum score of 350 with a percentage of 83.4%. As for the variable Y respondents felt the level of ease in buying or getting airplane tickets online got the highest score of 278 with a maximum score of 350 with a percentage of 79.4%.

After conducting research on the effect of reducing uncertainty and the benefits of online purchases on airplane ticket purchase decisions online, the author tries to put forward some suggestions so that it can be taken into consideration for those who need the results of this study, first, on uncertainty reduction variables, information level indicators from site buying and selling airplane tickets affects the uncertainty of getting the lowest score, it is advisable for online buying and selling sites to add back the level of interest in information, so that it can attract more customers. Second, on the benefits of online purchasing variables, the information indicator applied at the airline ticket trading site online is very easy to operate, getting the lowest score, so it is recommended for online buying and selling sites to improve the information applied on airline ticket trading sites. Third, the purchasing decision variable, the indicator of the level of accuracy or the provision of information provided by online buying and selling influences uncertainty obtaining the lowest score, it is recommended for online buying and selling sites to display more clear information so that the level of accuracy is undoubtedly by consumers.

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