The Switching Behaviour Of Online Travel Agent

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Abstract
Customers are the most important factor in determining the fate of any organization, and because the market is competitive, retaining customer is critical. This study investigates the factors that influence Online Travel Agent brand switching behavior. The study focuses on satisfaction, switching costs, brand equity, and the intention to switch brands. This study focuses on the brand switching intentions of online travel agent consumers. In this investigation, the convenience sampling approach was applied. The data was gathered using an online survey. The measurement instrument used in this study is a combination of self-administered questions and a scale used by previous researchers to measure the model's constructs. The results show of the study show that to acquire consumers, the process to convince with incentives and promotions and convince consumers for comfort, security and convenience and also a good experience when using online travel agencies is necessary to retain customers.
Keywords: brand switching behavior, online travel agent, satisfaction, switching cost, brand equity, intention to switch

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I. Introduction

Customers' propensity to switch online travel agencies (OTAs) when making hotel or other travel service reservations is known as online travel agent switching intention. A study by [1] (found that inclination to trust, transaction-based satisfaction, experience-based contentment, and institution-based trust are some of the characteristics that affect switching intention. Consumers are less likely to move to another OTA if they are happier and more confident in them. Therefore, the resistance to switch is merely loyalty [2].

According to a different study by [3], switching barriers have an impact on both switching and repurchase intentions. The perceived expenses or challenges of switching an OTA, such as losing loyalty rewards, looking for alternatives, or picking up new procedures, are known as switching barriers. Consumers are more likely to stick with their existing OTA if they encounter greater switching difficulties. Researching switching behavior is challenging since higher switching costs and brand equity do not guarantee that consumers won't break off their relationship. especially in the market for online travel agencies, where it is more difficult and competitive due to the lack of differentiation between the many businesses [4-6].

The lack of differentiation also the source of high competition in hotel industry [7-10]. Furthermore, [11] observed comparable effects in the hotel industry, where customer happiness, service performance, and switching obstacles influence switching intention [12]. Depending on their degree of participation and loyalty, customers may choose to switch to a different store or replace their present one, according to a study by [13] that examined the relationship between switching intention and actual behavior in the context of grocery shopping.

Depending on your target market, product, and sector, there are numerous strategies to lower switching intention and boost customer loyalty. Nonetheless, the following broad tactics are applicable to the majority of businesses: Establish a rewards scheme. Customers who regularly buy products or services from a company can receive discounts, freebies, or special access through rewards programs. Programs for rewards can boost client retention, satisfaction, and recommendations. Boost customer support. The process of helping and supporting consumers before to, during, and following a transaction is known as customer service. Customer loyalty, trust, and satisfaction can all be impacted by customer service. You may lower switching intention and boost customer satisfaction by offering prompt, amiable, and supportive customer care.

In light of the aforementioned, the purpose of this study is to determine the variables that affect consumers' intents to switch. Questions like why a customer chooses to buy a particular brand and why they decide to stop using it will be addressed by this study. It has been observed that some consumers switch brands even when they are quite satisfied, while others remain loyal to the same brand in spite of their extreme dissatisfaction.

II. Review Literature

Numerous studies have been conducted to ascertain whether switching behavior and satisfaction are related. Two ideas that are connected to consumer loyalty and retention are satisfaction and switching behavior. Customers' level of satisfaction with the goods or services they obtain from a provider is known as satisfaction. The act of switching providers, typically as a result of price, dissatisfaction, or other considerations, is known as switching behavior.

One of the key factors influencing switching behavior, according to marketing literature, is satisfaction . While unsatisfied consumers are more inclined to search for alternatives, satisfied customers are less likely to go to a different provider [14] [15]. But switching behavior is influenced by more than just contentment. Customers' decisions to switch or remain may also be influenced by additional aspects such variety seeking, alternative appeal, switching costs, and switching barriers [16] [17]. Therefore, in addition to increasing customer satisfaction, suppliers should focus on reducing the incentives and opportunities for customers to switch. We can infer from the above that it is imperative to look at the relationship between customer satisfaction and their intention to switch.

III. Research Method

This research method begins with the search and collecting of data, continues with data processing and report writing, and concludes with the presentation of the overall outcomes of the acquired data. From January 2023 through July 2023. This study's demographic consists of customers who already utilize Online Travel Agent.

Structural equation modeling techniques will be used to test this research hypothesis. SEM (Structural Equation Modeling) is a statistical model used to describe the relationship between various variables. In a sequence of equations, SEM investigates the structure of relationships. This equation derived from the overall relationship between constructs, which includes independent and dependent variables

To provide a meaningful interpretation of the regression coefficient, the SEM PLS approach makes use of linearity assumptions. The study was carried out in order to comprehend the realities of customer loyalty research. Data is utilized in linear regression to evaluate linearity assumptions.

Table 1. Research Method

Research Methodology	Quantitative
Type of sampling	Statistical sampling
Sample	34 (n question)* 5 = 170
Data collection methods	Questionnaire
Information sources	Primary source
Data analysis methods	Partial Least Square SEM
Study period	2023
Source	Based on Hair, 2004

IV. Results

The results of the study show that effective commitment influences recommendations positively in the context of the mobile behavior research model within travel agencies. The negative barriers to the process and using travel also make trust decrease and the test results of the hypothesis are significant. On the other hand, if the process of using the services of this travel agency provides a positive relationship and positive recommendations, consumers will provide good recommendations for the company.

Directly, the obstacles that make it easier for consumers to use travel agency application services make consumers have good trust. In general, the results of this study show that various positive things from the company, the company's ability to use barriers that are beneficial to consumers, then also affective commitment or touching consumers in the process of consuming services will increase two things that become dependent factors in this study.

The positive recommendation variable and also the confidence in the results of this study are logical and in accordance with previous studies according to the proposed research capital, therefore next we need to see how indirect influences in this research model so that we can determine whether in this research process the independent variable can directly affect the dependent variable or better yet influenced by a mediation factors.

The results of indirect research show that indirect relationships are significant so that each variable that has been built in this research model is a relevant variable affecting the dependent variable. This study shows the dominance of trust in providing positive recommendations in the research model. How trust can also affect affective commitment is not proven. Therefore, in the next study, we need to see how trust provides positive recommendations for consumers for the promotion of digital travel agency service applications.

Path Coefficient

	(O)	(M)	(STDEV)	(|O/STDEV|)	P values
AC -> PR	0,575	0,557	0,105	5,456	0,000
NSB -> PR	-0,076	-0,064	0,125	0,606	0,545
NSB -> TRUST	0,381	0,369	0,110	3,455	0,001
PSB -> AC	0,241	0,239	0,220	1,092	0,275
PSB -> PR	-0,271	-0,242	0,133	2,044	0,041
PSB -> TRUST	0,444	0,428	0,117	3,804	0,000
TRUST -> AC	-0,053	-0,055	0,297	0,177	0,859
TRUST -> PR	0,159	0,137	0,237	0,671	0,502

Total Indirect Effect

	(O)	(M)	(STDEV)	(|O/STDEV)	P values
NSB -> AC	-0,020	-0,026	0,105	0,192	0,848
NSB -> PR	0,049	0,031	0,124	0,395	0,693
PSB -> AC	-0,023	-0,030	0,124	0,189	0,850
PSB -> PR	0,196	0,173	0,119	1,638	0,102
TRUST -> PR	-0,030	-0,037	0,161	0,189	0,850

Furthermore, the value of each loading factor in the variable shows that there are several dominant indicators such as how consumers conduct a comprehensive evaluation of the services provided by virtual travel agencies. In addition, it is also an effort to compare one travel service with other travel services. Consumers also have difficulty comparing because it takes a lot of time and focus to be given in comparison.

Consumers say that moving from one travel agency to another is a learning process in understanding various things conveyed by the new travel agency. Furthermore, consumers convey difficulties in being able to understand the performance of new travel agencies in serving consumers. This is because travel agencies work virtually so that consumers as a whole have difficulty being able to understand the performance of travel agencies.

In addition, there is also such a thing as an obstacle to move because consumers are comfortable with the travel agency that has been used. Therefore, consumers are reluctant to move to use and maintain good relationships with new travel agencies. This is quite rational, because so far consumers have made various transactions and consumers have provided detailed needs that are understood by the old travel agency.

Therefore, consumers experience choices with risks if they have to move to a new travel agency. There is a process that will be carried out again (repeated), namely to get to know each other in detail the needs of each other and the obstacles or limitations provided by the travel agency starting again from the beginning. This is what makes consumers comfortable and reluctant to move to other companies.

Another interesting thing from this study is the detailed business context of travel companies in delivering their services. This detail then makes consumers reluctant to make various applications from new travel agency companies.

Outer Loading

	(O)	(M)	(STDEV)	(|O/STDEV)	P values
AC1 <- AC	0,777	0,740	0,231	3,368	0,001
AC2 <- AC	0,747	0,702	0,235	3,177	0,001
AC3 <- AC	0,741	0,700	0,241	3,068	0,002
AC4 <- AC	0,621	0,585	0,211	2,947	0,003
NSB1 <- NSB	0,889	0,879	0,129	6,901	0,000
NSB2 <- NSB	0,844	0,833	0,115	7,358	0,000
NSB3 <- NSB	0,872	0,862	0,125	6,958	0,000
NSB4 <- NSB	0,854	0,842	0,121	7,057	0,000
NSB5 <- NSB	0,889	0,879	0,129	6,901	0,000
NSB6 <- NSB	0,599	0,588	0,110	5,438	0,000
NSB7 <- NSB	0,624	0,613	0,113	5,508	0,000
PR1 <- PR	0,419	0,396	0,219	1,916	0,055
PR2 <- PR	0,280	0,289	0,206	1,360	0,174
PR3 <- PR	0,896	0,872	0,079	11,354	0,000
PR4 <- PR	0,923	0,896	0,073	12,673	0,000
PSB1 <- PSB	0,543	0,529	0,123	4,402	0,000
PSB2 <- PSB	0,531	0,520	0,113	4,704	0,000
PSB3 <- PSB	0,904	0,896	0,073	12,305	0,000
PSB4 <- PSB	0,832	0,828	0,074	11,245	0,000
PSB5 <- PSB	0,853	0,851	0,072	11,784	0,000
PSB6 <- PSB	0,824	0,819	0,077	10,664	0,000
PSB7 <- PSB	0,855	0,850	0,073	11,672	0,000
T1 <- TRUST	0,704	0,665	0,165	4,263	0,000
T10 <- TRUST	0,028	0,024	0,255	0,111	0,912
T11 <- TRUST	0,018	0,010	0,257	0,068	0,945

T12 <- TRUST	0,144	0,130	0,179	0,805	0,421
T2 <- TRUST	0,796	0,748	0,184	4,322	0,000
T3 <- TRUST	0,777	0,732	0,181	4,299	0,000
T4 <- TRUST	0,713	0,670	0,188	3,797	0,000
T5 <- TRUST	0,765	0,718	0,162	4,721	0,000
T6 <- TRUST	0,820	0,773	0,162	5,051	0,000
T7 <- TRUST	0,791	0,744	0,164	4,829	0,000
T8 <- TRUST	0,726	0,687	0,155	4,694	0,000
T9 <- TRUST	0,120	0,110	0,227	0,528	0,597

The results of this study also revealed that there are characteristics of respondents or consumers who use travel agencies that have a tendency to stick with using the old ones because there is a match of tastes understood by the old travel agency.

Next, we look at how effective commitment has several dominant indicators in this research. A statement conveying that consumers are emotionally attached to the company, feel proud of the company.

A statement that consumers feel the company has provided many meaningful things to the consumer travel process. The existence of this emotional connection that has been built makes consumers have a commitment to use the services provided by the old travel agency.

This phenomenon shows that there is an emotional closeness that is glue and difficult to replace by promotional propositions and other incentives from other online travel agency competitors. The results of this study also show that the way to foster good and emotional relationships with consumers is important to build.

We also see how barriers to move to use online travel agency services are influenced by positive obstacles, namely good performance from the company. Consumers will hesitate to use other services if they are confident in the quality of services provided by existing companies and he is also hesitant to move to use other virtual agencies that cannot meet the expectations of consumers.

Consumers also have confidence that the company that has been used now is a good company, so there is not necessarily another company that can provide the same service as he has enjoyed so far. This company is also what he believes provides better quality than the company he has used so far.

Another statement said that if consumers are satisfied with the company that has served themselves so far, therefore consumers are increasingly hesitant to switch services to use other companies due to the risk of dissatisfaction that can be obtained.

This research also shows how trust is built by online travel agent companies by showing the capacity they have when completing the services desired by consumers. Consumers can solve the needs demanded by consumers and become full of confidence that consumers will not lose with what is given by the company.

The results of this study are useful for existing companies and also provide insight for companies that want to enter the tourism industry with high competition. Entering the travel agency industry needs to sort out the categories of consumer groups. There is a category of consumer groups that have high confidence in the services that have been provided by the companies they have used so far, therefore the incentives or promotions provided also need to be greater to be able to ensure consumers want to try using and will continue to use the services provided.

In addition, companies can also become better to choose consumers who still do not have high confidence in the travel agent services they already have, so that companies can have less risk and a greater possibility of converting consumers into customers.

V. Conclusion

This research has provided conclusions in the context of the online travel agency industry. The results show how high the competition of online travel agencies and how the process to convert consumers by providing large incentives and promotions.

There are variety of online travel agencies exist in Indonesia and continues to compete each other, the services used because the online travel agent provide low-cost services. This is an incentive for the consumers. On the other hand, that incentives and promotions are costs to the online travel agent, because the promotion and incentives must be paid by reducing the income earned by the company. Therefore, a strong emotional connection keeps consumers from moving to others very heavily compared to other industries that are still lower.

The results of this study show that consumer efforts to build a positive commitment and also increase the consumer market are effective ways to strengthen consumer relations with their companies. Therefore, consumers cannot necessarily switch to using other services.

Even for some groups of respondent categories we can see how consumers make room for change or use the services of a new travel agency. If the incentives provided can reduce the risk when using a new service.

This risk can be compensated by promotional incentives from the company to consumers. If we look at the margin of revenue from online travel agencies will be further eroded because indeed the competitiveness of

the industry with promotions or incentives for new consumers by trying to convince segment categories that have not used online travel agencies.

The results of the study show that to acquire consumers, the process to convince with incentives and promotions and convince consumers can get comfort, security and convenience and also a good experience when using online travel agencies.

Suggestion

The suggestion from the next research is to look at the largest market share in Indonesia, namely the millennial generation who use online travel agencies. Future research needs to compare the differences between millennials and previous generations against the tendency to easily move in using and continue to utilize the services of one travel agency.

Focusing on one particular group characteristic, namely millennials, the results of this study can show the future of online travel agencies. Is an online travel agency an interesting thing to develop a new online travel agency market in the future or is it mature so that there needs to be new innovation from the process to add to the online travel agency market through the millennial market.

Acknowledgements

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