

User's continuance intention towards hospitality service application

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ABSTRACT: Airbnb is one of the biggest online market place in most of the countries, including Indonesia, which registers and rent hospitality services to tourists. This study attempted to measure factors influencing user's Continuance Intention (CI) of Airbnb application in Indonesia by using Modified Unified Theory of Acceptance and Use of Technology (UTAUT) 2 Model by surveying 400 valid respondents. The result revealed that five factors out of the eight influences user's Continuance Intention, namely, Habit (H), Trust (T), Hedonic Motivation (HM), Price Saving Orientation (PSO) and Facilitating Conditions (FC). It was also found that only Gender have moderates the influence of FC and HM to CI. This model can be used by Airbnb management to improve their services to increase the customer base in the coming years.

1 INTRODUCTION

In 2018, Indonesia ranked as the sixth largest in the world in terms of Internet users with an estimated 103 million users and expected to increase to 123 million people (Botsvadze, 2018, Milward, 2018) as a result of various mobile applications available in the area of e-commerce to make customers decision making process so convenient and easy, especially in the field of hospitality. Airbnb is one such hospitality service provider with the biggest online marketplace for registering and renting accommodation around the world to the tourists to have a different travel experience (Knowledge, 2018). The development of Airbnb globally became successful and now placed in the first rank (EMarkerChart, 2018) and Airbnb expanded its operations in Indonesia also (Jakarta Post, 2018) as the customers are happy with the services provided (Rentivo, 2018). The growth of Airbnb in Indonesia in 2017 reached 72% compared to the previous year (Wicaksono, 2018) and also the number of orders is increased up to 3 million orders (Jamaludin, 2018). Present paper is trying to identify what factors are responsible for influencing the Continuance Intention of customers towards using Airbnb application in Indonesia and also tried to test if there are significant differences of behavior among the users in terms of age and gender.

2 THEORITICAL FRAMEWORK AND METHODOLOGY

Unified Theory of Acceptance and Use of Technology (UTAUT) 2 Model is the latest theory in acceptance model of technology in the consumer context developed by Venkatesh et al (2003) is used in the present study, which are being used in previous studies already (Indrawati and Marhaeni, 2015; Escobar-Rodriguez and Carvajal-Trujillo, 2014). Four modifications were carried out on UTAUT2 Model. *Firstly*, replaced 'Price Value' variable to 'Price Saving' variable (Escobar-Rodriguez and Carvajal-Trujillo, 2014) because users may be able to save money using Airbnb application while booking hotel room. *Secondly*, a new variable 'Trust' was added to the UTAUT2 Model as 'trust' influences the users (Escobar-Rodriguez and Carvajal-Trujillo, 2014)

while adopting Airbnb. *Thirdly*, ‘Behavioral Intention’ variable was replaced by ‘Continuance Intention’ because present study aims to analyze the Airbnb application users in adopting Hospitality Service application continuously (Xu, 2014). *Finally*, variable ‘Experience’ as the moderating variable was excluded because data collection is not carried out based on longitudinal sample but from cross-sectional sample.

The proposed modified UTAUT2 Model, based on the above four modifications mentioned, consists of eight Independent Variables (IV), namely, Performance Expectancy (PE), Effort Expectancy (EE), Social Influence (SI), Facilitation Condition (FC), Hedonic Motivation (HM), Price Saving Orientation (PSO), Habit (H), and Trust (T). These IVs are moderated with two demographic variables, namely Age and Gender. Finally, the resulting Dependent Variable (DV) is defined as Continuance Intention (CI). There were five statements each for these eight IVs and one DV, totaling to 45 statements. The data so collected were tested statistically to see if there is any significant influence of these eight IVs on the DV and also the moderating effect of Age and Gender.

The collected data were initially tested for content validity, expert validity, reliability, and finally carried out pilot test for making necessary modifications of the questionnaire based on expert opinions (Indrawati and Marhaeni, 2015; Escobar-Rodriguez and Carvajal-Trujillo, 2014; Venkatesh et al, 2003; Indrawati and Yuliansyah, 2017). The overall validity of the 45 items of the questionnaire gave a correlation coefficient value of above 0.30, which is in line with the suggestion given by Friedenber and Kaplan (Indrawati, 2015). Similarly, the result of the reliability test gave a Cronbach Alpha of above 0.70 which is also considered as reliable.

There were eight main hypothesis and sixteen sub hypotheses used for testing the objectives of the present study on customers CI of Airbnb. The main eight hypotheses are “*PE (H₁) / EE (H₂) / SI (H₃) / FC (H₄) / HM (H₅) / PSO (H₆) / H (H₇) / T (H₈) has a positive and significant influence towards CI*”. Similarly, the sixteen-sub hypothesis which tests the moderating effect of Age and Gender which influences the eight IVs towards CI are; “*Age and Gender as a moderator has influence on PE / EE / SI / FC / HM / PSO / H / T towards CI*”. All these hypotheses are tested at 5% one-tailed (Indrawati, 2017). The methodology used to test the hypotheses is quantitative method by using smart PLS 3.0. software.

3 ANALYSIS AND DISCUSSION

Using Google Forms, questionnaire was circulated through email to 512 respondents using purposive sampling during the period November 16th – December 21st 2018. Only 400 questionnaires were usable with a response rate of 78%, remaining 112 respondents were eliminated as their Airbnb usage was less than three times. The result revealed that majority (54%) respondents belong to youngsters (17-25 years) which is in tune with the diffusion of Innovation Technology Theory that youngsters are inclined towards innovation and early adopters of technology (Kotler and Keller, 2012). Cronbach Alpha and Composite Reliability gave a reference value of 0.7 which ensured the reliability of 45 items. Using Average Variance Extracted indicators, convergent validity was also tested which gave a threshold score of 0.50 and above. The path coefficients and t-values of each variable is shown in Table 1, which shows that of the eight IVs, five (H, T, HM, PSO and FC) are having positive and significant influence on the DV, namely, CI, hence the formulated hypotheses H₄, H₅, H₆, H₇, and H₈ are accepted.

Remaining three IVs (PE, EE and SI) do not have any significant influence on the DV (CI) hence the formulated hypothesis H₁, H₂, and H₃ are rejected, which are in line with the findings of earlier studies (Nikou and Bouwman, 2014; Indrawati et al, 2017) that customers are happy with the use of Airbnb, they are too eager to adopt new technologies, and also not influenced by other people’s opinions.

To validate the overall model, Goodness of Fit (GoF) index is obtained based on Hanselter and Sarstedt (2013) and the result gave a GoF of 0.694 indicating that overall model is valid. Effect size also used to validate the magnitude of the difference between groups in the model based on Cohen (Sullivan and Feinn, 2012), and the result is given in Table 2 showing all effects are very small.

Table 1. Path, Coefficients, t-values, and hypotheses status

No.	Path	Coefficient	t-value	Hypothesis
1	H→CI	0.411***	5.764	H ₄ Accepted
2	T→CI	0.164***	3.140	H ₅ Accepted
3	HM→CI	0.144**	1.975	H ₆ Accepted
4	PSO→CI	0.133***	2.363	H ₇ Accepted
5	FC→CI	0.109**	1.913	H ₈ Accepted
6	PE→CI	-0.083	1.549	H ₁ Rejected
7	SI→CI	0.122	1.509	H ₂ Rejected
8	EE→CI	-0.047	0.569	H ₃ Rejected

*** Significant at 1%. ** Significant at 5%.

Structural model (Inner Model) test result gave R² value showed 80.6%, considered as “good”, which confirms that the model has a strong explanatory power (Indrawati, 2017). To test the sub hypotheses, two moderating variables Age and Gender, used Chin Formula which gives t-value for comparing paths of each group (Indrawati, 2017) is given in Table 3, indicates that Age do not affect the influence of the CI of consumers, may be because Airbnb is a gender neutral application which can be used by anyone in any age group.

Table 2. Effect Size by DV

Link	F-square	Size/weight
EE to CI	0.002	Small
FC to CI	0.008	Small
H to CI	0.184	Small
HM to CI	0.012	Small
PE to CI	0.015	Small
PSO to CI	0.026	Small
SI to CI	0.014	Small
T to CI	0.038	Small

Table 3. Moderation Effect

Path	t-value	
	Age	Gender
FC→CI	0.093	6.825
H→CI	0.018	0.018
HM→CI	0.076	4.924
PSO→CI	0.025	0.020
T→CI	0.029	0.059

The variable Gender moderates the influence of FC and HM towards CI. It shows that between Male and Female category, there is a different perception in FC and HM. This means that male more considers FC rather than female while using Airbnb. Secondly, female more considers HM rather than male in using Airbnb.

4 CONCLUSION AND SUGGESTION

The result reveals that the model used in the study has strong explanatory power with R² value of 80.6%, indicating the model’s ability to predict customers CI. Of the eight IVs, five showed positive and significant influence on the customers CI. Among the two moderating variables, only Gender affects the influence of HM and FC towards CI. Male customers consider more of FC, whereas female customers consider more of HM while using Airbnb.

Habit has become the strongest in predicting CI to use Airbnb, which should be given priority by Airbnb while developing promotional schemes which will make customers are engaged in using Airbnb for all their hospitality needs.

Ensuring complete security while transacting with Airbnb with prompt and accurate confirmation of payment ensures that Trust is being developed in the minds of customers, which is critical for CI. Element of motivation is to be ensured while using Airbnb as HM influences customers, else it might lead to dissatisfaction among the customers. Providing recommended places with special offers might keep the customers motivated. Finally, Airbnb must ensure that the hospitality services offered are reasonably priced compared to other players in the e-business without sacrificing on the quality of the services offered.

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