

# CHAPTER 1

## INTRODUCTION

### 1.1 Background

Technology has developed very fast since the last decade, started from industry revolution in 1760 to Industry revolution 4.0 in 2011. Internet is one of the creations that marked a new chapter in human history because it connects people from all the world and you can find anything you want in there. The development of internet is very fast and become daily consumption of human in the world.

Indonesia as the fourth largest population with 250 billion people is one of the country that use internet as daily consumption. Based from internetworldstats.com Indonesia is ranked 5<sup>th</sup> in top 20 countries internet users in 2017 with the amounts 143,260,000 mean that Indonesia is a potential internet users and potential country with the technology development. Meanwhile, the development of technology in Indonesia is very fast from using computer to mobile phone and from mobile phone to Smartphone.

The appearance of mobile phone changed the daily life of human interaction from talk face to face into a new communication without border. People can communicate with each other across nation in an instant without using excess energy or requirement. The user of mobile phone is predicted to keep increasing in the future. APJII has released a new data shows that the user of mobile phone is greater that the user of computer. The user of mobile phone is outweighed by computer or laptop with percentage 50.08% and 25.72%.

The user of mobile phone is massive means that people will try to develop and make a new innovation in the mobile phone which is why the development of mobile phone is going to be very fast and unpredicted in the future. In 2009, Google launch android OS based for the mobile phone technology that becomes new technology called Smartphone. Smartphone is new mobile phones that provide many functions such as

internet access to browsing develop mobile application and use the app for free. Right now, there are millions of mobile application in the Smartphone that helps people to do their activities and work. All of this gives an advantage to Smartphone which become trend and gained many user.

The development of Smartphone also gives innovation called Mobile Commerce (M-Commerce) is transaction of goods and services by using mobile phone to access computer network (Buse, 2010). Mobile commerce and electronic commerce are pretty similar but m-commerce is performed using mobile network. Also, with m-commerce people didn't have to buy laptop or computer that is heavy to be brought everywhere. Therefore, many people try to develop mobile application that allowed people to buy and sell things through Smartphone and optimize its advantage to make customers build trust and provide better experience.

In the development of mobile phone, m-commerce has already been used in the late 90's like buying ringtone, picture, zodiac and many else. At that time, this business has been grown at very fast pace that it become common and many people started to doubt this because there is many frauds report. However, this is the first idea that has been planted and will become huge hit in the future.

The recent development of Smartphone leads to the adoption of m-commerce by simplify E-commerce that give new experience in browsing, buying and transaction of goods or service with only touch of the hands. Smartphone is designed to have small screen than a laptop to be brought anywhere and many features like browsing, purchase or sell goods and services, payment and many more. All of this feature will affect the future of economy especially E-commerce and marketers. M-commerce will be a place where people do businesses easily instead of using store and the marketer have to understand the behavior of the user of m-commerce that can attract more customers.

There are many popular m-commerce in Indonesia such as Tokopedia, Blibli, lazada, Bukalapak and many more. One of the popular m-commerce specializes in e-ticket and book hotel is Traveloka, a company that provides booking online airline and hotel especially for domestic travel in Indonesia. Traveloka adopt the concept of m-

commerce using an application as a basis to interact with people from Indonesia. Based on top index ranking E-commerce and M-commerce, Traveloka ranked number 2 in 2017 with score 34.3.

**Table 1.1**  
**Top Index Rankings: E-commerce and M-commerce**

<b>Rank</b>	<b>Brand</b>	<b>2017 score</b>
1	Tokopedia	35.0
2	Traveloka	34.3
3	Lazada	29.2
4	Bukalapak	23.2
5	Blibli	14.4

Source: brandindex.com

Based on the data above, Traveloka has gained many users and has its name in Indonesia. The reason for this popularity is because people something that is efficient, cheap and didn't require much effort. People are getting busier with the job in the morning till evening and they feel tired after working especially when holiday coming, people want to go vacation with their beloved to somewhere far away from worked.

According to travel.kompas.com holiday to outside country is becoming trend because there is significant increase from 8.4 million in 2016 to 9.1 million in 2017 and predicted it will increase in 2018. In the past, people who want to use airplane has come to the airport to buy ticket and at one time, it may be crowded full of people. Then, Travel agent is present so that people don't have to queue in the airport. However, you have to contact the travel agent and decide the payment then you get the ticket or you have to come to the travel agent itself. This is become more difficult for urban people; they have to schedule their time as there are some jobs that have to be

done immediately causing them to postpone their travel and wasted their money on unused ticket.

In order to support their activities as well as their lifestyle Traveloka present to answer their problem with the easiness to book ticket and reschedule if there is emergency. There are combination between technology and lifestyle to support busy urban people. In 5 May 2018, Traveloka launch new feature called Car Rental services for people who are in need of car for their holiday. For people who travel to distant place, they need a vehicle to travel around that places and a rental car company is the answer to their problem. Nevertheless, there are some people who use taxi or online taxi to go to their destination places though it is expensive. Car rental services in Traveloka application is a collaboration of technology with the car rental agency. Car rental agency is a company that specialize in rent various car vehicle for a period of time. The target of car rental agency is people who need temporary vehicle and travelers especially in holiday season. Also, they provide extra product such as insurance, PUC and many else.

Car rental services in Traveloka application is practice for people who want to borrow car without search a cheap rental car or waiting in turn to get car especially for family that want to go in holiday. In the past, it is very hard to find car rental because very few people own many cars at once and rent all the cars they have. Even if they have in the holiday season there is no car available and have to search another rental car that may take time and make you stress. According to [Banjarmasin.tribunews.com](http://Banjarmasin.tribunews.com), when Idul Fitri comes which is holiday season, all cars has been fully booked and if you want to rental a car then you have to find another rental car that still has stock left.

Car rental in Traveloka application is present to answer the entire problem above. The main advantage of car rental services in Traveloka application is simple and efficient with the easiness to rent a car with one click of your hand without wasting time and energy. Despite its reputation and image there are problems that Traveloka has to face before make its name. According to [kompasiana.com](http://kompasiana.com), Last year, in December 2017, there are frauds using Traveloka names to get instant money

especially in the holiday season and this is not the first time happening in Indonesia. There are many similar cases happening in Indonesia which become barricade for people to adopt and try m-commerce.

According to digital trust index in 2017 regarding e-commerce, among 5 people, there are one people that having frauds and the others has their relative with frauds incidents. Among the Asia south pacific, Indonesia ranked 10<sup>th</sup> with score 1.8, means that trust is still become a problem among e-commerce in Asia.

**Table 1.2**  
**Digital Index Trust**

<b>Rank</b>	<b>Country</b>	<b>Digital Trust Index Value</b>
1	New Zealand	4.2
2	Japan	4.1
3	Australia	3.8
4	India	3.3
5	Chinese	2.8
6	Vietnam	2.5
7	Hong Kong	2.5
8	Thailand	2.3
9	Singapore	2.3
10	Indonesia	1.8

Source: <http://lifestyle.bisnis.com/read/20171108/50/707245/tingkat-kepercayaan-konsumen-indonesia-rendah-e-commerce-lebih-baik-dari-telko>

Based on the data, e-commerce still has lower result of gained trust from people though e-commerce has been 33 years since 1984. If e-commerce has lower trust then m-commerce that can be considered new will have smaller number than E-commerce. Tokopedia as example, the ranked first of m-commerce but still have the same problem with Traveloka where frauds still everywhere lingering Indonesia people based from solusik.com. With all of this, do people still want to adopt Traveloka or not. Investigation on intention to adopt information technology (IT) has always been an issue in information management.

Many years had passed that researchers have made various theories and paradigms to understand individual acceptance behavior on Information Technology (IT). Technology Acceptance Model (TAM) is one of the theories that are the most widely applied in the adoption of technology. TAM was developed by Davis (1986) which adopted from Fishbein and Ajzen (1975, in Bugembe, 2010) Theory of reasoned Action (TRA) as a basis for specifying its casual sequence: belief/attitude/behavioral intention. Belief will eventually construct formation attitudes to determine behavior. The goal of TAM is to “provide an explanation of computer acceptance and the user’s behavior across many users and population, while at the same time being both parsimonious and theoretically justified” (Malhotra & Galletta, 1999)

There have been many researchers who tried to study about adoption technology using TAM theories such as Rahman & Sloan, (2017) that used TAM model with variables: Perceived usefulness, perceived cost, perceived risk, personal awareness and perceived ease of use to intention to use. They found that Perceived Usefulness, Perceived Risk, Personal Awareness and Perceived Ease of Use have significant association with intention to use m-commerce.

Hsu & Chang, (2013) employs Extended TAM model using this following to examine factor affecting acceptance and use of moodle with the following variable: Perceived convenience, perceived usefulness, perceived ease of use, attitude towards using Moodle, and continuance intention. The empirical data shows that there are positive relationship between Perceived convenience, perceived usefulness and

perceived ease of use to attitude towards using Moodle, and continuance intention. The results show that the extended version of TAM is support the adoption and continuance intention of Moodle.

Meanwhile, in this research there are 6 variables that I intend to use to know what consumer attitude before adopt new technology: trust, perceived usefulness, perceived ease of use, personal innovativeness, attitude toward adopting Traveloka and intention to adopt Traveloka.

Intention is the immediate antecedent of behavior. Intention bring out a motivational factors that affect behavior by showing to the extend people willing to try and willing to go to perform behavior ( Ajzen, 1991; in Webb & Sheeran, 2006). The stronger the intentions, the stronger people will to perform behaviors that increase the chance to perform behavior. The relationship between intention and behavior will last if TACT (Time, Action) elements are identic and employ proper measurement procedure (Ajzen and Fishbein, 1977; in Ajzen & Fishbein, 2005). The intention to do behavior is influence by attitude toward the behavior. Attitude toward using is “the degree of evaluation that affect individual using the target system in individual’s job”. The user believe that a completely worked system may be complex and the benefit of the system is being surpass with the effort.

Perceived usefulness and perceived ease of use is important variable and part of TAM theory. Perceived usefulness is the individual’s belief that using a system will enhance job performance and Perceived ease of use is to what extend an effort is required to learn and use the system. TAM is theories that use to study user acceptance of various information system by user. Traveloka is one of m-commerce that involves information system; therefore TAM can be used to understand the adoption of Traveloka. If the customer feel using Traveloka is useful and effortless then they will use it.

The idea of trust came from the belief that the trustee action to fulfill the trustor's expectations without exploiting its vulnerabilities. Many scholar propose that trust is important factor for successful commerce because consumer are hesitant to buy

goods or services unless they trust the seller. Consumer's trust in commerce is very important than real time face to face because the characteristic of internet cyber are blind, borderless and can occur any time. Trust in internet business focus more into transaction business rather than traditional business that focus on face to face relationship.

Personal innovativeness is degree to which an individual adopt new things. (Agarwal & Prasad, 1998) defined personal innovativeness as the willingness of an individual to try new information technology. In another word, Personal innovativeness act as influence on usefulness perception and also important role to determine the user's acceptance of technology. According to Agarwal & Prasad, (1998) an innovative person is a person who is early to adopt new innovation.

Traveloka is application system that adopted in Indonesia as a new innovation of travel agent services. As a company, Traveloka always try to make new innovation to spread its business like car rental services. As a new innovation, people or society will be force to choose between adopted or rejected. World changes faster but there are some people that worried about the sophisticated technology have been pushed too hard and too fast. That's why this research want to identify whether car rental service in Traveloka application has been accepted by society or not especially for white collar worker who are busy with their work and didn't have enough time to go to search car rental or people who need car immediately. Traveloka presents to help them get cheap car rental with promotion at one times that didn't required any effort and waste time. In here, the researcher has a logical thinking that when a risk taker or someone want to take decision they have to think some factor; in this case the factors are perceived usefulness and perceived ease of use (TAM model) observed from intrinsic factor: personal innovativeness (as mediator). This research will examines the effect of trust, personal innovativeness and technology acceptance model towards Traveloka mobile application.



## **1.2 Research Question**

Based on background above, research question can be formulated as follows:

1. Does trust have an influence on attitude?
2. Does perceived usefulness have an influence on attitude?
3. Does perceived ease of use have an influence on attitude?
4. Does personal innovativeness have an influence on attitude?
5. Does personal innovativeness have an influence on perceived usefulness, perceived ease of use through attitude?
6. Does personal innovativeness have an influence on intention to adopt car rental services in Traveloka application?
7. Does attitude have an influence on intention to adopt car rental services in Traveloka application?

## **1.3 Objective of the Study**

The objective of the study is to:

1. Analyze the influence of trust on attitude
2. Analyze the influence of perceived usefulness on attitude
3. Analyze the influence of perceived ease of use on attitude
4. Analyze the influence of personal innovativeness on attitude
5. Analyze the influence of attitude on intention to adopt car rental services in Traveloka application

## **1.4 Significance of the Study**

In this study, expected the result of research can be input for some parties that are:

#### 1.4.1. Academic Significance

- a) The result of this study can be used as reference for other researchers who want to understand about effect of trust, perceived usefulness, perceived ease of use, and personal innovativeness on attitude and its effect to intention to adopt car rental service in Traveloka application.
- b) It is expected that readers of this research can better understand the problems in it is the effect of trust, perceived usefulness, perceived ease of use, and personal innovativeness on attitude and its effect to intention to adopt car rental service in Traveloka application.

#### 1.4.2. Practical Significance

- a) The result of this study useful for Traveloka in preparing its strategy and future plan to evaluate potential customers that know and use Traveloka but never used car rental service in Traveloka application by understanding trust, perceived usefulness, perceived ease of use, personal innovativeness, attitude and intention to adopt car rental service in Traveloka application

### 1.5 Systematic of Thesis Writing

The systematic used in the preparation of this research is as follows:

#### CHAPTER 1 INTRODUCTION

This chapter will discuss about background, research question, objective study, research purpose and thesis systematic.

#### CHAPTER 2 LITERATURE REVIEW

This chapter describe about previous research, the theoretical basis: *Trust, Perceived Usefulness, perceived Ease of Use, Personal Innovativeness, Attitude and Intention to adopt car rental service in Traveloka application*, development of hypothesis, research models, and hypothesis.

### CHAPTER 3 RESEARCH METHODOLOGY

This chapter explained about ways to conduct research activities: research design, identification of variables, operational definitions, variable measurement, types of and sources of data, tools and data collection methods, population, samples, sampling techniques, data analysis techniques, and hypothesis testing procedures.

### CHAPTER 4 ANALYSIS AND DISCUSSION

This chapter describe about: respondents profile, description of research variables, validity test, reliability test, research data analysis, research hypothesis testing, and discussion

### CHAPTER 5 CONCLUSION

The final chapter contains general conclusions from the analysis and discussion that have been carried out in the previous chapters. In addition, suggestions were also made that could be used as input and basis for further research.