

# CHAPTER I

## INTRODUCTION

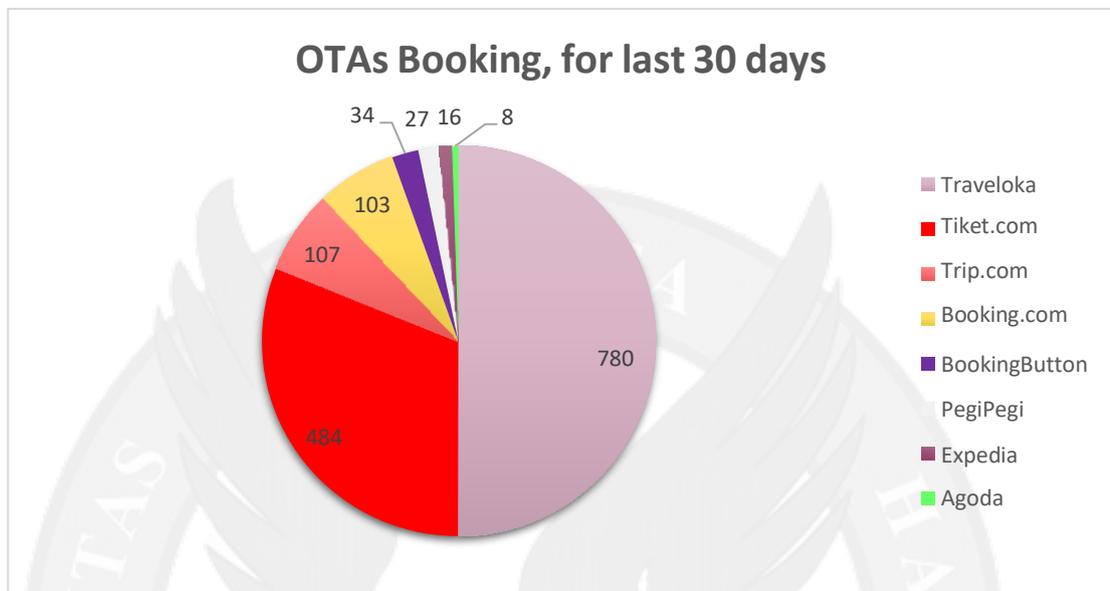
### 1.1 Background of the Study

In the current era of globalization, with technology internet, information becomes easy to access regardless of age, gender, status. Everybody can access information without any restrictions. The Internet is also the most cost-effective media for usage as the foundation of information systems. The internet can be utilized to provide chances for entrepreneurs who operate what are known as E-Commerce businesses. People in Indonesia have adopted the internet to be consumptive in completing transactions with items and services.

E-commerce has become a much more common type of transaction around the world. Because they spread around the world and reach consumers in practically every country. Consumers can use the Internet as a source of information to compare prices to see if it's available before making a purchase online or at a physical store. Due to the multiple benefits, it provides to consumers, the Internet is now actively used for hotel reservations.

Because online websites lack a physical presence, to increase sales, accurate website information and good price are necessary to keep customer satisfaction and purchasing things. Traveloka is one of the most popular brands in Cambridge Hotel Medan that provides third-party online hotel booking intermediary services to

consumers. The chart below is the total of reservations that Cambridge Hotel received from OTAs,



**Figure 1.1**

Source: Data from the front office in Cambridge Hotel Medan June 2021

**Table 1.1**

Online Booking Platform	Sales from June 2021
Traveloka	780 reservations
Tiket.com	484 reservations
Trip.com	107 reservations
Booking.com	103 reservations
Booking Button	34 reservations
PegiPegi	27 reservations
Expedia	16 reservations
Agoda	8 reservations

According to the research conducted by (Teofilus Christ Satya R and Hendri Soekotjo, 2020), the price has a positive and significant influence on the buying interest and the quality of the information has a positive and significant influence on the interest of purchasing tickets and hotel reservation online at Traveloka.

The key obstacle at Cambridge Hotel Medan that is influenced by Traveloka is that consumers are usually always concerned about the information quality and price of the product that they are considering purchasing through an Online Travel Agent.

Here are some customers bad reviews according to the accuracy of information and price information

**Table 1. 2 Guest Bad Review**

Source: Traveloka (2021)

GUEST	BAD REVIEW	RATE
Muhammad S.	Gambar di iklan dan kenyataan sangat berbeda, mengecewakan.	5.1/10
Zeka F.	Luas kamar tidak sesuai deskripsi aplikasi (superior deluxe twin bed)	5.7/10
Suwandi	Dengan harga yang sudah promo sekitar 700rbn, saya kira hotel Ar*aD*ta memberikan harga lebih murah dan ukuran kamar lebih besar, kolam renang juga lebih kecil, serta menu pilihan sarapan juga tidak terlalu mewah dibandingkan dengan hotel tetangga	6.0/10
Amelia C.	Air panas tidak berfungsi baik, handuk bau seperti tidak kering. Untuk rate harga tidak sesuai dengan yang didapatkan	6.3/10
Impanto G.	Kita pesan 2 kamar dengan pintu penghubung (connecting room) tapi pas check-in malah kena cas 100 ribu per kamar. Jadinya kita tambah bayar 200 ribu	6.7/10

The table above shows the key obstacle data that can be found through Traveloka feedback experienced by the hotel according to the factors that influence the variables in the research.

The reason why the author chooses this hotel as the research object is that Cambridge Hotel Medan, formerly known as the Grand Swiss-Bel Hotel Medan, is a five-star hotel in Medan. Cambridge Hotel chose to rebrand and become an independent hotel in September 2019 after ten years under Swiss-Bel management. Cambridge hotel Medan is located next to Cambridge City Square that offers guests the facility of a restaurant, grocery, café, and even a cinema. The department who

handled Online Travel Agent booking and Price is Front Office Department and usually done by reservation department and E-commerce department.

The core objective of this research is to study whether Traveloka Information Quality and Product Price could influence online booking intention. Hence, the writer is interested in conducting research with the title: **“The Influence of Traveloka Information Quality and Product Price toward Purchase Intentions at Cambridge Hotel Medan”**.

## **1.2 Problem Limitation**

In order to be more focused on this research and the limited sources, the writer determines limitation on this study to Information Quality that influenced by several factors such as accuracy, timeliness, completeness, format, and Product Price that influenced by several factors such as affordability, price match with the quality, price match with benefits, and price competitiveness as the independent variable. Purchase Intention that influenced by several factors such as needs, benefits, product purchase accuracy, repeated purchases as the dependent variable.

## **1.3 Problem Formulation**

based on the background study above, the writer can take problem formulation as follows:

1. How does Traveloka Information Quality Partially Influence Cambridge Hotel Medan?
2. How Does Traveloka Product Price Partially Influence Cambridge Hotel Medan?

3. Does Information Quality and Product Price have a Simultaneously Influence Toward Purchase Intention in Cambridge Hotel Medan?

#### **1.4 Objective of Research**

The purpose of this study is:

1. To know how Traveloka Information Quality Partially Influence in Cambridge Hotel Medan.
2. To know how Traveloka Product Price Partially Influence in Cambridge Hotel Medan.
3. To know if Traveloka Information Quality and Product Price Simultaneously Influence the Purchase Intention in Cambridge Hotel Medan.

#### **1.5 The benefit of the Research**

The benefit of this research will be divided into two which are:

##### *1.5.1 Theoretical Benefit*

This completion of this study is expected to give a better understanding of how Information quality and Product price will impact the Purchase Intention. Thus, this study is expected to be extra knowledge for future researchers or readers who will conduct a similar topic.

##### *1.5.2 Practical Benefit*

1. For Future Researchers

This research is expected to bring additional references in learning the work environment of employees and how it influences their performance.

## 2. For Cambridge Hotel Medan

This research is expected to be a platform to give information about Traveloka's Influence on Cambridge Hotel Medan so that it can become a benefit for Hotel.

