

**THE EFFECT OF ELECTRONIC WORD OF MOUTH (eWOM) AND
HOTEL PRICE ON BOOKING INTENTIONS THROUGH
ONLINE TRAVEL MEDIA**

(BACHELOR THESIS)

By

FICKY TYOGA ADITYA



**FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITY OF LAMPUNG
BANDAR LAMPUNG
2019**

ABSTRACT

THE EFFECT OF ELECTRONIC WORD OF MOUTH (eWOM) AND HOTEL PRICE ON BOOKING INTENTIONS THROUGH ONLINE TRAVEL MEDIA

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This study is motivated by the increasing number of travelers every year and the availability of online booking hotel in which the candidate travelers are going to search the destination hotel through sites that provide reviews and ratings from previous guests as well as the list or discount of hotel price prior to choosing the hotel. The purpose of this study is to determine the influence of eWOM (online reviewing by other guest experiences) and hotel price on booking intentions. Population in this study is college students in the University of Lampung and other online users, with a sample of 145 respondents. Sampling in this study using nonprobability sampling method with purposive sampling technique. Statistical analysis methods used consist of a regression multiple linear analysis, a significant test based on t value, a significant test based on F value, and a coefficient of determination (R^2) value. The results showed that the variables of eWOM has a positively and significantly influenced booking intentions, while Hotel Price does not have a significant effect on Booking Intention. However, all of hypothesis in this research are accepted which are: (H1) "Electronic Word of Mouth (eWOM) has a significant impact on hotel Booking Intention through online travel media" as well as (H2) "Hotel Prices has a significant impact on hotel Booking Intention through online travel media".

Keywords: eWOM, hotel price, and booking intentions

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(Bachelor Thesis)

FICKY TYOGA ADITYA

As One of Requirements to Achieve

BACHELOR OF ECONOMICS

In

Department of Management

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**FACULTY OF ECONOMICS AND BUSINESS
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2019**

Thesis Title : **THE EFFECT OF ELECTRONIC
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Hereby declare that:

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BIOGRAPHY

The researcher, Ficky Tyoga Aditya, was born on December 2nd, 1995 in Tokyo, Japan. The first child of two children from Dr. Ir. Slamet Budi Yuwono, M.S., IPU and Prof. Dr. Ir. Dermiyati, M.Agr.Sc., IPU. The researcher has a sister Rizki Tikadewi Noviani.

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MOTTO

“Without action, the best intentions in the world are nothing more than that: intentions.” (Jordan Belfort. The Wolf of Wall Street)

“I’m Curious!” (Chitanda Eru, Hyouka)

“Lower your expectation from other people, so you can always be at your best without relying on others.”

(Ficky Tyoga Aditya)

DEDICATIONS

With gratitude of all joy and blessings given by Allah SWT, this Bachelor

Thesis is dedicated to the most important people in my life:

My beloved parents, My Father Dr. Ir. Slamet Budi Yuwono, M.S., IPU and

My Mother Prof. Dr. Ir. Dermiyati, M.Agr.Sc., IPU.

Thank you for all the support that are given to me. Thank you for always caring

and always loving me in all condition. I am truly grateful to be surrounded by

this understanding family who always give me freedom to choose and be

responsible for my own choices. I would not be succesfull

without your prays, loves, advices, happiness, and wisdoms. I promise to make

you both happy and proud of me.

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Praise and gratitude to Allah SWT for its blessings and directions, thus this Bachelor Thesis entitled “The Effect of Electronic Word of Mouth (eWOM) and Hotel Price on Booking Intentions Through Online Travel Media” can be finished. This bachelor thesis is one of requirements to receive the Bachelor Degree in Faculty of Economic and Business, University of Lampung.

In writing this bachelor thesis, I realized that this achievement would never have come into existence without any supports, encouragements, and assistance by several important people. Thus, I would like to express my gratitude to:

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11. All parties who gave support for me during the writing of this bachelor thesis. May Allah grant mercy and blessings and may this bachelor thesis become useful and meaningful.
12. The researcher realized that the writing of this bachelor thesis is still far from perfect. Hopefully, this bachelor thesis would give a positive contribution for those who are interested to conduct the further research.

Bandar Lampung, December 2018

Ficky Tyoga Aditya

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I. INTRODUCTION

1.1 Background of the Research

Nowadays, everybody has ever gone to vacation to other city in the country or even abroad, especially middle and upper class. The increase on society welfare also influences the upper middle class to take on vacation at least once a year. When they go on vacation, there's a need for a place to stay and rest. For that purpose, hotel is the best place to do so. In the past if we want to stay at a hotel, we had an obligation to inform and ask the hotel first beforehand whether there's available room at certain date. These methods are very ineffective in a situation when a guest needs a hotel service as soon as possible. With the internet era nowadays, motel, and boarding houses have trying to advertise their services via *Online Booking*. This allows the guests to check and book the service in much faster pace and efficient way. In this service site guests can check the room, price, and what kind of service they can get if they stay there.

Nowadays you can easily be connecting to the internet and find numerous travel information sites, online agencies, blogs with many experiences and recommendation sites or book your hotel or flight ticket within a couple of clicks. Using the Internet is an easy trait for anyone to access into a computer, laptop, Smartphone or tablet. It provides more and better information in an efficient and

compact method. Internet can be personalized and tailored for your own needs and wants but also opens your view to many other opportunities not yet known to you. For example, when searching for a holiday destination you may stumble onto destinations you were not familiar with before due to advertising or click through links recommended to you according to your search pattern (Fileri and McLeavy, 2013).

If we are looking for the internet, there are many sites which provide information about offering hotel. Some of the site for example, *traveloka.com*, *agoda.com*, *booking.com*, *trivago.com*, *tripadvisor.com*, etc. with this kind of access guest candidate can easily pick a hotel or services. In this site also show the rating and review of the previous guest's that had stay at the hotel, there's also certain discount price that can be obtain via booking from these sites. This factor influences the costumer's behavior to decide which hotel they are going to choose. Following figure explain price and previous guest's comment in the site of *agoda.com* (Figure 1.1).

The Internet is now the predominant means of travel shopping in most of countries and has changed the way tourism information is distributed (Buhalis and Law, 2008). In 2010 the global online travel segment represents 30% of the total travel market (Phocuswright, 2011). More than 60% of consumers consult a customer feedback before making purchases (Lightspeed Research, 2011).

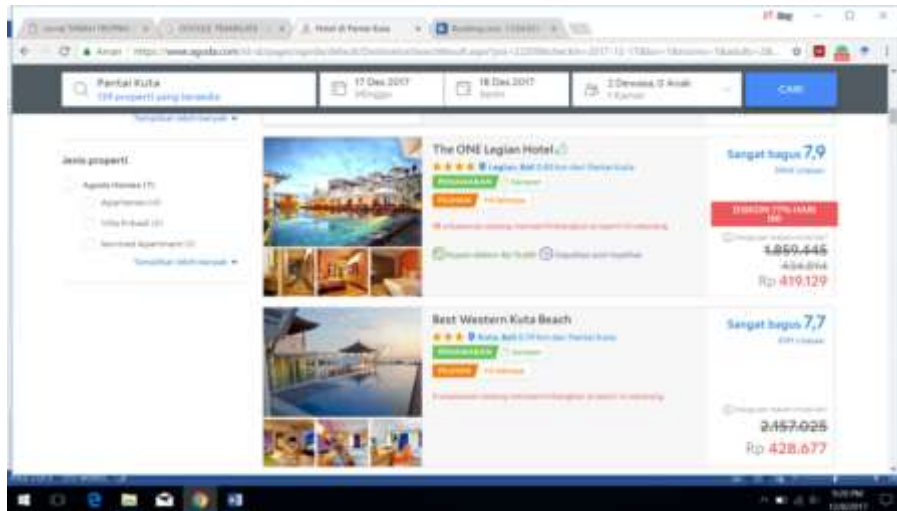


Figure 1. The rating, total number of previous guest’s comment and price are available in the *agoda.com* site. (Source: *agoda.com*)

Table 1.1 explains number of people who decide to book hotel based on previous costumers’ reviews. A tendency to order booking hotel online through the internet and Smartphone increasing year by year as shown in Table 1.2. Some example of sites that provide booking hotel online can be seen in Table 1.3. On the other way, total online travel sales are likely to increase every year from as provided in Table A.1 (attachment). Annual Online Travel Sales from \$93.8 billion in 2007 and reached \$162.4 billion in 2012. Moreover, online travel sales revenue from hotel reservations reached 39% during Quartile one of year 2012 as shown in Table A.2 (see Attachment).

Table 1 Number of people who decide to book hotel based on hotel review by previous guest.

Travel Booking Site Statistic	Total
Average number of reviews for a hotel	238
Percent of travelers who find user reviews important	81 %
Percent of travelers who won't book a hotel without reviews	49 %
Percent of travel reviews written by women	53 %

Source: Statistic Brain (2017).

Table 2. Total booking of online travel in the internet.

Online Travel Booking Statistic	Total
Number of travel booking made on internet each year	148.3 Million
Percent of all travel reservations made on internet	57%
Percent on same day hotel reservations made on smartphone	65%

Source: Statistic Brain (2017).

Table 3. Some examples of type of website for Internet Source of Booking Hotel.

Type of website	Remark
Brand website	Website where distribution is operated and managed by the brand (e.g. ww.marriott.com/)
Merchant website	e.g. Expedia/Hotels.com, Travelocity and Orbitz
Opaque Website	Customers to choose a fare or rate without knowing the brand of the supplier until after the item is purchased (e.g. Priceline)
Retail Website	Third-party distributor where the hotel lists inventory at the same price that it is sold to the consumer and hotel pays distributor agreed upon commission (e.g. HRS, Bookings, Venere in Europe)

Source: Statistic Brain (2017).

Based on the description of the background, the research title is "Determination Electronic Word of Mouth (eWOM) and Price on Booking Hotel through Online Travel Media".

1.2 Problem Formulation

The Increasing number of travelers every year due to well-being of people welfare various tourism destination, and lower price of an airplane flight. Therefore, the hotel needed by travelers is also increasing. Since booking hotel is available online by now, the candidate travelers are going to search the destination hotel through sites that provide booking hotel online. Reviews and ratings from previous guests and hotel price are available online in the site, for some reason, it will affect the candidate guest to decide which hotel to be chosen during their stay in the destination city. They will feel comfortable and satisfy with the target hotel based on the other's guest experiences as well as since there are also available discount price of the hotel.

The tourism industry is strongly affected by eWOM and, within the tourism industry; hotels are probably the most affected. Vermeulen and Seegers (2009) studied that exposure to an online hotel review improves the average probability for consumers to consider booking a room in the reviewed hotel. Similarly, Ye, Law and Gu stated that there is a significant relationship between online consumer reviews and business performance of hotels. Moreover, Tsao et al. (2015) found that positive reviews are more effective than negative reviews in enhancing booking intentions and increasing the number of reviews can magnify the influence of review valence on booking intentions.

Based on the growing importance of online reputation derived from reviews (denoted as eWOM) for hotels and other members of the tourism sector, this study

proposes to determine a decision in booking hotel based on the previous guest's experiences and hotel prices which are available online.

Based on the above problems, the formulation of the problem of this study are as follows:

1. Does reviewing eWOM by hotel guest experiences influence on guest's intentions to book hotel?
2. Do hotel prices influence on hotel booking intentions?

1.3 Objectives of the Research

This study has the following objectives:

1. To know whether reviewing by other guest experiences has an effect on hotel booking intentions.
2. To know whether hotel price has an effect on hotel booking intentions.

1.4 Benefits of the Research

The research has benefits as follows.

1. Benefits for the customers:

As consideration in making decision to book hotel based on reviewing and rating of other guest experiences as well as hotel price.

2. Benefits for academics:

- a. As reference material especially in the marketing strategy.
- b. As a comparison to other researchers who discuss marketing strategy.

3. Benefits for researchers:

Acquire knowledge both theory and practice, especially in the field of marketing strategy

II. LITERATURE REVIEW

2.1. Marketing Strategy

A company success depend on good marketing management. Marketing manajement as a guidelines of a company life sustainability. Marketing management works as analizing, planning, implementating, and controlling the procedure and program that serves the development, process, packaging, and maintaning the of a company. Since the starting process of production till delivered goods to cosumer marketing management roles are inseparable, because if implemented properly it will provide benefits for the company in particular and consumers in general. Mullins and Walker (2010:40), explained that marketing management is a process of analyzing, planning, actuating, coordinating, and controlling programs involving conception, pricing, promotion, and product distribution, services and ideas that design to create and maintain a beneficial exchange with a target market for the purpose of achieving organizational goals. While according to Kotler and Amstrong (2008:7), marketing can be interpreted as a social and managerial process that allows individuals and groups to get what they need and want, through the creation and exchange of mutual products and value with others.

2.2 Marketing Communication

Marketing communication mix, aims to communicate about the products produced by the company to consumers. According to Kotler dan Keller (2009:175), there are eight instruments used in promotions, that is:

1. Ads

Advertising is a pure form of non-personal presentation and the promotion of ideas, goods or services through a sponsor.

2. Sales Promotion

Sales promotion is a various short-term incentive to encourage experimentation or purchase of products or services.

3. Events and Experiences

Events and experiences are company-sponsored activities and programs, that designed to create daily interactions associated with a particular brand.

4. Public Relations and Publicity

Public relations and publicity are a variety of programs designed to promote or protect the image of individual companies or products.

5. Direct Marketing

Direct marketing is usage by letter, phone, facsimile, email, or internet to communicate directly or request customer respond about certain products or prospect.

6. Interactive Marketing

Interactive marketing are online activities and programs designed to engage customer or prospects, directly or indirectly raising awareness, improving the image, or creating sales of products and services.

7. Marketing Word of Mouth (WOM)

Marketing word of mouth (WOM) are interpersonal, written, and electronic communications relating to the superiority or experience of buying or using a product or service.

8. Personal Sales

Personal sales a face-to-face interaction with one or more prospective buyers for the purpose of making presentations, answering questions, and order procurement.

2.3. Social Media Online

The term “social media” refers to all the Internet platforms which provide users with tools for a multitude of social interaction. These interactions allow for collaborative content creation and sharing and easier exchange of information on various topics of interest, experiences, products and services. Different forms of user-generated content exist, such as blogs, virtual communities, wikis, social

networks and media sharing sites like YouTube (Sparks et al., 2013; Xiang and Gretzel, 2010). In the particular case of users-consumers, the content which they generate reflects their impressions, usually influenced by relevant experiences, archived or shared online, to allow easy access to other interested consumers (Zhang et al., 2010). In short, social networks provide a platform for information searches which is highly user-friendly and has become indispensable. By making it easier for consumers to disseminate comments and access the opinions of others, various opinion websites and platforms have influenced the information searching process and purchasing decisions of consumers, in particular tourists (Dickinger, 2011; Luo and Zhong, 2015; Mauri and Minazzi, 2013; Sparks et al., 2013; Sparks and Browning, 2011; Zhang et al., 2010).

According to Puntodi (2011:5), there are several types of social media:

- a. Forum is a social media that facilitates its users to share info in accordance with the sub topics provided by the forum and other users can comment on the info. Generally, there are admin that controls so that the user post remain in accordance with the subtopic.

E.g. Kaskus (kaskus.co.id), Ads id (ads.is), Indowebster (forum.idws.id).

There's also a group via email that is often referred to as Milis, such as groups.yahoo.com and groups.google.com.

- b. Blog is a social media that facilitates its user to write content, like a diary so it can be said that the articles that exist are owned by the users themselves, mostly. The user can manage blog appearance and topics as they see fit.

E.g. blogspot (blogspot.com), wordpress (wordpress.com), tumblr (tumblr.com)

- c. Micro blog is one form of blog that allows users to write short update text, usually less than 200 characters. Micro blog can be used to store ideas or express thought.

E.g. twitter (twitter.com)

- d. Social Networking is an activity that uses the features provided by a particular site to establish relationships, interact with others.

E.g. Facebook (facebook.com), MySpace (myspace.com), LinkedIn (linkedin.com)

- e. Wiki is a site that collecting data or documents. On this site a certified user can replace or add content of an article with a better source and info till eventually improve the article information over time.

E.g. Wikipedia (Wikipedia.com)

- f. Content Sharing is sites where other people can create and publish their work with the intention of sharing to others.

E.g. YouTube (youtube.com), Flickr (flickr.com)

In the internet era, the appearance of online media increases significantly. Many aspects concerned by those online media are also varied and some sites special in the specific content, like new, hotel, travel, etc.

The top 28 Consumer Travel Media Sites around the World is presented in Table A.3 (see Attachment), while the top 22 Hotel Brand Sites around the World is presented in Table A.4 (see Attachment).

2.4. Electronic Word of Mouth (eWOM)

In the internet era, the effect and distribution of word of mouth (WOM) have been further enhanced as individuals can make their opinions easily accessible to other internet users (Dellarocas, 2003). The influence of electronic WOM (eWOM) is directly applicable to tourism and hospitality as online user-generated reviews are an important source of information to travelers. Gretzel and Yoo (2008) further claimed that travel reviews are often perceived as more likely to provide up-to-date, enjoyable, and reliable information than content posted by travel service suppliers.

eWOM is seen as a reliable and impartial source of information. It is argued that eWOM shapes consumer expectations, influences preferences and attitudes, and affects purchasing decisions and post-use evaluation (Litvin et al.,2008; Luo and Zhong, 2015). The impact of eWOM on hotel choice can be more powerful than WOM (Ogut and Tas, 2012). eWOM can be spread via opinion platforms, discussion forums, boycott websites or sites allowing communications between consumers (Hennig-Thurau et al., 2004). eWOM implies the involvement of actors whose behavior is motivated by various reasons, in particular the desire for

social interactions and maintaining social connections, enjoyment of online activities, emotional support, altruism, identification, feeling of solidarity, mutual help or self-esteem (Hennig-Thurau et al., 2004; Munarand Jacobsen, 2014).

There are main differences between the traditional concept of WOM and the new idea of eWOM. First of all, eWOM is not necessarily direct or oral because customers write their impressions on the net and they do not vanish immediately; on the contrary, other consumers can consult these reviews even after a long period of time (Buttle, 1998). In the electronic environment, the opinions that consumers post on the Web are seen by millions (Libai et al., 2010), are available for long periods of time, and may be encountered by purchasers at precisely the time they are electronically searching for information about a particular product or service (Ward and Ostrom, 2002). Secondly, eWOM communication is not limited to brands, products or services but can be related to an organization, a destination, etc. (Buttle, 1998). Thirdly, although eWOM remains a source of information different from advertising, it is sometimes incentivized and rewarded (Buttle, 1998).

According to Hennig-Thurau et al. (2004), eWOM is “any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet” (Hennig-Thurau et al., 2004).

Online WOM messages can be shared through posted reviews (consumer opinions on apposite websites), mailbags (customer opinions on the website of the seller), discussion forums, electronic mailing lists (consumer opinions sent by e-mail),

personal e-mail, chat rooms (real time conversation on a topic) and instant messaging (one-to-one real conversation on the Internet). Schindler and Bickart (2005) conducted a study on a sample of frequent Internet shoppers and found that the most frequently used source of online WOM is consumer reviews and the main reasons are: to gather information about brands or products by consulting the experience of a lot of people and to support or confirm a previously made decision. Sometimes people search for information just for fun, without any real intention to purchase but this action, even if passive, can influence future purchase decisions.

2.5. Booking/Purchase Intention

Purchase intention is the likelihood that a customer will buy a particular product/service (Dodds, Monroe, and Grewal, 1991). Purchase intention is a vital predictor of actual buying behavior and this relationship has been empirically examined in hospitality and tourism industry (Bai, Law, and Wen, 2008; Sparks and Browning, 2011). In the online hotel booking, purchase intention reflects the desire of a consumer to book a room through the hotel's website. Previous research has shown that brand image, price, trust, and value are driving forces of online purchase intentions (Chiang and Jang, 2007; Chen and Dubinsky, 2003; Everard and Galletta, 2006).

The theory of planned behavior (TPB) promoted in Ajzen (1985) postulates that intentions are a good predictor of future behavior. The theory posits that intentions have three determining factors – the individual's attitude toward the

behavior, subjective norms and perceived behavioral control. Moreover, Ajzen (1991), a review of the theory, concludes that empirical tests largely find these three factors are effective at predicting behavior.

Bangsawan *et al.* (2017) concluded that that there is no significant relation between eWOM and purchase intention in the Indonesian restaurant industry. However, they found that people with greater eWOM motivation are more likely to purchase the service again. Moreover, Hennig-Thurau *et al.* (2004) and Sundaram *et al.* (1998) stated that there is no significant relation between eWOM and purchase intention.

2.6. The Influence of eWOM on Hotel Booking Intentions

Social media are playing an increasing role in the tourism and hospitality sector (Filiari and McLeay, 2014; Inversini and Masiero, 2014; Luo and Zhong, 2015). They facilitate dynamic and effective interactions between hotels and their customers (Escobar-Rodríguez and Carvajal-Trujillo, 2013; Luo and Zhong, 2015). In recent years, a growing number of opinion platforms which offer consumer online reviews or product ratings have been created. For instance, TripAdvisor allows customers to provide detailed comments and an overall rating (using a 5-star rating system), reflecting the evaluation of their hotel-stay experience. Given the increasing availability and popularity of these opinion platforms on the web, online reviews have become a prominent phenomenon that plays an increasingly important role in consumers' purchasing decisions (Filiari and McLeay, 2014; Mauri and Minazzi, 2013; Sparks and Browning, 2011; Zhang *et al.*, 2010).

These tools have gained considerable popularity among travelers, as they allow them to view and share textual descriptions (comments, opinions) and photos related to personal travel and holiday experiences (Papathanassis and Knolle, 2011). Such information, shared on social platforms like Facebook, MySpace and Tripadvisor.com and other tourism and hospitality evaluation sites, influences the preferences and choices of other travelers (Papathanassis and Knolle, 2011; Wilson et al., 2012; Xiang and Gretzel, 2010; Ye et al., 2011). Comments generated by peers are most often seen as more impartial, reliable, and unbiased than information provided by sources controlled by companies (Wilson et al., 2012). Therefore, content generated on social media is considered to be an influential source of information because of the perceived independence of the message source (Litvin et al., 2008). Indeed, user-generated content could be considered as relatively easy to access and seen as an informational enrichment compared to what is available from a company's web site and traditional information sources (Papathanassis and Knolle, 2011).

Online reviews are proxy of eWOM and are different from ratings that could be assimilated to an overall service evaluation (Duverger, 2013). Comments generated by online users have a significant influence on sales (Duverger, 2013; O'Connor, 2008; Ye et al., 2011). For example, feedback generated by users on a restaurant's quality of food, ambiance, and service is positively associated with its online popularity (Zhang et al., 2010). The mere presence of online reviews can increase the sales of products, regardless of their nature (positive vs. negative feedback) (Mitchell and Khazanchi, 2010). Sparks and Browning (2011) and Liu (2006) observe that online reviews vary not only in their content (e.g., general or

detailed), but especially in their polarity (positive vs. negative comments). Sparks and Browning (2011) also state that while positive evaluations are likely to feature pleasant, vivid or romanticized descriptions of the experience, negative feedback is more likely to include complaints or unpleasant or disparaging descriptions. Moreover, The star rating of a hotel has no effect on the sales of the rooms. Zhang et al. (2011) show that an incremental increase in customer rating of hotel rooms (one star on a 5-point scale) is related to a 21% increase in prices in New York.

Park and Lee (2009) state that negative opinions have more effect on sales than positive ones, while Liu (2006) finds that the valence of comments does not explain the variation in sales. Studies confirm the effect of evaluations on booking, noting that favorable reviews concerning a hotel increase the likelihood of booking and room sales (Duverger, 2013; Vermeulen and Seegers, 2009; Ye et al., 2011). Duverger (2013) finds that user-generated content has a positive impact on hotel market shares and reports a curvilinear relationship between traveler ratings and market share. Indeed, his study based on longitudinal data shows that interaction between review length and review valence results in an overall negative impact on market shares. Vermeulen and Seegers (2009) report that exposure to an online hotel review improves hotel awareness and hotel consideration (i.e., increases the probability for consumers to consider booking a room in that hotel). Kim et al. (2015) found that a careful management of negative online comments or complaints enhances hotel performance. Mauri and Minazzi (2013) report that hotel purchasing intentions increase in the case of prevalence of positive reviews and decrease in the case of negative comments. Ye et al. (2011) find that positive online reviews significantly contribute to an effective increase in

hotel reservations: a 10% improvement in the rating by evaluators can generate a 4.4% increase in sales. Ogut and Tas (2012) report that online sales of rooms are higher for the hotels with higher customer evaluations/ratings: a 1% improvement in online customer ratings increases sales by more than 2.60%. Indeed, an increase in the customer ratings generates higher prices of the hotel rooms.

The research aims to study the relationship between eWOM and hotel price on the guest's decision/tendency to booking hotel. Some research about eWOM has been done as presented in Table 2.1.

Table 4. Previous researches about Electronic Word of Mouth

No	Researcher(s)	Title	Discussion	Variable
1	Ye, Q., R. Law, B. Gu, W. Chen (2009)	The influence of user-generated content on traveler behavior: An empirical investigation on the effects of e-word-of-mouth to hotel online bookings	The research found that traveler reviews have a significant impact on online sales, with a 10 percent increase in traveler review ratings boosting online bookings by more than five percent. The results highlight the importance of online user-generated reviews to business performance in tourism.	• eWOM
2	Ye, Q., R. Law, B. Gu(2011)	The impact of online user reviews on hotel room sales	The results indicated a significant relationship between online consumer reviews and business performance of hotels.	• eWOM
3	Vermeulen, I.E., and D Seegers(2009)	Tried and tested: The impact of online hotel reviews on consumer consideration	The current research makes clear that exposure to an online hotel review improves the average probability for consumers to consider booking a room in the reviewed hotel. Furthermore, familiarity with a hotel makes consumers resilient to the effects of online hotel reviews.	• eWOM

No	Researcher(s)	Title	Discussion	Variable
4	Tsao Wen-Chin, Ming-Tsang Hsieh, Li-Wen Shih, Tom M.Y. Lin (2015)	Compliance with eWOM: The influence of hotel reviews on booking intention from the perspective of consumer conformity	The results show that positive reviews are more effective than negative reviews in enhancing booking intentions and increasing the number of reviews can magnify the influence of review valence on booking intentions. Analysis of valence indicated that reading positive reviews can have a stronger effect on booking intentions among individuals who are strongly inclined toward conformity. In addition, a greater number of reviews proved to be more persuasive among individuals displaying a low degree of conformity.	<ul style="list-style-type: none"> • Postive Valence • Negative Valence • Quantity
5	Sparks, B.A. and V. Browning (2011)	The impact of online reviews on hotel booking intentions and perception of trust	Consumers seem to be more influenced by early negative information, especially when the overall set of reviews is negative. However, positively framed information together with numerical rating details increases both booking intentions and consumer trust. The results suggest that consumers tend to rely on easy-to-process information, when evaluating a hotel based upon reviews. Higher levels of trust are also evident when a positively framed set of reviews focused on interpersonal service.	<ul style="list-style-type: none"> • the target of the review (core or interpersonal) • overall valence of a set of reviews (positive or negative) • framing of reviews (what comes first: negative or positive information) • a consumer generated numerical rating
6	Cantallops, A.S., and F. Salvi (2014)	New consumer behavior: A review of research on eWOM and hotels	This study analyzed published article based on review-generating factors (previous factors that cause consumers to write reviews) and impacts of eWOM (impacts caused by online reviews) from consumer perspective and company perspective. A summary of each study's description, methodology and main results are outlined as well as an analysis of findings.	<ul style="list-style-type: none"> • Review-generating factors • eWOM
7	Mauri A.G., and R. Minazzi (2013)	Web reviews influence on expectations and purchasing intentions of hotel potential customers	The research shows a positive correlation between both hotel purchasing intention and expectations of the customers and valence of the review. On the contrary, the presence of hotel managers' responses to guests' reviews has a negative impact on purchasing intentions. The study enriches the stream of research on word-of-mouth in the hospitality industry.	<ul style="list-style-type: none"> • eWOM

No	Researcher(s)	Title	Discussion	Variable
8	Putri Hastina (2017)	Pengaruh Dimensi <i>Electronic Word of Mouth</i> (eWOM) di Media Sosial Instagram Terhadap Keputusan Pembelian Pada <i>Cafe Grannysnest</i> di Bandar Lampung	The research shows positive correlation between eWOM and consumer buying decision.	<ul style="list-style-type: none"> • eWOM • Buying Decision
9	Mayada Samy (2017)	The effect of electronic Word-Of-Mouth (eWOM) on consumer behavior	The Purpose of this survey is to examine the effect of Electronic Word-of-Mouth (eWOM) on the buying behavior of consumer.	<ul style="list-style-type: none"> • eWOM • Consumer Behavior

2.7. Conceptual Framework

According to Word of Mouth Marketing Association understanding of Word of Mouth is an effort to pass information from one consumer to another. Consumer knows Word of Mouth also with the term communication from the mouth to the mouth. This personal communication is seen as a more trusted or reliable compared to non-personal information. There are many ads circulating in social media Instagram, in a form of video or image. Word of Mouth is considered more reliable and trusted in decision making and brand selection, whereas Electronic Word of Mouth has a more influential impact in dissemination of advertising to be able to create interest in buying products by consumers.

Electronic Word of Mouth in social media Instagram can be done with posting a picture of a product, when another potential consumer sees and like the picture it'll be shown on their timeline and others potential consumer can also see the product. So either directly or indirectly it's able to attract people to purchase the

product and change their perceptions of benefit in social media as well as limitations in doing purchase of related products online.

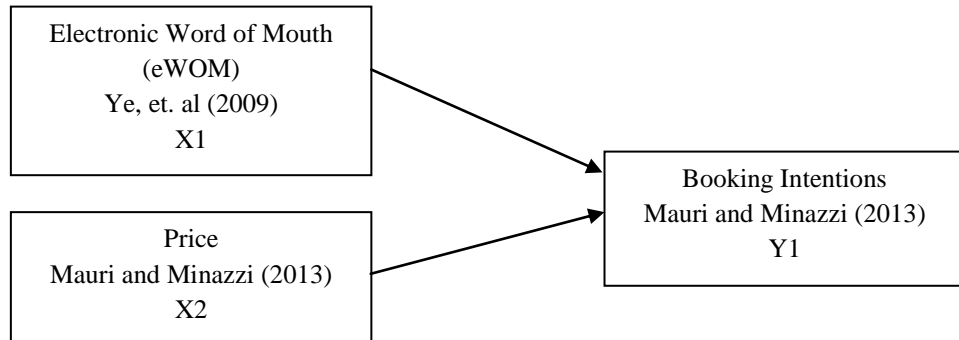


Figure 2. Proposed Research Method, source: Ye, et. al (2009); Mauri and Minazzi (2013)

2.8. Hypotheses

Based on the formulation of the problem and the framework that has been described above then the hypothesis in this study is:

- (1) Electronic Word of Mouth (eWOM) has a significant impact on hotel Booking Intention through online travel media.
- (2) Hotel Prices has a significant impact on hotel Booking Intention through online travel media.

III. METHODOLOGY

3.1. Research Design

The type of research will be conducted is a verificative descriptive research. According to (Arikunto 2010: 03), a descriptive research is research that aims to investigate the situation, condition or other things that will be mentioned, and the results will be presented in the form of research reports. Descriptive research will be conducted to obtain a representation or description of the Electronic Word of Mouth (eWOM) and hotel price variable to the tendency or decision to book hotel online. Verificative research aims to determine the relationship of causality between variables through a hypothesis testing (Arikunto 2010: 15). This research method is used to know the significant relationship between the variables studied. Verificative Descriptive Method will be used in this study to examine the effect of eWOM and hotel price variables on purchasing decisions to book hotel online.

3.2 Research Objects

This study will analyze the influence of eWOM and hotel price on the booking intention to book hotel online. The object that becomes independent variable is (X) that are eWOM and hotel price, then, dependent variable (Y) is booking intention to book hotel online.

Implementation of this research took place in the social media and the object of research that made the population in this study are millennial era generation who active in social media.

3.3 Population and Sample

Population is a generalization region consisting of subjects or objects that have a certain quality and character set by researchers to be studied and then drawn conclusions (Sugiyono, 2010: 117). Population are all objects or subjects examined in the study. Population studied in this research is millennial era generation who use media online as reference to purchase decision in booking hotel online whose number is not known for sure.

The sample is part of the population under study (Arikunto, 2010: 112). The sample is part of the population taken in certain ways that have certain characteristics, clear and complete that are considered to represent the population.

In order for the samples taken to be representative or representative of the population, then the sampling must be appropriate.

The method used in sampling is non-probability sampling method with Purposive Judgment Sampling technique that is carefully selected sample so that it is relevant to the research design. This technique is a sample selection technique based on the specific characteristics of the sample that are considered to have a very close relationship with the characteristics of respondents or consumers who book hotel online who get information or recommendations through other costumers' comment on media online. This technique will be chosen by researchers because researchers also have limited funds and time.

Hair (2010: 112), suggested that the number of research samples that are not known the exact number of population, at least five times the variables analyzed or indicator questions. The number of questions from this study amounted to 29, then obtained the following sample calculation results:

$$\begin{aligned}\text{Number of Sample} &= 5 \times \text{variable of indicators} \\ &= 5 \times 29 \text{ variable of indicators} \\ &= 145 \text{ samples}\end{aligned}$$

Based on the above description, the number of respondents in this study amounted to 145 respondents who can represent consumers who use media online as a reference to book hotel online which the amount is not known for sure.

Respondents filled in the questionnaire through online and physically meet. Basically, most of the respondents are filled in the questionnaire through online. A physically meet were likely necessary to get more faster respond of the respondents by gathering the students in the University of Lampung in a room and asking them to fulfill questioner online. Link of Online questionnaire were created through a Google Doc. Link of online questionnaire were also distributed to the respondents through various media, such as Facebook, WhatsApp, email, etc.

Samples with demographic characteristics such as gender, age, work specified were samples that had a tendency or had made a booking intention hotel online in the previous year prior to this research, besides the sample in this study were consumers who knew media online had a relationship to the booking intention.

3.4 Data and Data Sources

Data is a number of information that can provide a picture of a situation. The information obtained provides information, images or facts about a problem in the form of letter or number category. The data used in this study were obtained from the source which in general can be grouped into two namely:

3.4.1 Primary Data

Primary data is the original data collected by the researcher himself to answer the problem of his research specifically. Generally, these primary data were not available before, so a researcher should collect this data by itself (Istijanto in Sunyoto, 2012: 27).

3.4.2 Secondary Data

Secondary data is data that comes from records that exist in the company and from other sources that is by conducting literature study by studying books or literature that have something to do with the object of research (Sunyoto, 2012: 41).

3.5 Data Collection Techniques

Data collection techniques used in this study can be explained as follows:

1. Questionnaire

That is the method of collecting data by using a list of questions asked to respondents to be answered by giving a questionnaire. In general, the

contents of the questionnaire materials include the identity of the respondents and the questions of the research variables and alternative answers (Sunyoto, 2011: 142). This study was conducted to obtain primary data on measuring the effect of Electronic Word of Mouth Dimension (eWOM) on booking intentions through online travel media. The way used is with the distribution of questionnaires to consumers who use booking website.

2. Documentation

Data collection through documentation aims to know the concepts related to research. This data is also obtained from various journals, archives and other document sources.

3.6 Measurement Scale

According Sugiyono (2010: 93), the measurement scale is an agreement used as a reference to determine the short length of intervals in the measuring tool, so that measuring instruments when used in measurement will produce quantitative data.

The measurement scale used in this research is Likert scale. The Likert scale is a non-comparative and unidimensional scale technique that measures only single traits. Likert (1961) assumes a measurable attitude and the intensity of an experience is linear, such as sitting on a continuum from strongly agree to strongly disagree.

Respondents were asked to respond with this scale to each question by selecting one of five available answers based on their feelings using ordinal scales.

Scoring on this scale from points 1 through 5 with the following details:

1. Strongly Agree (SA) given value = 5
2. Agree (A) = 4
3. Neutral (N) = 3
4. Disagree (D) = 2
5. Strongly Disagree (SD) = 1

3.7 Definitions of Operational Variables

Variables will be used in this study are broadly divided into two independent variables (independent) and dependent variables (dependent). Here are some of the variables used in this study which can be explained as follows:

1. Electronic Word of Mouth (X1)

Electronic Word of Mouth (eWOM) is the first independent variable. The measurement of this variable uses the measurement developed by Mahrinasari et al. (2017), fulfilling validated and the reliability test, even though the validity and reliability test will be tested again because of different respondents and different objects setting.

2. Hotel Price Variables (X2)

Hotel price is the second independent variable in this Thesis. The measurement of hotel price adopts the measurement developed by Aziz et al. (2011), fulfilling the validity and reliability test. However, in this research, the validity and reliability test are still tested because of different respondents.

3. Variable Booking intentions (Y)

In this research, The booking intention measurement adopts the measurement developed by Bangsawan, et al. (2017) and Lien (2015), fulfilling the validity and reliability test criteria. But, in this research the validity and reliability will be tested again because of different samples and research contexts.

Table 5. Operational Research Variables

Variable	Operational Definition	Indicator/Questions Items	Measurement
Electronic Word of Mouth/ eWOM)	eWOM is the process of conveying information from person to person and plays a major role in customer buying decisions (Richins and Root-Shaffer, 1988).	<ol style="list-style-type: none"> 1. When booking hotel online, I tend to seek out or search for other people's comment 2. When booking hotel online, I tend to seek out or search for reviewing online. 3. Over the internet, I tend to seek the advice regarding my booking hotel. 4. I feel more comfortable booking Hotel Online when I have gotten other people's opinion on it over the internet. 	Ordinal Scale

Variable	Operational Definition	Indicator/Questions Items	Measurement
Electronic Word of Mouth/ eWOM)		<ol style="list-style-type: none"> 5. My friends think of me as a good online source information when it comes to hotel booking intention. 6. Over the internet, I tend to influence people's opinions about Hotel Booking Online 7. I can depend on eWOM to provide answers to my questions 8. In general, the ideas suggested through eWOM are reliable. 9. Other consumer's rating about Hotel Online in the online media or Travel website will affect my booking intention. 10. I am more likely to be affected by reviews of the hotel in media online or Travel website 11. Over the internet, Hotel ratings based on the hotel services are important source for me. 12. I will consider other people comment when I decide to book hotel online. 13. I want to help others with my own positive opinion about Booking Hotel Online 	Ordinal Scale

Variable	Operational Definition	Indicator/Questions Items	Measurement
		<p>14. I want to give others the opportunity to have a good decision to book Hotel Online</p> <p>15. This way I can express my joy about a good decision to book Hotel Online</p> <p>16. I feel good when I can tell others about booking Hotel Online</p>	
Electronic Word of Mouth/ eWOM)	eWOM is the process of conveying information from person to person and plays a major role in customer buying decisions (Richins and Root-Shaffer, 1988).	<p>17. I am so satisfied with the Hotel Booking Online, so that I want to help Hotel Online to be Success.</p> <p>18. In my opinion, good Hotel Online should be supported.</p> <p>19. Overall, eWOM forms are important sources of information for me.</p>	Ordinal Scale
Hotel Price	Hotel price is the rate charged daily for a hotel room (The Free Dictionary, 2018)	<p>1. The list of Hotel prices in Travel website are interesting to be considered.</p> <p>2. Discount Hotel Price in Travel website are interesting to be considered.</p> <p>3. I prefer the price listed on travel website.</p>	

Variable	Operational Definition	Indicator/Questions Items	Measurement
Booking Intention	Booking Intention or online hotel reservation intention is defined as the condition in which customers are willing and have the intention to participate in an online transaction for booking a hotel rooms (Sue-Lin et al., 2015)	<ol style="list-style-type: none"> 1. I think that I made the correct decision to book hotel online 2. I will book hotel online 3. I would like to visit and book hotel online again in the future. 4. After reviewing the hotel website, the likelihood of booking this hotel is high 5. If I am going to book the hotel, I would consider booking this hotel at the price shown 6. The probability that I would consider booking this hotel is high 7. My willingness to book this hotel is high. 	Ordinal Scale

Source: Bangsawan, et al. (2017); Jansen et al. (2009); Mahrinasari et al. (2017); Henning-Thurau et al. (2004); Lien (2015); Litvin et al. (2008).

3.8 Test Validity and Reliability

3.8.1 Test Validity

The main instrument used in this study is a list of questions distributed to respondents. Instruments made before disseminated to the respondents who become the sample of the research should be tested its validity and its reliability through factor analysis, so that the list of questions made is really able to uncover

the data so that it can answer the problem until the research objectives are achieved.

The validity test is meant to ascertain how well an instrument measures the concept that should be measured. A valid instrument means that the instrument can be used to measure precisely and correctly. Using a research instrument that has high validity, the results of the study were able to explain the research problem according to the actual situation or event with significance below 0.05 and Kaiser-Meyer-Olkin (KMO), Anti Image, and Factor Loading > 0.5 were valid and the sample can be in further analysis (Sekaran, 2006: 311).

3.8.2 Test Reliability

Reliability test is the level of accuracy or accuracy of an instrument. Reliable instruments will produce reliable data (Arikunto, 2010: 146). A variable is said to be reliable if it gives the value of alpha cronbach (α) > 0.60 with the help of IBM SPSS Statistics version 25.0.

3.9 Data Analysis Techniques

3.9.1 Qualitative Analysis

Qualitative analysis method uses questionnaires that contain open questions so that the data produced richer, humane, and sharp and often more open insight Sugiyono (2010: 9).

3.9.2 Quantitative Analysis

Quantitative analysis is research that the way data processing is calculated using systematic analysis. This research uses multiple linear regression tests. Multiple linear regression tests used to check the strength of the relationship between the independent variable and the dependent variable.

According Sugiyono (2010: 8) multiple linear regression test can be seen in the following equation:

$$Y = a + b_1x_1 + b_2x_2 + e$$

Information:

Y = The dependent variable is the booking intention or a tendency to book the hotel

α = Constants

b_1 - b_2 = Regression coefficient of independent variables

X1 = eWOM

X2 = Hotel price

e = Standard error

3.10 Hypothesis Testing

3.10.1 Overall Hypothesis Testing (F Test)

This test will be used to know whether the independent variable that is eWOM (X1) and hotel price (X2), together significantly influence to dependent variable that is Booking Intention (Y) at 95% or $\alpha = 5\%$. F test results can be

found in ANOVA (Analysis of Variance) table from SPSS output to answer the hypothesis that is:

Ho = variable X no significant influence simultaneously to variable Y.

H1 = variable X has significant effect simultaneously to variable Y.

By criterion:

a. Ho is rejected and H1 accepted, if significant value (P value) $< 0,05$

b. Ho accepted and H1 rejected, if significant value (P value) $> 0,05$

3.10.2 Partial Hypothesis Testing (t Test)

This test is used to find out whether in the regression model independent variables namely eWOM (X1), and hotel price (X2), partially influence to the dependent variable that is Booking Intention or a tendency to book the hotel (Y) % or $\alpha = 5\%$. With the hypothesis:

- a. If significant value (P value) $< 0,05$ then Ho is rejected and accept H1 which means there is influence between independent variable and dependent variable.
- b. If significant value (P value) $> 0,05$ then Ho accepted and reject H1 which mean there is no influence between independent variable and dependent variable.

V. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusions

Online Travel Media has become one major sources for helping consumers to make booking or purchase decisions. Improving internet facilities also has an effect on social media functions. So far, available information through social media and online travel media has affected the customers behaviors that can lead to purchase intention. According to this research, Electronic Word of Mouth (eWOM) has a positive and significant effect on Booking Intention, while Hotel Price does not have a significant effect on Booking Intention.

All of hypothesis in this research are accepted. There are:

- (3) The first hypothesis (H1) “Electronic Word of Mouth (eWOM) has a significant impact on hotel Booking Intention through online travel media” is accepted.
- (4) The second hypothesis (H2) “Hotel Prices has a significant impact on hotel Booking Intention through online travel media” is accepted.

This research has shown that most respondents tend to give answers in a positive direction for eWOM, Hotel Price and Booking Intention variables, so it can be interpreted that most respondents agree with the indicators on the questionnaire of eWOM, Hotel Price, and Booking Intention.

5.2. Suggestions

1. Further studies are needed since the samples in this study are mainly young “millennial” people and most of them are college students. As online travel media becomes more popular in Indonesia, it is likely to be necessary to study for more broader aged group segments.
2. Further studies are needed to try adding other variables that might have influenced the booking or purchase intention, This is due to the two independent variables (eWOM and Hotel Price) explain 60.9% of variation in the dependent variable of booking or purchase intention in the online travel media. Assuming that the perfect influence is 100%, so there is remaining 39.1% which can be influenced by other factors not examined and not included in this study. Therefore, more efforts have to be done to improve promotion other than through eWOM and Hotel Price.
3. Collecting data by using questionnaire has a limitation since most of the respondents did not give answers based on what they experienced. Therefore, it is suggested to use Focus Group Discussion (FGD) method in order the researchers will get indepth information about purchase intentions in the online travel media.

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