# THE ATTRACTIVENESS OF E-PROMOTION, BRAND EQUITY, AND E-TRUST ON THE RESERVATION ONLINE OF HOTELS AND FLIGHT TICKET IN DENPASAR

*by* Anak Agung Ngurah Gede Sadiartha

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# THE ATTRACTIVENESS OF E-PROMOTION, BRAND EQUITY, AND E-TRUST ON THE RESERVATION ONLINE OF HOTELS AND FLIGHT TICKET IN DENPASAR

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**Abstract :** The reservation online of hotels and flight ticket advertisement was expected to be in accordance with the target audience. The consumers who were travelers needed cheap tickets and rooms. In its advertisement, it showed that Reservation online of hotels and flight ticket offered ease to consumers in getting cheap tickets and hotel rooms expected by them without going outside gave discounts that were attractive and gave facilities benefiting the consumers. The objective of this study was to obtain information about the attractiveness of e-promotion, brand equity and e-trust on the reservation interest of reservation online of hotels and flight ticket in Denpasar. It used Lemeshow and accidental sampling consisting of 98 respondents who had ever made an online transaction for reservation online of hotels and flight ticket. It can be concluded that brand Equity in this study is a variable affecting on the reservation interest of reservation online of hotels and flight ticket in Denpasar. Thus, the reservation online of hotels and flight Ticket Company should increase the positive brand equity in the eye of consumers by upholding its existed brand and keeping both its quality and quantity produced, so the people's interest to book the reservation online of hotels and flight ticket getting higher.

**Keywords :** e-promotion, brand equity, e-trust, reservation interest

## INTRODUCTION

Marketing becomes a component creating effects for all companies. Through marketing, a product offered by a company can be known by so many people. Various media are used as promotion tools by a company, including print media and electronic media. Advertisement is a kind of mass communication through various mass media purchased by business companies, non-profit organization and individual identified in advertisement instruction that aim to share information or influence the audiences and others using text, pictures, movies, or the combination of them.

For advertisement producers, advertisement is not only used as promotion tools for goods and services, but it is also used to build a good image on the consumers or future consumers about the product offered. Advertisement often makes people trust the product, so it will make the future consumers have an interest to consume or keep the loyalty of consumers. The development of technology motivates marketers to make creation in advertising by using online media. Advertising by

using online media needs a strategy and struggle to have either emotional or rational attractiveness to attract audiences' interest for booking. Through online promotion, it is able to inform various things related to human life. The rapid development of social media is not only used a as communication tool, but it is also used to sell products. It is surely appreciated by the consumers that spend their time in front of monitor or gadget. It is also conducted by most of university students who always stay with their gadgets.

Along with the current development, shopping lifestyle of Indonesian has changed. Based on the survey conducted by Indonesian Internet Service Providers Association, the internet users that have ever purchased tickets via online were 25,7% (34,1 millions), spent for household goods were 22,2% (29,4 millions), spent for clothes were 3,6% (4,7 millions) and spent for hotel were 3,4% (4,5 millions). From the data above, it can be concluded that the percentage of consumers that plan to purchase airline tickets and book hotel or travel via online is dominant. It shows that most of digital consumers choose to fulfil their wish and need in

the tourism field. Tourism is one of economic sector growing greatly and fast and help the continuous development in many countries. Tourism must be managed well in order to give benefits for local society, environment and culture (UNWOTO, 2013). Nowadays tourism in Indonesia has developed. Many islands in Indonesia with various natural resources, cultures, tribes, customs, histories, and typical foods have potencies used as tourism destination that can attract international or domestic tourists to look for new impressive and enjoyable experiences. That is the reason why tourism is so attractive for many people in Indonesia. Tourism activities in Indonesia are growing from year to year. The number of international and domestic tourists over the past 3 years is followed by the increase of society's outcomes and the increase of facilities that eases to reach the tourism place and increases the people's interest to buy a tourism product. Viewing the situation and condition, many online ticket reservation sites as facilitators from online companies of travel agency starts springing up. Various services are provided by online ticket reservation sites to help fulfilling tourism needs, including airline ticket, hotel, train ticket, and holiday packet reservation. Thus, online ticket reservations companies are required to give ease for tourists in obtaining information and giving an easy information access by maximizing the use of technology on the consumers in order to save the time, place, and cost, and keep the services quality in order to be equal to the conventional services. Reservation online of hotels and flight ticket is Accommodation Network Orchestrator (ANO) cooperating with hotels with the best budget in Indonesia. Being supported with the current technology, we provide the best rooming experience with affordable price. The promotion is conducted in various ways. One of them is E-Promotion. E-Promotion describes 3 parts of strategy needed for online promotion activities, including promoting products and services, promoting website, and promoting domain. All kinds of promotion are communication process of company with groups having an importance nowadays and in the future and with society (Kotler, 2005). To make the company succeed on selling products or services offered, the marketer must be able to communicate the number of information about company, product, price, and distribution system to consumers, brokers and media. The main function of promotion is to ensure the target audience that the goods and services offered have an excellence compared to others. Thus, it can attract the consumers to buy. Lamb, et al (2001) argues that promotion effects on the interest to make reservation.

The reservation online of hotels and flight ticket advertisement is expected to be in accordance with target audience. The consumers who are travellers needed cheap tickets and rooms. In its advertisement, it showed that Reservation online of hotels and flight ticket offered ease to consumers in getting cheap tickets and hotel rooms expected by them without going outside, gave discounts that were attractive and gave facilities benefiting the consumers.

On the advertisement, it uses attractiveness of information. Through the advertisement presented, it tries to share information related to promotion about people's needs. The attractiveness of information is used based on the level wished. Through the advertisement, it is surely expected to increase the product selling. If the increase of selling is caused by promotion through advertisement on the social media, it can be stated that the advertisement on the social media with the attractiveness reaches the objectives of the company effectively, namely the increase of selling. The company will be easier to be well-known, if it is creative in naming the brand that it eases the consumers to find the product and buy it again. One of the ways in winning the rivalry is competitions among brands, because the marketing not only markets products, but also markets brand that is easy to remember. The consumers will have positive perception on the product. Thus, the brand equity will ease the company in marketing and knowing consumers' wish. "Brand equity is an additional value given to the products and services. It is reflected on the way of consumers to think, feel, and act related to the brand, price, market segment and profitability given on the brand" (Kotler and Keller, 2009:263). The concept of trust in online transaction (eTrust) is one's trust toward objective or others. The consumers' trust can be defined as consumers' wish that is, the services provider is reliable although it does not have a good reputation compared to company having a good

reputation but having bad quality. (Gregg & Walczak 2010). Golmohammadi et al. (2012) argues that building trust (eTrust) is an effective marketing strategy in improving interest in making reservation via online. It gives an effect of brand Equity construction so the consumers will have an interest to purchase tickets on Reservation online of hotels and flight ticket website. Based on the phenomena above, the author conducts a research about "The Attractiveness Of E-Promotion, Brand Equity, And E-Trust On The Reservation Online Of Hotels And Flight Ticket In Denpasar, Indonesia"..

## LITERATURE REVIEW

### Marketing Management

Marketing management is a planning, analyzing, conducting, implementing, and controlling process in a company in order to reach the more efficient and effective target or objective of the company. That is the definition of marketing management in general. Then the function of marketing management includes doing consumers' research, developing products, having communication and promotion, having distribution strategy, determining the price of product and providing services for consumers.

These are some definitions of marketing management according to experts. According to Buchari Alma (2004: 130) – Marketing management is planning, guiding, and supervising the whole company marketing activities. According to Philip Kotler/Armstrong (2002), marketing management is analyzing, planning, conducting, and controlling the program designed to create, build, and keep exchange to benefit the consumers in order to reach the target of organization.

### E-Promotion

According to Kotler (2002), advertisement is defined as a presentation and promotion about nonperson ideas, goods or services from the sponsor that need to pay. To differentiate it from ordinary announcement, advertisement is functioned to persuade others to buy. In general, advertisement is a form of nonperson communication that sends paid information in accordance with institution or sponsor through mass media that intends to persuade many people to buy products or services.

### Brand Equity

Brand equity can be defined as a positive differentiator after knowing the brand toward consumers' responses on the products or services with that brand. The brand equity produces consumers having choices if it is given 2 products that are almost the same. Whether the consumers want to pay more for a brand is a standard to assess the brand equity. The term "brand" intends to value containing in a famous product. From the consumers' perspective, the brand equity is an additional value given to product by the brand (Suciffman dan Kanuk, 2007). According to Aaker in Tjiptono (2005) brand equity is a brand asset and duty related to brand, name, and symbol that increase or decrease the value given by a product or service to a company or consumers. Then Aaker in Tjiptono (2005) argues that brand equity has 4 dimensions namely: 1) Brand Awareness (It is a consumers' capability in identifying or remembering that a brand is a part of a certain product) 2) Brand Association (All kinds are related to memories of brand. It is related to brand image that is defined as brand association in a certain term. It has a certain strength level and becomes stronger along with the increase of consumption experience or exposure of a specific brand) 3) Perceived Quality (It is related to consumers' assessment on the superiority of product in a whole. Thus, it is based on the consumers' subjective evaluation on the product quality) 4) Brand Loyalty (The relationship measurement between consumers and products. It is the point of brand equity becoming a central opinion in marketing, because it is the relationship measurement between consumers and products.

### E-Trust

E-Trust can be defined as a consumers' trust on the quality and reliability of products and services offered (Garbarino & Johnson, 1999), and can also be defined as a trust related to reliability, honesty, and goodness owned by the e- commerce company (Gefen, 2000). E-Trust is measured using 3 indicators, namely having good reputation, providing safety in transaction, and trust that the site will give a help if there is a deception. Kimery & McCord (2002) states that E-trust agrees to receive susceptibility in online transaction based on

the positive expectation about the future action. It can be stated that E-trust is a trust owned by consumers to buy something via internet. According to Ribbink et al., (2004), indicators of e-trust are as follows:: • Ready to share personal information to online company. • Ready to share credit card ID to online company. • Ready to purchase first when having transaction via internet. • Online company is a professional company in accordance with its field. • Online company will fulfill its appointment. E-trust is a trust on the other company. It is about a trust that other company will give positive outcomes for the company. In addition, it is also about wish and self-confidence in online risk situation that susceptibility will not be exploited. Trust also becomes a critical aspect of e-commerce. Those behaviors include offering unadjusted price, sharing inaccurate information, getting privacy violation and investigating transaction from people having no authority. The consumers always feel worried when having transaction via online, because it is full of uncertainty. That is why e-trust always becomes an important thing in the context of online shop (Chou et al., 2015).

## Reservation Interest

According to (Durianto dan Liana, 2004), reservation interest is a thing related to consumers' plan to buy products needed in a certain period. It can be said that reservation interest is a mental statement from consumers to reflect the purchasing plan of products. It is surely needed by marketers or economic experts with interest variable to predict the consumers' behavior in the future. While according to (Thamrin, 2003), it is a part of consumers' behavior components in consuming. The consumers' preference before making a decision to buy is conducted. The reservation interest can be identified through indicators as follows: Transactional Interest (One's preference to reference products to others), Referential Interest (One who has a primary preference on the product's), and Explorative Interest (One who looks for information about the preferred products).

## METHODOLOGY

This study was conducted in Denpasar and the objects of this study were people living in Denpasar and using Reservation online of hotels and flight ticket application. In this study, there were 3 free variables, namely e-promotion (X1), brand equity, (X2), trust (X3) and bound variable, namely ordering (Y).

### Sampling Method

The populations in this study were people living in Denpasar using Reservation online of hotels and flight ticket application but the amount was not defined. Thus, the sampling method used was accidental sampling that had ever bought airline tickets via online on reservation online of hotels and flight ticket .com. It used lemeshow that it obtained samples as many as 98 people.

### Method of Data Collection

The method of data collection used in this study was questionnaire that is, a technique to collect data by distributing list of written questions to respondents that were examined. It was aimed to get responses from the respondents. The scale used in this study is Likert Scale. The analysis techniques used in this study were validity test, reliability test, and classical assumption test consisting of 3 tests, namely normality test, multicollinearity test, and heteroscedasticity test. The multiple linear regression was used to know the effect of independent variable on the dependent variable. It was also used correlation and determination analysis. T-Test and F-Test were used to know whether the hypothesis was accepted or not. The calculation process in this study used Statistical Package for Social Science (SPSS) for windows versi 21,0.

## DISCUSSION

### Result of Multiple Regression Analysis

The resut of data analysis conducted by using multiple linear regression analysis is obtained as follows:

**Table 1. The Result of Multiple Regression Equation**

Coefficients[a]

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Correlations | | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Zero-order | Partial | Part | Tolerance | VIF |
| 1 | (Constant) | 34,170 | 1,632 | | 20,939 | ,000 | | | | | |
| | epromotion | -,017 | ,015 | -,116 | -1,158 | ,250 | -,270 | -,120 | -,107 | ,839 | 1,192 |
| | brandequity | ,060 | ,040 | ,149 | 1,498 | ,138 | ,292 | ,154 | ,138 | ,854 | 1,171 |
| | etrust | -,080 | ,026 | -,332 | -3,081 | ,003 | -,436 | -,306 | -,284 | ,730 | 1,370 |

a. Dependent Variable: reservation interest

Based on the table above, the multiple regression equation in this study is as follows:

$$Y = 34,170 - 0,017X_1 + 0,060X_2 - 0,080X_3 + e$$

On the equation above, it can be viewed that e-promotion $(X_1)$ negatively affects on the reservation interest (Y). Brand equity $(X_2)$ positively affects on the reservation interest (Y). E-trust $(X_3)$ negatively affects on the reservation interest (Y).

**Partial Test**

1. E-promotion $(X_1)$ has $t_{count}$ as many as -1,158 and the significance level as many as 0,250. While the value of $t_{table}$ is 1,985. Based on the result obtained, $H_0$ is accepted and $H_1$ is rejected. It means that partially there is no positive and significant effect of e-promotion on the reservation interest.
2. Brand equity $(X_2)$ has $t_{count}$ as many as 1,498 and the significance level is 0,138. While the value of $t_{table}$ is 1,985. Based on the result obtained, $H_0$ is rejected and $H_1$ is accepted. It means that there is a positive and significant effect of brand equity on the reservation interest.
3. E-trust $(X_3)$ has $t_{count}$ as many as -3,081 and the significance level is 0,003. While the value of $t_{table}$ is 1,985. Based on the result obtained, $H_0$ is accepted and $H_1$ is rejected. It means that partially there is no positive

and significant effect of e-trust on the reservation interest.

**Simultaneous Test (F-Test)**

**Table 2. The Result of Simultaneous Test (T-Test)**

ANOVA[a]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 4,531 | 3 | 1,510 | 8,635 | ,000[b] |
| | Residual | 16,094 | 92 | ,175 | | |
| | Total | 20,625 | 95 | | | |

a. Dependent Variable: reservation interest

b. Predictors: (Constant), etrust, brandequity, epromotion

Based on the table above, it is obtained that the value of $F_{count}$ is 8,635 and the value of $F_{table}$ with alpha 5% (0,05) is 2,703. It means that the value of $F_{count} > F_{table}$ (6,202 > 2,703), and the significance value of 0,000 is lower than 0,05 (0,004 < 0,05). Thus, it can be concluded that e-promotion $(X_1)$, Brand equity $(X_2)$, and E-trust $(X_3)$ positively affects on the reservation interest (Y).

**Coefficient of Determination ($R^2$)**

**Table 3. The Coefficient of Determination Value ($R^2$)**

**Model Summary$^b$**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-----|----------|-------------------|----------------------------|
| 1 | ,469$^a$ | ,220 | ,194 | ,418 |

Based on the table above, the value of $R^2$ is 0,194. It means that the variability of reservation interest can be explained by e-promotion variable (X1), Brand equity (X2), and e-trust (X3) as many as 19,4%. The others as many as 80,6% is explained by other variables that excludes the regression model in this study.

**CONCLUSION**

Based on the results of data analysis about the attractiveness of e-promotion, brand equity and e-trust on the interest to book reservation online of hotels and flight ticket  in Denpasar, it can be concluded as follows :

1. E-promotion ($X_1$) has $t_{count}$ as many as -1,158 and the significance level as many as 0,250. While the value of $t_{table}$ is 1,985. Based on the result obtained, $H_0$ is accepted and $H_1$ is rejected. It means that partially there is no positive and significant effect of e-promotion on the reservation interest.
2. Brand equity ($X_2$) has $t_{count}$ as many as 1,498 and the significance level is 0,138. While the value of $t_{table}$ is 1,985. Based on the result obtained, $H_0$ is rejected and $H_1$ is accepted. It means that there is a positive and significant effect of brand equity on the reservation interest.
3. E-trust ($X_3$) has $t_{count}$ as many as -3,081 and the significance level is 0,003. While the value of $t_{table}$ is 1,985. Based on the result obtained, $H_0$ is accepted and $H_1$ is rejected. It means that partially there is no positive and significant effect of e-trust on the reservation interest.
4. Based on the coefficient of determination ($R^2$) testing, the value of Adjusted R Square is 0,194. It means that reservation interest can be explained by promotion (X1),Brand equity (X2), and e-trust (X3)

as many as 19,4%, while the others as many as 80,6% can be explained by other variables.

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GENERAL COMMENTS

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