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## RECOGNIZING MOTIVATION OF TRAVELER ON TRAVEL DECISION

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### ARTICLE INFORMATION

Received: 15<sup>th</sup> April 2020

Revised: 25<sup>th</sup> April 2020

Issued: 15<sup>th</sup> May 2020

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DOI:10.31933/DIJEFA

**Abstract:** The increased competitiveness of business and travel in Indonesia, making the businesses sought in various ways to survive and improve their business. They compete to attract the attention of potential consumers or tourists and influence them to buy tourist products offered. Kaki Semut Adventure is an example Event Organizer which is focused in tourism, they survived in business tourism even they had progress to develop consumer in the sale of domestic tour packages for open trip or private trip. The purpose of this study an investigation to determine the depth overview of what is affecting traveler to do making travel decision. So this study adds a literature in the field of tourism by explaining the concept correlation between price perceptions, group reference, and product differentiation to stimulate traveler in travel decision.

**Keywords:** Tourism, travel decision, Price perception, group reference, product differentiation, purchase decision

## INTRODUCTION

At the beginning of 2016 on January, Indonesia entered the Southeast Asian free market known as the ASEAN Economic Community (AEC), the agreement was made by 10 ASEAN member countries in 2007 it will create a single market in Southeast Asia. The purpose of the MEA itself, based on the ASEAN Charter is an effort to improve the regional economy by enhancing regional and international competitiveness so that the economy grows equally and also improves the living standards of ASEAN communities.

The things that will be applied by the AEC are the liberation of trade in goods, services, skilled workers without excise tax barriers, which impacting trade competition in ASEAN will be tighter, Indonesia will be invaded by free flow of goods, free flow of services, free

flow of investment, free capital and free flow of skilled labor, and vice versa, Indonesia can also sell goods and services easily to other countries throughout Southeast Asia.

one of the sector ready to follow the single market of AEC is the tourism sector because Indonesia tourism has the advantage of the side of destination and price, it is undeniable that Indonesia itself is an archipelagic country, whose territory is dominated by the sea which is approximately 75% of the total State Unity of the Republic of Indonesia. Based on the source of the tourism ministry, in terms of foreign exchange earnings, the tourism sector is also very promising, with an ever-increasing number from year to year showing in 2011 a foreign exchange of US \$ 8,554, rising in 2012 to US \$ 9,120, in 2013 to US \$ 10,054, in 2014 also increased to US \$ 11,166 (in billion).

At this time in Indonesia itself many travel bureau or event organization that focus in the field of tourism with domestic tourist destination or archipelago, which themed open trip, such as Kaki Semut Adventure is a special event organizer for tourists or travelers with the distinctive 'backpacker style' by using the distinctive features of the Kaki Semut Adventure providing facilities for traveling, holiday or sightseeing activities, this event organizer was established in 2012 where which is assisted by a variety of traveling or traveling lovers, this event organizer offers trips that include a package for travel, consumption and lodging transportation or all are available and tailored to the needs of its customers, with destination destinations tours in Indonesia.

## LITERATURE REVIEW

### Tourism

Each individual must experience feeling saturated or bored which can also lead to stress, therefore the need for a holiday or refreshing to eliminate these feelings, one of them by way of tourism. Tourism one of the so-called to complement the activities of vacationing or refreshing, so tourism is doing a traveling activity from somewhere else that becomes a tourist destination with careful planning.

Tourism is a temporary travel activity from the original residence to the destination for the reason not to settle or earn a living but only to satisfy curiosity, to spend leisure or leisure and other purposes (Meyers, 2009). Then, Sinaga (2010) defines tourism as a necessity from one place to another in order to gain satisfaction and pleasure only.

### Marketing Service

At present the service industry is one of the fastest growing economic sectors and also very large, it is caused by the emergence of new types of services as from the demands of the development of the era. In terms of globalization, the rapid growth of service business between countries is marked by the intensity of cross-country marketing along with alliances such as AEC conducted by ASEAN member countries. Growth is able to put pressure on regulatory changes, such as the reduction of security standards and the use of technological developments that directly impact on the strength to compete business people who are also not directly competitive business also increased.

According to Payne (2014) service marketing is a process of perceiving, understanding, stimulating and meeting the needs of specially chosen target markets by channeling an organization's resources to market needs. The development of the services sector can be seen as from hotel booking services, travel ticket booking (airplane, train, etc.),

which is now increasingly necessary to improve orientation to customers or consumers, basically marketing aims to meet and satisfy the needs and requests targeted tourists as marketing targets.

### **Perception of Price**

According to Stanton (1994) the price is the amount of value that a consumer exchanges with the benefit of owning or using a product or service whose value is determined by the buyer or seller through a bargaining process or set by the seller for a similar price to the buyer. Peter and Olson (2000) argue that price perceptions are related to how price information is understood entirely by consumers and provides deep meaning to them, when evaluating and researching the price of a product is strongly influenced by the consumer's own behavior. The price of a product can be said to be expensive, cheap or ordinary of each individual is not the same because it depends on each individual background by the environment of life and individual conditions.

### **Group Reference**

Reference groups can also be referred to as references, which provide a standard of norms or values that can be a determinant perspective on how a person thinks or behaves, a reference group is a group of people who significantly influence a person's behavior directly or indirectly. This reference group is also useful as a person's reference in decision making and as a comparative basis for a person in shaping the values and general / specific attitudes or specific guidelines for behavior. (Schiffman and Kanuk, 2007). According to Suwarman (2003), the reference group is an individual or group of people who significantly affect a person, whereas according to Kotler and Keller (2009) are all groups that have a direct (face-to-face) or indirect effect on the person's attitude or behavior. Then according to Schiffman and Kanuk (2007) the referral group is any person or group deemed to be the basis of comparison (or reference) for a person in shaping general or specific values or attitudes, or specific guidelines for behavior.

### **Product Differentiation**

The product definition by Kotler cited by Buchari Alma (2013) product is anything that can be offered in the market, to meet the needs, satisfaction and desire of consumers, products consisting of goods, services, experiences, events, people, places, ownership, organization, information, and ideas, so the product will not only be in the form of something tangible like, clothing, food, home, and so forth, but something intangible like service is also included in the product. To be able to compete with other competitors, there are many ways to do it, one of its strategy is to differentiate the product where it is offered effectively to the target customers, to differentiate to the competitors will be successful if it has the uniqueness that is important by the consumer.

### **Purchase Decision**

According to Kotler (2008) purchasing decision is the final choice decided by consumers in fulfilling the desire and needs basically consumers make the same decision-making purchasing process but all the process is not all run by the consumer itself. According to Lamb (2008) buying decision is one of the main components of consumer behavior, with

the stage by stage that consumers use when buying goods and services. According to Schiffman Kanuk (2009) purchase decision is the selection of two or more alternative purchase decision choices, meaning that a person can make decisions, there must be some alternative choice, the decision to buy can lead to how the process in decision-making is done, by consumer behavior.

### **Price Perception toward purchase Decision**

Research conducted by Permana (2018) states that price has an important role in purchasing decisions but not only that, the quality of service, promotion and brand image can also influence consumer purchase decisions, as well as Kuo and Nakata (2016) which conducts research in the United States on price perceptions that affect the results of the study shows that prices and promotions affect the purchase decision, the price at the time of promotion reduce the negative effects of low rating.

H1: Price Perception have a positive and significant impact on purchase decision

### **Group Reference toward purchase decision**

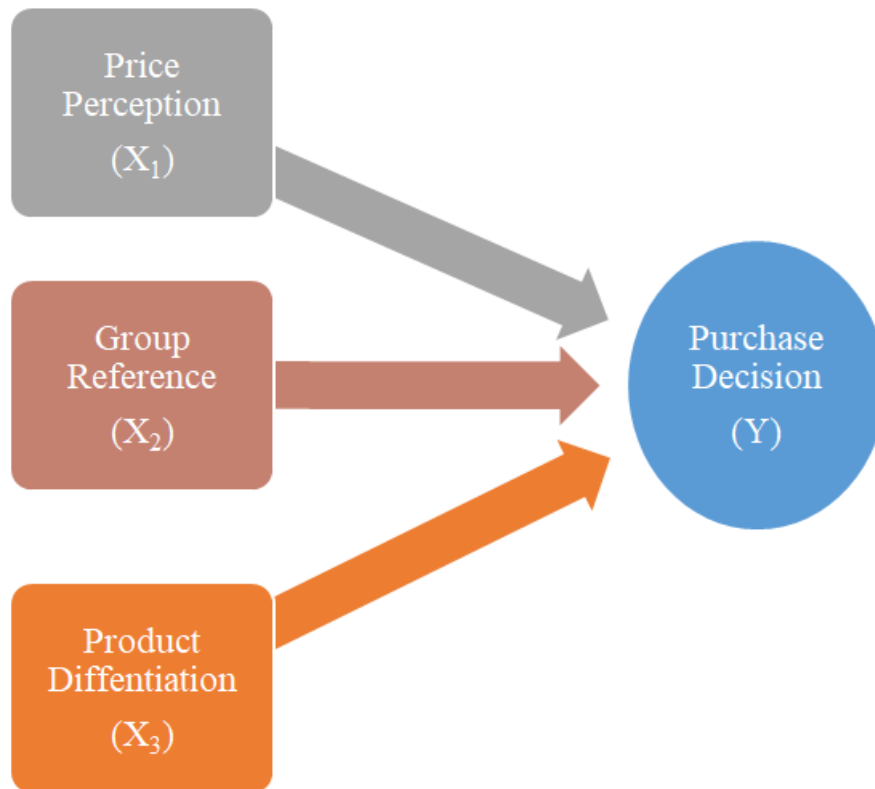
Silva and Correia (2007) conducted research in Portugal on group reference, from the results of the study showed that the group reference or recommendation is one of the factors that influence the purchase decision, not only that factor but also the price also affect the purchase decision on tourists who visit country of Portugal. Then, Klamler and Pferschy (2007) conducted a study in Austria which showed that group reference was a factor influencing purchasing decisions, with more in-depth research through the dimensions of the reference group variable, similarly Currey and Wesley (2007) group reference of the results of the study showed that the group reference gives a strong impetus to the purchase decision, especially to the selection of tourist destinations.

H2: Group Reference have positive and significant impact on purchase decision

### **Product Differentiation toward Purchase Decision**

According to research conducted by Nugroho, Rostiani, and Gitosudarmo (2014) who examine the product evaluation, the results of this study indicate that product differentiation has a positive effect on purchasing decisions, as well as research conducted by Notari and Ferencz (2014) the product of the purchase decision, where the results of the research indicate that product and price differentiation have a positive effect on purchasing decisions, besides Biondo, Giarlotta, Pluchino, and Rapisarda (2016) also conduct research on product differentiation which states the results of the research that product differentiation become one of the products that have a significant positive effect on purchasing decisions, not only from that factor alone but also from knowledge and information factors along with individual awareness.

H3: Product Differentiation have positive and significant impact toward purchase decision



**Figure 1. Conceptual framework**

## RESEARCH METHODS

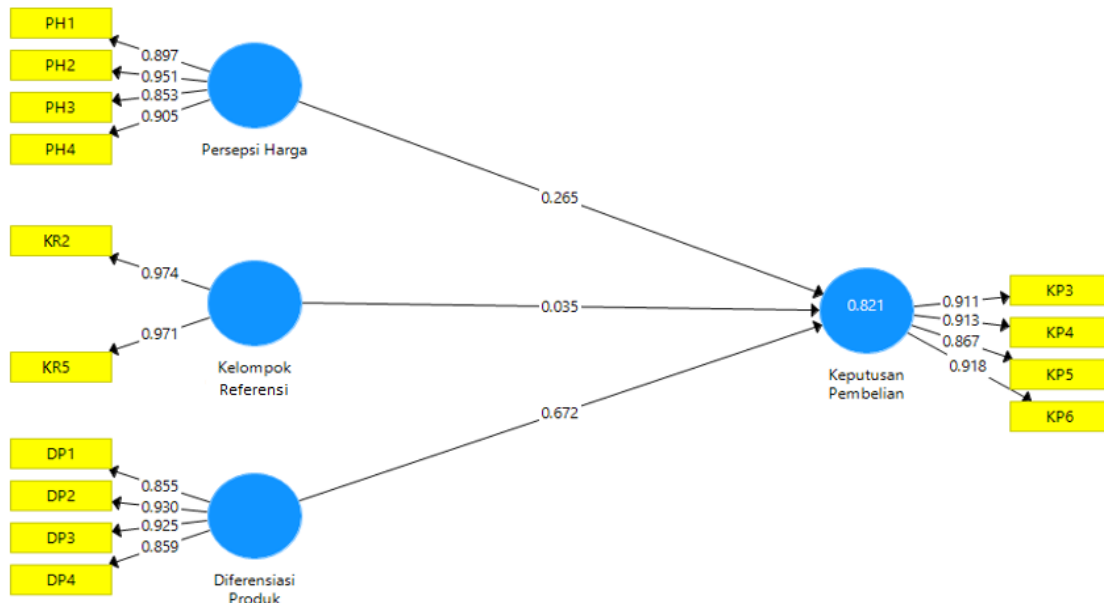
This study research used data qualitative and quantitative, primary and secondary collected from owner and customer in Event Organizer Kaki Semut Adventure, using data customer from period 2016 and 2017. Data will be collected using questionnaire by Google Form which will be distributed to random traveler whom used service Event Organizer Kaki Semut Adventure in date of period selection. Collection data will be done by reading the literature, the books about problem theory to be researched and using internet media as supporting media, the method of analysis to test the research hypothesis used the Variance Based SEM and using Partial Least Square (PLS) version 3.0 software program.

## FINDINGS AND DISCUSSION

### Measurement model

#### *1. Convergent Validity*

The convergent validity which is the degree to which multiple items that are used to measure the same concept agree, was tested. According to Hair et al. (2010), the factor loadings, composite reliability and average variance extracted were indicators used to assess the convergent validity.



**Figure 1. Research Model PLS**

The loading for all items exceeded the recommended value 0.6 (Chin et al. 1997). The Composite Reliability (CR) values (see table 1), which depict the degree to which the construct indicators indicate the latent construct, ranged from 0.904 to 0.924, which exceeded the recommended value of 0.7 (Hair et al. 2010). the Average Variance Extracted (AVE), which reflects overall amount of variance in the indicators accounted by the latent construct, were in the range of 0.577 to 0.710, which exceeded the recommended value of 0.5 (Hair et al. 2010). Table 2 depicts the results of Convergent Validity.

**Discriminant Validity**

Discriminant Validity is the extent to which the measures do not reflect other variables and it is indicated by low correlations between the measure of interest and the measures of other constructs (Chung & Lee, 2010).

**Table 1. Factor Loadings and Reliability**

	Product Differentiation	Group Reference	Purchase Decision	Price Perception
DP1	0.855	0.035	0.799	0.733
DP2	0.93	0.164	0.821	0.774
DP3	0.925	0.161	0.774	0.733
DP4	0.859	0.251	0.79	0.652
KP3	0.891	0.113	0.911	0.798
KP4	0.8	0.177	0.913	0.722
KP5	0.709	0.194	0.867	0.648
KP6	0.805	0.145	0.918	0.751
PH1	0.733	0.092	0.723	0.897
PH2	0.761	0.093	0.783	0.951
PH3	0.716	0.083	0.684	0.853

PH4	0.717	0.029	0.739	0.905
KR2	0.179	0.974	0.173	0.078
KR5	0.153	0.971	0.161	0.083

**Table 2. Discriminant validity of construct Fornell-Lacker criterion**

	Product Differentiation	Group Reference	Purchase Decision	Price Perception
Product Differentiation	0.893			
Group Reference	0.171	0.972		
Purchase Decision	0.892	0.172	0.902	
Price Perception	0.811	0.082	0.812	0.902

*Note: Diagonal elements are the square root of the AVE of the reflective scales while the off diagonals are the squared correlations between constructs*

Discriminant validity can be examined by comparing the squared correlations between the constructs and the variance extracted for construct (Fornell & Lacker, 1981). As shown in Table 2, the squared correlations for each construct were less than the square root of the average variance extracted by the indicators measuring that construct, indicating adequate discriminant validity. Thus, the measurement model demonstrated adequate convergent and discriminant validity.

### Structural model

Table 3 show the results of the structural model from the output of PLS. Awareness, Price Perception and Marketing Communication were positively related to Intention to use, explaining 55.8% of the variance, thus supporting H1, H2, and H3 of this study.

**Table 3. Summary of the structural model**

Path	Hypothesis	T Statistics	Results
<b>Product Differentiation -&gt; PD</b>	H1	6.823	Support
<b>Group Reference -&gt; PD</b>	H2	0.865	Support
<b>Price Perception -&gt; PD</b>	H3	2.622	Support

### CONCLUSION AND SUGESTION

This study analyzes the variables of price perception, reference groups, and product differentiation on purchasing decisions. The results of the study were obtained from customers who had used the Ant Leg Adventure Event Organizer, from the results of the research that had been taken into account using Partial Least-Square (PLS), the following conclusions could be drawn:

Positive and significant price perception on purchasing decisions using the services of the Semut Adventure Adventure Event Organizer, which means that price is one of the

important factors that influence the purchasing decisions on an Semut Adventure Event Organizer trip.

The reference group has a positive and insignificant relationship with purchasing decisions using the services of the Ant Leg Adventure Event Organizer, which means that the recommendation is not the most important factor that influences the purchasing decisions on an Travel Ant Foot Adventure Event Organizer

Product differentiation has a positive and significant effect on purchasing decisions using the Ant Semut Adventure Event Organizer services, which means that product differentiation is one of the important factors that influence the purchasing decisions on Semut Adventure Ant Event Adventure Travel Trips.

Suggestions for further research are suggested to add variables that are not only price perceptions, group recommendations and product differentiation to measure purchasing decisions, such as tourist destination imagery, promotions that influence purchasing decisions. Furthermore, changing research methods such as how the event organizer's marketing strategy uses marketing mix to attract customers, and can also examine Event Organizer in addition to the Ant Leg Adventure. Future research is expected to be able to conduct both studies, namely qualitative and quantitative to provide more in-depth and informative research results that can provide suggestions or other ideas that can help the management of the Tourism Event Organizer or those who focus on the world of culture and tourism.

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