

DETERMINANTS OF BEHAVIORAL INTENTION OF E-COMMERCE USE BY TOURISM ORGANISATIONS IN MALAYSIA AND ALGERIA



ZAKARIYA N. BELKHAMZA

PERPUSTAKAAN
UNIVERSITI MALAYSIA SABAH

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DECLARATION

The materials used in this thesis are original except for quotations, excerpts, summaries and references, which have been duly acknowledged.

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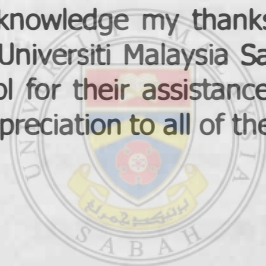
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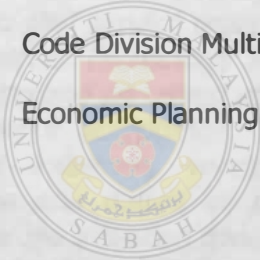


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ACRONYMS

MY	Malaysia
ALG	Algeria
MYR	Malaysia Ringgit
DZD	Algeria Dinar
TRA	Theory of Reasoned Action
TPB	Theory of Planned Behavior
TAM	Technology Acceptance Model
CTAM/TPB	Combined Technology Acceptance Model and Theory of Planned Behavior
ICT	Information and Communications Technology
IDT	Innovation Diffusion Theory
MM	Motivational Model
SCT	Social Cognitive Theory
LIMM	Linear Innovation Management Model
HMRM	Hierarchical Multiple Regressions model
SPSS	Statistical Package for the Social Sciences
VIF	The Variance Inflation Factor
UNCTAD	United Nations Conference on Trade and Development
DMO	Destination Management Organizations
NITC	National Information Technology Council – Malaysia
SITC	Sabah Information Technology Council- Sabah State
IDC	International Data Corporation Malaysia
WTO	World Tourism Organization
TIA	The Travel Industry Association of America

CRS	Computerized Reservation Systems
MSC	Malaysia Multimedia Super Corridor
DAGS	Demonstrator Application Grand Scheme
EIU	Economist Intelligence Unit
SMS	Short Messages Services
GSM	Global System of Mobile Communications
ISP	Internet Service Provider
CERIST	Centre de Recherche sur l'information Scientifique et Technique
ZET	Zones of Tourists Expansion
VSAT	Very Small Aperture Terminal
VOIP	Voice-Over Internet Protocol Operators
CDMA	Code Division Multiple Access
EPU	Economic Planning Unit



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ABSTRACT

DETERMINANTS OF BEHAVIORAL INTENTION OF E-COMMERCE USE IN TOURISM ORGANIZATIONS IN MALAYSIA AND ALGERIA

Recent research suggests that Information Systems and e-commerce could provide significant opportunities to the tourism sector to overcome various technological, organizational, managerial and environmental deficiencies, and the study of the perception of e-commerce in the tourism organization is among important emerging issues that need investigation. This research aims to identify the level of adoption of e-commerce and the intention to use it in the tourism industry in Malaysia and Algeria by using Technology Acceptance Model (TAM) as a powerful model for understanding technology acceptance, by examining proposed variables that predict organizations behavior toward the usage of e-commerce. Technology Acceptance Model variables, perceived usefulness and perceived ease of use, are posited as key drivers of e-commerce acceptance. The conceptual framework integrates external influence, vendor support, perceived risk, market influence and nature of products as independent variables to measure the intention toward using e-commerce. 92 respondents from Malaysia and 88 from Algeria make the data of this research which was analyzed to validate the proposed hypotheses, regression analysis and hierarchical multi regression analysis was used for that. The study revealed that Technology Acceptance Model was significant in explaining intention behavior on e-commerce in tourism organizations in both Malaysia and Algeria. The results showed that the potential benefit of using e-commerce is important and well maintained in both countries, which show the importance of IT managers and e-commerce experts to work together with the tourism organizations in a global environment. For those who manage e-commerce in Algeria, it would be extremely beneficial for them to follow the Malaysian experience in developing the Information Technology and its usage in order to enhance tourism and maximize better benefits and profits.

Keywords: e-commerce adoption, tourism organization, technology acceptance model, perceived usefulness, perceived ease of use, behavioral intention.



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ABSTRAK

PENENTU TERHADAP NIAT GELAGAT PENGGUNAAN E-DAGANG DALAM ORGANISASI PELANCONGAN DI MALAYSIA DAN ALGERIA.

Sejak kebelakangan ini penyelidikan mencadangkan bahawa Sistem Maklumat dan E-Dagang boleh menyediakan peluang yang signifikan bagi sektor pelancongan untuk mengatasi pelbagai kekurangan teknologi, pengorganisasian, pengurusan dan persekitaran. Kajian mengenai persepsi e-dagang dalam organisasi pelancongan adalah antara isu-isu yang wujud yang memerlukan kajian. Kajian ini bertujuan untuk mengenalpasti tahap penerimaan e-dagang dan niat untuk menggunakannya dalam industri pelancongan di Malaysia dan Algeria dengan menggunakan Model Penerimaan Teknologi (MPT). Model ini adalah sangat baik untuk memahami penerimaan teknologi, dengan mengkaji pembolehubah-pembolehubah seperti yang dicadangkan untuk meramal gelagat organisasi terhadap penggunaan e-dagang. Pembolehubah Model Penerimaan Teknologi, "perceived usefulness" dan "perceived ease of use", adalah ditetapkan sebagai kunci penggerak dalam penerimaan e-dagang. Rangka kerja telah menghubungkan "external influence", "vendor support", "perceived risk", "market influence" dan "nature of products" sebagai pembolehubah bebas untuk mengukur niat terhadap penggunaan e-dagang. Data daripada 92 responden dari Malaysia dan 88 dari Algeria telah dikaji untuk kesahihan hipotesis seperti yang dicadangkan. Analisis regresi dan analisis regresi hierarki telah digunakan untuk tujuan analisis. Kajian ini telah menunjukkan bahawa Model Penerimaan Teknologi adalah signifikan dalam menjelaskan gelagat niat terhadap e-dagang di dalam organisasi pelancongan bagi kedua-dua negara Malaysia dan Algeria. Hasil kajian menunjukkan bahawa potensi kebaikan penggunaan adalah penting dan telah diuruskan dengan baik di kedua-dua negara. Ia juga menunjukkan betapa pentingnya pengurus teknologi maklumat dan pakar e-dagang untuk bekerjasama dengan organisasi pelancongan dalam persekitaraan global. Bagi yang menguruskan e-dagang di Algeria, ia adalah sangat baik untuk mengikuti pangalaman pengurus di Malaysia bagi membangunkan Teknologi Maklumat dan penggunaannya untuk meningkatkan pelancongan dan memaksimumkan faedah dan keuntungan.

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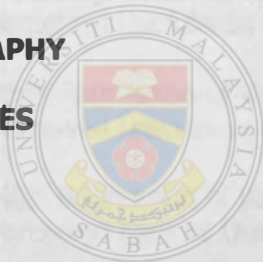
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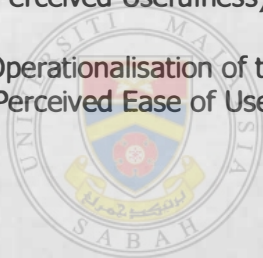
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CHAPTER 1

INTRODUCTION

"There is no reason anyone would want a computer in their home." – Ken Olson.

President, chairman, and founder of Digital Equipment Corporation, 1977.

1.1 Background

Tourism is an innovative and dynamic industry with strong prospects for future growth. It is an industry that will continue to play an important role in the economic growth. It is however important to capitalize on emerging opportunities and capture the benefits of major drivers of this industry's development, including rapid advances in Internet technology and B2C e-commerce environment.

The outlook for business-to-consumer (B2C) electronic commerce depends not only on consumer acceptance of Internet technologies as viable transaction means, but on consumer recognition of web retailers as reliable merchants (Pavlou, 2003). In light of this, it is important to study the adoption of e-commerce by web-retailers and their behavioral acceptance of the technology when emerging B2C e-commerce environment. In such big industry like tourism industry, the tourism industry should be prepared to operate in an environment where business partners, agencies and consumers expect accurate and comprehensive access to information, as well as this industry should be developed in a solid manner by creating an online strategy to enhance tourism and maximize better benefits and profits.

1.2 Research Problem

Tourism industry has enthusiastically embraced the Internet and used it as a marketing and information communication channel (Yuan & Fesenmaier, 2000). More

and more marketing and tourism organizations are promoting their destinations online and take the Internet as one part of their marketing strategies (Buhalis & Spada, 2000). Tremendous travel-related transactions revealed that information-intensive tourism industry match the nature of the Internet and is able to exploit its great potentials (Werthner & Klein, 1999). However, the Internet is still far from user-friendly (Pan & Fesenmaier, 2000). Research has demonstrated that a low level of awareness of the benefits of the Internet is a major issue for the tourism industry. This is particularly true for small and medium sized enterprises (SMEs) and for those in regional, rural and remote areas. (Kelly, 2000)

To take better advantage of the Internet, considerable researches in marketing and consumer behavior have been done regarding the nature of the Internet, the usability of web sites, and the marketing and advertising strategies. (Hoffman & Novak, 1996; Werthner, 1999; Buhalis, 1999, Buhalis, 2000; Collins and Buhalis, 2003; Pavlou, 2003)

In the essence of issues related to the marketing of tourism products over internet, online buying is already a major trend in the sector. Steinbrink (Steinbrink, 2004) estimates that about 23 percent of U.S. corporate travel bookings are now made online. That means about US\$18.8 billion worth of air, car rental and hotel industry revenue came from bookings made via on-line sites operated by the suppliers themselves or on sites such as those run by Orbitz, Expedia, Travelocity and other e-commerce companies. Her study estimates also that such online corporate bookings will grow to 38.5 percent of total sales in 2006, when they are expected to reach US\$36.5 billion. For comparison purposes, the entire estimated gross bookings for corporate travel now amount to US\$80.9 billion in the United States, a figure that will rise to US\$94.8 billion in 2006, the report calculates. Much of

the expected growth, the report speculates, will come from mid-sized companies, each of which currently spends from US\$5 million to US\$10 million per year on travel.

Recently, there has been a highly prolific stream of theoretical research on the acceptance and use of Information Technology. The Technology Acceptance Model (Davis et al., 1989a; Davis et al., 1989b) is one of the most widely used to test this thesis. Recent studies suggest it applies also to e-commerce and to the adoption of Internet Technology (Gefen et al., 1997), as with most Information System, Internet Technology acceptance and use can be partially explained by the Technology Acceptance Model (Pavlou, 2003). While some literatures have already attempted in this measure (Gefen et al., 1997; Gefen et al., 2000a; Lee, 2000; Teo et al., 1999; Heijden, 2001; Moon et al., 2001; Pavlou, 2003), further investigations in various sectors of adoptions is still needed. While e-commerce has proliferated with the growth of the Internet, there have been insufficient empirical research efforts concerning its status in the provision of tourism and travel products and services by various tourism and travel organizations.

Thus, this study try to help maximize tourism opportunities arising from online technologies and ensure that the tourism industry fit well with e-commerce in Malaysia and Algeria and continue to have an exciting and prosperous future.

1.3 Research Objectives

There are several objectives, which the current research is poised to achieve. These are:

- To identify the level of adoption of e-commerce and the intention to use it in the tourism industry in Malaysia and Algeria.