

# THE CONSUMER BEHAVIOR TOWARD ONLINE TRAVELLING AGENCY (OTA): EVIDENCE FROM INDONESIA

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## Abstract

**Purpose of the study:** This study aims to examine five proposed research models and understand the factors affecting customer expectation, service quality, perceived value, customer satisfaction, and brand loyalty in Online Travel Agent (OTA) companies. This study also evaluates the general feelings of the customers whether they feel satisfied or not with OTA products and/or services.

**Methodology:** The research method of this study used a quantitative approach and analyzed the acquired data by using single and multiple linear regression techniques. The service quality, customer expectation, corporate image, perceived value, customer satisfaction, known as predictor variables that affect the dependent variable of brand loyalty.

**Main Findings:** From the statistical tests conducted in this study, it reveals that only one out of all eleven hypotheses were not accepted. Surprisingly it reveals that the customers keep purchase hotel and/or flight tickets from online travel booking sites no matter its service quality. Customer satisfaction and corporate image were influenced more significantly rather than its service quality.

**Implication:** This study evaluates all customers past purchasing behaviors of the hotel and/or flight tickets purchased through OTA, and the result was valid, thus it can be used to reflect on how Indonesian OTA's products and services may improve the customer satisfaction through their marketing program in the future.

**Novelty/Originality of this study:** There have been problems that might found in Indonesian OTAs that may lower its customer satisfaction level toward the traveling industry. However, there was only a limited number of OTA research studies conducted for the Indonesia market to understand its online consumer behavior. Therefore this study was conducted to explore the plausible factors that cause the problem.

**Keywords:** *Customer Satisfaction, Brand Loyalty, Service Quality, Online Consumer Behavior, Online Travelling Agency.*

## INTRODUCTION

The internet revolution has made significant changes in how the traveling agencies communicate their offerings to customers. McKinsey & Company reported that by 2015, the Indonesian Internet population was reached 88.1 million users and it is forecasted to grow until 2020 (Das, Gryseels, Sudhir, & Tan, 2016). The report stated that Internet users forecasted to grow up to 144.9 million in 2020 due to the accessibility of mobile Internet and cheaper phones. Knowing this fact, Indonesia is becoming one of the attractive countries to expand its traveling market opportunities due-to the impact of its significant percentage of Internet penetration. As a consequence, the competition among Online Travel Agents (OTA) as market intermediaries to provide flight ticket booking and hotel reservations is getting intense.

According to W & S Market Research (2014), Traveloka.com was reported to achieve its highest performance as its Popular Brand Index (PBI) for Hotel & Ticket Booking sites was given with the score of 44.9, followed by Blibli.com/Tiket.com with its PBI of 14.0 and Agoda 7.0 of its index. Meanwhile, its measurement of Brand Awareness that reflects the Top of Mind (TOM), the first brand mentioned by respondents, is one of the important factors to recognize the brand popularity of products and services offered by travel agencies. As a result of this survey, it found that 42.5% of respondents recall Traveloka as a popular Online Travel Agent with its main function as market pricing compilation, followed by Tiket.com with the score of 13.2% and Agoda 3.4%. In this case, Traveloka is the most popular site for Online Hotel & Booking sites among the travel booking sites.

Despite OTA has been competing with each other to win the market share and provide better offerings, the players in this industry cannot deny there are customers who dissatisfied with the products or services they purchased. According to Bearden & Teel (1983), there are three different customer complaint behaviors: (1). Do nothing or deal with the retailer, (2). Avoid using the same retailer and encouraging friends to do the same, and (3). Take over action with the third party. In fact, all of these complaint behaviors caused by service problems also found in OTA. When customers dissatisfied with any of their offered products or service, mostly they want to get a refund from the company or the company compensates for the previous service purchased with another one.

**Table 1:** Top Five Online Hotel & Ticket Booking Sites

| No | OTA Name             | Popular Brand Index (PBI) | Brand Awareness |
|----|----------------------|---------------------------|-----------------|
| 1  | Traveloka.com        | 44.9                      | 42.5%           |
| 2  | Blibli.com/Tiket.com | 14.0                      | 13.2%           |
| 3  | Agoda                | 7.0                       | 3.4%            |
| 4  | Wego                 | 3.7                       | 1.8%            |
| 5  | Pegipegi             | 2.8                       | 1.3%            |

Source: [W & S Market Research \(2014\)](#)

A survey has been conducted in this study with the result that 56% of respondents felt that refund problem is the common problem encountered in online travel booking sites though, followed by e-ticket cancellation 28%, reschedule of the booked flight/hotel 25%, bad service quality 9% and others 12%. Based on the problems above, this study tried to evaluate the general feeling of users whether they feel satisfied with Online Travel Booking sites or not by using quantitative research methodology. This study also evaluates how the service quality, customer expectation and corporate image affects the perceived value, customer satisfaction, and brand loyalty.

## LITERATURE REVIEW

In the light of online hotel reservations and ticket purchasing as a more popular alternative channel than purchase it offline, the competition in the OTA service marketing industry has also been increasing. Those who can deliver better customer satisfaction may provide better performance that exceeds customer expectations, so the customer is highly satisfied or delighted ([Armstrong & Kotler, 2011](#)). They are not only becoming delighted customers but also willing to be marketing partners. In the end, those returned delighted customers may generate more profitability for the companies that become an important factor in the hospitality and tourism industry ([Sun & Kim, 2013](#)). This study proposed an OTA research model applied based-on a previous research model for the airline industry developed by [Hussain, Nasser, & Hussain \(2015\)](#) that consists of six constructs namely: perceived value, customer satisfaction, brand loyalty, service quality, customer expectation, and corporate image.

### Perceived Value

Perceived value can be defined as customer's perceived preferences and evaluation of product attributes, performance attributes and their use to achieved consumer's goals in certain situations ([Woodruff, 1997](#)). In another word, perceived value is the difference between benefits and customer get and cost the customers assumed at different choices ([Kotler, 2000](#)). This perceived value has a strong relationship with the service quality that is provided by one organization.

According to the previous studies, it is reported that service quality drives customer perceived value ([Hapsari, Clemes, & Dean, 2016](#)). When customers receive a higher level of service quality compared to the less money, time, and energy they may spend, automatically the customers may perceive it as high-quality services. Perceived value also has a direct impact on customer satisfaction that leads to its behavioral intention ([McDougall & Levesque, 2000](#)). It means that when the customer receives a higher value of products/services, it will result in higher customer satisfaction.

### Customer Satisfaction

Satisfaction is the key goal of a business when they offer its products/services to the target market. As proposed by [Kotler \(2000\)](#), satisfaction is a person's feelings of pleasure or the result of comparing a product's perceived performances with expectations. Many companies always try to provide the best products and services to satisfy their customers. If the perceived performances match with the customer's expectation that means that the customer is satisfied. On the other hand, if the perceived performances are below the customer's expectation that means that the customer dissatisfied. Customer satisfaction is posted decision experiences and service quality closely related to customer satisfaction ([Jiang & Zhang, 2016](#)). Both of these concepts are comparing the expectation of quality and actual service the customer receives when purchasing the products/services. As for the intense competition that might be happened in the travel industry, the companies should not only just satisfying the customers. Rather, the companies should extremely satisfy their customer's in-order to lead it to brand loyalty.

### Brand Loyalty

Brand loyalty can be defined as a consistent preference for one brand over all others, that characterized by customers experiencing the highest level of satisfaction ([Park, Robertson, & Wu, 2004](#)) as cited in [Hussain, Nasser, & Hussain \(2015\)](#). When customers feel satisfied with certain products/services and found it matches their expectations at that time the customers feel satisfied. In addition, when customers feel satisfied they will keep purchasing the products/services and increase brand loyalty ([Bloemer & Schroder, 2002](#)). Therefore, most good companies always evaluate their products/services benefits whether they are able to fulfill their consumer's needs or not. When customers feel satisfied, the companies able to maintain offering the same benefits to them or even exceed the customer's expectations.

### Service Quality

Service quality is the degree of discrepancy between customer's normative expectation for the service and their perceptions of the service performances (Parasuraman, Zeithaml, & Berry, 1985). Generally, service quality influenced by expected service and perceived service. However as reported by Farooq et al. (2018), the airline's industry should consider all aspects of the service quality, with a special focus on personnel services and image to enhance its customer satisfaction. When customers receive services the same as their expectation, it will turn into satisfaction and if services exceed customer expectation they will be delighted. In this intense competition era, travel companies suppose to improve service quality consistently to meet the needs and wants of potential passengers. Traveling companies also can achieve their competitive advantages in their business if they can maintain their optimum service quality level and trying to maintain it all the time. This service quality may lead to customer satisfaction and able to measure its customer's emotional aspect.

### Customer Expectation

Customer expectation is the desires or wants of consumers, such as what they feel a service provider should offer rather than would offer (Parasuraman et al., 1988) cited in (Gures, Arslan, & Tun, 2014). Customers judge online travel performance according to their expectations. In this situation, the companies should know exactly what the customers expect to satisfy them. Customer expectation positively affects customer satisfaction because they serve cognitive anchors (Oliver, 1980). Another hospitality study from Ren et al. (2016) reported that there are four indicators of customer expectation that significantly influence customer satisfaction; they are tangible and sensorial experience, staff aspect, aesthetic perception, and location. However, this study is more applicable to brick-mortar rather than for the online industry. The customer expectation variable has the ability to predict the company's future performance and is positively related to the perceived value. This variable also helps the customer to learn from their experiences and predicts the company's performance level.

### Corporate Image

Corporate image is the perceptions of an organization reflected the associations in a customer's memory (Keller, 1993). When the company is able to maintain their good image, they automatically able to keep its current customers. The companies with an outstanding image are also able to sustain in the marketplace because there are repeat-to-purchase customers. Corporate image is known as an important variable to determine customer satisfaction and loyalty information (Johnson, Gustafsson, Andreassen, Lervik, & Cha, 2001); (Wu, 2011). This study was supported by another research by Lahap et al. (2016), which reports that the brand image as reflected in the hotel industry does significantly influence customer satisfaction. As for online travel companies, the one who able to keep current customers and make their brands living in the customer's mind means that they have a good image.

## METHODOLOGY

### Population and Sample

The population in this study is people who lived in the Jabodetabek area and mostly dominated by students and employees who were living in the Jakarta area. Based-on available data from Badan Pusat Statistik (2015), the number of passenger departures in Indonesia Airports were accordingly 59,276 in 2011; 70,682 in 2012; 73,595 in 2013; 71,626 in 2014; and 72,564 in 2015, therefore the predicted population for the following years can be calculated based on the same growth rate's assumption. Using the assumption of its average growth rate of 5.50%, therefore the predicted number of passenger departures in Indonesia Airports shall be 76,555 in 2016; 80,765 in 2017 and so forth. As this study used a purposive sampling technique, therefore the minimum total sample size can be measured by multiplying the total number of indicator items by five (Hair, Black, & Babin, 2010). As a result, as this study used 20 indicator items so the minimum total sample size for this research is 100 respondents that might be collected from diverse demographic occupations and age above 18 years old.

### Data Collection

The online questionnaires were distributed through Whatsapp and LINE groups as well as personal online messages to family and friends who have been experienced online travel booking in the Jabodetabek area. Meanwhile, the printed questionnaires were also distributed to some students and employees who were categorized as Millenials. After collecting the data in two weeks, as a result of this study able to get 205 samples which are exceeding the minimum sample size required.

### Hypotheses Development & Data Analysis

Based-on the proposed applied research model as mentioned in the previous section, this study proposes 11 hypotheses as follows:

**H<sub>1</sub>:** Corporate image of online travel booking sites affect customer expectation of online buyers in Jabodetabek area.

**H<sub>2</sub>:** Customer expectation of online travel booking sites affects service quality toward the product.

**H<sub>3</sub>:** Service quality of online travel booking sites affect perceived value toward the product.

**H<sub>4</sub>:** Customer expectation of online travel booking sites affect perceived value toward the product.

**H<sub>5</sub>:** Corporate image of online travel booking sites affect perceived value toward the product.

**H<sub>6</sub>:** Service quality of online travel booking sites affects customer satisfaction of online buyers in the Jabodetabek area.

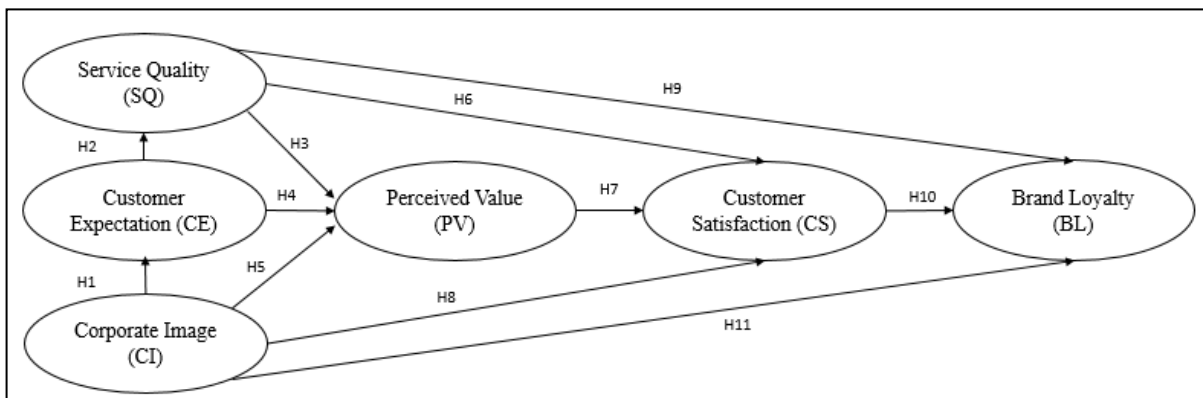
**H<sub>7</sub>:** The perceived value of online travel booking sites affects customer satisfaction of online buyers in the Jabodetabek area.

**H<sub>8</sub>:** Corporate image of online travel booking sites affects customer satisfaction of online buyers in the Jabodetabek area.

**H<sub>9</sub>:** Service quality of online travel booking sites affects the brand loyalty of online buyers in the Jabodetabek area.

**H<sub>10</sub>:** Customer satisfaction of online travel booking sites affects the brand loyalty of online buyers in the Jabodetabek area.

**H<sub>11</sub>:** Corporate image of online travel booking sites affect brand loyalty of online buyers in Jabodetabek area.



**Figure 1:** OTA Research Model

**Source:** developed from [Hussain, Nasser, & Hussain \(2015\)](#)

Based on the proposed research model above, the simple and multiple linear regressions will be used for this study as follow:

$$\text{Model 1: } Y_{CE} = \alpha_0 + \alpha_1 X_3 + \varepsilon \quad (1)$$

$$\text{Model 2: } Y_{SQ} = \alpha_0 + \alpha_1 X_2 + \varepsilon \quad (2)$$

$$\text{Model 3: } Y_{PV} = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \varepsilon \quad (3)$$

$$\text{Model 4: } Y_{CS} = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_4 + \alpha_3 X_3 + \varepsilon \quad (4)$$

$$\text{Model 5: } Y_{BL} = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_5 + \alpha_3 X_3 + \varepsilon \quad (5)$$

#### Notes:

Independent Variables:

$X_1$  = Service Quality (SQ),  $X_2$  = Customer Expectation (CE),  $X_3$  = Corporate Image (CI),  $X_4$  = Perceived Value (PV),  $X_5$  = Customer Satisfaction (CS)

Dependent Variables:

$Y_{CE}$  = Customer Expectation (CE),  $Y_{SQ}$  = Service Quality (SQ),  $Y_{PV}$  = Perceived Value (PV),  $Y_{CS}$  = Customer Satisfaction (CS),  $Y_{BL}$  = Brand Loyalty (BL)

The coefficient variables from the equation above:

$\alpha_0$  = Constant value (intercept)

$\alpha_1$  = Regression coefficient of service quality

$\alpha_2$  = Regression coefficient of customer expectation, perceived value, and customer satisfaction

$\alpha_3$  = Regression coefficient of corporate image

$\varepsilon$  = Error

The validity and reliability tests done in this study by using IBM SPSS statistical software. Both of validity and reliability tests were used to assess each measurement scale in the questionnaire. To determine the validity of each variable, the study then examined the values of Kaiser-Meyer-Olkin (KMO) and anti-image matrix correlation. As for the reliability test, the Cronbach's Alpha value output was observed. Spearman rank correlation coefficient test was conducted as non-parametric (distribution free) rank statistic used to measure strength between two variables (Hauke & Kossowski, 2011). Further, multicollinearity test was then conducted to know the relationship among the independent variables. To know whether the output is free from multicollinearity, the study was observed the tolerance value and VIF (Burns & Bush, 2010). If VIF value is less than 10 and the tolerance value is more than 0.1, it means that the equation-free from multicollinearity.

Multiple linear regression is used in this study to analyze the relationship between multiple independent variables (X) to the dependent variable (Y) (Hair, Black, & Babin, 2010). The analysis will show how the dependent variable affected by independent variables. F-test is also used to test overall the collective effect of all exploratory variables (Stine & Foster, 2014). F-test can be tested in two ways, such as comparing the F-test with F-table and comparing the significant value with  $\alpha$  value used in the calculation. The t-test is also conducted to know the power of each independent variable in the model. In this research, the  $\alpha$  value used by the researcher is 5% or 0.05.

## FINDINGS

The validity and reliability tests have been done by spreading the developed questionnaires (with Likert scale) to 32 respondents, which consists of six variables, such as service quality, customer expectation, corporate image, perceived value, customer satisfaction, and brand loyalty. After the data was collected and calculated by statistical software used, the output showed that not all of the proposed items were considered as valid and reliable. After further re-calculation, the study concluded that out of 20, there were 18 items can be used to continue the survey further as these items considered valid and reliable items. Based-on the further examination by using the Spearman test, it was also concluded that all variables are strongly correlated; therefore it can conclude that all of the items are valid.

### Multicollinearity Test

Multicollinearity tests are used to test the relationship among independent variables in the regression model, especially for Model 3, Model 4, and Model 5.

#### Multicollinearity Test for Model 3

Based on the statistical test done, all tolerance value for service quality ( $X_1$ ), customer expectation ( $X_2$ ), and corporate image ( $X_3$ ) are bigger than 0.1 and VIF value for  $X_1= 1.996$ ,  $X_2= 1.957$ , and  $X_3= 2.159$  which is below than 10. Therefore, it can be concluded that there is no multicollinearity in the equation of Model 3.

#### Multicollinearity Test for Model 4

Further statistical test done shows that all tolerance value for service quality ( $X_1$ ), perceived value ( $X_4$ ), and corporate image ( $X_3$ ) is bigger than 0.1, the VIF value for all independent variables also around 1 and 2 which mean below than 10. Therefore, the equation of Model 4 frees from multicollinearity and considered a good regression model.

#### Multicollinearity Test for Model 5

Based on further tests conducted, the tolerance value for service quality ( $X_1$ ), customer satisfaction ( $X_5$ ), and corporate image ( $X_3$ ) are bigger than 0.1. Meanwhile, VIF value for all independent variables around 1 and 2 which mean below than 10. Therefore, multicollinearity symptoms cannot be found in the equation of Model 5.

## Simple Linear Regression and Multiple Linear Regression

### Simple Linear Regression Result Model 1

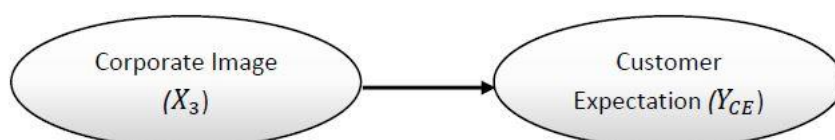
According to the simple linear regression calculation done via IBM/SPSS software, below is a statistical model for a factor that significantly affects customer expectation toward online travel booking in the Jabodetabek area. From this model, it can be concluded that hypotheses 1 is accepted. Below is the equation resulting from the Model 1 calculation:

$$Y_{CE} = 0.954 + 0.715 X_3^{***}$$

Notes:

\*\*\*:  $p < 0.001$

Y = Customer Expectation,  $X_3$  = Corporate Image





**Figure 2: Research Model 1**

#### Simple Linear Regression Result Model 2

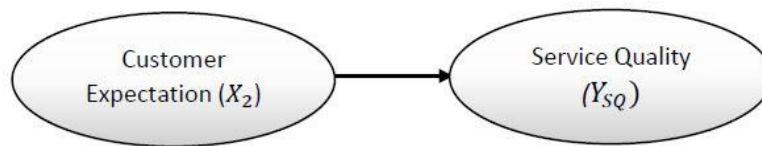
According to the simple linear regression calculation of Model 2, it shows a factor that significantly affects service quality toward online travel booking in Jabodetabek area. From this model, it can be concluded that hypotheses 2 is accepted and below are the equation of Model 2:

$$Y_{SQ} = 1.687 + 0.528 X_2^{***}$$

**Notes:**

\*\*\*:  $p < 0.001$

$Y_{SQ}$  = Service Quality,  $X_2$  = Customer Expectation



**Figure 3: Research Model 2**

#### Multiple Linear Regression Result Model 3

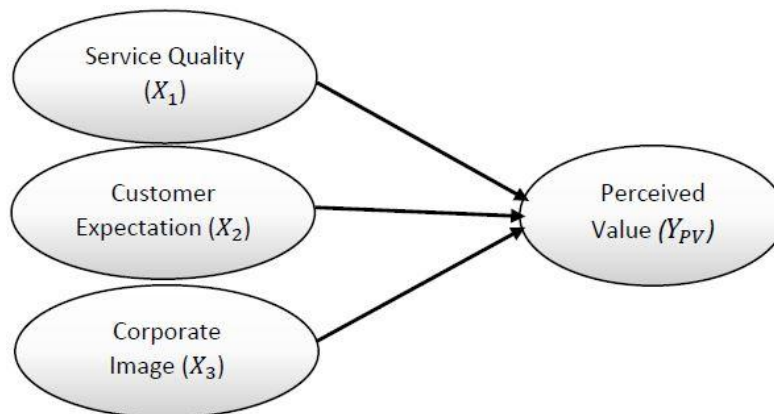
According to the multiple linear regression test of Model 3, a statistical equation model shows that service quality, customer expectation, and corporate image are significantly affecting perceived value toward online travel booking in the Jabodetabek area. From this model, it can be concluded that hypotheses 3-5 are accepted. Below is the resulting equation of Model 3:

$$Y_{PV} = 0.959 + 0.170 X_1^* + 0.256 X_2^{***} + 0.283 X_3^{***}$$

**Notes:**

\*\*\*:  $p < 0.001$ , \*:  $p < 0.05$

$Y_{PV}$  = Perceived Value,  $X_1$  = Service Quality,  $X_2$  = Customer Expectation,  $X_3$  = Corporate Image



**Figure 4: Research Model 3**

#### Multiple Linear Regression Result Model 4

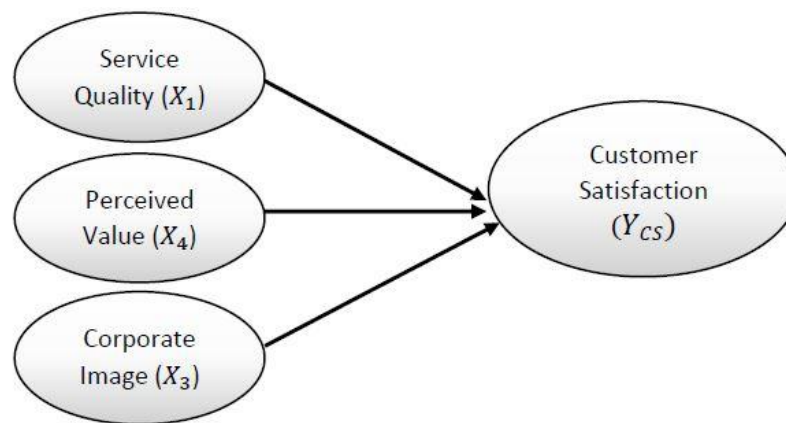
According to the multiple linear regression test, a statistical equation model for service quality, perceived value, and the corporate image show significantly affect customer satisfaction toward online travel booking in the Jabodetabek area. From this model, it can be concluded that hypotheses 6-8 are accepted and below is the equation of Model 4.

$$Y_{CS} = 0.444 + 0.280 X_1^{***} + 0.162 X_4^* + 0.430 X_3^{***}$$

**Notes:**

\*\*\*:  $p < 0.001$ , \*:  $p < 0.05$

$Y_{CS}$  = Customer Satisfaction,  $X_1$  = Service Quality,  $X_3$  = Corporate Image,  $X_4$  = Perceived Value



**Figure 5:** Research Model 4

#### Multiple Linear Regression Result Model 5

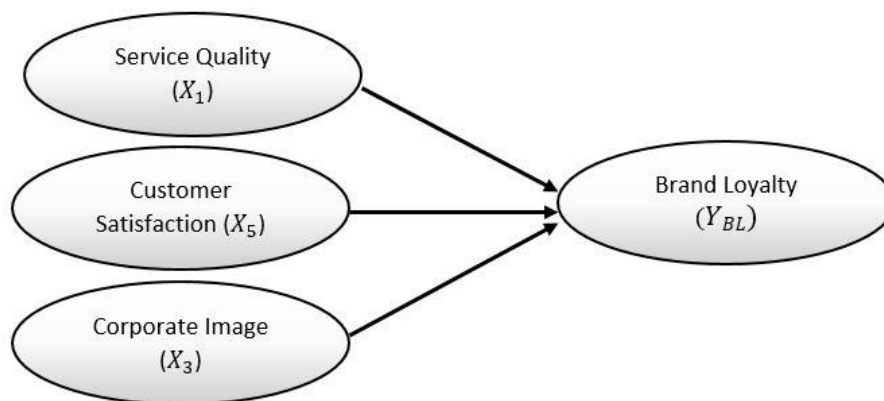
According to the multiple linear regression calculation, a statistical equation model for customer satisfaction and the corporate image shows significantly affect brand loyalty toward online travel booking in the Jabodetabek area. Meanwhile, the service quality does not affect brand loyalty. From this model, it can be concluded that hypotheses 9 is rejected while hypotheses 10-11 are accepted. Below is the equation that resulted in Model 5.

$$Y_{BL} = 0.382 + 0.042 X_1 + 0.451 X_5^{***} + 0.339 X_3^{***}$$

**Notes:**

\*\*\*:  $p < 0.001$

$Y_{BL}$  = Brand Loyalty,  $X_5$  = Customer Satisfaction,  $X_1$  = Service Quality,  $X_3$  = Corporate Image



**Figure 6:** Research Model 5

## DISCUSSION

Based on the overall statistical calculation, it shows that all of the loading values from all variables used in this study. The highest direct effect is shown by corporate image toward customer expectation, which means that corporate image significantly affects customer expectation by 0.715. This finding supports prior research conducted by [Hussain, Nasser, & Hussain \(2016\)](#). While for the lowest direct effect is shown by service quality toward brand loyalty by 0.042. It means service quality insignificantly affects brand loyalty because it is less than the alpha value of 0.05. A corporate image has a higher direct effect on customer satisfaction by 0.430 compared to the mediating effect on customer satisfaction by 0.046. The similar result shown as for the direct effect of the corporate image toward brand loyalty is higher by 0.339 compared to the mediating effect by 0.194.

According to [Baron & Kenny \(1986\)](#) mediator variables is specified when a certain effect will hold, mediators speak to how or why the effect occurs. In this research model, corporate image plays an important role because it is used to link the other variable to the end variable (brand loyalty). If OTA has a good corporate image it means that they have a strong reputation among customer's mind, can lead to competitive advantage ([Gray & Balmer, 1998](#)), and the customers believe that OTA will consistently provide high-quality products and services to fulfill their expectations. Therefore, both a direct effect and mediating effects above are important for managerial decision making, because it helps the

manager of OTA to make a better decision in an urgent situation or able to understand on how to increase customer satisfaction level in hotel and/or flight ticket booking service industry.

According to the single linear regression result in Model 1, it reveals that corporate image as mentioned earlier significantly affects the customer expectation of online travel shoppers in the Jabodetabek area. Since this is a simple linear regression, it shows that corporate image has a positive sign and significantly affect customer expectation. As for Model 2, based on the regression result, it shows that customer expectations have a positive sign and significantly affect service quality of OTA. Again, this finding is consistent with the previous research findings conducted by [Hussain, Nasser, & Hussain \(2016\)](#). Further analysis of the 3<sup>rd</sup> model, its multiple linear regression results indicates that the three independent variables (corporate image, customer expectation, and service quality) have positive signs and significantly affect perceived value. This OTA industry study indicates that its corporate image is the strongest influence factor toward perceived value because this variable has a greater coefficient compared to the other two variables' coefficients.

The multiple linear equations resulted in Model 4 shows that the three independent variables (corporate image, perceived value and service quality) have positive signs and significantly affect customer satisfaction of the online travel shoppers. This study also indicates that corporate image is the strongest influence factor toward customer satisfaction because this variable has a greater coefficient compared to the two other variables. Further calculation on Model 5 shows that the two independent variables (corporate image and customer satisfaction) have positive signs and significantly affect brand loyalty. Meanwhile, the service quality coefficient has a positive sign but does not affect significantly brand loyalty. In fact, the coefficient of customer satisfaction is greater than the two other independent variables. It means that customer satisfaction is the strongest variable that affects the brand loyalty of OTA. However, the findings of these two models support the research finding in the prior hospitality research study in Malaysia ([Lahap et al., 2016](#)).

Among the five proposed models in this study above, the result of the study shows that only one hypothesis, in this case, hypotheses 9 that is not accepted. As explained earlier, hypotheses 9 reveals that the service quality does not affect brand loyalty significantly. There are some types of service quality that have been provided by OTA in this study, such as good selection, time efficiency, effective booking transaction, and easiness to complete the transaction that was not affecting the brand loyalty significantly. According to [Wellman \(2015\)](#), the Millennials are willing to pay a better travel experience and nearly 75% interested to pay with the same services. One every two travelers are willing to pay for the premium price for the services they received. Based on this research, among the products and services that they mostly interested to pay for are as follows: 64% high-performance WiFi (with streaming capability), 50% seat charging station for electronics, 31% texting capabilities, and 22% early deplaning privileges. It means that the travelers are demanding to have better online-access services every time they book the hotel and/or flight ticket through OTA.

## CONCLUSION

A previous study conducted by [Hussain, Nasser, & Hussain \(2015\)](#) shows that the relationships between customer expectation and perceived value in the airline industry were insignificant and so does its relationship between corporate image and brand loyalty that shows insignificant. However, this study found different results. As for the OTA industry, customer expectation shows its significant influence on the perceived value, and so does the corporate image also has a significant influence on its brand loyalty.

This study also found that all of the hypotheses were accepted, unless hypotheses 9, which reflects the insignificant effect of OTA's service quality toward its brand loyalty in Online Travel Booking Sites. It means customers keep purchasing the hotel and/or flight ticket in an online travel booking site no matter the change in service quality. Hence it can also be understood that the customers don't have a critical concern about the quality of the OTA website, instead, there are another factors that appear to have a stronger direct influence on its brand loyalty.

OTA customers' past experiences, as represented by the customer satisfaction variable, and the OTA's corporate image are the variables that have significant influence toward its brand loyalty. In order to enhance its customer satisfaction, the OTA managers are suggested to craft a customer loyalty program that recalls its customer satisfaction in accordance with their expectations or perceived performance, as well as to strengthen its corporate image by enhancing its integrated marketing communication program. According to the report from [Deloitte \(2015\)](#), it found that 59% of travelers said that the price is the primary factor involved in their decision-making to purchase. It means that the customers likely to compare prices of the hotel/flight tickets from various online travel-booking sites to get competitive prices. Therefore it is recommended for future research to add price variables into the research model of this study to confirm and analyze what would be the effect of its pricing strategy toward the OTA's brand loyalty.

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