

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Background of Study**

JARING is a first Malaysian internet service provider (ISP) back in 1990 and later TM Net in 1995 (wikipedia) Starting then, the growth of Internet usage in Malaysia kept increasing each year (Rohaizan and Fatimah, 2011). In this acceleration of technology advancement era, the emergence of information and communication technologies (ICT) contribute to the escalation of tourism industry to be the major evolving industry in Malaysia. As ICT is the electronic tools that facilitate the operational of the organization along as facilitate the industry by reducing the costs of distributing and promoting their products and services (Zaharah, 2009).

With the emergence of the Internet and World Wide Web (WWW) as a medium for commercial transactions, it has thrust e-commerce become the focus of online business which it has made it more easy and simpler to interact and conduct commercial transactions electronically as compared with the traditional approach of using private value-added networks (Margherio, 1998; cited from Rohaizan and Fatimah, 2011). Moreover, Lagrosen (2005) stated that service industry is high in information content so the Internet should be particularly suitable to promote and deliver services to customer. Along with the government action towards the industry, the growing adoption of the Standard Online Tourism Architecture (SOTA) undoubtedly assists the industry to grow as one of the leading industry in Malaysia (Zaharah, 2009). The Star Online (2008) noted that

SOTA is a tourism e-business platform that connects government agencies with the travel industry and consumers. The platform includes components for travel packages, as well as hotel and flight bookings (Zaharah, 2009). In 2008, Malaysia's tourism industry is expected to generated MYR 89 billion worth economics activities as this is to make sure the cultural heritage of tourism in Malaysia is being protected along with the natural environment (Khursiah and Fakhrul, 2011).

Malaysia known as a country that covers with land area, which comprises 14 states and it is divided into two regions: Peninsular Malaysia consist of 12 states that are, Perlis, Kedah, Penang, Perak, Pahang, Selangor, Negeri Sembilan, Malacca, Kelantan, Terengganu, Federal Territory and Johor while in East Malaysia consist Island of Borneo with two states of Sabah and Sarawak (Marzuki, 2010). Now, Malaysia's population consist of three main ethnic such as Malays, Chinese and Indians also including the indigenous people of Sabah and Sarawak, Arabs and Europeans. With Malaysia multi-racial societies and geographical factors, it has a lot can be offer in terms of tourist attractions (Marzuki, 2010).

Accordingly, the emergence of tourism website facilitate the 16,902,600 Internet user in Malaysia (internet world stats, 2009) in online activities related to the industry such as information gathering, airline reservation, hotel booking and as the primary source of reference, event tickets and packaged tours. This development and growth imply that businesses and customers perceive that the Internet provides them with some kind of value (Lexhagen, 2008). In Malaysia,

several tourism and travel agent website that also known as e-travel has become popular to the online customer in holiday arrangement such as Virtual Malaysia, Holiday Tour and Travel, Tourism Malaysia, Malaysia Travel Guide, and eMalaysia Travel, and many other website that cater the need of the online customer. There are many travel planners around the world search for tourism in e-travel when they are planning to visit Malaysia as their holiday destination. In this era, travel industry is one of the biggest and fastest growing industries in the world (Zaharah, 2009).

In this way, by using the Internet in the planning of a holiday, it contributes to a greater enjoyment of the holiday irrespective of previous attitude towards the destination as the travel agent website has provide various information details that customer need in order to make preparation. Hence, e-travel can promote their product such as ticket by also providing information about tourism and beautiful places in Malaysia when it has become their holiday destination.

Therefore, Malaysia is a country that has variation of culture as it has become one of the popular destination among tourist for every holiday season of other country such as Europe, Saudi Arabia and etc. This is because in Malaysia, there is one of the tallest building in the world that is Kuala Lumpur Twin Tower that attracts the eye of tourists. It has become one of Malaysia attraction for the tourists.

Now, in this era, online shopping has become a very popular way for consumers. The act of purchasing products or services through internet has grown in popularity over the years. This new innovative pattern of shopping not only brings a great number and wide range of merchandise to consumers but it is also offers a huge market and numerous business opportunities.

The tremendous changes that was brought by the Internet, has be penetrated in every corner of the world including communication, education, and finance to entertainment, as it can clearly be the application of the Internet. Besides, the Internet has resulted in a great revolution for every industry especially in the tourism industry for the e-travel website.

Furthermore, internet also become the medium in promoting and marketing the travel agent products and services as it has increase the possibility for services and products providers to engage in direct marketing once a potential customer has entered the travel agent official or non official website. Internet also becomes the most famous system where everyone uses this system to make the life easier and faster. This is because the internet is used by many user groups or individual to take advantages from this system.

E-commerce is very useful system to expand marketplace. The emergence of information and technology contributed to the rapid growth of electronic market place (Norzaidi et al, 2007). Thus, the globalization of tourism industry also influences the travel agent website to provide the accurate and precise information and virtual communication in fulfilling the needs and wants of the

consumer. This scenario undeniably will assist the tourism industry in Malaysia by promoting the country globally. Globalization and liberalization across the world raising belief that Internet can increase cost-efficient and helps company to gain global market and competes with other competitors, makes product, information and services become more attractive for customer (United Nations, 2004).

However, there is variable that can influence actual use of a system that is self-efficacy. Self-efficacy is known as one of the psychology indication that plays a role in determining a person's behavior (Yi and Hwang, 2003). Then, there are four variables that will be discussed in this research that are – enjoyment, self-efficacy, actual use and satisfaction.

## **1.2 Problem Statement**

Based on the research background above, the problem researcher wants to analyze is the influence of self-efficacy, enjoyment and actual use towards the satisfaction of using e-travel website. This problem statement create few research questions:

1. How does enjoyment influence the use of website?
2. How does the use of website influence the satisfaction of customer?
3. How does enjoyment influence self-efficacy?
4. How does self-efficacy influence the use of website?
5. How does self-efficacy influence the satisfaction of customer?

### **1.3 Research Objectives**

Based on the problem statement, this research will examine the influence of self-efficacy, enjoyment and actual use towards the satisfaction of using e-travel.

1. To examine the influence of perceived enjoyment to self-efficacy.
2. To examine the influence of enjoyment to actual use
3. To examine the influence of actual use, self-efficacy and enjoyment towards the satisfaction of using e-travel.

### **1.4 Research Contribution**

Research contribution is the contribution that researcher can provides to some parties based on the result of the research that are:

1. For The Literature and Area of Research
  - The results provide additional information for those interested in the world of internet and website used for the future in order to develop more effective website for their company perspective as tour and travel companies.
2. For academic, this research could be as a contribution to the existing theory

### **1.5 Writing Structure**

This research will conduct five chapters, as follow:

#### **1. Chapter I Introduction**

The first chapter explaining the description background of the research, problem statements, objectives of the research, research contribution and writing structure<sup>2</sup>.

## **2. Chapter II Literature Reviews**

The second chapter conducts the overview of variables: enjoyment, self-efficacy, actual use and satisfaction of using e-travel, review of previous study and research framework.

## **3. Chapter III Research Method**

On chapter three will conducts information about the method that researcher used in this research, which is consist of research design, population and sample, operation definition of research variable, and data analysis method.

## **4. Chapter IV Research Results**

On the chapter four will conducts research model, and the data process of the research which consist of validity test and reliability test and testing of hypothesis

## **5. Chapter V Conclusions, Implications, Limitation and Suggestions**

On the chapter five will conducts the conclusion of the research, limitation and recommendation of the research and implication of the research.

# **CHAPTER II**

## **LITERATURE REVIEW**

### **2.1 Theory of Planned Behavior**

There are many types of technology use model, such as the Technology