ONLINE TRUST UPON ONLINE PURCHASE INTENTION : A CASE
STUDY OF TRAVELERS' DEVELOPMENT OF ONLINE TRUST
THROUGH THEIR ELECTRONIC COMMUNICATION WITH CTRP.COM,
CHINA

by
LILI FU

A Thesis submitted in partial fulfillment
of the requirements for the degree of

Master of Business Administration in Tourism Management

Graduate School of Business
Assumption University
Bangkok, Thailand

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ACCEPTANCE

This dissertation was prepared under the direction of the candidate's Advisor and Committee Members/Examiners. It has been approved and accepted by all members of that committee, and it has been accepted in partial fulfillment of the requirements for the degree of Master of Business Administration in Tourism Management in the Graduate School of Tourism Management of Assumption University of Thailand.

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ABSTRACT

Searching and making a reservation online is increasingly common for Chinese travelers. Although China has shown popular use of electronic network and information, there are widespread concerns on trust factors. This research was developed to examine e-traveler's online trust by using three categories of determinants: perceived technology, perceived risk, company competency and to investigate the impacts of both e-travelers' online trust and low fares on online purchase intention.

To collect the data, 384 questionnaires were distributed to the Chinese people experienced in using internet to purchase travel-related services via Ctrip from June to August 2009. Descriptive statistics along with Pearson's Correlation Coefficient were used to test the relationships.

The results of statistical analysis indicated that in terms of perceived technology of Ctrip website, perceived usefulness, ease-of-use, and enjoyment of technology had moderately positive relationships with online trust. In addition, in terms of perceived risk of Ctrip website category-perceived security, privacy; and company competency- company size, reputation, and willingness to customize- had strongly positive influences on Ctrip users' online trust. Finally, online trust and

low fares also have strong relationships with e-travelers' online purchase intention.

Recommendations based on the findings suggest Ctrip find its own weaknesses and strengths from these research results, and know how to build high degree of e-travelers' online trust and make a success in China e-tourism market.

KEYWORDS: online trust, online purchase intention, e- tourism, e-travel agency, Ctrip

ACKNOWLEDGEMENTS

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CHAPTER I

GENERALITIES OF THE STUDY

Since the development of electronic communication technology in 1990s, the world of conventional travel agencies has been transformed into a new phase of interactive marketing communication, in which agencies and clients could reach out to each other at anytime. An electronic network provides a new opportunity for tourism industry to the extent which it not only creates larger revenue to countries using it, but also brings about growth and development in tourism at large. In advanced countries, e-tourism concept was applied and put in practice in the last decades. However for developing countries and underdeveloped countries, it is under the utilization phase (Jay, 2004). The U.S. tourism market, pioneering the use of electronic network via internet and e-commerce, has seen a substantial growth of tourism industry through the use of online communication, while China—an up-and-coming tourism market still lags behind her competitors worldwide. Although China has shown popular use of electronic network and information, there are widespread concerns on trust factors. Tourism online shopping, booking and payment face with the problem of tourist behavior resulted from cultural and social aspects; the Chinese tourists lack online trust, which is an important determinant for web site communication (http:// chinadaily, 2008).

Internet users' lack of trust derives from many categories of determinants. Ones may be perceive technology as a risk. Web host, or online shop, also plays an important part in influencing online trust. At the same time, the users' trust propensity forms a condition to develop online trust. Trust is a key to overcome the barriers of internet activities; the higher the degree of online travelers' trust, the higher the degree of their purchase intentions, and the easier it is for companies to tourism marketing planning.

Many successful travel web sites have stimulated other organizations, such as airlines, travel agencies as well as tourism-related businesses to join e-marketing, aiming to increase their share of tourism market. Ctrip, as a leader for online travel agencies in China, will give a good lesson to other Chinese online travel agencies and online tourism industry. This research chooses Ctrip.com as a case study to identify the factors which influence e-travelers' online trust upon online purchase intention and to investigate the impacts of both e-travelers' online trust and low fares on online purchase intention. With the information given by Ctrip, other online travel agencies can find their own weakness and strengths, know how to build high degree of e-travelers' online trust and make a success in China e-tourism market.

1.1 Background of the study

1.1.1 What is E-tourism?

E-tourism- A dynamic interaction among Information & Communication Technologies (ICTs), business and tourism exists (See Figure1.1.).

Figure1.1 The e-Tourism concept and e-Tourism domains (Buhalis, 2003)
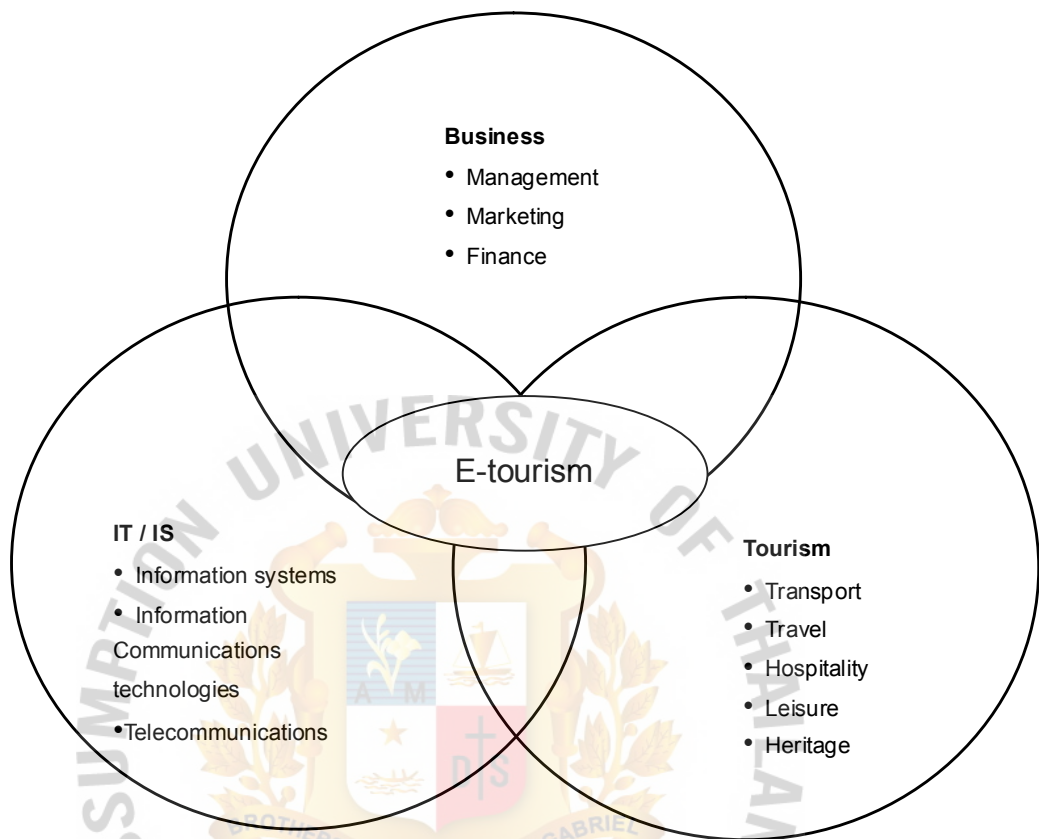
Source: http://www.onecaribbean.org/information/documentview.php?rowid=2481
accessed on March 4th, 2009

IT enabled tourism is named as 'e-tourism'. E-tourism is a platform that enables direct booking, easy payment for e-travelers, business-to-business trading for travel service suppliers, travel agents and resellers. E-tourism changes the tourism industry in many ways with greater effects and consequences. As the number of Internet users increased, most of the tourism sales are made through internet. Internet users want to obtain tourism related information such as cultural, natural and social resources available at the destinations so that they will get clear idea of the place before going. However, the field of E-tourism is extremely multi-facetted.

The permanently and quickly changing general framework (e.g. technology, changing society that involves internet usage behavior, travel behavior, political frameworks) make E-tourism an enormous challenge in this field.

1.1.2 The situation of tourism and E-tourism industry in the world

According to UNWTO, over the decades, tourism has experienced continued growth and deepening diversification to become one of the fastest growing economic sectors in the world. Between 1950 and 2007, international tourist arrivals increase from 2.5 million to 908 million and generated US $ 856 billion revenue in 2007.   And UNWTO's Tourism 2020 Vision forecasts that international arrivals are expected to reach nearly 1.6 billion by the year 2020 (See Figure 1.2.).

Figure 1.2 *Tourism 2020 Vision*: International arrivals in the world
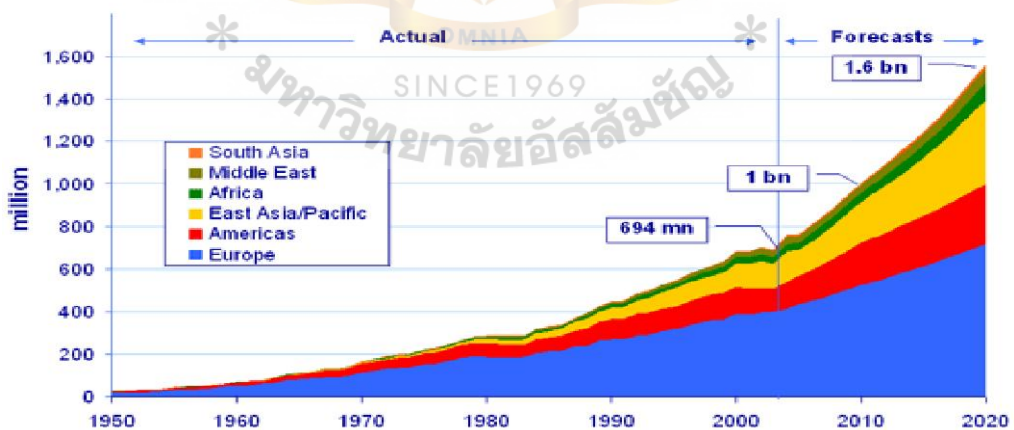
Source: http://www.unwto.org/facts/eng/vision.htm accessed on February 20th, 2009

Over the years, the demand for tourism products and services on the

Internet has been growing.   Planning and booking a trip online is now increasingly

common for travelers.   More and more people are turning to the Internet for travel

services.   The emergence of World Wide Web communication technology has

changed the way consumers access travel information, plan their trips, and purchase

the products and services.   The hospitality and tourism industry is always among

the first to adopt new technology and innovations.   Information communication

technologies (ICTs) were applied in tourism since the early adoption of Computer

Reservation System in airlines in 1950s and in the transformation to Global

Distribution System in the 1980s.   The fast development of ICTs and the expansion

of the internet have changed tourism industry structures around the world.   New

technologies have been adopted in the tourism industry in western countries for more

than 30 years, and the trend is likely to continue into the future.   According to

PhoCusWright's U.S. Online Travel Overview Eighth Edition(2008) in the U.S.,

online sales of travel services accounted for near one-third of total tourism industry

revenue, with more than US$90 billion in 2007, and online leisure/unmanaged

business travel will grow 7% annually through 2010 (See Figure 1.3.).

Figure 1.3 <u>U.S. Travel Growth, Total and Online Leisure/ Unmanaged Business</u>
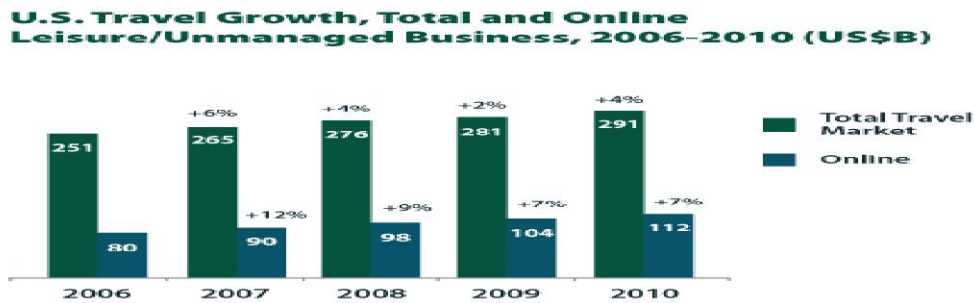
Source: http://ehotelier.com/hospitality-news/item.php?id=D15128_0_11_0_M accessed on 26th February, 2009

1.1.3 The situation of tourism and E-tourism industry in China

China's tourism industry has been developed rapidly. According to China National Tourism Administration, between 2002 and 2007, the total revenue of China tourism industry increased from USD 67.3 billion to USD 145.3 billion (CNY1.09 trillion). Moreover China is expected to achieve US$53 billion in revenue from international tourism and CNY850 billion in revenue from the domestic tourism respectively in 2010 to make its total revenue reach CNY1.27 trillion by then. While the online travel market was worth some CNY2.55 billion in 2007, up for 65.4% year-on-year, the percentage is less than 1 percent of total tourism market scale. Compared with the U.S. online travel market, we can see the shortage of China's online tourism industry; and moreover, its bright future is foreseeable (See Figure 1.4.).

Figure 1.4 Market Scale of China's Online Tourism, 2001-2006
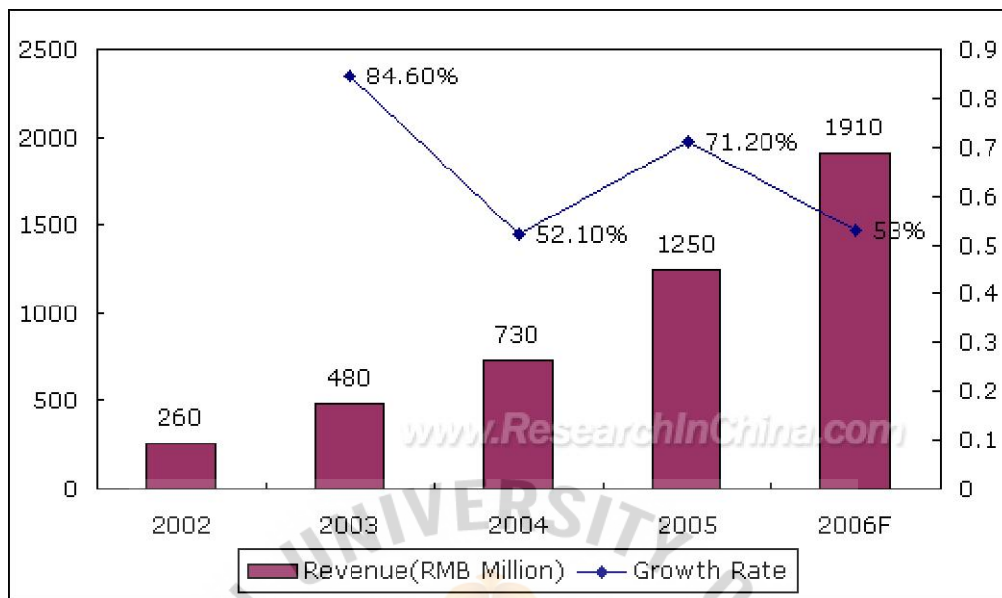
Source: http://www.researchinchina.com/Htmls/Report/2008/3727.html accessed on March 10th, 2009

From Figure 1.5, in the past years, the number of Internet users in China has increased from 94 million in December, 2004 to 210 million users in December, 2007, by 123% from 2004 to 2007 (China Internet Network Information Center—CNNIC, 2008). By the end of June of 2008, the number of netizens—a portmanteau of Internet and citizen is a person actively involved in online communities—in China has surpassed the United States of America, and China has become the largest country in the world in terms of the number of netizens with 253 million. All of those people are potential e-tourism consumers. According to the survey, conducted by MasterCard, released on June 26th, 2008, China will replace Japan as the largest online shopping market in the Asia-Pacific region in 2010. It forecasts 480 million Chinese shoppers will be spending 1.4 trillion US dollars online by then (See http://china.youth, 2008). As China's e-commerce environment

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gets mature, plus the travel industry, is a pillar industry in China, online travel will

further develop for certain in China.

Figure 1.5 The increasing number of the Internet users in China during 2004-2007
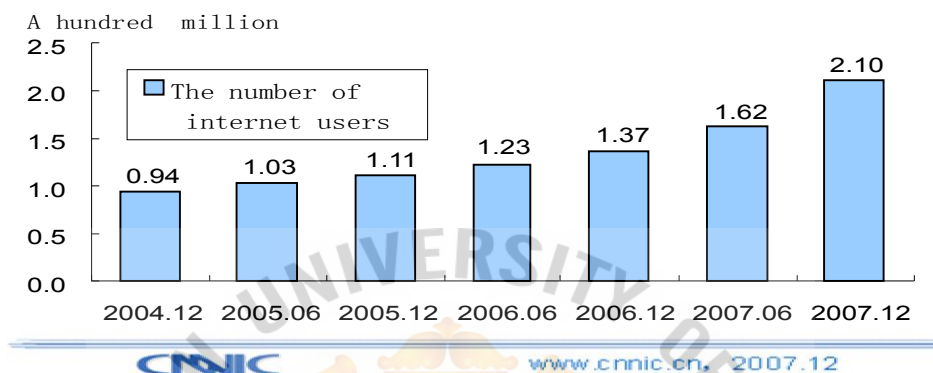
Source: http://www.cnnic.net.cn/index/0E/00/11/index.htm accessed on March 20th,
2009

1.1.4 Why E-tourism in China?

Chinese travelers are turning to the internet as their first port of call for

information on travel increasingly above traditional reference points like word of

mouth and guide books.   According to a Nielsen study, internet has become the

most popular medium for Chinese travelers seeking information about their trips.

(http://cn.en.nielsen, 2009)   Compared with traditional travel agencies,

information of tour websites is richer, with more reasonable operation,

accommodation, traffic and other information.   Online travel agencies have more

advantages than traditional travel agencies.   In Shanghai, China, February 08, 2009,

Ctrip.com, the china's largest online travel agent, announced net income of CNY444

million (US$ 65 million) in 2008, up for 18% over the previous year, leading many

analysts to question the future of traditional travel agents in China.   A survey by

The Nielsen Company in partnership with PATA found that nearly seven in ten Chinese leisure travelers used the Internet to secure information before making travel bookings.   In recent years, online reservation and online booking gradually become popular in China.   Online tourism is so convenient that the consumers have broader choices.   Although a tourism website has a short history, it has attracted more and more network companies and tourism companies.   And now the traditional tourism companies, airline companies and network companies have shared the tourism market together.   China's online tourism market has huge potentials.   According to Analysis International (htt://english.analysis,2008), the revenue from e-tourism and recreation websites reached CNY 2.55 billion revenue in 2007 and is expected to exceed 3 times to reach CNY 7.57 billion by 2011, and then sharing over 1% of the tourism market.

1.1.5 The introduction of Ctrip.com

Ctrip.com International, Ltd. is a Shanghai-based China's premier online travel service provider, which was founded in October 1999.   The company is a leading online travel service provider of hotel accommodations, airline tickets and packaged tours in China.   Ctrip aggregates information on hotels and flights and enables customers to make informed and cost-effective hotel and flight bookings. Ctrip also sells packaged tours that include transportation and accommodation, as well as guided tours in some instances.   Ctrip targets primarily business and leisure travelers in China who do not travel in groups, a traditionally underserved yet

fast-growing segment of the China industry. It is the biggest domestic e-tourism website as well as the earliest listed e-tourism company in China. The company has experienced substantial growth since its inception in 1999 and has become one of the best-known travel brands in China. With its operational headquarter in Shanghai, it has branches in Beijing, Guangzhou, Shenzhen and Hong Kong. The company also maintains a network of sales offices in about 30 cities in China (http://ctrip, 2009).

Ctrip claims that the number of its registered users was over 19 million by the end of December, 2008. When Chinese citizens decide to spend a vacation traveling, most of them will use Ctrip.com at some point in the planning stages. The company operates much the same as the US equivalent Orbitz or Expedia. For the full year 2008, net revenues were CNY1.5 billion, up for 24% from 2007. Ctrip enjoyed the monopoly status and occupied more than 50% market share of the Chinese online travel market and followed by Elong.com with for only about 10%. Before 2009, 90 percent of Ctrip's revenue was from domestic travelers, Chinese people traveling within China, for leisure and business. (http://ctrip, 2009) Moreover, since Beijing Olympic 2008, Ctrip has launched an English website to target the inbound market, so as to attract people in the United States, Europe, Japan, Korea and other countries to come to China. The company is the largest consolidator of hotel accommodations in China in terms of the number of room nights booked. Also one of the leading consolidators of airline tickets in Beijing and Shanghai in terms of number of airline tickets booked and sold. In China,

online travel is still a very small portion of overall travel a dash it only represents less than 1 percent of overall travel.   As people move more online, the ability for Ctrip to dominate online travel will be increasing, and grab more and more market share.

Ctrip's goal is to create long-term shareholder value by enhancing its position as a leading hotel and airline ticket consolidator in China.   The company's business philosophy focuses upon:

C (Customer): Customer needs guide Ctrip.

T (Teamwork): Ctrip creates a seamless collaborative system between customers and partners.

R (Respect): Ctrip treats customers with the utmost respect.

I (Integrity): Ctrip puts integrity first in its cooperation with its partners.

P (Partner): Ctrip pursues win-win cooperation with all its partners.

1.2 Statement of problem

World Wide Web communication technology was adopted in tourism industry in the western countries of over 30 years.   Nevertheless, the population of online users in tourism activities by Chinese travelers is relatively small.   E-tourism industry revenue appears to be below 1 percent of the total tourism industry revenue in China.   Therefore, it is important for online travel business market-planners to recognize the factors or threats that affect Chinese travelers' perception in online purchase.   Unlike traditional purchasing channels, customers making purchasing online are not able to touch, test or feel most of the products or services provided by

the online shops before they make an order. Customers run the risk that the products shopped from online shops are unacceptable quality, but also they might not even get the ordered products at all. In addition, if the sellers are incapable of protecting the data, the credit card and personal information of the customers may be opened to other people during or after the online transaction. Therefore, e-commerce success is determined in part by whether customer trust electronic systems, sellers and products they cannot see, touch or test. A study of online trust will certainly help ones to understand the problems that might have retarded development of online communication in Chinese tourism, thereby pointing towards success in electronic communication planning in the future. In this study, the research examines e- traveler's online trust by using three categories of determinants: perceived technology, perceived risk, and company competency. It also investigates the impacts of both e-travelers' online trust and low fares on online purchase intention.

1.3 Research objectives

1. To investigate how e-travelers develop their online trust.

2. To identify the relationship between e-travelers' online trust and online purchase intention.

3. To identify the relationship between low fares and e-travelers' online purchase intention.

1.4 Scope of the research

This research aims to investigate how Chinese e-travelers develop their online trust and online purchase intention through their electronic communication with Ctrip.com. The research examines Chinese e- travelers' online trust by using three categories of determinants: perceived technology, perceived risk, and company competency. It also investigates the impacts of both e-travelers' online trust and low fares on online purchase intention. In order to organize and lead the right tendency, this research focuses on the consumers of Ctrip as it possesses the major market share in Chinese e-tourism market. Respondents in this study are the Chinese people who are experienced in using internet to purchase travel-related services via Ctrip.

To collect the data, a questionnaire is designed as a survey instrument. The duration of survey would be from June to August 2009. The respondents are chosen in the online communication forums and instant chat software, such as MSN, QQ- an instant communication tool which is similar with MSN, but mostly widely used in China. The sample size is 384 and the data will be collected via the Internet.

1.5 Significance of the research

The results from this study could provide information to China e-tourism marketers to know how online trust and price impact on online purchase intention and what factors that influence e-travelers' online trust toward online purchase

intention.

Ctrip, as a leader for online travel agencies in China, will give a good lesson to all Chinese online travel agencies. With the information given by Ctrip, Ctrip and other online travel agencies can find their own weaknesses and strengths, know how to build high degree of e-travelers' online trust and make a success in China e-tourism market.

1.6 Limitations of the research

There are three limitations of this research. Firstly, the research focuses only on the customers of Ctrip, so it cannot totally represent the other travel websites and online travel agencies. Secondly, the research is unable to include all the variables that affect the online purchase intention; this will reduce the explanatory power of the study to describe extensive online purchase intention. Lastly, the research is conducted in the specific time frame from March to August 2009 so the findings can not be generalized for all time.

1.7 Definition of terms

Company Competency: A company's competency includes features such as company size, good reputation, willingness to customers (Kourfaris & Hampton-Sosa, 2004; Patricia & Cannon, 1997).

Company Reputation: Reputation is the extent to which buyers believe that the selling organization is honest and concerned about its customers (Doney &

Cannon, 1997). High reputation can give the company much more customers as well as reinforce and expand the firm's position.

Company Size: Most consumers assume that a large company has better capabilities to fulfill their wants and demands (Jarvenpaa, Tractinsky & Vitale, 2000) and increase their online trust (Koufaris & Hampton-Sasa, 2004).

E-commerce: It is an emerging concept that describes the process of buying and selling or exchange of products, services, and information via computer networks including the Internet (Turban, King, Lee & Chung, 2000).

Enjoyment of Technology: Enjoyment of technology is regarded as a factor motivating a consumer's desire to transact online (Van der Heijden, Verhagen & Creemers, 2003; Venkatesh & Davis. 2000). If consumers enjoy their online shopping experience, they have a more positive attitude toward online shopping, and are more likely to adopt the Internet as a shopping medium.

E-tourism: IT enabled tourism is coined as 'e-tourism'. E-tourism is at a platform that enables direct booking, easy payment for end-user, business-to-business trading for product providers, travel agents and resellers. (Buhalis, 2003)

Low Fares: Price is a crucial factor that affects customers' purchase decisions. Online travelers are much more likely to make a reservation if they are offered the lowest price (Haussman, 2002).

Online Purchase Intention: It is defined as a situation which manifests itself when a customer is willing and intends to involve with the online transaction. (Pavlou, 2003).

Online Trust: Online trust is the willingness of a consumer to be vulnerable to the actions of an online store based on the expectation that the online store will perform a particular action important to the consumer, irrespective of the ability to monitor or control the online store (Mayer & Davis, 1995).   Trust is a very important factor for successful online transaction, and for retaining long-term relationship with consumers.

Perceived Ease-of-use: It is the degree to which a person believes that using a particular system would be free from effort (Davis, Bagozzi & Warshaw, 1989).   The easier and more effortless a technology is, the more likely customers intend to use this technology.

Perceived Privacy: Privacy concerns relate to information use such as the use of personal information, and communication issues like the use of email.   It has been identified as the main obstacles that reduce the end-user's intention to purchase goods or services online (Tavani, 1999).

Perceived Risk: Perceived risk is an uncertainty in the purchase environment where consumers may consider the purchase outcomes and the importance or serious results associated with making a wrong or unsuitable decision (Hunter, Kasouf, Celuch, & Curry, 2004).

Perceived Security:　Perceived security is defined as the subjective probability with which consumers believe that their personal information will not be viewed, stored, and manipulated during transit and storage by inappropriate parties in a manner consistent with their confident expectations (Ramnath, 2003).

Perceived Usefulness:　It is defined by Davis *et al.* (1989) as "the degree to which a person believes that using a particular system would enhance his or her job performance".　"Usefulness" refers to customers' perception that using the Internet as a shopping medium enhances the outcome of their shopping experience.

Willingness to Customize:　The desire to provide customers with anything, anytime, anywhere, in any way they want it (Hart, 1995).
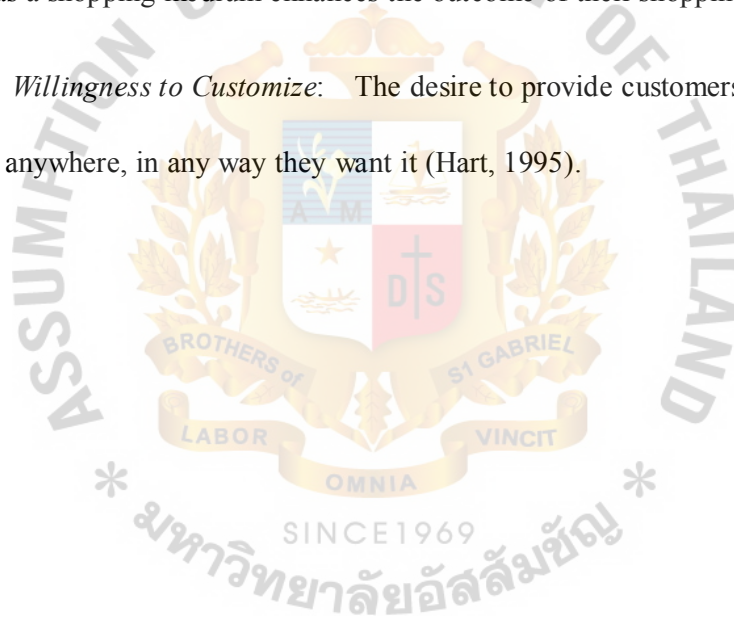
CHAPTER II

REVIEW OF RELATED LITERATURE AND STUDIES

Trust is an important element affecting consumer behavior. This chapter elaborates on the theories and determinants underpinning the formation of online trust, and the relationship between online trust and online purchase intention; the relationship between low fares and purchase intention. This chapter consists of three contents: e-commerce and tourism industry, theories related to variables, and empirical research.

2.1 E-commerce and tourism industry

Since 1990s, commerce on the Internet, or e-commerce, has experienced a rapid growth. E-commerce is an emerging concept that describes the process of buying and selling or exchange of products, services, and information via computer networks including the Internet (Turban, *et al*, 2000). With the enormous improvement of software and the speed of telecommunications, more people than ever will use the Internet as a purchase channel (Connolly, Olsen, & Moore, 1998). The ease of access, abundance of information, and low transaction costs of the web has motivated the tourism industry to provide online travel services. More and more travel agencies have joined e-marketing, which enables travelers to plan and book trips online for appropriate travel price and services such as accommodation,

transportation, meals, guide services and entertainment,. As a matter of fact, purchasing travel-related services has become the most successful business of e-commerce. There was a 54% increase in the number o f people using the Internet to obtain travel information and make travel arrangements from 1998 to 2001 (Gregory & Breiter, 2001). The use of online travel services is now the most popular way travelers plan their trips and other related services. In western countries, use of the Internet has been adopted in the tourism industry for more than 30 years. According to *PhoCusWright's U.S. Online Travel Overview Eighth Edition*, in the U.S., online sales of travel services accounted for more than one-third of total tourism industry revenue, with more than US$90 billion in 2007, and online leisure/unmanaged business travel will grow for 7% annually through 2010.

2.2 Theories related to variables

2.2.1 Online trust

Trust is an important element which affects consumer purchase intention. Trust can be defined as a belief that one party can rely on a word or promise given by another party, and it can also help to develop or maintain a relationship between the two parties (Zaltman & Moorman, 1988). In general, there are many different definitions in different ways. In sociology, trust is institution-based trust, and in social psychology, trust usually refers to trust beliefs and trusting intentions (McKnight, Chervany & Kacmar, 2002). Trust lightens the feelings of uncertainty that arise with the shop is unknown, the shop owners are unknown, the quality of the

product is unknown, and the settlement performance is unknown (Tan & Thoen, 2001). Today, trusted relationship are not created only between people or between people and organizations but also be found between people and computing systems, or people and shopping agents (Lee & Turban, 2001). Online trust is the willingness of a consumer to be vulnerable to the actions of an online store based on the expectation that the online store will perform a particular action important to the consumer, irrespective of the ability to monitor or control the online store (Mayer& Davis, 1995). Trust in electronic ecommerce can depend on the web vendor (interpersonal trust), the web transaction environment (institutional trust) and the end-users' own general trust (dispositional trust) (McKnight, Chervany & Kacmar, 2002).

Unlike traditional purchasing channels, customers making purchases online cannot see, touch, test or feel most of the products or services provided by the online shops before they make a reservation. Moreover, the seller is always unobserved and unknown. Customers might receive the products that are of unacceptable quality from online shop, but also might not even receive the ordered items at all. In addition, the personal and credit card information of a customer may be opened to other unrelated parties during or after the online transactions if the sellers are incapable of protecting the data. Therefore, e-commerce success is determined in part by whether customer trust sellers and products they cannot see or touch, and electronic systems with which they have no previous experience; they

found that merchant integrity is a major positive determinant of customer trust in the Internet shopping, and that its effect is moderated by the individual customer's trust propensity (Lee & Turban, 2001). Trust can benefit companies by reducing their transaction costs, increasing their flexibility and efficiency, and helping them design their future marketing plans or strategies more accurately (Chen& Dhillon, 2003).

The topic of trust has aroused increased interest in Internet business research. The trusted-oriented issues are used to find out the factors which increase the customers' trust, with the framework the practitioners can discover the potential issues for which they should provide arguments and the potential issues that are not addressed in their existing websites (Kim & Benbasat, 2003). Koufairs & Hampton-Sosa (2004) found out perceived company reputation and willingness to customize products and services can significantly affect initial trust. Perceived web site usefulness, ease of use, and security control are also significant antecedents of initial trust.

China has shown popular use of electronic network and information; however, there are widespread concerns on trust factors. According to China National Tourism Administration, electronic communication in tourism appears to be below 1 percent of the total tourism industry revenue in China. Experts say until a system of trust is built, online shopping will not take off in a big way in China (See http://Chinadaily, 2008). A study of online trust will certainly help ones to

understand the problems that might have retarded development of online communication in Chinese tourism, thereby pointing towards success in electronic communication planning in the future.

2.2.2 Online trust and perceived technology

Before discussing how trust can be a significant factor for e-commerce transactions, we have to know how people accept the new technology. One of the most widely used conceptualizations, named Technology Acceptance Model (TAM), and has been used to explain how human beings behave when faced with new technology (Davis, Bagozzi, & Warshaw, 1989). The model suggests that when users are presented with, for instance, new software, a number of variables influence their decisions about how and when they will use it. The model proposes that the users' willingness to use or not to use new technology depends on two key factors: perceived usefulness and perceived ease of use. Over the past decade, several researchers have applied the TAM to examine the usage of information technology (Chen & Dhillon, 2003; Koufaris, 2002; Luo, Luo & Strong, 2000; Mathieson, Peacock & Chinn, 2001; Moon & Kim, 2001). At present, this model is the main theory of technology acceptance in information system research. This model could partly explain the elements affecting consumers' online trust and purchase intentions (Gefen, Karahanna & Straub, 2003; Van der Heijden, Verhagen & Creemers, 2003). Useful and easily understood information on web sites reduces asymmetric information, processes information behavior, lifts the degree of online trust, and

positively influences purchase intention (Koufaris & Hampton-Sosa, 2004).

Monsuwe, Dellaert &de Ruyter (2004) depended on TAM to propose a framework to

find out the relationship between the attitude toward online shopping and intention to

shop online (Purchase Intention). They found that there are many factors which

affect the attitude towards online shopping, such as Usefulness, Ease-of-use and

Enjoyment, etc.

2.2.2.1 Perceived Usefulness

Philips and colleagues (1994) defined perceived usefulness as "the

prospective adopter's subjective probability to his personal and/or the adopting

company's well-being". Perceived usefulness explains the user's perception to the

extent that technology will improve the user's workplace performance (Davis *et al*.

1989). This means the user has a perception of how useful the technology is in

performing his job tasks. This includes decreasing the time for doing the job, more

efficiency and accuracy. Applying the definition of Davis (1989) to this research

context; the individual's performance is the outcome of the online tourism services

shopping experience, and as the new technology that is shopping travel-related

services on the Internet, "usefulness" refers to customers' perception that using the

Internet as a shopping medium enhances the outcome of their shopping experience.

These perceptions influence customers' attitude and intention to purchase on online

shops.

"Usefulness" is also linked with "ease of use" to determine customers'

attitude toward online shopping. According to TAM, "usefulness" is influenced by "ease of use", because the easier a technology is to use, the more useful it can be (Dabholkar, 1996; Davis, 1989; Venkatesh & Davis, 2000).

2.2.2.2 Perceived ease-of-use

This refers to the degree to which a person believes that using a particular technology will be free of effort. Users believe that a given application is useful, but they may, at the same time, believe that the technology is too hard to use and that the performance benefits of usage are outweighed by the effort of using the application (Davis, 1989). Phillips and his colleagues (1994) defined perceived ease of use as 'the degree to which the prospective adopter expects the new technology adopted from a foreign company to be free of effort regarding its transfer and utilization'. Perceived ease of use explains the user's perception of the amount of effort required to utilize the system or the extent to which a user believes that using a particular technology will be effortless. The easier and more effortless a technology is, the more likely customers intend to use this technology. "Ease-of-use" is particularly of influence in the early stages of user experience with a technology or system (Davis, 1989; Davis, Bagozzi & Warshaw, 1992).

2.2.2.3 Enjoyment of technology

Enjoyment is a consistent and strong predictor of attitude toward online

shopping (Childers, Carr, Peck & Carson, 2001). It is regard as a factor motivating a consumer's desire to transact online. (Van der Heijden *et al.*, 2003; Venkatesh & Davis. 2000). It results from the fun and playfulness of the online shopping experience, rather than from shopping task completion. If consumers enjoy their online shopping experience, they have a more positive attitude toward online shopping, and are more likely to adopt the Internet as a shopping medium.

2.2.3 Online trust and perceived risk

Perceived risk is an uncertainty in the purchase environment where consumers may consider the purchase outcomes and the importance or serious results associated with making a wrong or unsuitable decision (Hunter *et al.,* 2004). Online trust can reduce the levels of perceived risk associated with transaction processes (Pavlou, 2003; Koufaris & Hampton-Sosa, 2004). For this research, perceived security and perceived privacy are used to determine the perceived risk. Ramnath (2003) conducted a study and developed a framework to indicate factors such as consumers' perception of privacy and security which influence their trust in online transactions.

2.2.3.1 Perceived security

The lack of security as perceived by online consumers is one of the main obstacles to the development of e-commerce. In the context of the internet, security refers to the perceptions about security regarding the means of payment and the

mechanism for storing and transmission of information (Kolsaker & Payne, 2002). According to the survey by Tyler Nelson Software Interactive (2002), security-related problems are the major barriers that prevent customers from purchasing online. The results show that 30% of respondents who have not purchase online indicated problems regarding credit cards and 28% of those indicated general security concerns as reasons for avoiding online purchase. Shim *et al.* (2001) and Jeong and Lambert (2001) also supported the idea that online retailers need to build secure websites since Internet users hesitate to purchase products or services online due to security concerns. Website could increase customer's online trust by raising security.

2.2.3.2 Perceived privacy

In general, privacy refers to the protection of personal information. Online users are typically concerned about their privacy when engaged in online activities. Thus, privacy concerns relating to information use such as the use of personal information, and communication issues like the use of email, have been identified as the main obstacles that reduce the end-user's intention to purchase goods or services online (Tavani, 1999). Users are afraid that once their personal information is disclosed to other people or unrelated parties, they might loss the benefits that they gain from the online transactions. Schoenbachler and Gordon (2002) suggest that trust is a relevant factor in the end-users' decision whether to disclose their personal information to another party. Granor and Roche (1998)

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showed that when end-users know more of how a company is going to use their data, they feel more comfortable about visiting the company's web site and they may feel that the company is more trustworthy and able to protect their information properly.

2.2.4 Online trust and company competency

A company's competency can also influence consumers' online trust and purchase intention (Balasubramanian, Konana & Menon, 2003; Koufaris & Hampton-Sosa, 2004), including features such as company size, good reputation, willingness to customize. (Kourfaris & Hampton-Sosa, 2004; Patricia & Cannon, 1997). Many firms have responded to these challenges by building long-term relationship with customers and suppliers. Patricia and Cannon (1997) found out supplier size and the supplier's willingness to customize have positive impacts on buying firm trust.

2.2.4.1 Company size

Most consumers assume that a large company has better capabilities to fulfill their wants and demands (Jarvenpaa *et al.*, 2000) and increase their online trust (Koufaris & Hampton-Sasa, 2004). In traditional purchasing channels, a buyer uses size to signal that a supplier can be trusted. The perception of large organizational size implies that other buyers trust the organization and conduct business successfully with it (Doney & Cannon, 1997). Large size signals that the firm should have the necessary expertise and resources for support systems such as

customer and technical services; the existence of these systems encourages trust (Chow & Holden, 1997). Large size might be also used as a signal that the supplier is able to assume the risk of product failure and to compensate buyers accordingly. In addition, large sellers should be able to increase buyers' perception degree of products or services reliability and credibility. Large sellers have more resources invested in their business and hence are perceived by a buyer to have more to lose than smaller firms by acting in an untrustworthy way (Jarvenpaa, S., Tractinsky, & Vitale, 2000).

2.2.4.2 Company reputation

"Reputation" is defined as the extent to which buyers believe a selling organization is honest and concerned about its customers (Doney & Cannon, 1997). A favorable reputation is easily transferable across firms and enhances the credibility of the vendor (Ganesan, 1994). Buyers infer the trustworthiness of a supplier through word-of-mouth and the actions of other consumers. Therefore, the process of transference can be used to predict a positive relationship between supplier reputation and trust of the selling firm. Reputation can increase trust, particularly when the parties have not interacted before and hence do not have firsthand knowledge of each other (McKnight *et al*., 1998). In the Internet marketing context, the reputation of the store will influence perceptions of the online site (Quelch & Klein, 1996; Lohse & Spiller, 1998). The better the company's reputation, the more trustworthy the company is by the customers.

2.2.4.3 Willingness to customize

Willingness to customize can be described as the extent to which the website is willing to tailor or customize products, services and the transactional environment to individual customers and the extent to which the website actively communicates with the individual customers. The perception of a company that is willing to customize has a positive relationship with customers' online trust and loyalty, and drives consumers to more actively participate in transaction processes (Kourfaris & Hampton-Sosa, 2004). Willingness to customize provides evidence that a vendor can be believed, it cares for the relationship, and it is willing to make sacrifices (Ganesan, 1994).

2.2.5 Online trust and purchase intention

Most literature claimed that trust is a very important factor for successful online transaction (such as: Balasubramanian *et al*., 2003; Hoffman *et al*., 1999; Kim & Benbasat, 2003; Koufairs & Hampton-Sosa, 2004; Lee & Turban, 2001; McKnight *et al.*, 2002), and for retaining long-term relationship with consumers (Gefen *et al.,* 2003). Because of the fundamental lack of faith that currently exists between most businesses and customer on the web, customers therefore simply do not trust most web providers enough to engage in relationship exchanges with them (Hoffman, Novak & Peralta, 1999). Lack of trust is one of the most frequently cited reasons for consumers not shopping on the Internet (Lee & Turban, 2001). Trust is one of the major beliefs in explaining user acceptance of online communities.

The researchers found that there was a positive relationship between trust and purchase intention. The higher the degree of consumers' trust, the higher the degree of purchase intentions of consumers, and the easier it is for companies to retain consumers (Jarvenpaa & Tractinsky, 1999; Gefen & Straub, 2004).

2.2.6 Low fares and purchase intention

Price is a crucial element which affects customers' purchase decisions. Poel and Leunis (1999) found out that price significantly relieved perceived risk involved in online shopping. Online travelers are much more likely to make a reservation if they are offered the lowest price (Haussman, 2002). According to the 2001 Annual PhoCusWright Travel Consumer Trends Survey (PhoCusWright, 2001), almost 60% of online consumers cite price as the top reason to purchase travel-related products online and 53% of respondents believed that they get their best deals through online agencies rather than through traditional travel agents or other suppliers. Consequently, price is an important consideration for online customer's purchase decision. Sometimes, even though the customers trust the online agency, but if they can not find low fares, they also do not want to buy on this website.

2.3 Empirical research

2.3.1 Si-qing Liu (2005): A Theoretic Discussion of Tourism E-commerce

After a little more than a decade of experience with e-commerce, the travel

industry has shaken off some of the growing pains associated with childhood and is looking at tools and techniques that reflect the first steps toward adulthood. Depending on this, this research presented a model of e-market structure and process analysis of tourism e-commerce. Through the model, travel and tourism have illustrated how e-commerce may change the structure of an industry, and in the process create new business opportunities. The model reveals why tourism e-commerce is reaching its prime compared with other business. In this research, the tourism e-commerce status quo is given clearly.

2.3.2 Dong Jin Kim, Woo Gon Kim, Jin Soo Han (2004): A perceptual mapping of online travel agencies and preference attributes

Experts believe the travel industry has the greatest potential to adopt e-commerce. More and more travel agencies are offering a point of contact via the world wide web (WWW), which enables customers to search for appropriate travel products and fares. This research aimed to investigate the important choice attributes of online travel agencies from which online customers may select. Nine attributes for selecting online travel agencies are discussed: security, ease of use, finding low fares, useful and relevant content, design and presentation of the website, speed of the website, ability to book all travel services in one transaction, booking flexibility, and sorting option. The researchers found that in terms of the importance of nine online travel agency attributes, finding low fares was the most critical followed by security. Customers considered various attributes

simultaneously, other than bargain price and security. Most people searching the Internet for travel reservations seek bargain airline tickets, hotel rooms, car rental, vacation and cruise packages; therefore, rather than just buying the first available deals, travelers search for price information from more than one online agency and compare the prices. This truism exists because different online travel agencies could offer similar products and services but with widely different prices.

2.3.3 Chen & Barnes (2007): Initial trust and online buyer behavior

This research indicated that online trust is one of the key obstacles to vendors succeeding on the internet medium; a lack of trust is likely to discourage online consumers from participating in e-commerce. Building online trust is an essential component for vendors to succeed in an e-commerce environment where transactions are more impersonal and anonymous. The purpose of this research was to investigate the development of online initial trust by consumers, and the relationships between online initial trust and purchase intentions. This research examines consumers' online initial trust by using four major categories of determinants: perceived technology, perceived risk, company competency, and trust propensity. It suggests that e-vendors should build web sites that are not only useful, secure, and that respect privacy, but that are also trustworthy. Websites can exploit useful techniques or informative content to encourage consumers to feel benevolent and reduce consumers' utilization concerns. Higher perceptions of privacy and security are associated with a promise of safeguards for personal

information.   Web site competency is also an important factor: a good reputation is regarded as a sign of a good and candid company with superior capabilities; willingness to customize is considered as an indication of company's benevolence and consideration of consumers.   Different levels of trust propensity moderate the relationships between consumers' online initial trust and their perceptions of a web site.   Higher degrees of online initial trust and familiarity with online purchasing stimulate higher degrees of consumers' purchase intention.

2.3.4 Salo & Karjaluoto (2007): A conceptual model of trust in the online environment

Since consumers may be apprehensive about buying something they cannot see, touch or feel, trust is a key to overcome the barriers of internet shopping. Hence, the interest of researchers has also turned to examining trust as an important element in successful online businesses.   The objective of this study was to review and further investigate the various factors that influence end-users' trusting beliefs in online   tractions.   The researchers conducted a framework to give an overview of the factors that influence online end-user trust formation.   The proposed framework classified five factors under external factors such as perception of risk, and altogether twelve factors under internal factors such as perceived usefulness, perceived ease of use.   The framework helped researchers to address the various sources of trusting beliefs and represents online trust as a multifaceted construct affecting end-user intention to visit a website.   The researchers proposed that the

actual outcome of trust-enhancing methods in online environments should be the development of long-term trusted customer relationships. The findings claimed that end-users' lack of trust in web vendors is one of the most significant reasons for failures in online businesses. In order to keep electronic business successful, it is important for online companies to develop long-lasting trustful relationships with their users.

2.3.5 Monsuwe et al. (2004): What drives consumer to shop online? A literature review

While a large number of consumers in the US and Europe frequently shop on the Internet, research on what drives consumers to shop online has typically been fragmented. In this paper, the researchers therefore propose a framework to increase researchers' understanding of consumers' attitude toward online shopping and their intention to shop on the Internet. The framework uses the constructs of TAM as a basis, extended by exogenous factors and applies it to the online shopping context. The researchers' review shows that attitude toward online shopping intention to shop online are not only affected by ease of use, usefulness, and enjoyment, but also exogenous factors like consumer traits, situational factors, product characteristics, previous online shopping experiences, and trust in online shopping. In this research, the researchers stated that lack of trust is one of the major reasons for consumers not shopping on the Internet. Thus, in order for consumers to engage in trust-related Internet behavior like online shopping, the

e-vendor must make trust-building interventions such as posting a privacy policy, use a third-party seal, interact with customers, advertise its good reputation, or offer guarantees. Furthermore, Internet retailers must insure that consumers have a positive shopping experience each time the consumer visits the online store.

2.3.6 *Ramnath (2003): Consumer's trust in electronic commerce transactions: the role of perceived privacy and perceived security*

Consumers' trust in their online transactions is vital for the sustained progress and development of electronic commerce. Trust in the transacting entity has always been an important factor in any interactions involving risk. This research proposed that in addition to known factors of trust such a vendor's reputation, consumers' perception of privacy and security influence their trust in online transactions. And the research identified the consumer perception of risk in the EC (Electronic Commerce) transaction as being caused by the consumer's perception of risk to the privacy of her EC transaction and the consumer's perception of risk to the security of her transaction. This research shows that consumers exhibit variability in their perceptions of privacy, security and trust between online and offline transactions even if it is conducted with the same store. This study found that the consumers' perceived privacy and perceived security are indeed distinct constructs but the effect of perceived privacy on trust in EC transactions is strongly mediated by perceived security. A major implication of this research's findings is that while the much studied determinants of trust such as reputation of the

transacting firm should not be neglected, vendors should also engage in efforts to positively influence consumer perceptions of privacy and security.

   2.3.7 Doney & Cannon (1997):   An Examination of the Nature of Trust in Buyer-Seller Relationships

   In the competitive business environments, many firms have responded to the competition by building collaborative relationships with customers and suppliers. Such collaborative relationships rely on relational forms of exchange characterized by high levers of trust.   Supplier firms must make significant investments to develop and maintain customer trust.   For suppliers, the value of such efforts is most apparent when high levels of buyer trust lead to more favorable purchasing outcomes for the supplier.   In this research, the researchers provided new insight into how trust develops and how it influences industrial buying behavior.   The researchers integrate theory developed in several disciplines to determine five cognitive processes through which industrial buyers can develop trust of a supplier firm and its salesperson.   The researchers also examined the impact of supplier firm and salesperson trust on a buying firm's current supplier choice and future purchase intentions.   This study found that several variables influence the development of supplier firm and salesperson trust such as company reputation, size, and willingness to customize.   Trust of the supplier firm and trust of the salesperson influence a buyer's anticipated future interaction with the supplier.   However, after controlling for previous experience and supplier performance, neither trust of the selling firm nor its salesperson influence the current supplier selection decision.

Table 2.1 Summary of Empirical Studies

Name of the researchers (year)	Research topic	Objective of the research	Research methodology	Research findings
Si-qing Liu (2005)	A Theoretic discussion of tourism e-commerce	To present a model of e-market structure and process analysis of tourism e-commerce.	Conceptual approach	Tourism illustrates how ecommerce may change the structure of an industry, and in the process creates new business opportunities.
Dong Jin Kim, Woo Gon Kim, & Jin Soo Han (2004)	A perceptual mapping of online travel agencies and preference attributes	To investigate the important choice attributes of online travel agencies from which online customers may select.	446 survey questionnaires were collected.	In terms of the importance of nine online travel agency attributes, finding low fares was the most critical followed by security.
Chen & Barnes (2007)	Initial trust and online buyer behavior	Investigate the development of online trust by consumers, the relationships between online trust and purchase intentions.	103 survey questionnaires were collected.	Indicated online trust is one of the key obstacles to vendors succeeding on the internet medium; a lack of trust is likely to discourage online consuming.
Salo & Heikki Karjaluoto (2007)	A conceptual model of trust in the online environment	To show that trust is an important factor for successful online transactions.	Conceptual approach	The development of long-term trusted customer relationships is the actual outcome of trust-enhancing methods in online environments.
Monsuwe et al. (2004)	What drives consumer to shop online? A literature review	To increase understanding of consumers' attitudes toward online shopping and their intention to shop on line.	Conceptual approach	Attitude toward online shopping intention are affected by ease of use, usefulness, and enjoyment, also consumer traits, situational factors, product characteristics, previous online shopping experiences, and online trust.
Ramnath (2003)	Consumer's trust in e-commerce transactions: the role of perceived privacy and security.	To propose that in addition to known factors of trust such a vendor's reputation, consumers' perception of privacy and security influence their trust in online transactions.	217 survey questionnaires were collected.	The consumers' perceived privacy and perceived security are indeed distinct constructs but the effect of perceived privacy on trust in EC transactions is strongly mediated by perceived security.
Doney & Cannon (1997)	An examination of the nature of trust in buyer-seller relationships	To provide new insight into how trust develops and how it influences industrial buying behavior.	210 survey questionnaires were collected.	Several variables influence the development of supplier firm and salesperson trust such as company reputation, size, and willingness to customize.

Based on the previous studies shown in Table 2.1, p.36, TAM is useful in estimating customer's online trust upon online purchase intention. Customers' online trust and purchase intention are affected by perceived usefulness, ease-of-use and enjoyment of technology. Moreover, the more a person trusts the website, the less the person will perceive risks associated with online buying. In other words, online trust can reduce the levels of perceived risk associated with transaction process. Competency of the company can also influence customers' online trust. Trust is an important element which affects consumer purchase intention. It can help to develop or maintain a relationship between the two parties. The more the consumers' trust in online companies, the higher the degree they have in their purchase intentions, and the easier it is for companies to retain customers. Moreover, the table shows not only online trust; price is also a crucial factor that affects customers' purchase decisions. Online travelers are much more likely to make an order if they are offered the lowest price.

CHAPTER III

RESEARCH FRAMEWORK

This chapter contains four parts: theoretical framework, conceptual framework, research hypotheses, and the operationalization of variables. Firstly, theoretical framework provides the foundation of this study. Then, the conceptual framework is described to illustrate the direction of the study, showing the relationship of different variables to be tested through hypotheses in this research study. Lastly, the chapter presents the tables demonstrating the operationalization of variables.

3.1 Theoretical framework

A theoretical framework forms a model of how one theorizes the relationship among the several factors that have been identified as important to the problems (Sekaran, 1992). The theoretical framework of this study is based on Chen and Barnes' (2007) Model Of Online Trust And Purchase Intention (See Figure 3.1.). Chen and Barnes (2007) developed this model to investigate how online customers develop their online initial trust and online purchase intentions. Both examined consumers' online initial trust by using four major categories of determinants: perceived technology, perceived risk, company competency, and, trust propensity. They also investigated the impacts of both online initial trust and familiarity with online purchasing on purchase intention. Nevertheless, this

research, through literature review, contends that all the factors—perceived usefulness, perceived security, perceived privacy, perceived reputation, and willingness to customize—are the important antecedents to online initial trust. Other variables, namely perceived ease-of-use, enjoyment of technology, company size and interaction, are not statistically significant. Both online initial trust and familiarity with online purchasing have a positive impact on purchase intention. Especially, familiarity with online transactions is more influential to online purchase intention than online initial trust.

Figure 3.1: The Model of online trust and purchase intention
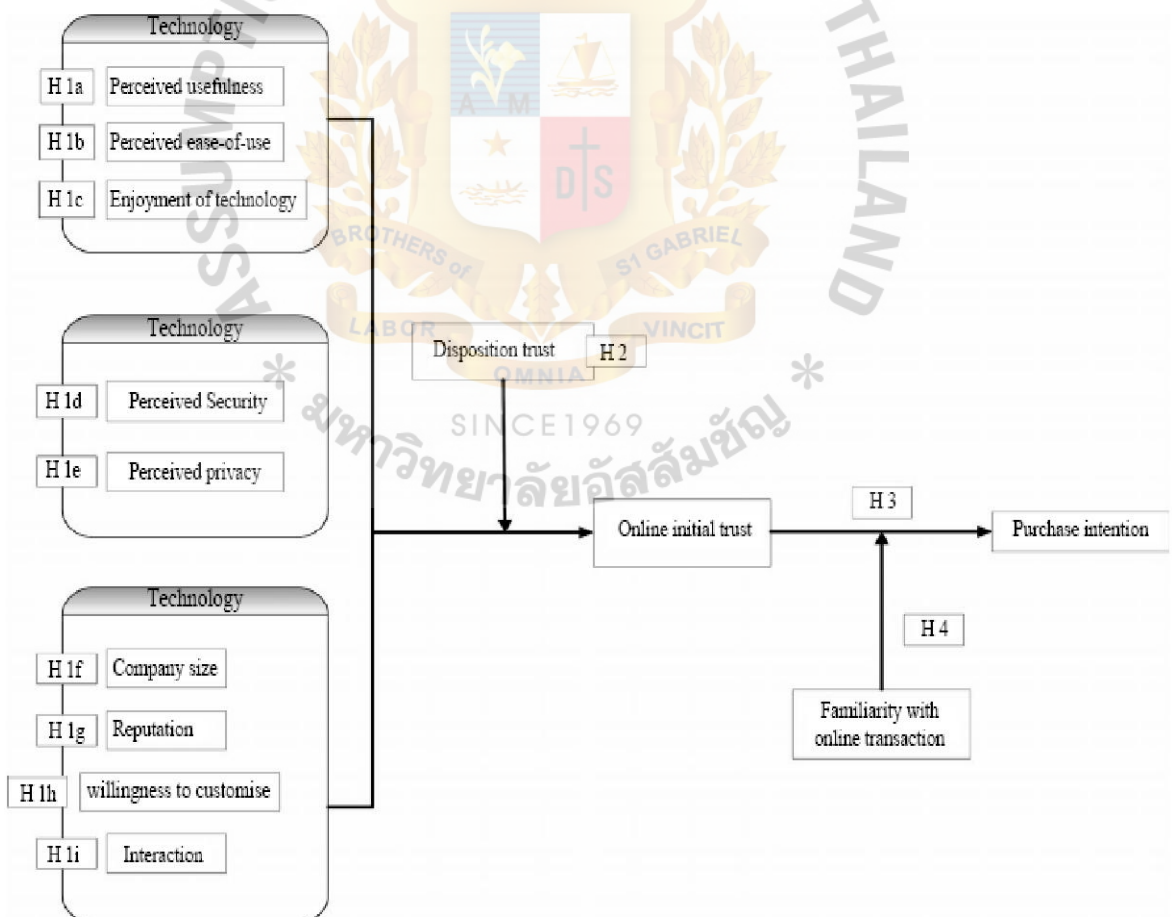
Source: Chen and Barnes. (2007). Initial Trust and Online Behavior. *Industrial Management & Data Systems,* Vol. 107 No. 1, p. 21-36.

3.2 Conceptual Framework

The conceptual framework is created to illustrate the relationship between independent and dependent variables. In this study, independent variables are perceived usefulness, perceived ease-of-use, enjoyment of technology, perceived security, perceived privacy, and company size, reputation of company, willingness to customize and low fares in Ctrip. Online trust and online purchasing intention in Ctrip are dependent variables (See figure 3.2.).

Figure 3.2 The conceptual model of online trust and purchase intention in Ctrip
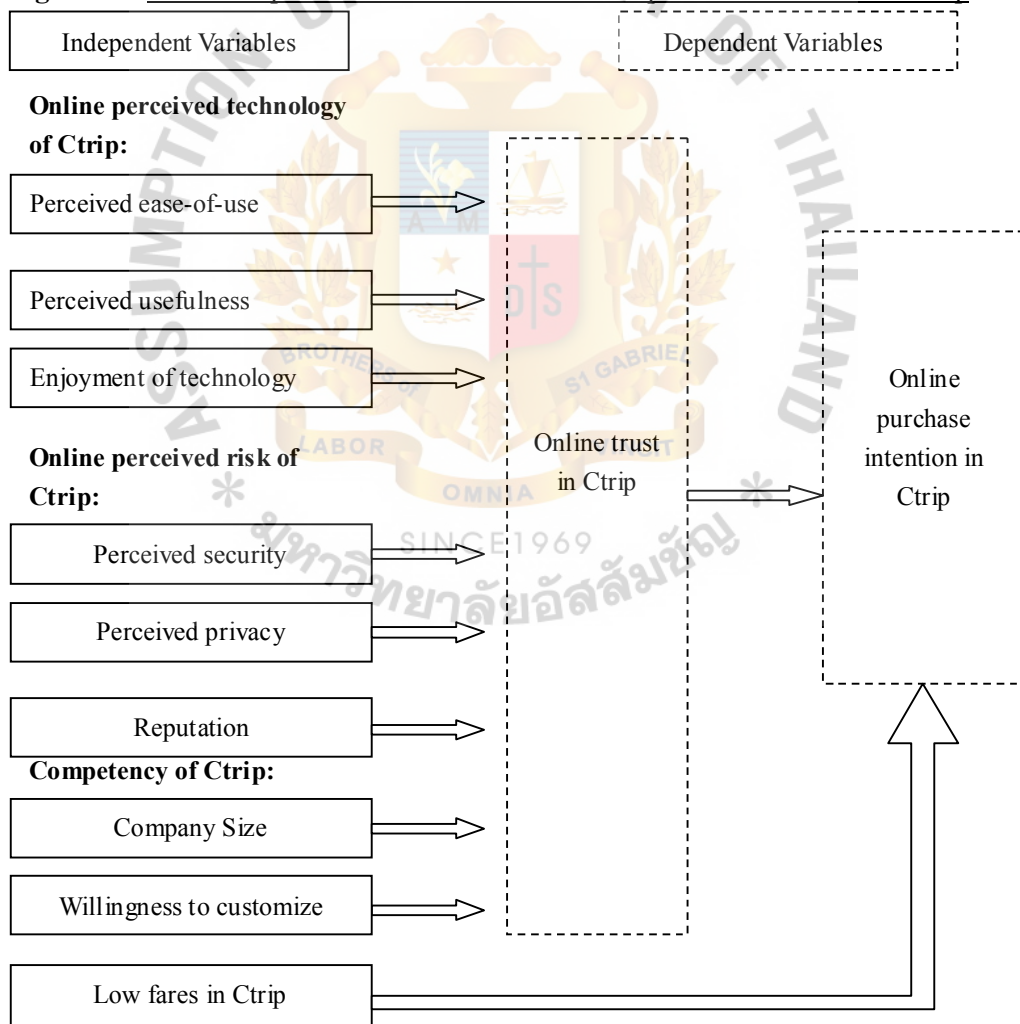
Source: Modified and adopted from Chen & Barnes (2007)

3.2.1 Independent variables

An independent variable is that variable which is presumed to affect or determine a dependent variable. It can be changed as required, and its values do not represent a problem requiring explanation in an analysis, but are taken simply as given. More generally, the independent variable is the thing that someone actively changes.

3.2.1.1 Online perceived technology of Ctrip

a) Perceived usefulness

Perceived usefulness is defined as people tend to use or not to use an application to the extent they believe it will help them perform their job better (Davis, Bagozzi & Warshaw, 1989). This means the user has a perception of how useful the technology is in performing his job tasks. This includes decreasing the time for doing the job, more efficiency and accuracy.

b) Perceived ease-of-use

Perceived ease of use explains the user's perception of the amount of effort required to utilize the system or the extent to which a user believes that using a particular technology will be effortless (Davis, Bagozzi & Warshaw, 1989). In a simplified manner, it can be stated that "ease-of-use" is how easy the Internet as a shopping medium is to use.

c) Enjoyment of technology

Enjoyment of technology is regarded as a factor motivating a consumer's desire to transact online (Venkatesh & Davis, 2000; Van der Heijden, Verhagen & Creemers, 2003). If consumers enjoy their online shopping experience and feel fun, they have a more positive attitude toward online shopping, and are more likely to adopt the Internet as a shopping medium.

3.2.1.2 Online perceived risk of Ctrip

a) Perceived security

Perceived security is the extent to which one believes that the web is secure for transmitting sensitive information, such as credit card or social security number. Security is a vendor's guarantee that such information is safe during transmission and subsequent storage (Culnan, 2000). Key security concerns involve third-party illegal access to consumers' personal and financial information (Miyazaki & Fernandez, 2000).

b) Perceived privacy

Perceived privacy is concerned with making customers feel comfortable with disclosing personal information. Privacy is the extent to which they control their own information in all types of cyberspace exchanges (Byford, 1998).

3.2.1.3 Competency of Ctrip

a) Company size

Most consumers assume that a large company has better capabilities to fulfill their wants and demands (Jarvenpaa, Tractinsky & Vitale, 2000). Large size signals that the firm should have the necessary expertise and resources for support systems such as customer and technical services.

b) Reputation of company

Reputation is the extent to which buyers believe that the selling organization is honest and concerned about its customers (Doney & Cannon, 1997). In general, reputation may be considered as the result of the organization's relational history with the context in which it functions. Reputation may influence how consumers perceive a firm's products compared to those of competing companies and, therefore, it may affect consumer purchasing behavior.

c) Willingness to customize

Willingness to customize can be described as the extent to which the website is willing to tailor or customize products, services and the transactional environment to individual customers and the extent to which the website actively communicates with the individual customers.

3.2.1.4 Low fares in Ctrip

Price is a crucial factor that affects customers' purchase decisions. Poel and Leunis (1999) found out that price significantly relieved perceived risk involved in online shopping. Online travelers are much more likely to make a reservation if they are offered the lowest price (Haussman, 2002).

3.2.2 Dependent variables

A dependent variable is a variable dependent on another variable: the independent variable. In simple terms, the independent variable is said to cause an apparent change in, or simply affect, the dependent variable. In generally, the dependent variable is the thing that changes as a result. In this research, online trust and online purchase intention in Ctrip are the dependent variables.

3.2.2.1 Online trust in Ctrip

Online trust is a belief that one party can rely on a word or promise given by another party on the Internet. In this research, it means whether the customers trust Ctrip and lead to purchase.

3.2.2.2 Online purchase intention in Ctrip

Online purchase intention in this research means whether the customer of Ctrip is willing and intent to buy the tourism products from Ctrip.

3.3 Research Hypotheses

Hypothesis is a testable proposition about the relationship between two or more variables (Zikmund, 2003). In its simplest form, a hypothesis is a guess. With statistical techniques, we are able to decide whether or not our theoretical hypotheses are confirmed by the empirical evidence.

H1o: The relationship between perceived usefulness and online trust in Ctrip is not significant.

H1a: The relationship between perceived usefulness and online trust in Ctrip is significant.

H2o: The relationship between perceived ease-of-use and online trust in Ctrip is not significant.

H2a: The relationship between perceived ease-of-use and online trust in Ctrip is significant.

H3o: The relationship between perceived enjoyment of technology and online trust in Ctrip is not significant.

H3a: The relationship between perceived enjoyment of technology and online trust in Ctrip is significant.

H4o: The relationship between perceived security and online trust in Ctrip is not significant.

H4a: The relationship between perceived security and online trust in Ctrip is significant.

H5o: The relationship between perceived privacy and online trust in Ctrip is not

significant.

H5a: The relationship between perceived privacy and online trust in Ctrip is significant.

H6o: The relationship between company size and online trust in Ctrip is not significant.

H6a: The relationship between company size and online trust in Ctrip is significant.

H7o: The relationship between company reputation and online trust in Ctrip is not significant.

H7a: The relationship between company reputation and online trust in Ctrip is significant.

H8o: The relationship between willingness to customize and online trust in Ctrip is not significant.

H8a: The relationship between willingness to customize and online trust in Ctrip is significant.

H9o: The relationship between online trust and online purchase intention in Ctrip is not significant.

H9a: The relationship between online trust and online purchase intention in Ctrip is significant.

H10o: The relationship between low fares and online purchase intention in Ctrip is not significant.

H10a: The relationship between low fares and online purchase intention in Ctrip is significant.

3.4 Operationalization of Variables

Operational definition given by Zikmund (2003) is defined as given meaning to a concept specifying the activities or operations necessary to be measured. It explains what the concept is. It is a demonstration of a process. Operational definitions assist the researcher to specify the rules for assigning numbers.

Table 3.1 Operationalization of General profile

General profile	Conceptual Definition	Operational Components	Level of Measurement	Q N o.
Gender	Sexual identity	- Male - Female	Nominal	1
Age	Age of respondents	- Below 18 - 19-25 - 26-35 - 36-45 - Above 45	Ordinal	2
Education	Education level of respondents	- High school - 3-year college or Bachelor degree - Master degree - Ph.D. - Other	Ordinal	3
Occupation	Occupation of respondents	- Student - Company employee - Government employee - Self-employed - Retiree - Other	Nominal	4
Income(Yuan)	Monthly income of respondents	- Less than 2000 - 2001-4000 - 4001-6000 - More than 6000	Ordinal	5

(Continued)

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Table 3.2 Operationalization of Independent Variables

Independent Variables	Conceptual Definition	Operational Components	Level of Measurement	Q No.
Perceived usefulness	Online effectiveness is helping the customers to accomplish their shopping.	- Useful information - Facilitate shopping decision-making - Shopping effectiveness	Interval Scale	6-8
Perceived easy-of-use	The Internet as a shopping medium is easy to use.	- Easy to find the information - Easy to place the orders - Easy to cancel the orders - Easy to pay	Interval Scale	9-12
Perceived enjoyment of technology	User enjoys his online shopping experience and feels fun online.	- Acceptance of technology - Satisfied with the technology	Interval Scale	13-14
Perceived security	It is secure for transmitting user's sensitive information, such as credit card or social security number on Ctrip.	- Enough online security - Safe online payment - Safe to send data	Interval Scale	15-17
Perceived privacy	Ctrip protects user's personal information.	- Abide by personal data protection laws - Not provide personal information to other companies without customer's consent - Not use unsuitable methods to collect consumers' personal data	Interval Scale	18-20

(Continued)

Table 3.2 <u>Operationalization of Independent Variables continued</u>

Independent Variables	Conceptual Definition	Operational Components	Level of Measurement	Q No.
Company size	Scope magnitude of Ctrip	- Large company - Large marketplace presence - Large web site with more resources and capabilities	Interval Scale	21-23
Company reputation	The general estimation in which Ctrip is held by the public.	- Good reputation in e-marketplace - Well-known and reliable - Be concerned about consumers	Interval Scale	24-26
Willingness to customize	The willingness of Ctrip to tailor or customize products, services, transactional environment to individual customers.	- Feel oneself as a unique customer - Send tailored advertisements and promotions to customers - Actively communicate with customers	Interval scale	27-29
Low fares	Ctrip provides low price to the customers.	- Provide lowest price - Choose Ctrip without caring about price	Interval Scale	30-31

(Continued)

Table 3.3 Operationalization of Dependent Variables

Dependent Variables	Conceptual Definition	Operational Component	Level of Measurement	Q No.
Online trust	A belief that user can rely on a word or promise given by the website on the Internet	- Believe the information - Believe the personal information protection - Believe the website keeps consumers' interests in mind. - Trustworthy and honest - More secure and reliable than other websites	Interval Scale	32-36
Purchase intention online	A customer is willing and intent to buy the products again from the website.	- Be likely to buy in future - Intend to use this website - Predict that I should use this website in the future	Interval Scale	37-39

CHAPTER Ⅳ

RESEARCH METHODOLOGY

This chapter aims to present the research methodology that will be used in this research. It contains research methods used, respondents and sampling procedures, research instruments/questionnaires, collection of data/gathering procedures, pre-testing, statistical treatment of data and statistical tests used.

4.1 Research methods

This research is a survey research which used the descriptive method. Descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. Descriptive studies are based on some previous understanding of the nature of the research problem and attempts to determine the extent of differences in the needs, perceptions, attitudes, and characteristics of subgroups (Zikmund, 2003). Descriptive research answers the questions who, what, where, when and how. The process of making the survey in this research is made by the sample frame of Chinese people who are experienced in using internet to purchase travel-related services via Ctrip. The participants have to answer several questions of personal nature, and then fill out the remaining parts of the five-point Likert scale questionnaire. The survey will distribute 384 samples to the respondents.

4.2 Respondents and Sampling procedures

Respondents are the persons who provide answers to written questions in a self-administered survey (Zikmund, 2003). Sampling procedures are the process from which samples are collected from the respondents. The following part will explain how the respondents were chosen and how the sampling was processed.

4.2.1 Target population

The target population of this research is the Chinese people, who are experienced in using Internet to purchase travel-related services via Ctrip from June to August, 2009.

4.2.2 Sample size

Sample size means how many people should be surveyed. Large samples obviously give more reliable results. According to Ctrip, the number of its registered users is over 19 million by the end of December, 2008. Furthermore, according to the table of Theoretical Sample Size for different size of population and a 95 percent level of certainty (Anderson, 1998), the appropriate size of this research would be 384 (See Table 4.1.).

Table 4.1: Theoretical Sample Size for different size of population and a 95 percent level of certainty

Population (Sampling Frame)	Require Sample for Tolerable Error			
	5%	4%	3%	2%
100	79	85	91	96
500	217	272	340	413
1,000	277	375	516	705
5,000	356	535	897	1,622
50,000	381	593	1,044	2,290
100,000	382	596	1,055	2,344
1,000,000	384	599	1,065	2,344
25,000,000	384	600	1,067	2,400

Source: Anderson (1998), G. *Fundamental of Educational Research*

4.2.3 *Sampling procedures*

In this research, a convenience sampling method was conducted to determine respondents. Convenience sampling is the sampling procedure used to obtain a large number of completed questionnaires quickly and economically (Zikmund, 2003).

The researchers gave the questionnaires to any Chinese, who are experienced in using Internet to purchase travel-related services via Ctrip from June to August, 2009. After that, the researcher could get the summarization of the investigations or the surveys.

The questionnaire was distributed via the Internet; the respondents were chosen in the communication forum, or instant chat software, such as QQ and MSN.

354 questionnaires were collected by QQ, and 30 by MSN to get total 384 questionnaires.

4.3 Research Instrument/Questionnaire

This research used a questionnaire as the main survey research instrument. The researcher used self-administered questionnaire to investigate Chinese e-travelers' online trust and online purchase intention. The formation of questionnaire is conducted based on the theoretical framework, the previous study and the interview. All questions were responded to the statement of problems and hypotheses. The questionnaire in this study consisted of two parts.

Part Ⅰ : <u>Profile of respondents</u>

This part consisted of five questions which aimed to investigate respondents' general information such as age, gender, income, occupation and education.

Part Ⅱ : <u>Factors upon online purchase intention</u>

This part constituted thirty-four (34) questions which are divided into eleven (11) aspects to investigate the factors that influence online trust upon online purchase intention. The five-point Likert scale is used for measurement in this part. The levels of agreement by respondents range are as follows: 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree

4.4 Collection of Data/ Gathering Procedures

In this study, the researcher used both primary and secondary data.

4.4.1 Collection of primary data

The researcher conducted a survey to collect the primary data for this study. A self-administered questionnaire was distributed to the respondents who meet the above criteria in China via Internet.   The collection period was from June to August 2009.

4.4.2 Collection of secondary data

In order to support this research, the researcher collected the secondary data from many sources such as journals, text books, e-news, newspaper articles, statistic from China National Tourism Administration website and China Internet Network Information Center Web site, etc.

4.5 Pre-test and Reliability Test

Pre-testing is a trial run with a group of the respondents for the purpose of detecting problems in the questionnaire instructions or design (Zikmund, 2003). The Pre-testing process allows the researchers to determine if the respondents have any difficulty in understanding the questionnaire and whether there are any ambiguous or biased questions (Zikmund, 2003).   Cronbach's Reliability Test is used in the pretest to examine the variability of questionnaire.   Results that are less than 0.60 are generally considered to be poor, those in the 0.70 range, to be

acceptable, and those over 0.80 to be good (Kotler & Clarke, 1987). The researcher

conducted a pretest by distributing thirty questionnaires to the respondents, who are

experienced in using internet to purchase travel-related services via Ctrip from

March, 2009. The result of reliability analysis in this research is shown in table

4.2.

Table 4.2 Result of reliability analysis

Operational dimensions	Number of items	Number of cases	Reliability
Perceived usefulness	3	30	.842
Perceived ease-of-use	4	30	.627
Perceived enjoyment of technology	2	30	.628
Perceived security	3	30	.713
Perceived privacy	3	30	.711
Company size	3	30	.908
Company reputation	3	30	.878
Willingness to customize	3	30	.703
Low fares	2	30	.675
Online trust	5	30	.805
Purchase intention	3	30	.837

Based on Cronbach's Coefficient Alpha scale, the questionnaire is

considered reliable. Table 4.2 shows the Cronbach's α of each construct of the

questionnaire. Company size has the highest reliability with 0.908, followed by

company reputation with 0.878, perceived usefulness with 0.842, purchase intention

with 0.837, online trust with 0.805, perceived security with 0.713, perceived privacy

with 0.711, willingness to customize with 0.703, low fares with 0.675, perceived

enjoyment of technology with 0.628, and the lowest is perceived ease-of-use with

0.627. Furthermore, the questionnaire was developed by the previous studies and

interview with the target population, so the content is valid.

4.6 Statistical Treatment of Data

The result of 384 questionnaires was entered into a data file, and be processed by Statistical Package for the Social Science (SPSS) version 11.5.

4.6.1 Descriptive Statistics

Descriptive Statistics are used to describe the basic features of the data gathered from an experimental study in various ways. The statistics used to describe or summarize information about a population or sample (Zikmund, 2003). The calculation form of average mean, frequency distributions, and percentage distributions was used in this study.

4.6.2 Inferential Statistics

Inferential statistics comprises the use of statistics to make inferences concerning some unknown aspects of a population. In this study, the researcher will use SPSS to do the statistic analysis. And Pearson correlation was used. Pearson correlation is a statistical test that assesses the strength of the relationship between two quantifiable data variables (Saunders, M., Lewis, P., & Thornhill. 2003). The correlation coefficient (r) ranges from +1.0 to -1.0. If the value (r) is 1.0, a perfect negative linear relationship or a perfect inverse relationship is indicated. No correlation is indicated if r = 0. A correlation coefficient demonstrates both the magnitude and direction of the relationship.

4.7 Statistical Tests used

Table 4.3 <u>Summary of statistical test to be used</u>

Hypotheses	Statement	Statistical Test
Hypothesis 1	The relationship between perceived usefulness and online trust in Ctrip is not significant.	Pearson Correlation
Hypothesis 2	The relationship between perceived ease-of-use and online trust in Ctrip is not significant.	Pearson Correlation
Hypothesis 3	The relationship between perceived enjoyment of technology and online trust in Ctrip is not significant.	Pearson Correlation
Hypothesis 4	The relationship between perceived security and online trust in Ctrip is not significant.	Pearson Correlation
Hypothesis 5	The relationship between perceived privacy and online trust in Ctrip is not significant.	Pearson Correlation
Hypothesis 6	The relationship between company size and online trust in Ctrip is not significant.	Pearson Correlation
Hypothesis 7	The relationship between company reputation and online trust in Ctrip is not significant.	Pearson Correlation
Hypothesis 8	The relationship between willingness to customize and online trust in Ctrip is not significant.	Pearson Correlation
Hypothesis 9	The relationship between online trust and online purchase intention in Ctrip is not significant.	Pearson Correlation
Hypothesis 10	The relationship between low fares and online purchase intention in Ctrip is not significant.	Pearson Correlation

CHAPTER V

PRESENTATION OF DATA AND CTRITICAL DISCUSSION OF RESULT

This chapter will present the data analysis based on the survey of 384 respondents and explain the results. The findings are based on SPSS analysis. In this chapter, the analysis is generated into three sections: 1) descriptive statistics 2) reliability analysis of questionnaire 3) hypotheses testing.

5.1 Descriptive statistics of the study

Descriptive statistics refer to the transformation of the raw data into a form that will make them easy to understand and interpret. The calculation of the average, the frequency distribution and the percentage distribution is the most common form of summarizing data (Zikmund, 2003).

In this section, the data analyses are presented in two parts. In the first part, frequency and percentage distribution are used to describe the demographic characteristics of the respondents. The second part is the analysis of the factors that influence online trust and online purchase intention by using average mean and standard deviation.

5.1.1 The analyses of demographic characteristics of respondents by using frequency and percentage distribution

Five variables of demographic were collected from the respondents:

gender, age, occupation, education level, and income level. All the variables were

presented in the tables and figures below.

5.1.1.1 Gender

Table 5.1 shows that the 384 respondents of this research include 257 (or

66.9%) male respondents and 127 (or 33.1%) female respondents.   The majority of

respondents in this study are male.

Table 5.1 Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	257	66.9	66.9	66.9
	female	127	33.1	33.1	100.0
	Total	384	100.0	100.0	

5.1.1.2 Age

Table 5.2 shows that the majority of respondents are in the age range of

26-35 years old (203 or 52.9%).   It is followed by age level of 19-25 years old (146

or 38.0%).   Respondents who are '36-45 years' old are 24 (6.3%) of total sample.

Only 7 (1.8%) respondents are below 18 years old and 4 (1.0%) respondents are

above 45 years old.

Table 5.2 Age (years)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 18	7	1.8	1.8	1.8
	19-25	146	38.0	38.0	39.8
	26-35	203	52.9	52.9	92.7
	36-45	24	6.3	6.3	99.0
	above45	4	1.0	1.0	100.0
	Total	384	100.0	100.0	

5.1.1.3 Education

Table 5.3 shows that the majority of respondents' education level is 3 year college - bachelor degree, which is equal to 321(83.6%) of total sample. It is followed by master degree (36 or 9.4%). The others are 16 (4.2%) of other, 6 (1.6%) of high school, and lastly 5 (1.3%) of PhD.

Table 5.3 <u>Education</u>

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	high school	6	1.6	1.6	1.6
	3 year college-bachelor	321	83.6	83.6	85.2
	master	36	9.4	9.4	94.5
	PhD	5	1.3	1.3	95.8
	others	16	4.2	4.2	100.0
	Total	384	100.0	100.0	

5.1.1.4 Occupation

Table 5.4 shows that the majority of respondents' occupation is company employee, which is equal to 220 or 57.3%. It is followed by 135 (35.2%) of government employees. The others are 17 (4.4%) of students, 8 (2.1%) of self-employed, 3 (0.8%) of other occupations and only 1(0.3%) retiree.

Table 5.4 <u>Occupation</u>

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	student	17	4.4	4.4	4.4
	company employee	220	57.3	57.3	61.7
	government employee	135	35.2	35.2	96.9
	self-employed	8	2.1	2.1	99.0
	retiree	1	.3	.3	99.2
	others	3	.8	.8	100.0
	Total	384	100.0	100.0	

5.1.1.5 Income/ month (Chinese Yuan)

Table 5.5 shows the monthly income of the respondents. A total of 144 (37.5%) respondents earn 2001-4000 Yuan per month followed by 137 (35.7%) respondents 'less than 2000'. Next rank of income is 4001-6000 Yuan which is equal to 58 or 15.1%. In addition, the lastly rank of income is 'more than 6000' Yuan which is equal to 45 or 11.7%.

Table 5.5 <u>Income/month (Chinese Yuan)</u>

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 2000	137	35.7	35.7	35.7
	2001-4000	144	37.5	37.5	73.2
	4001-6000	58	15.1	15.1	88.3
	more than 6000	45	11.7	11.7	100.0
	Total	384	100.0	100.0	

5.1.2 The analysis of factors that influence online trust and purchase intention by using average mean and standard deviation

The second part of the questionnaire investigates the factors that influence online trust and online purchase intention. The respondents are provided with a five-point scale as follows:

1= strongly disagree, 2= disagree, 3= neither agree or disagree

4= agree, 5= strongly agree

5.1.2.1 Descriptive Statistics of the factors that affect online trust

In order to investigate how e-travelers form their online trust, the first section of this part asked the questions about the factors that influence users' online trust. Table 5.6 shows the descriptive statistics of the factors that affect online trust based on mean response. 'Ctrip is a large company' is of the highest mean of 3.68. It indicates that the respondents think and agree that Ctrip is a large company. 'Easy to find the information' ranks the second highest mean of 3.64. It indicated that the respondents also think the information given by Ctrip website is easy to search and find. 'Send tailored advertisements and promotions to customers' is of the lowest mean of 3.08. It indicates that Ctrip should send more tailored advertisements and promotions to the respondents to provide evidence that the website can be trusted.

Table 5.6 Descriptive Statistics of the factors that affect online trust

Descriptive Statistics

	N	Mean	Std. Deviation
Useful information	384	3.60	.821
Facilitate shopping	384	3.54	.863
Shopping effectiveness	384	3.59	.880
Easy to find the information	384	**3.64**	.879
Easy to place the orders	384	3.56	.862
Easy to cancel the orders	384	3.35	.885
Easy to pay	384	3.58	.881
Acceptance of technology	384	3.59	.829
Satisfied with the technology	384	3.60	.765
Enough online security	384	3.41	.828
Safe online payment	384	3.32	.836
Safe to send data	384	3.19	.891
Abide by personal data protection laws	384	3.53	.899
Not provide personal information to other companies	384	3.43	.920
Not use unsuitable methods to collect consumers' personal data	384	3.42	.791
Large company	384	**3.68**	.830
Large marketplace presence	384	3.52	.867
Large web site with more resources and capabilities	384	3.58	.835
Good reputation	384	3.55	.819
Well-known and reliable	384	3.56	.880
consider about the customers	384	3.57	.737
Feel oneself as a unique customer	384	3.29	.866
Send tailored advertisements and promotions to customers	384	**3.08**	.919
Actively communicate with customers	384	3.27	.903
Valid N (listwise)	384		

5.1.2.2 Descriptive Statistics of online trust that affect online purchase intention

In order to identify the relationship between online trust and online purchase intention, the second section of this part asked about the questions of users' online trust of Ctrip website. Table 5.7 shows that 'Believe the information' is of the highest mean of 3.51. It indicated that the respondents believed the information given by Ctrip website. And followed by 'More secure and reliable than other websites (3.45)' and 'Trust worthy and honest (3.44)'.

Table 5.7 The analysis of online trust that affect online purchase intention

Descriptive Statistics

	N	Mean	Std. Deviation
Believe the information	384	**3.51**	.858
Believe the personal information protection	384	3.37	.845
Believe Ctrip keeping the customers' interest in mind	384	3.39	.884
Trustworthy and honest	384	3.44	.862
More secure and reliable than other websites	384	3.45	.816
Valid N (listwise)	384		

5.1.2.3 Descriptive Statistics of low fares that affect online purchase intention

In order to identify the relationship between low fares and online purchase intention, the third section of this part asked the questions of the price provided by Ctrip. Table 5.8 shows that the highest mean was 3.11 of Ctrip providing lowest price. The other was 3.04 of choosing Ctrip without caring about price. Based on

five-point Likert scale, 3 means neither agree nor disagree; therefore the result of this

section can be concluded that the respondents neither agree nor disagree Ctrip

provides the lowest price and they also care about the price when they choose the

online travel agency to shop.

Table 5.8 The analysis of low fares that affect online purchase intention

Descriptive Statistics

	N	Mean	Std. Deviation
Provide lowest price	384	3.11	.930
Choose Ctrip without caring about price	384	3.04	.977
Valid N (listwise)	384		

5.1.2.4 Descriptive Statistics of respondents' online purchase

intention

The last section of this part asked the questions about respondents' online

purchase intention.   Table 5.9 shows 'It is likely that I will transact with Ctrip in the

near future' is of the highest mean of 3.62. The others were 3.59 of Given the

chance, I predict that I should use Ctip's website in the future and 3.55 of Given

chance and I intend to use Ctrip's website. The result indicated that the respondents

are likelihood to transact with Ctrip in the future.

Table 5.9 The analysis of respondents' online purchase intention

Descriptive Statistics

	N	Mean	Std. Deviation
It is likely that I will transact with Ctrip in the near future.	384	3.62	.831
Given the chance, I intend to use Ctrip's website.	384	3.55	.907
Given the chance, I predict that I should use Ctrip's website in the future.	384	3.59	.822
Valid N (listwise)	384		

80

5.2 Reliability Analysis of the Questionnaire

The research used Cronbach's (α) to investigate the reliability of each construct in the questionnaire. All of α coefficients achieved at least 0.6; therefore, the questionnaire used in this research is reliable and consistent (Sekaran, 1992). Table 5.10 shows that online trust is of the highest reliability with 0.891, followed by purchase intention with 0.886, perceived privacy with 0.861, perceived security with 0.855, company size with 0.854, willingness to customize with 0.821, company reputation with 0.813, perceived ease-of-use with 0.808, perceived usefulness with 0.802, perceived enjoyment of technology with 0.801, and the lowest is low fares with 0.771.

Table 5.10 Result of reliability analysis

Operational dimensions	Number of items	Number of cases	Reliability
Perceived usefulness	3	384	.802
Perceived ease-of-use	4	384	.808
Perceived enjoyment of technology	2	384	.801
Perceived security	3	384	.855
Perceived privacy	3	384	.861
Company size	3	384	.854
Company reputation	3	384	.813
Willingness to customize	3	384	.821
Low fares	2	384	.771
Online trust	5	384	.891
Online purchase intention	3	384	.886

5.3 Hypothesis Testing

Hypothesis testing is the use of statistics to determine the probability that a given hypothesis is true (Lind, Marchal & Wathen, 2005).

In this research, ten hypotheses were developed by using Pearson Correlation, which are related to both independent and dependent variables based on the modified conceptual framework.   Table 5.11 shows the R-value and strength of association.

Table 5.11 <u>R-value & Strength of Association</u>

Correlation (r)	Interpretation
0.81 to 1.00	Very strong
0.61 to 0.80	Strong
0.41 to 0.60	Moderate
0.21 to 0.40	Weak
0.00 to 0.20	Very weak

Source: Salkind, J. N. (2002) *Exploring Research,*

5.3.1 Hypothesis 1

Ho1: The relationship between perceived usefulness and online trust in Ctrip is not

significant.

Ha1: The relationship between perceived usefulness and online trust in Ctrip is

significant.

Table 5.12 <u>Relationship between perceived usefulness and online trust</u>

		COMPU	COMOT
COMPU	Pearson Correlation	1	.557(**)
	Sig. (2-tailed)	.	.000
	N	384	384
COMOT	Pearson Correlation	.557(**)	1
	Sig. (2-tailed)	.000	.
	N	384	384

** Correlation is significant at the 0.01 level (2-tailed).

As indicated in Table 5.12, the result from the Pearson correlation analysis shows that the sig. is equal .000, which is less than .001. It meant that null hypothesis was rejected and there may be a statistical relationship between perceived usefulness and online trust. The coefficient of correlation between perceived usefulness and online trust was .557. It means that there was a moderately positive relationship between perceived usefulness and online trust.

5.3.2 Hypothesis 2

Ho2: The relationship between perceived ease-of-use and online trust in Ctrip is not significant.

Ha2: The relationship between perceived ease-of-use and online trust in Ctrip is significant.

Table 5.13 Relationship between perceived ease-of-use and online trust

		COMPEU	COMOT
COMPEU	Pearson Correlation	1	.591(**)
	Sig. (2-tailed)	.	.000
	N	384	384
COMOT	Pearson Correlation	.591(**)	1
	Sig. (2-tailed)	.000	.
	N	384	384

** Correlation is significant at the 0.01 level (2-tailed).

As indicated in Table 5.13, the result from the Pearson correlation analysis shows that the sig. is equal .000, which is less than .001. It means that null hypothesis was rejected and there may be a statistical relationship between perceived ease-of-use and online trust. The coefficient of correlation between perceived usefulness and online trust was .591. It means that there was a moderately positive

relationship between perceived ease-of-use and online trust.

    5.3.3 Hypothesis 3

Ho3: The relationship between perceived enjoyment of technology and online trust

    in Ctrip is not significant.

Ha3: The relationship between perceived enjoyment of technology and online trust

    in Ctrip is significant.

Table 5.14 Relationship between perceived enjoyment of technology and online trust

		COMPET	COMOT
COMPET	Pearson Correlation	1	.586(**)
	Sig. (2-tailed)	.	.000
	N	384	384
COMOT	Pearson Correlation	.586(**)	1
	Sig. (2-tailed)	.000	.
	N	384	384

** Correlation is significant at the 0.01 level (2-tailed).

    As indicated in Table 5.14, the result from the Pearson correlation analysis

shows that the sig. is equal .000, which is less than .001. It means that null

hypothesis was rejected and there may be a statistical relationship between perceived

enjoyment of technology and online trust. The coefficient of correlation between

perceived enjoyment of technology and online trust was .586. It means that there

was a moderately positive relationship between perceived enjoyment of technology

and online trust.

5.3.4 Hypothesis 4

Ho4: The relationship between perceived security and online trust in Ctrip is not

significant.

Ha4: The relationship between perceived security and online trust in Ctrip is

significant.

Table 5.15 Relationship between perceived security and online trust

		COMPS	COMOT
COMPS	Pearson Correlation	1	.703(**)
	Sig. (2-tailed)	.	.000
	N	384	384
COMOT	Pearson Correlation	.703(**)	1
	Sig. (2-tailed)	.000	.
	N	384	384

** Correlation is significant at the 0.01 level (2-tailed).

As indicated in Table 5.15, the result from the Pearson correlation analysis shows that the sig. is equal .000, which is less than .001. It means that null hypothesis was rejected and there may be a statistical relationship between perceived security and online trust. The coefficient of correlation between perceived security and online trust was .703. It means that there was a strongly positive relationship between perceived security and online trust.

5.3.5 Hypothesis 5

Ho5: The relationship between perceived privacy and online trust in Ctrip is not significant.

Ha5: The relationship between perceived privacy and online trust in Ctrip is significant.

Table 5.16 Relationship between perceived privacy and online trust

		COMPP	COMOT
COMPP	Pearson Correlation	1	.681(**)
	Sig. (2-tailed)	.	.000
	N	384	384
COMOT	Pearson Correlation	.681(**)	1
	Sig. (2-tailed)	.000	.
	N	384	384

** Correlation is significant at the 0.01 level (2-tailed).

As indicated in Table 5.16, the result from the Pearson correlation analysis shows that the sig. is equal .000, which is less than .001. It means that null hypothesis was rejected and there may be a statistical relationship between perceived privacy and online trust. The coefficient of correlation between perceived security and online trust was .681. It means that there was a strongly positive relationship between perceived privacy and online trust.

5.3.6 Hypothesis 6

Ho6: The relationship between company size and online trust in Ctrip is not significant.

Ha6: The relationship between company size and online trust in Ctrip is significant

Table 5.17 <u>Relationship between company size and online trust</u>

		COMCS	COMOT
COMCS	Pearson Correlation	1	.672(**)
	Sig. (2-tailed)	.	.000
	N	384	384
COMOT	Pearson Correlation	.672(**)	1
	Sig. (2-tailed)	.000	.
	N	384	384

** Correlation is significant at the 0.01 level (2-tailed).

As indicated in Table 5.17, the result from the Pearson correlation analysis shows that the sig. is equal .000, which is less than .001. It means that null hypothesis was rejected and there may be a statistical relationship between company size and online trust. The coefficient of correlation between company size and online trust was .672. It means that there was a strongly positive relationship between company size and online trust.

5.3.7 Hypothesis 7

Ho7: The relationship between company reputation and online trust in Ctrip is not significant.

Ha7: The relationship between company reputation and online trust in Ctrip is significant.

Table 5.18 <u>Relationship between company reputation and online trust</u>

		COMCR	COMOT
COMCR	Pearson Correlation	1	.672(**)
	Sig. (2-tailed)	.	.000
	N	384	384
COMOT	Pearson Correlation	.672(**)	1
	Sig. (2-tailed)	.000	.
	N	384	384

** Correlation is significant at the 0.01 level (2-tailed).

As indicated in Table 5.18, the result from the Pearson correlation analysis shows that the sig. is equal .000, which is less than .001. It means that null hypothesis was rejected and there may be a statistical relationship between company reputation and online trust. The coefficient of correlation between company reputation and online trust was .672. It means that there was a strongly positive relationship between company reputation and online trust.

5.4.8 Hypothesis 8

Ho8: The relationship between willingness to customize and online trust in Ctrip is

not significant.

Ha8: The relationship between willingness to customize and online trust in Ctrip is

significant.

Table 5.19 Relationship between willingness to customize and online trust

		COMWTC	COMOT
COMWTC	Pearson Correlation	1	.707(**)
	Sig. (2-tailed)	.	.000
	N	384	384
COMOT	Pearson Correlation	.707(**)	1
	Sig. (2-tailed)	.000	.
	N	384	384

** Correlation is significant at the 0.01 level (2-tailed).

As indicated in Table 5.19, the result from the Pearson correlation analysis shows that the sig. is equal .000, which is less than .001. It means that null hypothesis was rejected and there may be a statistical relationship between willingness to customize and online trust. The coefficient of correlation between willingness to customize and online trust was .707. It means that there was a strongly positive relationship between willingness to customize and online trust.

5.3.9 Hypothesis 9

Ho9: The relationship between online trust and online purchase intention in Ctrip is

not significant.

Ha9: The relationship between online trust and online purchase intention in Ctrip is

significant.

Table 5.20 Relationship between online trust and online purchase intention

		COMOT	COMOPI
COMOT	Pearson Correlation	1	.716(**)
	Sig. (2-tailed)	.	.000
	N	384	384
COMOPI	Pearson Correlation	.716(**)	1
	Sig. (2-tailed)	.000	.
	N	384	384

** Correlation is significant at the 0.01 level (2-tailed).

As indicated in Table 5.20, the result from the Pearson correlation analysis

shows that the sig. is equal .000, which is less than .001. It means that null

hypothesis was rejected and there may be a statistical relationship between online

trust and online purchase intention. The coefficient of correlation between online

trust and online purchase intention was .716. It means that there was a strongly

positive relationship between online trust and online purchase intention. The higher

the degree of consumers' trusts, the higher the degree of purchase intentions of

consumers.

5.3.10 Hypothesis 10

Ho10: The relationship between low fares and online purchase intention in Ctrip is

not significant.

Ha10: The relationship between low fares and online purchase intention in Ctrip is

significant.

Table 5.21 Relationship between low fares and online purchase intention

		COMLF	COMOPI
COMLF	Pearson Correlation	1	.631(**)
	Sig. (2-tailed)	.	.000
	N	384	384
COMOPI	Pearson Correlation	.631(**)	1
	Sig. (2-tailed)	.000	.
	N	384	384

** Correlation is significant at the 0.01 level (2-tailed).

As indicated in Table 5.21, the result from the Pearson correlation analysis

shows that the sig. is equal .000, which is less than .001. It means that null

hypothesis was rejected and there may be a statistical relationship between low fares

and online purchase intention. The coefficient of correlation between low fares and

online purchase intention was .631. It means that there was a strongly positive

relationship between low fares and online purchase intention.

CHAPTER VI

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter contains four parts: summary, discussion, conclusion, recommendations and further research. Firstly, a summary and discussion of the finding results of demographic factors and hypotheses testing. Secondly, a conclusion of this researches outcomes along with recommendations for Ctrip and all e-travel agencies in China. Lastly, the researcher will give the suggestions for the further research.

6.1 Summary of findings

In this section, 384 useable questionnaires were collected and analyzed. The summary of findings is presented in two parts: demographic factors and hypotheses testing.

6.1.1 Summary of the findings of demographic factors

Five factors of demographic were summarized in Table 6.1 which are gender, age, occupation, education level, and income level. Frequency and percentage distribution were used to describe the demographic factors of respondents. Out of 384 respondents, 66.9% were male and 33.1% were female. Male sample appears to be more inclined to purchase travel related services on the Ctrip website

than its counterpart. The largest age group in the samples is those between 26-35 years old, representing by 52.9% of the respondents. When considering respondents' education background, 83.6% hold 3 year college/ Bachelor Degree. Most of the respondents are company employees accounted for 57.3%. The majority of respondents' income level is 2001 to 4000 Yuan which was equal to 37.5%. The data prove that high educational young people and salaried operational company employees who would care about the price are the population who like shopping travel related services online most.

Table 6.1 Summary of the findings of demographic factors

Demographic factors	The majority group of respondents	Highest percentage of total
Gender	Male	66.9%
Age	26-35 years old	52.9%
Education	3 year college - bachelor degree	83.6%
Occupation	Company employee	57.3%
Income	2001-4000 Yuan	37.5%

6.1.2 Summary of the findings of hypotheses testing

In this study, based on the collected data, ten hypotheses have been developed by using Pearson Correlation. The results of hypotheses testing were shown in the Table 6.2. It indicated all the null hypotheses were rejected in this research. It means all the correlations in this research were significant (p< 0.01).

Table 6.2 <u>Summary of the findings of hypotheses testing</u>

Hypotheses	Statistical Technique	Testing Result	Coefficient of Correlation
H1: The relationship between perceived usefulness and online trust in Ctrip is not significant.	Pearson's Correlation	Reject	0.557
H2: The relationship between perceived ease-of-use and online trust in Ctrip is not significant.	Pearson's Correlation	Reject	0.591
H3: The relationship between perceived enjoyment of technology and online trust in Ctrip is not significant.	Pearson's Correlation	Reject	0.586
H4: The relationship between perceived security and online trust in Ctrip is not significant.	Pearson's Correlation	Reject	0.703
H5: The relationship between perceived privacy and online trust in Ctrip is not significant.	Pearson's Correlation	Reject	0.681
H6: The relationship between company size and online trust in Ctrip is not significant.	Pearson's Correlation	Reject	0.672
H7: The relationship between company reputation and online trust in Ctrip is not significant.	Pearson's Correlation	Reject	0.672
H8: The relationship between willingness to customize and online trust in Ctrip is not significant.	Pearson's Correlation	Reject	0.707
H9: The relationship between online trust and online purchase intention in Ctrip is not significant.	Pearson's Correlation	Reject	0.716
H10: The relationship between low fares and online purchase intention in Ctrip is not significant.	Pearson's Correlation	Reject	0.631

6.2 Discussion

Based on the experienced study, the acceptance of new technology could partly affect consumers' online trust and purchase intentions. (Gefen *et al*. 2003; Van der Heijden *et al*. 2003).   Useful and easily understood information on web sites reduces asymmetric information, processes information behavior, lifts the degree of online trust, and positively influences purchase intention (Koufaris & Hampton-Sosa, 2004); enjoyment in technology is positively significant to online trust (Monsuwe *et al*., 2004).   In this study, the researcher also found that perceived technology of the Ctrip website in terms of perceived usefulness, perceived ease-of-use, and perceived enjoyment of technology had a moderately positive relationship with online trust accounted for 0.557(H1), 0.591(H2) and 0.586(H3) of the correlation coefficient respectively.   Ease of use more significantly influenced online trust than usefulness and enjoyment of technology in this study.   The easier and more effortless the technology of Ctrip website is, the more likely customers intend to use this technology.   "Usefulness" and "enjoyment" are influenced by "ease of use", because the easier a technology is to use, the more useful and enjoyment it can be (Dabholkar, 1996; Davis, 1989; Venkatesh & Davis, 2000).   "Ease-of-use" is particularly of influence in the early stages of user experience with a technology or system (Davis, 1989; Davis *et al*., 1992).

Turning to the perceived risk, it has a significantly positive relationship with online trust (Jarvenpaa & Tractinsky, 1999; Sally, 2006).   For this study,

perceived security and perceived privacy are used to determine the perceived risk. Perceived security could increase customer's online trust by decreasing perceived environmental risks or by raising security (Avinandan & Prithwiraj, 2007; Chen & Barnes, 2007; Connolly & Bannister, 2008; Ha, 2004; Luis, Carlos & Miguel, 2007; Ramnath, 2003). Privacy protection has been found to be a primary factor influencing customers' online trust (Avinandan & Prithwiraj, 2007; Chen & Barnes, 2007; Ha, 2004; Luis *et al*, 2007; Ramnath, 2003). In this study, in terms of perceived risk of Ctrip website category, perceived security and perceived privacy had strongly positive influences on Ctrip users' online trust. The coefficients of correlation were 0.703(H4) and 0.681(H5) respectively. Perceived security and privacy are the key determinants affecting consumers' online trust in Ctrip. The first and most necessary step in the development of consumer online trust is to provide them the guarantee that their personal information will be safeguarded. Ctrip needs to build secure websites since Internet users hesitate to purchase products or services online due to security concerns and show to the end-users that how Ctrip is going to use their data, to make them feel that Ctrip is more trustworthy and able to protect their information properly.

Company competency can also influence customers' online trust (Balasubramanian *et al*., 2003; Koufaris & Hampton-Sosa, 2004). Patricia and Cannon (1997) found out supplier size and the supplier's willingness to customize have positive impacts on buying firm trust. Moreover, reputation is positively

related with online trust (Jarvenpaa & Tractinsky, 1999; Jin *et al.*, 2008; Luis *et al.*, 2007; Ramnath, 2003; Salo & Karjaluoto, 2007). Regarding the company competency of Ctrip in this study, company size, reputation, and willingness to customize also had strongly positive relationships with online trust. The coefficients of correlation were 0.672(H6), 0.672(H7) and 0.707(H8) respectively. Users believed that a company's willingness to customize their products or services was an indicator of a company's capabilities, resources, and benevolence or concerns toward its consumers and attracted consumers to engage in transactions and strengthened online trust (Koufaris & Hampton-Sosa, 2004). Online consumers also believed that if a company has a big marketplace and a good reputation in the e-travel marketplace, then a website is more trustworthy.

Online trust is an important element toward customers' buying behavior, the higher the degree of consumers' trust, the higher the degree of purchase intentions of consumers, and the easier it is for companies to retain consumers (Gefen & Straub, 2004; Jarvenpaa & Tractinsky, 1999). Based on the experienced study and hypothesis testing in this study, the researcher found that there was strong positive relationship between online trust and online purchase intention with 0.716 of coefficient of correlation (H9). The online purchase intention will be high when online trust is high.

In addition, the results also supported the statement that price was positively related to online purchase intention. Price is a crucial factor that affects customers' purchase decisions. Online travelers are much more likely to make a reservation if they are offered the lowest price (Haussman, 2002). In this study, the coefficient of correlation between low fares and online purchase intention was .631(H10). It means that there was a strongly positive relationship between low fares and online purchase intention. Not only online trust will affect purchase intention, but price also will be an important consideration for online customer's purchase decision.

6.3 Conclusion of the research study based on objectives

According to a new Nielsen study, the use of online travel services is now the most popular way consumers purchase their travel tickets and other travel-related services. Even when travelers do not make their reservations online, they do visit online travel websites to find specific travel information. The travel industry has great potential to adopt e-commerce. More and more travel agencies are offering a point of contact via the World Wide Web, which enables customers to search for appropriate travel products and fares. Unlike traditional agencies purchasing channels, travelers making purchasing on the e-travel agencies are not able to touch, feel or test most of the products or services provided by the online travel agencies before they make an order. Therefore, e-commerce success of travel agencies is determined in part by whether travelers trust sellers and products they cannot see or

touch, and electronic systems.   Building online trust is an essential component for e-travel agencies to succeed in an e-commerce environment where transactions are more impersonal as this affects consumers' purchase intentions.   The purpose of this research was to investigate how Chinese e-travelers develop their online trust and online purchase intention through their electronic communication with Ctrip.com.   Based on the theoretical studies, the research model was created and then tested in the context of online travel agency in Ctrip by distributing questionnaires.   The researcher wrapped up the research findings to achieve the three objectives as presented below.

Objective 1: To investigate how e-travelers develop their online trust in Ctrip.

When it comes to e-travelers' online trust in Ctrip, an acceptable level of security and privacy is necessary.   Perceived security and perceived privacy had strongly positive influences on Ctrip users' online trust.   Websites could increase customers' online trust by raising transaction security and privacy protection.   In addition, this study also supported the statement that a company's competency in terms of company size, reputation, and willingness to customize also influence consumers' online trust (Balasubramanian *et al.*, 2003; Koufaris & Hampton-Sosa, 2004).   Company size, reputation, and willingness to customize had strongly positive relationships with online trust in Ctrip.   The characteristics of big size, good reputation, and willingness to customize of a company provide evidence that the seller can be trusted.   However, the users of Ctrip don't care too much about the

technology that provided by website in terms of its usefulness, easy-of-use and enjoyment of technology. Perceived usefulness, ease-of-use and enjoyment of technology just had moderate positive relationship with online trust in Ctrip. The perceived technology could partly affect consumers' online trust in Ctrip.

Objective 2: To identify the relationship between e-travelers' online trust and online purchase intention.

This study supports the statement that online trust is an important element which affects customers' online purchase intention (Gefen & Straub, 2004; Jarvenpaa & Tractinsky, 1999). The more the customers trust in Ctrip, the higher the degree they have in their purchase intentions. There is a strongly positive relationship between e-travelers' online trust and online purchase intention in Ctrip.

Objective 3: To indentify the relationship between low fares and e-travelers' online purchase intention.

This research also supported the statement that price is a crucial factor that affects customers' purchase decisions (Haussman, 2002). Most people searching the Internet for travel reservations seek bargain airline tickets, hotel rooms, car rental and vacation. Online travelers are much more likely to make a reservation if they are offered the lowest price. There was also a strongly positive relationship between low fares and online purchase intention. Price is also an important consideration for online customer's purchase decision.

Additionally, based on this research, the researcher found that male sample appears more likely to purchase travel related services on Ctrip website than female sample. In China, there are more business men than business women. Young people age from 26 to 35 years old who are the main internet users in China and the company employees, low income who more care about price and with high education level who are more acceptable of new technology are the most people who like to shop on the Ctrip website the most.

6.4 Recommendations

With rapid advances in interactive technology and the growing popularity of the WWW in China, Internet shopping is touted as the latest revolution in marketing and sales. This growing popularity also has offered both opportunities and challenges to the Chinese travel industry. Some travel agencies have been trying to establish their brand names and enlarge their market segment through the Internet. Ctrip is a leading online travel service provider of hotel accommodations, airline tickets and packaged tours in China. As a leader for online travel agency in China, Ctrip will give a good lesson to all Chinese online travel agencies. Therefore, not only Ctrip but also other online travel agencies in China can gain the benefits from this research result. Based on this research, the online travel agencies can find their own weaknesses and strengths, know how to build high degree online trust and make a success in China e-tourism market.

6.4.1 Recommendations to Ctrip

6.4.1.1 Forming travelers' online trust upon online purchase intention

Regarding the trust formation process in this research, the major determinants of Chinese online travelers' perceptions of online trust are: willingness to customize, perceived security, perceived privacy, company reputation, company size, perceived ease-of-use, perceived enjoyment of technology, and perceived usefulness.   Among the selected eight factors, "willingness to customize" proved the most critical one to the Chinese e-travelers' online trust.   E-travelers' characters also affect their trust toward online purchase intention; therefore, the online travel agencies should not treat all consumers alike.   For instance, they can contact with customers by email, mobile messages, suggesting purchase recommendation that match customers' needs, sending them tailored advertisement and promotion. Offering package deals to customers, the deals have to be as customizable as possible so that the deals satisfy customers' individual needs.   They also can provide active communication system of prompt response and effective dialogue with customers.   Willingness to customize provides evidence that the website can be trusted, it cares for the relationship and it is willing to satisfy the customers.   It helps to strengthen customers' online trust.

Other than e-travel agencies' willingness to customize, Chinese online travelers consider other various attributes as well.   In terms of importance when

purchasing on online travel agencies, the respondents ranked security second and privacy third. When it comes to e-commerce, an acceptable level of security and privacy is necessary. Even if credit card fraud and privacy no longer present a primary obstacle for online purchasing, online consumers still refrain from making final transactions with online travel agencies due to their privacy and security concerns. Thus online travel agencies should develop strategies to assure customers of the security and privacy of their websites and online transactions. If an online travel agency can provide a safe and private online transaction channel that benefits its visitors, the visitors would ultimately reward the website with purchases. For instance, online travel agencies should have knowledgeable contact employees who can be contacted by the online purchaser if need be, and provide their online visitors with a sense of security and privacy. Educating potential customers leads to less fear and more successful transactions via the Internet. Furthermore, the information that the consumer provides must be secure from hackers, and any internal database generated from such transactions must be used judiciously to make consumers feel confident and trust that his or her information is safe and will be used ethically and appropriately or providing customers with a virtual tour option, showing available facilities, and giving travelers access to customer reviews by other travelers to add their senses of security and trust. In addition, as a matter of fact, more than half of the Chinese online customers in this sample use offline payment methods such as making payment on delivery, postal order, and bank transfer (CNNIC, 2005). In China, there is not a well-built bank credit system yet. Thus,

building an offline payment system is crucial for online travel agencies in China. It can help to build the consumers' confidence to buy online and make them trust it is safe to shop on the online travel agencies.

Not only online travel agencies' willingness to customize, perceived security and privacy are important in building consumers' online trust, but company reputation, size, perceived ease-of use, usefulness, and enjoyment of technology also will influence consumers' online trust. Therefore, in order for online travelers to engage in online shopping, the online travel agencies must make trust-building interventions such as advertising its good reputation, products and services, linking to other reputable sites, emphasizing the enjoyable aspect of shopping on the Internet in company's promotion, building a functional website to help users easy to search for services and useful information or maintaining the ability to book all travel services including transportation, accommodation and activities in one transaction.

6.4.1.2 Increasing travelers' online purchase intention by building their online trust

The findings of this study propose that prior literature is consistent in claiming that e-travelers' lack of trust in e-travel agencies is one of the most significant reasons for failures in online travel businesses in China. The higher the degree of e-travelers' trust in websites, the higher the degree of their purchase intentions. In order to keep electronic tourism businesses successful, it is important

for online travel agencies to develop long-lasting trustful relationships with the online travelers. Although China has shown her popular use of electronic network and information, there are widespread concerns on trust factors. Therefore, Chinese e-travelers require more and highly positive perceptions toward the websites in order to enhance their online trust. Ctrip should pay attention to the trust formation process and engage in trust enhancing activities. Managers could use this research results, and the trust-building processes, to manage the websites.

6.4.1.3 Increasing e-travelers' online purchase intention by providing low fares

The test result of hypothesis 10 of this research shows that when the sample Chinese e-travelers are purchasing in the online travel agency, their purchase intention is not only strongly influenced by online trust, but is also significantly predicted by price. Based on the result of analysis of demographic characteristics of respondents, this research found that most of the respondents are government and company employees who are with low level income. And, also because of different online travel agencies could offer similar products and services but with wildly different prices. Therefore, rather than just buying the first available deals, the respondents search for price information from more than one online agency and compare the prices. Thus, online travel agencies should garner greater success by helping potential customers find low fares through upgrading price search software and notifying customers by email, cell phone and so on. In addition, by

automatically suggesting cheaper alternatives, such as different departure times or adjacent airports to save money on airline tickets, agencies can offer better prices for their visitors and make more sales. Such options benefit business travelers, but mostly help those vacationing travelers for pleasure who have flexible schedules and make up a large percentage of online shoppers, who remain more likely to purchase reservations from customer-friendly, bargain websites.

6.4.2 Recommendations to Chinese online travelers

Shopping online can save time and economize on effort by easily searching useful information, locating merchants, finding items, and procuring offering. It also helps to reduce cost. Travelers can gain a lot of benefit from online shopping. For Chinese online travelers, when they want to shop online, they should choose some online travel agencies which have big name websites, good reputations and willingness to satisfy customers. They also should note these websites' payment system and make sure it is safe. Especially for the new online shoppers, they can consider the other customers' experience and the experience can give them a valuable suggestion when they shop online. In addition, online travelers should compare the prices among these online travel agencies, especially for those travelers who have flexible schedules.

6.5 Further Research

A number of limitations and recommendations for future research can be suggested. One limitation is the sample for this study was only selected from the users of Ctrip website. Therefore, future research should be conducted at any other online travel agencies. Secondly, the research is unable to include all the variables that affect online purchase intention; Further research can also investigate other factors influencing online purchase intention, such as familiarity with the website, the payment system, and product quality. Lastly, further research can also examine other possible elements affecting online trust, such as online service, website quality, product varieties and marketing tactics.
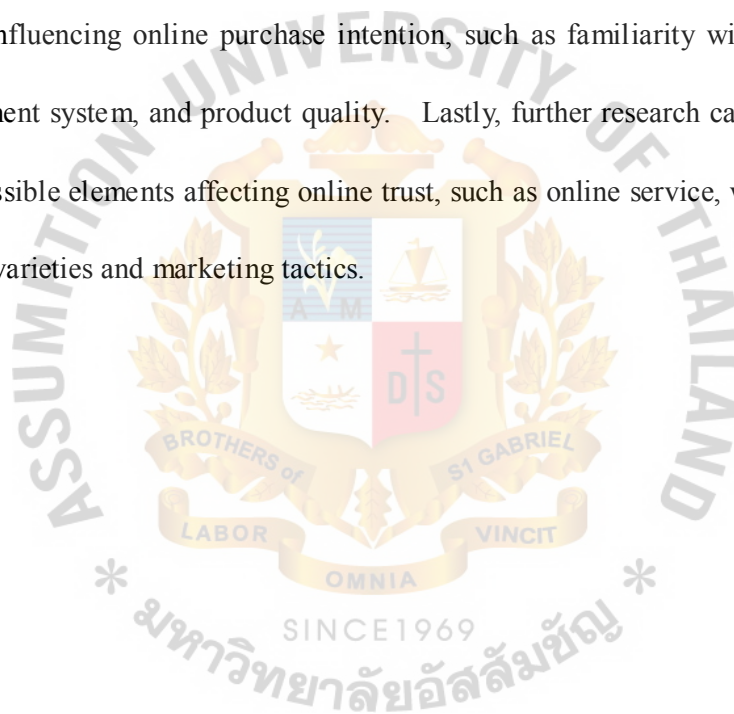
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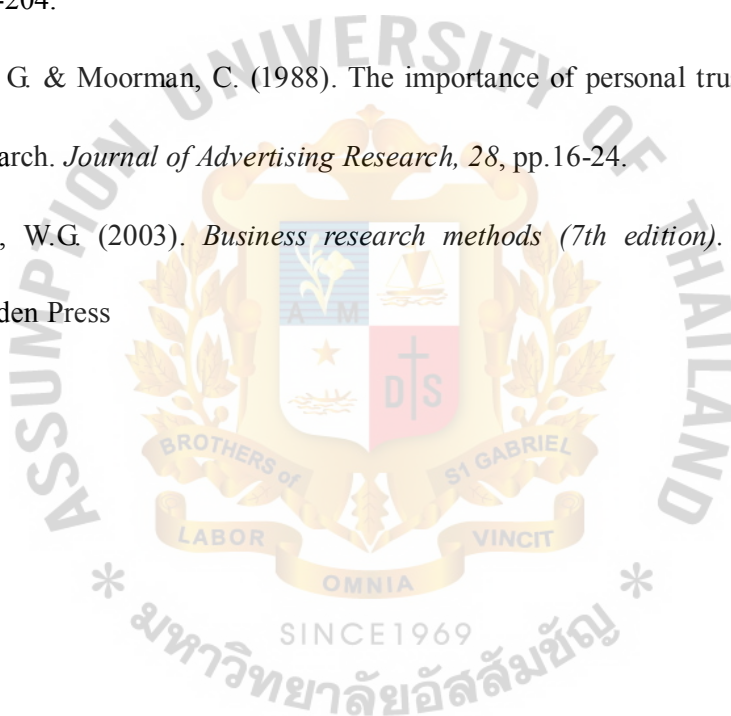
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English Questionnaire Sample

SURVEY QUESTIONNAIRE

Dear Respondents:

This questionnaire is a part of graduate research for the degree of Master's of Business Administration in Tourism Management. The research aims to gain understandings of online communication in Chinese tourism, thereby pointing towards improvement of electronic communication planning in the future. Thirty-nine (39) questions below are close-ending questionnaire, and should require you 10 minutes to finish the response. Your responses will be treated as confidential.

Thank you for your time and responses in this questionnaire.

Sincerely Yours

Miss Lili Fu
Graduate Student-researcher

◆ Are you experienced in using Internet to purchase travel-related services via http://ctrip.com?

_____Yes   _____No (If 'NO', end the questionnaire)

Part I: General profile

The following are some personal questions about you which will be used for statistical purpose only. Your answers will be held in the strictly confidential. (Please give only one answer for each question)

1. Gender
   ☐☐Male   ☐☐Female
2. Age group
   ☐ Below 18 ☐☐19-25   ☐☐26-35   ☐☐36-45☐☐Above 45
3. Education level
   ☐☐High school   ☐☐3- year college or☐Bachelor degree ☐☐☐Master degree
   ☐☐PhD   ☐☐Other_____ (please specify)
4. Occupation
   ☐☐Student   ☐☐Company   employee   ☐☐Government   employee
   ☐☐Self-employed   ☐☐Retiree   ☐☐Other_____(please specify)
5. Monthly income (Yuan)
   ☐☐Less than 2000   ☐☐2001-4000   ☐☐4001-6000   ☐☐More than 6000

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Part II. Factors towards online trust and purchase intention

Please tick only one of your choices of agreement from strongly disagree to *strongly agree* where:

1 = Strongly Disagree; 2 = Disagree; 3 = Neither Agree nor Disagree;

4 = Agree; and 5= Strongly Agree

	Items	Strongly disagree 1	Disagree 2	Neither agree nor disagree 3	Agree 4	Strongly Agree 5
I. Perceived usefulness of Ctrip.com (Ctrip)						
6	The information on Ctrip is useful for buying the products that it sells (e.g. information of flights, hotels).	1	2	3	4	5
7	The information on Ctrip facilitates decision-making processes.	1	2	3	4	5
8	Using Ctrip can increase my shopping effectiveness (e.g. booking all travel services in one transaction, high speed of the website).	1	2	3	4	5
II. Perceived ease of use of Ctrip						
9	It is easy to find the useful information on Ctrip.	1	2	3	4	5
10	It is easy to place the orders on Ctrip.	1	2	3	4	5
11	It is easy to cancel the orders on Ctrip.	1	2	3	4	5
12	It is easy to pay on Ctrip.	1	2	3	4	5
□. *Perceived enjoyment of technology of Ctrip*						
13	The pleasing process of using technology on Ctrip improves my acceptance of it (e.g., booking quickly).	1	2	3	4	5
14	I am satisfied with the technology when purchasing online, such as 24 hours accessibility, easy payment procedure.	1	2	3	4	5
□. *Perceived security of Ctrip*						
15	Ctrip presents enough online security.	1	2	3	4	5
16	Online payment on Ctrip is safe.	1	2	3	4	5
17	When I send the personal information to Ctrip, I am sure Ctrip has the ability to solve problems from hackers.	1	2	3	4	5
□. *Perceived privacy of Ctrip*						
18	Ctrip is abided by personal data protection law.	1	2	3	4	5
19	I think Ctrip will not disclose my personal information to other companies without my	1	2	3	4	5

	consent.					
20	Ctrip will not use unsuitable methods to collect my personal data.	1	2	3	4	5
▢. *Company size of Ctrip*						
21	Ctrip is a large company.	1	2	3	4	5
22	Ctrip has a large presence in the e-travel marketplace.	1	2	3	4	5
23	I think Ctrip, as a large web site, owns more resources and capabilities.	1	2	3	4	5
▢.*Company reputation of Ctrip*						
24	Ctrip has a good reputation in the e-travel marketplace.	1	2	3	4	5
25	Ctrip is well-known and reliable.	1	2	3	4	5
26	Crip is known to be concerned about customers.	1	2	3	4	5
▢. *Willingness to customize of Ctrip*						
27	Ctrip makes me feel that I am a unique customer (e.g purchase recommendations that match my needs).	1	2	3	4	5
28	The advertisements and promotions that Ctrip sends to me are tailored to my situation.	1	2	3	4	5
29	Ctrip provides active communication system of prompt response and effective dialogue.	1	2	3	4	5
▢. *Low fares in Ctrip*						
30	Ctrip always provides the lowest price.	1	2	3	4	5
31	Compared with other websites, even the price is not the lowest, I will still purchase on Ctirp.	1	2	3	4	5
▢. *Online trust of Ctrip*						
32	I believe in the information that Ctrip provides to me.	1	2	3	4	5
33	I feel safe when I send personal information to Ctrip.	1	2	3	4	5
34	I believe Ctrip keeps my best interests in mind.	1	2	3	4	5
35	Ctrip is trustworthy and honest.	1	2	3	4	5
36	Compared to other websites, Ctrip is more secure and reliable.	1	2	3	4	5
▢. *Purchase intention online*						
37	It is likely that I will transact with Ctrip in the near future.	1	2	3	4	5
38	Given the chance, I intend to use this website.	1	2	3	4	5
39	Given the chance, I predict that I should use this website in the future.	1	2	3	4	5

Thank you for your participation!

Chinese Questionnaire Sample
网络信任度调查问卷

您好：

我是泰国易三仓大学 MBA-旅游管理专业的一名研究生，此问卷是为了研究生毕业论文而设计。其目的是以"携程网"为例，揭示网络信任度和产品价格如何影响消费者在网上购买旅游产品的行为，从而推进中国旅游电子商务事业的发展。调查将会耽误您 10 分钟左右的时间，您的帮助将是本研究成功的关键。我们将对您的回答完全保密，谢谢您的配合和支持！

此致

敬礼

研究者：符黎黎
MBA - TRM Program
lilifu2007@hotmail.com

在填写问卷过程中，您可以使用任何方便的方式标出答案，比如你选择"是"可以这样选：是
◆ 您是否通过携程网购买过任何旅游产品？
____ 是   ____否（如果"否"，请停止填写问卷）

第一部分

这一部分是有关您的一些个人信息，此数据只用于本研究，决不用于其它用

途，请放心填写。
1．性别 □□男   □□女
2．年龄 □□18 岁以下   □19-25 岁   □26-35 岁   □36-45 岁   □45 岁以上
3．受教育情况
　　　□高中□大专或本科   □研究生 □博士 □其他____   （请注明）
4．职业 □学生 □公司职员 □政府人员   □个体户 □退休人员
　　　□其他____（请说明）
5.收入（人民币-元）□低于 2000   □2001-4000   □4001-6000   □高于 6000

第二部分

这一部分是关于影响网上购物行为因素的调查。答案没有对错，只需选择最能表达您观点的选项。每个问题只能有一个选项。
以下表格中：
1＝ 完全不同意， 2＝ 不同意，3＝ 中立，4＝ 同意， 5＝ 完全同意

问题	完全不同意 1	不同意 2	中立 3	同意 4	完全同意 5
一．实用性					
6．携程网提供的产品信息很实用（比如航班时间表，酒店介绍等）					
7．携程网上的信息有利于顾客做出购买决定					
8．使用携程旅行网能够提高网上交易效率（比如网页的速度很快，在一个订单里可以同时预定机票酒店等）					
二．简易性					
9．在携程网上很容易找到自己需要的信息					
10．很容易在携程网页上预定产品					
11．很容易在携程网页上取消购买订单					
12．付款程序很简单					
三．趣味性					
13．在携程愉快的购物经历，让我乐于在以后，再次接受携程的服务（比如快速简单安全的预定过程）					
14．我很满意携程网提供的技术支持（比如 24 小时受网上预定，付款简单）					
四．安全性					
15．携程网安全措施完善、到位					
16．在携程旅行网上购物付款很安全					
17．我相信携程网有能力抵御黑客的攻击					

（比如盗取信用卡信息等）			
五．个人隐私			
18．我相信携程会遵守个人信息保护法			
19．我相信如果没有我的同意，携程不会向第三方提供 我的个人信息			
20．携程不会用不恰当的方法收集我的个人信息			
六．公司规模			
21．携程在旅游电子商务领域是一个极具规模的公司			
22．携程在中国旅游电子商务领域占据了很大的市场 份额			
23．我认为携程旅行网是一个内容全面的网页，它拥有 较其它网页更多的资源和容量			
七．携程的声誉			
24．携程是一个声誉很好的网上旅行社			
25．携程拥有很高的知名度和信任度			
26．携程总是很关心它的顾客			
八．顾客个性化服务			
27．携程总是能够为我提供个性化服务			
28．我收到的宣传促销等邮件都是符合我的个人需求 的（比如符合我需求的购买建议等			
29．携程积极主动的和我沟通 （比如总能及时的答复我的咨询问题）			
九．低价格			
30．携程网总是提供最优惠的价格			
31．与其他公司比较，即使携程网提供的不是最优惠的 价格，我还是会选择携程网购买			
十．网络信任度			
32．我相信携程网提供的信息是准确可靠的			
33．我相信携程网提供安全的个人隐私保护			

34. 我相信携程总是把顾客的利益放在第一位			
35. 携程网是可信赖的，诚实的			
36. 与其他网页相比较，携程网更加的可靠和安全			
十一. 购买意向			
37. 以后我可能会在携程网上购买旅游产品的			
38. 有机会的话，我打算使用携程网			
39. 有机会的话，我想我应该会使用携程网的			

对于您所提供的协助，我表示诚挚的感谢。

APPENDIX C

Test of Reliability –Cronbach's Alpha

1. Reliability analysis-Scale (Alpha) -----Perceived useful

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.802	3

2. Reliability analysis-Scale (Alpha) ----Perceived ease-of-use

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.808	4

3. Reliability analysis-Scale (Alpha) ----Enjoyment of technology

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.801	2

4. Reliability analysis-Scale (Alpha) ----Perceived security

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.855	3

5. Reliability analysis-Scale (Alpha) ----Perceived privacy

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.861	3

6. Reliability analysis-Scale (Alpha) ----Company size

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.854	3

7. Reliability analysis-Scale (Alpha) ----Company reputation

Case Processing Summary

	N	%

Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.813	3

8. Reliability analysis-Scale (Alpha) ----Willingness to customize

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.821	3

9. Reliability analysis-Scale (Alpha) ----Low fares

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

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Cronbach's Alpha	N of Items
.771	2

10. Reliability analysis-Scale (Alpha) ----Online trust

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.891	5

11. Reliability analysis-Scale (Alpha) ----Online purchase intention

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.886	3