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Gen-Z Consumer Behavior: What Factors Affecting Repurchase Intention of Online Ticket Reservation?

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ABSTRACT

This study analyzes how to increase the repurchase intention of online transportation ticket ordering platforms. Respondents are Gen-Z who were born in 1996 – 2007. The research sample is 105 people. Primary data sourced from questionnaires serves as a data source. Data analysis used the SMARTPLS program. The results of this research state that the perception of benefits builds trust. Higher consumer trust will create purchase intention. There is no influence of Security toward Repurchase Intention. consumer trust is formed from perceived usefulness and security felt by consumers. trust can mediate the relationship between perceived usefulness and repurchase intention as a partial mediation. The relationship between security and repurchase intention can be mediated by full trust (full mediation).

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1. INTRODUCTION

Indonesia's annual economic growth in the first quarter of 2023 occurred in various sectors. The transportation and warehousing sectors experienced the highest growth of 15.93% (Rizaty, 2023). The current development of public transportation follows the trend of population growth and technological development. Transportation in Indonesia is currently increasing rapidly, with the rapid increase of the human population in a city driving the development of transportation. Transportation is a basic need that serves as the foundation for the movement of numerous aspects, currently emerging various development of means of transportation.

Indonesian Ministry of National Development Planning stated that population growth in 2020-2050 will reach 0.67 percent per year, and is expected to slow down every year. Indonesia is entering a demographic bonus era, where the productive age population is more than the unproductive age (Putri, 2023). Meanwhile, the data from the Directorate General of Population and Civil Registration in Indonesia shows that the population of Indonesia 2022 reached 275.36 million people. The percentage of the population is 190.83 million people (69.3 percent) population aged 15-64 years and 84.53 million people (30.7 percent) with an age category over 65 years (Indonesia, 2022).

It is undeniable that all communicating, shopping, transportation, financial transactions, tourism aspect can be accessed with digital services (Noor & Ramadhani, 2023). Generation Z belongs to the younger generation born between 1996 and 2007. They are associated with generations of detailed, subtle, and loving instant things. The individual of Generation Z develops intelligence, expertise in technology utilization, creativity, and critical thinking abilities (Christiani & Ikasari, 2020). Generation Z accesses the internet more than 6 hours a day (Annur, 2023). This shows that the Z-generation consumer behavior is relying on the smartphone to find the product they need before deciding to buy it. One of the Generation Z needs that can be accessed via the internet is booking transportation tickets online with an app or website. This service can be accessed through the platforms Agoda, Traveloka, Booking.com, KAI Access, KAYAK, Nusatrip, Pegipegi, Tiket.com, and Tokopedia.

The high level of competition online ticket booking platforms result in companies need an effective strategy in winning the market. Every company wants consumers to buy their products repeatedly. Growing customer's repurchase intention becomes an important strategy in achieving that goal (Mutia el al., 2021; Prabawa, 2022). Repurchase intention is the willingness of consumers to buy a product and make purchases again on the same product in the long run (Wijaksono & Ali, 2019).

The company has a number of constraints for increasing customer repurchase intention. The challenge faced by the company is building consumer trust. The occurrence of various fraud in the virtual world has an impact on consumer losses, which indicates the need to build consumer confidence in making online reservations (Alwafi & Magnadi, 2016) .

The factor that can build confidence in a good online product ordering platform is when it creates the perception that making online purchases is really beneficial for them. Perceived usefulness refers to the extent to which consumers feel that shopping on online media will improve the shopping experience. If consumers believe that an online platform has security, then it will increase consumer trust. This will lead to repurchase of the product (Maia et al., 2018)

In addition to perceived usefulness, security also plays a role in increasing consumer trust. Security leads to the fulfillment of the sense of security perceived by consumers regarding the security of personal data during or after the transaction (Blut, 2016). A high level of security is believed to increase the convenience of consumers to book transportation tickets online. The current condition is that security becomes a challenge for the online ticket booking platform in increasing confidence so that consumers are interested in making repeated product reservations (Hartono et al., 2014).

2. RESEARCH METHOD

This study employs a quantitative approach to analyze numerical data, providing a comprehensive understanding of the subject under investigation. The method of determining the sample used in this research is purposive sampling. A purposive sampling technique was selected in order to get a relevant sample. The criteria for selecting respondents in this study were: (1) the respondent who born in 1996 – 2006 (2) respondent must have experience booking transportation tickets online. The development of this research model used 21 indicators. Data was collected through questionnaires involving 105 respondents, and the result was processed using SmartPLS 3 (see Figure 1).

Through hypothesis testing, the findings of this study explain the causal relationship between variables. The purpose of this research is to determine the association between four variables.

H1: Perceived usefulness has an effect on on trust.

H2: Security has an effect on trust.

H3: Perceived Usefulness has an effect on Repurchase Intention.

H4: Security has an effect repurchase intention.

H5: Trust has an effect on Repurchase Intention.

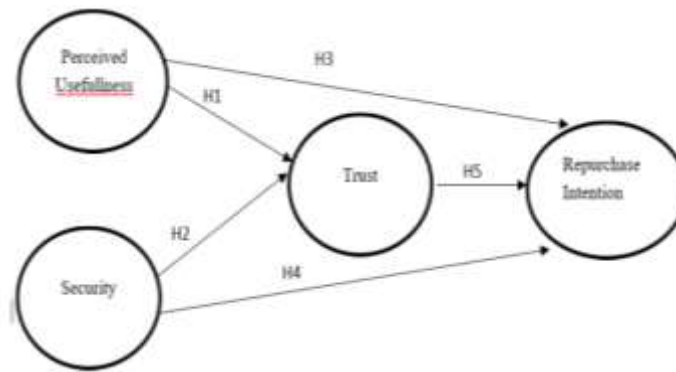


Fig. 1. Conceptual Framework

3. RESULTS AND DISCUSSIONS

Validity and Reliability Test

Outer model is done through testing validity and reliability with specific criteria. The test results served through the following table:

Table 1. Validity and Reliability Test

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	Validity	Reliability
Perceived Usefulness	0.901	0.922	0.631	Valid	Reliable
Repurchase Intention	0.855	0.903	0.702	Valid	Reliable
security	0.810	0.875	0.636	Valid	Reliable
Trusts	0.921	0.939	0.719	Valid	Reliable

Source: Processed data, 2023

Based on Table 1, the value of AVE variable Perceived Usefulness is 0.631, Repurchase Intention is 0.702, Security is 0.636 and Trust is 0.719. All variables declared valid, because the AVE values are > 0.5. Based on results the all variable stated reliable because the value of CR more than 0.7 and Cronbach's alpha value of the four variables are more than 0.6.

Inner Model

Coefficient Test Determination (R Square)

Structural model (inner model) describes connection causality between variable latent that has built based on substance theory. Test on structural models done for test connection between construct latent. There are several tests for structural models that is like R Square in endogenous constructs (Sekaran & Bougie, 2016).

Table 2. Coefficient Test Determination

	R Square	R Square Adjusted
Repurchase Intention	0.709	0.700
Trusts	0.645	0.630

Source: Processed data, 2023

Table 2 shows that R-Square value of the Repurchase Intention variable is 0.709. This value means that the Repurchase Intention variable can explained by perceived usefulness, security and trust 70.9 percent and 29.1 percent can be explained by other variables that are not included in this research. The R-Square value of the trust variable is 0.645. This means that the trust variable can be explained by perceived usefulness and security of 64.5 percent, while 35.5 percent explained by variables outside the research model.

This study uses Alpha level 5 percent, so significance rate fulfilled if less p values of 0.05. Based path coefficient test results can concluded that hypotheses 1, 2, 3 and 5 have match p values criteria that is not enough of 0.05 then own influence significant. Whereas the p values of fourth hypothesis is more than 0.05, so it's not significant.

Direct Effect

Based on Table 3, the explanation results hypothesis influences direct as following:

1. Direct Effect of Perceived Usefulness on Trust: Based on these results, Perceived Usefulness has a direct influence on trust and hypotheses 1 is accepted. The p-value of Perceived Usefulness on Trust is 0.003, The p-value of trust is 0.003, this value is match because it is less than 0.05.
2. Direct Effect of Security on Trust: Based on these results, security has a direct influence on trust and hypotheses 2 is accepted. The p-value of security on trust is 0.000, this value is match because it is less than 0.05.
3. Direct Effect of Perceived Usefulness on Repurchase Intentions: Based on these results, Perceived Usefulness has a direct influence on repurchase intention and hypotheses 3 is declared accepted. The p-value of Perceived Usefulness on Repurchase Intentions is 0.000, this value is match because it is less than 0.05.
4. Direct Effect of Security on Repurchase Intention: Based on these results, security has no direct influence on Repurchase Intention and hypotheses 4 is rejected. The p-value of security for repurchase intention is 0.547, this value is not match because it is more than 0.05.
5. Direct Effect of Trust on Repurchase Intentions: Based on these results, trust has a direct influence on repurchase intention and hypotheses 5 is accepted. The p-value of trust for repurchase intention is 0.000, this value is match because it is less than 0.05.

Table 3. Direct Effects

Hypothesis	Connection	Original sample (O)	Sample Means (M)	Standard Deviations (STD)	t Statistics (IO/STDEV)	P Values	Significant level
H1	Perceived Usefulness → Trust	0.294	0.285	0.100	2.939	0.003	Significant
H2	Security → Trusts	0.591	0.601	0.072	8.161	0.000	Significant
H3	Perceived Usefulness → Repurchase Intention	0.320	0.321	0.084	3.797	0.000	Significant
H4	Security → Repurchase Intention	0.052	0.053	0.086	0.602	0.547	No Significant
H5	Trust → Repurchase Intention	0.556	0.556	0.112	4.970	0.000	Significant

Source: Processed data, 2023

Indirect Effects

Indirect effect test for examine influence between variable exogenous to endogenous variables through intervening variable. Influence test results indirect effect served as Table 4 below.

Table 4. Indirect Effects

Hypothesis	Connection	Original sample (O)	Sample Means (M)	Standard Deviations (STD)	t Statistics (IO/STDEV)	P Values	Significant level
H6	Perceived Usefulness → Trust → Repurchase Intention	0.164	0.159	0.067	2.444	0.015	Significant
H7	Security → Trust → Repurchase Intention	0.329	0.333	0.074	4.412	0.000	Significant

Source: Processed data, 2023

1. Indirect Effect of Perceived Usefulness on Repurchase Intention Through Trust as a Mediation Variable: Based on the results of the indirect effect test, there is an indirect effect between Perceived Usefulness on Repurchase Intention through trust. These results are obtained because the p value shows 0.015, so it is less than 0.05. The relationship between Perceived Usefulness and Repurchase Intention is significant and the result of the indirect effect between Perceived Usefulness and Repurchase Intention through trust is significant. So, the mediation formed is partial mediation.
2. Indirect effect of security on repurchase intention through trust as a mediating variable: Based on the results of the indirect effect test, there is an unsafe effect on Repurchase Intention through trust. These results are obtained because the p value is 0.000, so it is less than 0.05. The relationship between security and repurchase intention is not significant and the result of the indirect effect between security and repurchase intention through trust is significant. Then the mediation forms a full mediation.

The Effect of Perceived Usefulness on Trust

Perceived usefulness is created when consumers experience the benefits of ordering transportation tickets through an online platform. Consumers can increase efficiency and effectiveness in traveling. The benefits that consumers get from ordering transportation tickets online are a driving factor for the growth of consumer confidence in the platforms used. The results of this study support the researches stated that there is a positive and significant effect between perceived usefulness on consumer trust (Agag & El-Masry, 2016; Larasetiati & Ali, 2019).

The Effect of Security on Trust

Security has important role in build trust consumer. Consumer choose a service platform ticket online transportation that has protection on personal data consumer. Consumer agree that booking platform ticket online transportation used safe in payment and own suitability price between prices and products offered. Purchase ticket transportation carried out via online dodge consumer from all form cheating, so can increase trust consumer. This research result is Security has influence to Trust with direction positive and significant which supported by previous researches (Agag & El-Masry, 2016; Larasetiati & Ali, 2019; Trivedi & Yadav, 2020). Courage and trust in consumers affect the motivation to purchase a product (Bit et al., 2022).

The Effect of Perceived Usefulness on Repurchase Intention

Online ticket reservations mostly made by train customers. 56 respondents who came from gen Z bought train tickets online, 53.3 percent of the respondents ordered train tickets, 16.19 percent bus tickets and 30.48 percent purchased plane tickets. Consumers stated that buying transportation tickets through online platforms was practical and provided convenience. Transactions that can be made from various payment methods such as online transfers and e-wallets can increase consumer convenience for repurchasing. This result of the research states that there is a positive and significant effect between perceived usefulness on repurchase Intention. This is increasingly proven by some research (Agag & El-Masry, 2016; Larasetiati & Ali, 2019; Nurjanah et al., 2022; Subagio et al., 2018).

The Effect of Security on Repurchase Intention

Consumer personal data and information as well as transaction protection do not influence consumers to make Repurchase Intentions. Consumers feel safe using the online platform in ordering tickets. In ordering return transportation tickets, consumers are interested in discounts and refund facilities. The results of this study support the research of had et al (2019) which states that there is no significant effect between perceived usefulness on trust

The Effect of Trust on Repurchase Intention

Transportation booking tickets made through an online platform provide an offer price that is in accordance with the transaction that must be paid by the consumer. Conformity is the basis of trust held by consumers. Some consumers feel the same condition, so they are interested and make repeat purchases. Previous research have found that trust has a significant positive effect on repurchase intention (Agag & El-Masry, 2016; Larasetiati & Ali, 2019; Subagio et al., 2018). Those findings are strengthened by this study result that trust has a direct effect toward repurchase intention significantly.

The Indirect Effect of Perceived Usefulness on Repurchase Intention Through Trust as Mediating Variable

The increasing of Perceived Usefulness on an ordering platform ticket online transportation can build repurchase intention through trust. Online ordering platform deliver convenience access to consumer to improve usefulness so that affect trust. Increased level of trust can increase decision consumer to repeat order. Research results supported the other studies that Perceived Usefulness has indirect effect towards Repurchase Intention trust (Agag & El-Masry, 2016; Larasetiati & Ali, 2019).

The Indirect Effect of Security on Repurchase Intention through Trust as Mediating Variable

Based on tests carried out can interpreted increased security can increase Repurchase Intention through trust. Security gives security for consumer to prevent consumer from loss financial for example use of personal data that is not match. The stronger the security, the higher the repurchase intention. Research results in line with older studies that perceived usefulness has indirect influence towards Repurchase Intention through Trust (Agag & El-Masry, 2016; Larasetiati & Ali, 2019).

4. CONCLUSION

Gen Z orders transportation tickets online from various platforms. Based on the research sample, 53.3 percent of the respondents ordered train tickets online, 16.19 percent booked bus tickets, and 30.48 percent purchased plane tickets online. Consumers get the benefits of ordering online by increasing time efficiency. Another benefit for consumers is the ease of the payment system during transactions. The online ticket booking platform provides various suggestions for the transaction process. Consumers get price information and necessary product offers. This situation creates the trust of consumers. By maintaining consumer privacy and data, consumer trust will increase. It generates positive impacts on repurchase intention.

The online transportation ticket ordering platform can add a menu to the application such as a refund menu and a seating plan. Thus, features are needed and provides a solution to increase the perceived usefulness of consumers. In addition, online ticket booking platforms can provide detailed information on prices and products. The offered price must be accurate and data privacy of consumers must be protected and confidential. Furthermore, future studies will go deeper into the characteristics that influence repurchase intention among Generation Z.

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