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THE STUDY OF MOBILE TRAVEL APPLICATIONS ATTRIBUTES AND THE IMPACTS ON USER ADOPTION AMONG TOURISTS IN MELAKA

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Report submitted in partial fulfillment of the requirements for the Bachelor Degree of Technology Management (High-Tech Marketing)

Faculty of Technology Management and Technopreneurship

(High Technology Marketing)

Universiti Teknikal Malaysia Melaka

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DECLARATION

I hereby declare that the report has been prepared by my own self except the summaries and citations that I have been clarify the resource.

Signature :

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Date :

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DEDICATION

I would like to dedicate this work to my dearly family members who shown me moral and financial support and give me encouragement that helped me in completion of this research paper. Thank you for giving me the opportunity and new experiences in my life to complete this meaningful research. It is also dedicated to my friends who willing to help me out and support me throughout completing this work.

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ABSTRACT

Nowadays, the usage of mobile phone play an important role among the tourist because they have multiple function in one small gadget. Most of the mobile users used smartphone to plan their travel when before or during their vacation. The statistics also prove that mobile travel applications act as an important tool in contributing travel and tourism industry. While based on the chief officer of Industry Regulation of Malaysian Communications and Multimedia Commission (MCMC) emphasized that the applications development industry in Malaysia was still underdeveloped due to the lack of understanding of the market (The Star, 2013). Therefore, this study aimed to study how was the attributes of mobile travel applications in affecting tourists adoption to using it during their travel. The researcher adopted the six attributes (relative advantage, privacy security, ease of use, user interface, portability, compatibility) studied by Fang et al. (2017). Survey is carried out in this research to study the relationship between the six attributes with the mobile travel applications by distributing questionnaires. There are 200 respondents have responded to the questionnaire. The results have been analysed using Pearson's Correlation to study the relationship of these attributes in affecting tourist adoption towards mobile travel applications, and using Linear Regression Analysis to identify the factors which has affect the user adoption of mobile travel applications. Through the results generated from SPSS, three out of six attributes (user interface, relative advantage and privacy& security) have shown significant relationship with the mobile travel applications adoption. Among the six factors, relative advantage show the strongest relationship based on the correlation coefficient, which means it impacts the most on the adoption of mobile travel applications among tourist in Melaka.

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ABSTRAK

Pada masa kini, penggunaan telefon bimbit memainkan peranan yang penting dalam kapangan pelancong iaitu kerana gadjet yang kecil banyak penngunaan dan fungsinya. Kebanyakkan pengguna telefon bimbit telah menggunakan aplikasi melancong bagi merancang segalanya sebelum dan semasa melancong. Statistik juga menunjukkan aplikasi melancong adalah alat yang pengting bagi meningkatkan pencapaian industry pelancongan. Manakala ketua pegawai Industri Suruhanjaya Komunikasi dan Multimedia Malaysia (MCMC) menekankan bahawa pembangunan aplikasi melancong masih kurang maju disebabkan masih kurang memehami kehendakan pemasaran (The Star, 2013). Oleh itu, penyelidik bertujuan untuk mengkaji factor yang boleh memberi kesan kepada penggunaan aplikasi melancong semasa melancong di Melaka. Penyelidik menerima pakai enam faktor (faktor kelebihan relatif, faktor keselamatan privasi, faktor kemudahan penggunaan, faktor daya tarikan design, faktor mudah alih dan keserasian) yang dikaji oleh Fang et al. (2017). Kajian ini dijalankan dengan mengedarkan soal selidik untuk mengkaji hubungan antara enam faktor dan penngunaan aplikasi melancong. Terdapat 200 responden telah menjawab soal-selidik tersebut. Keputusan telah dianalisis dengan menggunakan korelasi Pearson untuk mengkaji hubungan antara faktor-faktor yang memberi kesan kepada penggunaan aplikasi melancong, dan menggunakan Linear Regresi Analisis untuk mengkaji faktor yang boleh memberi kesan kepada penngunaan aplikasi melancong. Melalui keputusan yang dijana daripada SPSS, tiga dari enam faktor (faktor kelebihan relatif, faktor keselamatan privasi dan faktor daya tarikan design) telah menunjukkan hubungan yang signifikan dengan penngunaan aplikasi melancong. Kesimpulannya, dalam kalangan enam faktor, faktor kelebihan relatif memainkan peranan yang penting dalam mempengaruhi pelancong dalam menggunaan aplikasi melancong di Melaka.

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LIST OF ABBREVIATIONS

UTeM	University Teknikal Malaysia Melaka
SPSS	Statistical Package for Social Science
ANOVA	Analysis of Variance
TAM	Technology Acceptance Model

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CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

This research will study about how was the attributes of mobile travel applications in affect tourists adoption to use it during or before their vacation. The researcher will concentrate the study on what is the factors that drive the tourist's intention on the usage of application. According to Goodwork (2015), demographic statistics suggests that travel and tourism are the 7th most downloaded applications category there are 85% of mobile users used smartphone to plan their travel when before or during their vacation. This statistics prove that mobile travel applications act as an important tool in contributing travel and tourism industry. According to Malaysia Tourism Statistics, tourism and hospitality industry had contributed RM81 billion which attracted 26.8 million arrivals travel in Malaysia during year 2016 and the mobile travel applications play a huge part in the success of travel industry. Malaysia tourism sector improve from fifth to third highest Gross National Income (GNI) contributor last year in 2014 according to New Straits Time (2016). Tourism is a big business which had surrounded by few of the main sectors and overlapping many other industries. Tourism sector are mainly dedicated on accommodations, transport, food & beverage, entertainment and shopping.

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During the past decade, the basic usage of mobile phone has only the limited function which is for calling and texting features. After the advancement of technology and innovation, the introduction of smart phone provided the mobile applications access to the domains such as map, sport, social media, news, travel and others. At the same time, with the growth of mobile technology in access to information regardless of time and location, it gives the tourist more power in creating their experiences (Zhuand Morosan, 2014). During the past of guidebooks, compasses, maps and other printed stuff have been displaced by mobile travel applications which come loaded with functionalities in a smartphone. The usefulness of the mobile applications large effects on creating tourist experience towards their vacation. This is because a mobile applications can help tourists to find out the latest promotion on booking hotels, travel package or sales on the local products. Tourists may use mobile applications to up-date or change their planning when they are travel in other country with different language. The usability of mobile travel applications might indirectly affects the tourists in making decision while at the destination.

According to (Ostdick, 2016), mobile applications thus provide an effective tool for travel companies to connect and maintain the relationships with their customers. Actually, the mobile platform has fundamentally revolutionized the manner in which travel-related companies has creating the unique, novel, and personalized travel experience to maintain customer relations (Lai, 2015; Ostdick, 2016). Travel-related companies are thus work hard and invest on creating and propagating their own mobile travel applications in order to retain a committed, engaged user base and boost sales. Thus, mobile travel applications would have a greater chance to remain if the software is well designed according to the consumers' perspective. A great mobile travel applications which help tourism-related companies in making promotions would attract tourists from all over the world to the region.

Most of the previous research are study on the impact of mobile applications towards the tourism industry. Therefore, this study are going to investigate the attributes of mobile travel applications on driving adoption among tourists in Melaka. The researcher has apply TAM model to measure the level of acceptance by tourists.

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This is because most of the tourist use mobile travel applications to guide them when they having their vacation. No matter searching for popular foods or using the GPS looking for destination. This study aim to contribute a deeper understanding to the tourists who travel to Melaka on adopting mobile travel applications. As such, this study has three main objectives. First, the study are going to find out the most popular mobile travel applications which have use by tourists in Melaka. Secondly, the study going to determine the attributes of mobile travel applications on affect tourist's adoption on applications usage in Melaka. And lastly, the study are going to investigate the relationship between mobile travel applications attributes in affecting tourist usage on mobile travel applications.

1.2 PROBLEM STATEMENT

Malaysia regards tourism as the most important sector which brings the much needed foreign exchange, new jobs and businesses. Hence, Malaysia has invest heavily in tourism sector because it consume large amount of revenue for national wealth. According to (Young Im and Hancer 2014), the development of mobile technology has fulfilled the experience characteristics of tourist hence it has largely effected the tourism industry. The previous researcher defined that travellers' co-creation of their experience and value advancement can be foster by the major drives of mobile technology (Coussement and Teague, 2013). Demographic statistics suggest that 60% of the smartphone users had downloaded travel applications in their mobile devices. Besides, 46% of tourists use mobile apps to find hotel and 36.1% to look the place for shopping. Hence, the tourism industry and applications development industry has the important connection in deliver the service and deliver information to the tourists through mobile travel applications. According to previous research, mobile platform had become the tool in revolutionized the manner which travel related companies can create the unique, novel and personalized travel experience in order to maintain customer relations (Lai, 2015; Ostdick, 2016). Travel-related company is important in

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creating and publicized their own mobile travel applications in order to boost up the sales and increase the user base. Therefore it is important to understanding the tourist attitude and behavioural intention in adopting mobile travel applications in order to increase the number of tourists in Malaysia.

Mobile travel applications also has a largely impact in tourism industry no matter in Malaysia or all around the world. This is because mobile travel applications can drive the travellers with no barriers during their travel journey. Most of the travellers will use mobile travel applications to booking their hotel, flight ticket, search activities or rent a car during travelling. Simultaneously, mobile travel applications can help in boost up the sales of travel-related companies in Malaysia. Mobile travel applications is important for the travellers to access the travelling destination for planning and coordinate their trips. While based on a recent study by 'Malaysia Communications and Multimedia Commission' (MCMC) (2012), among the Malaysian smart phone owners who own less than 10 applications was only 27.4 percent and 21.2 percent Malaysian used mobile applications daily. Besides that, the chief officer of Industry Regulation of Malaysian Communications and Multimedia Commission (MCMC) emphasized that the applications development industry in Malaysia was still underdeveloped due to the lack of understanding of the market (The Star, 2013).

Hence, this study is going to find out how was the attributes of mobile travel applications in affecting tourists adoption to using it during their travel. This study may help the mobile applications developers, tourism related sector in promoting and developed a newly mobile travel applications which is useful to the tourists who visit in Malaysia and help in increase the sales and revenue of tourism- related industry. While the applications development industry may do their improvement and advancement in mobile apps in order to achieve tourist’s satisfaction through the attributes of mobile travel applications which use by tourists.

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1.3 RESEARCH QUESTIONS

There are three research questions that the researcher wants to discover on how do the attributes of mobile travel applications impacts the tourist adoption. The research question composed as listed below:

1. What are the most popular mobile travel applications used among tourists?

2. What are the attributes of the mobile travel applications affect on tourist adoption?

3. How do these attributes affect the tourist adoption?

1.4 RESEARCH OBJECTIVES

The research objectives of this study are to evaluate the attributes of mobile travel applications towards tourist's adoption in Melaka. There are three research objectives composed as listed below:

1. To determine the most popular mobile travel applications used by tourists.

2. To find out the mobile travel applications attributes in affecting tourists adoption.

3. To investigate the relationship of these attributes in affecting tourist adoption towards mobile travel applications.

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1.5 SCOPE OF STUDY

This research is going to focus the study in Melaka city. Melaka city is one of the popular destination which mostly visited by foreign tourists or domestics tourists. Melaka city full with historical building and listed as UNESCO World Heritage Sites at year 2008. These is the reason researcher choose Melaka city to carry out the research which study on the impacts of mobile application attributes on tourists in Melaka. This study is execute to find out the factors of mobile application which attract the adoption by tourists when travelling in Melaka. Firstly, the researcher is going to find out the mobile applications which has mostly use by tourists in Melaka. Moreover, this research going to measure the impact by find out the benefits which have received by tourists after use the mobile applications. Besides that, the usefulness of mobile applications in building tourist experience also measure by the application design and performance which have perceived by tourist when using it. Hence, this can help the researcher in achieve the objectives in this study.

1.6 LIMITATIONS OF STUDY

There are several limitations which causes insufficient for the researcher to do the research in this study:

a) Inadequate of Time

The researcher encountered difficulties to carry out the research due to the limited of time. The researcher faced problem during searching, gather and examine the data which had collected. This is the reason the researcher only focus the study in Melaka in order to reduce the required time in complete this research.

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b) Lack of Experience

The researcher was still new and this was the first time for conducting a research. This may cause difficulties for the researcher to complete the research as a bachelor degree student. However, these problem will not refuse researcher in complete the study.

c) Lack of information

The researcher faced the difficulties in collect the data and the information which is related to the topic of research. Meanwhile, some of the online journals may need to purchase. This cause the barrier for the researcher to reach for getting more information of the previous study.

1.7 IMPORTANCE OF THE STUDY

In this research, the researcher focused on tourist's perception towards the attributes of mobile application in Melaka. This is either the tourist concern about the design and features of mobile travel applications in driving them to adopt it. This research include the suggestion and recommendation to improving the attributes of mobile travel application in order to maximize the tourist's satisfaction. Thus, this study will beneficial to some of the parties:

a) Application Development Industry

With this research, the application department industry can get into deeply understand on the lack and insufficient of the mobile travel application. The application department industry can make improvement and performed better on the selected inadequate attributes.

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b) Travel related-companies

The travel-related companies such as hotel, travel agency can get advantages from this research because the researcher is going to study the importance of which attributes attract the tourists in using the mobile travel application. Hence, the travel-related companies can make improvement for the insufficient of application in order to fulfil the tourist's behaviour and requirement.

c) Malaysia tourism sector

The tourism sector and tourism heritage sector in Malaysia can get benefits from this research. The recommendation and suggestion in this research can help the tourism sector in understand the importance attributes of mobile travel application in attracted the tourists visit to Malaysia. As a results of the increasing of the number of tourists, each of the tourism sector can get benefits and increase their sales and profit.

1.8 SUMMARY

Throughout the chapter one, there are four main past in this chapter which is background of the study, research questions, research objectives, scope and limitations. In the study of background, there is more understanding towards the importance of mobile application attributes in driving tourists to adopt it for their vacation. The issue detected is the usage of mobile applications may bring impacts to the tourists during their vacation. Hence, the researcher is going to figure out the benefits which have perceived by the tourist. Meanwhile, the attributes of mobile applications is also important in order to create tourists experience. This study may help the tourism industry in doing advancement for creating more sales and revenue.

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