Understanding Baby Boomers’ Intention to Use Online Travel Agencies

(Work in Progress)

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ABSTRACT

There is an increasing trend where travellers are making most of their travel purchases through online channels. More and more travellers use online travel agencies for their travel purchases. While this is popular among the millennial generation, it would be interesting to study how the baby boomer generation has been influenced by this trend. This paper is a preliminary study based on Azjen’s theory of planned behaviour. It provides a comprehensive review of the literature on the theory in relation to purchase behaviour involving online shopping. It examines how attitudes, subjective norms, and perceived behavioural control can be used to understand and explain behavioural intention, which can predict actual behaviour in the context of baby boomers using online travel agencies. This study provides some valuable insights and serves as the initial part of further research on identifying the possible factors affecting baby boomers in Singapore purchasing travel products and services via online travel agencies.

Keywords: Attitudes, subjective norms, perceived behavioral control, behavioral intention, the theory of planned behaviour, online travel agency, baby boomers

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INTRODUCTION

E-commerce businesses continue to grow over time. Pew Research Centre conducted a survey in the United States of America in 2015 and the results indicated that roughly eight-in-ten Americans shop online with around 15% buy online weekly (Smith & Anderson, 2016). According to a survey conducted by Allied Market Research (2018), the global online travel market will reach an estimated sales of US$1.091 billion by 2022. The global online travel market is likely to be dominated by hotels, airlines and car rental companies. The online travel agencies (OTAs) are expected to experience higher growth rate over the next five years due to its growing popularity among travellers (Allied Market Research, 2018). Previous research indicated that more Generation Xers and millennials engage in online travel purchase than baby boomers (Marketing Charts, 2017). However, little is known about baby boomers’ usage of the online travel agencies’ services.

Generation is a predictor of travel consumption behavior (Moscardo & Benchendorff, 2010). It is therefore important to address how baby boomers respond to the shift from buying travel product and services at the traditional physical travel agencies to using online travel agencies. This study attempts to identify the specific factors of using online travel agencies in the purchase of travel products and services through the theory of planned behavior. It aims at filling the gap to add depth to the understanding of how the baby boomers respond to the rapid growth of the online purchase channel. A conceptual model is proposed for data collection and data analysis at a later stage. The findings will provide insights into the design of relevant marketing strategies to motivate the baby boomers to use the online purchase channel. The paper is organised to explain the aim of this study including the reviews of the literature relevant to travellers buying travel products and services online, the growing baby boomer market, and the conceptual model based on the theory of planned behavior including attitudes, subjective norms, perceived behavioural control, behavioral intentions and behavior.

GROWING TREND USING ONLINE TRAVEL AGENCIES

The usage of online resources for travel planning includes searching for relevant information to facilitate travel decision making (Gretzel, Fesenmaier, & O’Leary, 2007). Previous research focused on areas such as the travel planning process, information sources, search strategies, and the factors affecting search behavior (e.g. Gretzel, Hwang, & Fesenmaier, 2012; Pan & Fesenmaier, 2006). For example, Pan and Fesenmaier (2006) studied how travellers searched information for holiday planning and online travel product and services purchase. Kah, Vogt, & MacKay (2008) examined how travel information search influenced travellers’ travel experiences. Past research focused on how search engines and social media influenced travel planning (e.g. Gretzel & Yoo, 2008; Fesenmaier, Xiang, Pan, & Law, 2011; Xiang & Gretzel, 2010; Xiang, Wöber, & Fesenmaier, 2008). Some researchers focused on web-based e-commerce (e.g. Baloglu & Pekcan, 2006; Cao & Yang, 2016; Chung & Law, 2003; Musante, Bojanic, & Zhang, 2009); while others researched on the online travel website contents (e.g. Bai, Hu, & Jang, 2006; Law, Qi, & Buhalis, 2010; Salavati & Hashim, 2015; Schmidt, Cantallop, & dos Santos, 2008; Standing, Tang-Taye, & Boyer, 2014)).

In the context of purchasing travel online, more travellers have indicated their intention to book travel online (Sahli & Legho’sel, 2016). Past research found that travellers’ intention to purchase travel products and services online was affected by their attitude towards online shopping (e.g., Agag & El-Masry, 2016; Amaro & Duarte, 2015; Bigné, Sanz, Ruiz, & Aldás, 2010; Dedeke, 2016). Amaro and Duarte (2015) found that the travellers’ perceived behavioral control influenced their intention to purchase travel online.
With the growing demand for e-commerce, future research should further explore the specific factors that would affect travellers using the online travel agency.

BABY BOOMER CONSUMERS

Previous research showed that demographic characteristics of travellers have an impact on the behaviour of using the Internet for travel (e.g. Ip, Lee, & Law, 2012; Luo, Feng, & Cai, 2004; Weber & Roehl, 1999). These demographic characteristics include gender (e.g. Kim, Lehto, & Morrison, 2007; Okazaki & Hirose, 2009) and age (e.g. Mitchell, 1995; Roberts & Manolis, 2000). Roberts & Manolis (2000) pointed out that age is the most important factor affecting one’s purchase of goods and services. Age determines consumer behavior (Mitchell, 1995) as customers from different age cohorts tend to have certain attitudes and behaviors different from others (Cleaver, Green, & Muller, 2000; Parment, 2013; Schewe & Meredith, 2006). It is evident that recent research has focused on the younger age cohorts (Kim, Xiang, & Fesenmaier, 2015). Hence this proposed study intends to focus on the baby boomers to identify and better understand the distinctive patterns of their attitudes and behaviors.

Baby boomers were born between 1946 and 1964 (Colby & Ortman, 2014; Hewlett, Sherbin, & Sunberg, 2009; Williams & Page, 2011). They are aged between 54 and 72 years in 2018. The number of baby boomers living in the United States was estimated at 77 million in 2011 (Colby & Ortman, 2014). Although millennials are generally savvier in technology, more baby boomers have adopted infocomm technology in recent years. According to a Pew Research Centre survey conducted in January 2018 (Jiang, 2018), 67% of American baby boomers own smartphones in 2018 while only 25% had the smartphone in 2011. In addition, 52% of American baby boomers own a tablet and 57% use social media (Jiang, 2018).

THEORY OF PLANNED BEHAVIOR

Icek Ajzen (1985) developed the theory of planned behavior model (TPB). It was evolved from the theory of reasoned action (TRA) developed by Martin Fishbein and Icek Ajzen in 1967. The theory of reasoned action focuses on the relationship between attitudes and behaviors within human action. The components of the theory of reasoned action model consist of behavioral intention, attitudes, subjective norms, belief strength, evaluation, normative belief, and motivation to comply. It is a causal model of the cognitive processes leading to the prediction of an individual’s conscious decision making. The theory of planned behavior added perceived behavioral control to improve the predictive power of the theory of reasoned action (Ajzen, 1991).

The theory of planned behaviour proposes that an individual’s behavioral intention and behaviors are influenced by one’s attitudes toward behavior, subjective norms and perceived behavioral control (Figure 1). Attitudes refer to the individual’s favourable or unfavorable evaluation of the target behavior (Ajzen, 1991). Subjective norms explain how the views of the individual’s social reference group on whether he should engage in a specific behavior would influence the individual’s behavioral intention (Ajzen, 1991). Perceived behavioral control was added to link an individual’s beliefs and behavior, and is defined as ‘people’s perception of the ease or difficulty of performing the behavior of interest’ (Ajzen, 1991, p.183). Perceived behavioral control indicates how the individual perceives the ease or difficulty of performing the specific behavior. When the individual has the ability, resource, and opportunities to perform a specific behavior, he will perceive himself as being more able to be in control, and therefore his behavioral intention will increase. The attitudes about the likelihood that one’s behavior will have an expected outcome and the subjective evaluation of the positive and negative results of the specific expected outcome would impact one’s behavioral intentions (Ajzen, 2011).

The theory of planned behavior has been widely applied in many research fields, including healthcare, education, tourism and many others, to predict human behavior. In recent years, some researchers have used the theory of planned behavior to study online behavior. Wu (2006) studied the behavioral intentions towards making a purchase from online bookstores among different consumer groups. His study showed that the opinions of reference groups influenced the consumers’ behavioral intentions. Subjective norms and perceived behavioral control were the two key factors affecting the decisions on buying from online bookstores. Liang and Lim (2011) adopted the theory of planned behavior to compare the behavioral intention toward online shopping of two groups of consumers – traditionalist consumers and adventurist consumers. The findings indicated that the behavioral intention toward online shopping was positively affected by subjective norms and perceived behavioral control. This proposed research aims at exploring...
how the theory of planned behavior can be applied to study how these factors affect the baby boomers’ behavior of using online travel agencies.

A few studies have adopted the theory of planned behavior to study users’ intention to use e-commerce websites. For example, Morosan & Jeong (2008) found that the intention of using e-commerce website positively influenced booking hotels online. Similar findings were also evident in buying airline tickets online (Bigné et al., 2010; Kim, Kim, & Shin, 2009), and tourism-related products and services (Usoro, Shoyelu, & Kuofie, 2010). In the context of using the online travel agency, this proposed research will adopt the theory of planned behavior to examine if attitudes, subjective norms and perceived behavioral control will influence behavioral intention, and subsequently affect the behavior of using the online travel agency. It is expected that the findings will help marketers develop relevant strategies that encourage baby boomers to use online travel agencies.

**ATTITUDES**

Attitudes are “the individual’s positive or negative evaluation of performing the particular behavior of interest” (Ajzen, 1991, p.188). It suggests that the individual may have different levels of positive or negative evaluation of a specific behavior. Ajzen (1991) explains attitudes as the extent to which an individual has a favourable evaluation of the behavior. The individual’s intention to perform a specific behavior tends to be strong when he holds a more favourable attitude toward the given behavior (Armitage & Conner, 2010). On the contrary, the individual’s negative evaluation of a specific behavior leads to a negative relationship with the intention to engage in that specific behavior (Ajzen, 1991). Previous research supported that the significant relationship between attitudes and intention was evident (e.g. Knowles, Hyde, & White, 2012; Lee, Shi, Cheung, Lim, & Sia, 2011; Linden, 2011; Quintal, Lee, & Soutar, 2010; Truong, 2014; Yazdanpanah & Forouzani, 2015).

Online travel shopping has grown in the past few years. Understanding consumers’ online travel shopping behavior requires an examination of previous research in the field of online shopping. In the context of online shopping behavior, consumer’s attitudes are defined as the positive or negative feelings when making an online purchase decision (Chiu, Lin, & Tang, 2005), which is consistent with Ajzen’s theory of planned behavior. Previous research found that attitudes had a significant direct impact on online shopping behavior (e.g. Cheah, Phau, & Liang, 2015; Cheng & Huang, 2013; Cho, 2004; George, 2004; Pavlou & Chai, 2002). The online shopping behavior includes online information search, selection and purchase of goods and services online (Ariff, Sylvester, Rahim, & Zahnun, 2014). It suggests that consumers who have a positive attitude toward online shopping will have a higher tendency to purchase online. Based on the theory of planned behavior, Primabud & Samopa (2017) found that consumers would have higher behavioral intention to make online purchases when they had a more positive attitude toward online purchasing. When the individual shows the behavioral intention to use an online channel, he is more likely to make an online purchase (Pavlou and Fygenson, 2006). Some researchers found that attitudes were the strongest predictor of behavioral intention to shopping online (e.g. George, 2004; Pavlou & Fygenson, 2006).
In the context of online travel shopping, several studies found that consumers’ attitudes toward online shopping were significantly related to their intentions to use online travel shopping (e.g., Bigné et al., 2010; Lee, Shi, Cheung, Lim, & Sia, 2011; Morosan & Jeong, 2008; Sahli & Legho’rel, 2016). Bigné et al. (2010) conducted a study to identify the determinant factors affecting the purchase of airline tickets online. The results showed that attitudes had a direct influence on airline ticket purchase intention among those people who had never purchased an airline ticket online. Amaro and Durate (2015) developed an integrative model to examine factors affecting intentions to purchase travel online. The research findings further supported that attitudes had a strong influence on the purchase of travel products and services online. Similarly, the results of Agag and El-Masry’s (2016) study on consumers’ drivers and outcomes of consumer trust toward online travel websites acknowledged that consumers’ attitude toward online travel websites was the most relevant predictor of their intentions to purchase travel services online, which was consistent with Amaro and Durate’s (2015) research. Agag and El-Masry (2016) further confirmed the positive impact of attitude towards an online hotel booking on the intentions to book a hotel online. Therefore, the proposed research will hypothesize that individuals’ attitudes toward using the online travel agencies are positively related to the intention to purchase travel services online.

SUBJECTIVE NORMS

Subjective norms are beliefs about how an individual responds to whether those people the individual cares about (referents) would approve or disapprove a specific behavior (Ajzen, 1991). The individual will perform a specific behavior when he feels that his referents believe that he should do so. Conversely, if he believes that his referents would not approve his act, he will comply with the referents’ expectations and avoid performing that specific act (Ajzen, 1985). Subjective norms indicate how the individual is affected by the perception of significant referents, such as friends and family members, of his behavior (Schofield, 1975). Some previous studies suggested that subjective norms are an important predictor of the individual’s behavioral intention (e.g., Crespo & Bosque, 2008; Kim, Kim, & Shin, 2009; Quintal, Lee, & Soutar, 2010; Taylor & Todd, 1995). However, subjective norms were evidenced as the weakest predictor of intentions to act (Armitage & Conner, 2001).

Past research showed mixed results in the relationship between subjective norms and online purchase behavior. A few previous studies found that subjective norms were not significant in the prediction of one’s intentions to purchase online (e.g., Lin, 2007; Pavlou and Fygenson, 2006; Wang, Chen, Chang, & Yang, 2007). Their findings were consistent with George’s (2004) study that subjective norms were not significant in predicting actual online purchases. However, it was evident in other studies that subjective norms were related to the intention to purchase online (e.g. Al-Gahtani, Hubona, & Wang, 2007; Limayem, Khalifa, & Frini, 2000; Wang et al., 2007). When applying subjective norms in online purchasing behavior, the individual is more likely to comply with the specific norms in the group he belongs (Yu & Wu, 2001). They found that the stronger subjective norms’ in favour of online shopping, the higher the intention that an individual would have to shop online. Interestingly, another research focused on the intention to participate in firm-hosted online travel communities, and effects on consumer behavioral intentions found that subjective norms had a negative effect on the intention to participate in a firm-hosted online travel community (Casaló, Flavián, & Guinaliu, 2000).

In the context of online travel shopping, the research findings showed that the impact of subjective norms on one’s intention to purchase travel services online was mixed. Previous research found that subjective norms had a significant direct impact on consumers’ intention to purchase travel products and services online (e.g., Bigné et al., 2010; Lee, Qu, & Kim, 2007; Sahli & Legho’rel, 2016). Kim, Kim and Shin (2009) conducted a study on the roles of subjective norms and eTrust in customers’ acceptance of an airline B2C eCommerce website. The results supported that subjective norms exerted a positive impact on the perceived usefulness of the airline B2C eCommerce website. Similarly, Bigné, Andreu, Hernandez and Ruiz (2018) did a study of the impact of social media and offline influences based on an analysis of the low-cost airline industry. The findings showed that interpersonal influence as a component of subjective norms had a positive effect on consumers’ repurchase of low-cost airline services, and their willingness to engage in positive word-of-mouth about online purchase of low-cost airline services. On the contrary, San Martín and Herrero’s (2012) study concluded that subjective norms did not have a direct impact on the intention to purchase through the rural accommodation websites. Therefore, in the proposed study, based on the mixed findings, it is proposed that subjective norms are positively related to intention to purchase travel services online through the online travel agencies.

PERCEIVED BEHAVIOR CONTROL

Ajzen (1991) added perceived behavioral control to the theory of planned behavior model and defined perceived behavioral control as “people’s perception of the ease or difficulty of performing the behavior of interest” (Ajzen, 1991, p.183). Perceived behavioral control contributes to both the individual’s intentions and the actual behavior (Ajzen, 1991). Ajzen (2002) recognized that not all behaviors are volitional and so perceived behavioral control was included in the theory of planned behavior. Ajzen (1985) pointed out that an individual’s performance of behavior may be furthered or hindered by either the internal or external control factors. The internal factors, such as the lack of specific skills to perform the task and emotions; and the external factors, such as opportunity, time and dependence on others would affect how the individual perceives his ability to perform (Ajzen, & Fishbein, 1980). The addition of perceived behavior control focuses on the internal factors. It suggests that the individual may have the intention to perform
a specific act but may not be able to put through the intention. The presence of some other factors may further or hinder the individual’s behavioral performance, which is guided by control beliefs (Ajzen, 2002).

Ajzen further argued that perceived behavioral control is compatible with Bandura’s self-efficacy theory (Ajzen, 2002). Armitage & Conner (2001) suggested that self-efficacy reflects how the individual perceives cognitive control or the level of difficulty in performing a task based on his internal factors. Taylor & Todd (1995) decomposed perceived behavioral control into self-efficacy and facilitating conditions based on Ajzen’s work. Facilitating conditions were further divided into resources and technology compatibility. Resources such as time and money affected perceived behavioral control. Shih & Fang, (2004) adopted Taylor and Todd’s (1995) decomposition of perceived behavioral control in the context of Internet banking. Their research findings indicated that perceived behavioral control was not affected by facilitating conditions.

Armitage & Conner’s (1999) decomposed perceived behavioral control is different from Taylor and Todd’s (1995). Perceived behavioral control was divided into perceived difficulty (i.e. self-efficacy) and perceived control. Perceived control is the extent to which the individual perceives the behavioral performance is under his voluntary control. Research results showed the difference between perceived difficulty and perceived control. Perceived behavioral intentions and actual behavior were better predicted by perceived difficulty (i.e. self-efficacy) than perceived control.

Following the development of the research on the decomposition of perceived behavioral control, Ajzen (2002) re-classified perceived behavioral control into self-efficacy and perceived controllability. Perceived behavioral control was defined as “people’s expectations regarding the degree to which they have requisite resources and believe they can overcome whatever obstacles they may encounter” (Ajzen, 2002, p.676). Self-efficacy relates to whether the individual perceives the performance of a behavior as easy or difficult or whether he/she is confident with his/her ability to perform the task (Ajzen, 2002). Controllability relates to the extent to which the individual believes that he has the ability to control over his behavior (Ajzen, 2002). Hsu and Chiu (2004) applied both self-efficacy and perceived controllability in their research and found that both components explained the perceived behavioral control in electronic service acceptance.

Past research found that the addition of perceived behavioral control is relevant in explaining online shopping behavior (e.g. George, 2004; Hsu, Yen, Chiu, & Chang, 2006; Limayem, Khalifa, & Frini, 2000). Perceived behavioral control was found to have impact on intentions to buy online. A positive relationship between perceived behavioral control and behavioral intention was identified in a study of online brokerages and purchase intention (Bhattacherjee, 2000). Similarly, Pavlou and Chai (2002) found a positive relationship between perceived behavioral control and online transaction intention. Pavlou and Fygenson (2006) further confirmed that perceived behavioral control over getting information online and over product purchase online positively influenced people’s intention regarding online transactions.

In the context of using online travel agencies, an individual may have the intention to book an air ticket online, but he may perceive that he lacks the skills to purchase on his own, and as such he will not execute the purchase behavior. Amaro and Duarte (2015) conducted a study on travellers’ intention to purchase travel online. The findings showed that the traveller’s perceived behavioral control over purchasing travel online had a positive impact on his intention to purchase travel online. Similarly, Sahli & Legohérel’s (2016) research on the tourism web acceptance model also found that perceived behavioral control positively influenced people’s intention to book online. Following this, in this proposed study, it is proposed that perceived behavioral control over booking online has a positive influence on the intention to use the online travel agencies.

**BEHAVIORAL INTENTION AND ACTUAL BEHAVIOR**

Ajzen (1985) emphasized that intention can be considered as an individual’s subjective inclination to perform a certain action and it is a variable for the predication of a specific behavior. Cheng & Huang (2013) suggested that when consumers have strong online group buying intention, they are more likely to buy online. Intention had a positive influence on the online purchase behavior. This proposed research attempts to investigate the baby boomers’ intention to use the online travel agencies to book and purchase related travel products and services. Hence, the proposed study hypothesizes that the intention to use the online travel agencies positively influences the behavior of using online travel agencies.

To summarize, the proposed framework includes the hypotheses to examine the impact of attitudes, subjective norms perceived behavioral control, behavioral intention on the actual behavior in the context of baby boomers using the online travel agencies.

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\begin{align*}
H_1: \text{Attitudes toward using the online travel agencies are positively related to the intention to purchase travel services online.} \\
H_2: \text{Subjective norms are positively related to intention to purchase travel services online through the online travel agencies.} \\
H_3: \text{Perceived behavioral control over booking online is positively related to the intention to use the online travel agencies.} \\
H_4: \text{Intention to use the online travel agencies positively influences the behavior of using online travel agencies.}
\end{align*}
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**CONCLUSION**

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With the growing demand for using online travel agency services, it is worthwhile to examine the baby boomers’ intention to buy through online travel agencies and to predict their actual online purchase behavior. This proposed research intends to offer a number of important implications for both the online travel agencies and related tourism marketers. The results will add to the body of knowledge based on the theory of planned behavior in the area of online travel purchase behaviour. More importantly, it will gain a better understanding of baby boomers’ online travel usage behaviour, and thus, help tourism marketers to develop much more relevant digital marketing strategies to promote and encourage older generation customers to be actively involved in online travel related activities (Moscardo & Benchendorff, 2010).

REFERENCES


