CHAPTER I

INTRODUCTION

1.1   Background of the Study

Tourism is a strategic economic sector that serves as a prime mover in global economic growth, including in Indonesia. According to the United Nations World Tourism Organization (UNWTO), this industry contributed 10.4% to the global GDP in 2023 and provided employment for 1 in 10 people worldwide. In Indonesia, the tourism sector accounted for 3.8% of the national GDP (Kemenparekraf, 2023), with significant growth potential given the country's rich natural and cultural heritage. The combination of natural beauty, ethnic diversity, and historical heritage positions tourism as a key sector in driving inclusive economic growth.

Tourism has a generic product and production process, consisting of five elements: physical plant, service, hospitality, freedom of choice, and involvement, which ultimately result in the tourist's experience (Smith, 1994). Additionally, the supporting sectors of tourism are crucial for ensuring the successful operation and growth of the industry that includes telecommunications, power sources, transportation, waste management, location, clean water sources, supporting industries, spatial factors, hospitality, safety, and security (Rumanti, 2023). Reliable telecommunication systems enable smooth communication for tourists and businesses, while stable power sources are essential for uninterrupted services (Rumanti, 2023). Efficient transportation infrastructure ensures

accessibility to destinations, and effective waste management maintains a clean environment. Additionally, factors such as an attractive location, access to clean water, and optimal spatial planning enhance the tourist experience (Rumanti, 2023). Collectively, these sectors form the backbone of a well-functioning tourism industry, driving its performance and sustainability in a dynamic environment.

According to data from the Central Statistics Agency (BPS) in 2024, Indonesia recorded 12.66 million international tourist arrivals, marking a 20.17% increase compared to 2023. The growth in international tourist visits to Indonesia, particularly in Bali, has had a significant impact on the hospitality industry. As the number of tourist arrivals increases, the demand for lodging accommodations also rises. The hospitality industry is closely linked to the tourism sector, as hotels serve as essential facilities that cater to travelers' needs during their journeys. As accommodation providers, hotels offer comfortable resting places and various services that enhance the travel experience. The availability of adequate hotels not only improves tourists' comfort but also encourages them to stay longer and explore various tourist destinations across Indonesia.

A hotel is a type of accommodation that dedicates part or all of its building to providing lodging, food, beverages, and other facilities for the general public, managed commercially (Huda & Nurcahyo, 2015). In addition to offering rooms for rest, hotels also provide various additional amenities such as food and beverage services, luggage storage and

transportation, laundry services, fitness centers, children's play areas, and other facilities to enhance guests' comfort during their stay.

One of the key indicators of a hotel's business performance is the occupancy rate. The occupancy rate represents the percentage of occupied hotel rooms over a specific period and serves as a crucial indicator of a hotel's operational performance and efficiency (Suparwata et al., 2024). (Damardjati, 2015) explains that the occupancy rate is the ratio between the number of occupied rooms and the total available rooms, measured daily, monthly, or annually. In other words, the occupancy rate reflects the percentage of room capacity utilization within a hotel. A higher occupancy rate indicates more effective utilization of available capacity, which, in turn, contributes to increased hotel revenue.

Hotel Occupancy Rate is the ratio between the number of occupied rooms and the total available rooms in a hotel, expressed as a percentage (Badan Pusat Statistik, 2024). This metric plays a crucial role as an indicator of a hotel's success in selling its rooms, where a higher occupancy rate signifies a greater number of rooms sold (Sumarcaya, 2018). Additionally, the Hotel Occupancy Rate can serve as a measurement tool to assess the number of visiting tourists, both domestic and international, ultimately contributing to regional economic growth through sectors such as culinary services, handicrafts, souvenirs, transportation, and other tourism-related services (Rahmawati & Prasetyo, 2020).

Bali, Indonesia, has consistently captivated travelers worldwide with its rich culture, stunning landscapes, and vibrant tourism industry. In TripAdvisor's 2025 Traveler's Choice Awards, Bali secured the position of the second most popular destination globally and the top spot in Asia. According to data from Badan Pusat Statistik (BPS), the occupancy rate of star-rated hotels in Bali Province has shown fluctuations, while the number of international tourists has displayed an upward trend. This reflects the dynamic nature of the hospitality industry, which is influenced by various factors such as holiday seasons, tourism policies, and the appeal of travel destinations. Although the number of tourists continues to rise, variations in the occupancy rate of star-rated hotels suggest differences in travelers' accommodation preferences, including non-star hotels and alternative lodging options.

Table 1.1 Total Number of Foreign Tourists and Hotel Occupancy Rates in Bali

Month (2024)	Total Foreign Tourists	Starred Hotel Occupancy Rate (%)	Non-Starred Hotel Occupancy Rate (%)
January	420,037	56.27	36.24
February	455,277	55.27	40.91
March	469,227	52.71	38.44
April	503,194	57.69	44.05
May	544,601	66.10	47.02
June	518,819	65.78	47.05
July	625,665	68.78	50.03
August	616,641	70.16	52.00
September	593,909	66.34	48.83
October	559,911	64.37	43.94
November	472,9	59.61	43.43

Month (2024)	Total Foreign Tourists	Starred Hotel Occupancy Rate (%)	Non-Starred Hotel Occupancy Rate (%)
December	551,1	63.71	44.15

Source: Badan Pusat Statistik, 2025

Based on Table 1, data on the number of international tourists and hotel occupancy rates in Bali show an unstable trend throughout 2024. Although the number of international tourists generally increased from January (420,037) to its peak in July (625,665), the figure fluctuated afterward, declining to 472,900 in November before rising again to 551,100 in December. Similarly, the occupancy rate of star-rated hotels experienced instability, starting at 56.27% in January, decreasing to 52.71% in March, then peaking at 70.16% in August before dropping again to 59.61% in November. A similar pattern was observed in the occupancy rate of non-star hotels, which increased from 36.24% in January to a peak of 52.00% in August but later declined to 43.43% in November.

Ubud, nestled in the heart of Bali, is often hailed as the island's cultural epicenter. Renowned for its lush landscapes, vibrant arts scene, and rich traditions, Ubud offers visitors an immersive Balinese experience. Travelers can witness captivating performances such as the kecak dance and shadow puppet shows, and indulge in a variety of Indonesian and international cuisines. This vibrant town has earned its reputation as the second must-visit destination in Bali from Agoda.com in 2025. Its unique blend of cultural heritage, natural beauty, and artistic expression continues to captivate travelers from around the world.

Niki House is a budget hotel located in Ubud, established in 2020 and began operations in 2021. Since then, it has grown rapidly, reaching 10 rooms by 2023. Niki House is a budget hotel offering complete facilities and a highly strategic location, making it well-known among backpackers and other travelers. In 2023, Niki House was recognized by Booking.com as one of the best budget hotels, receiving an impressive review score of 9.6 out of 10.
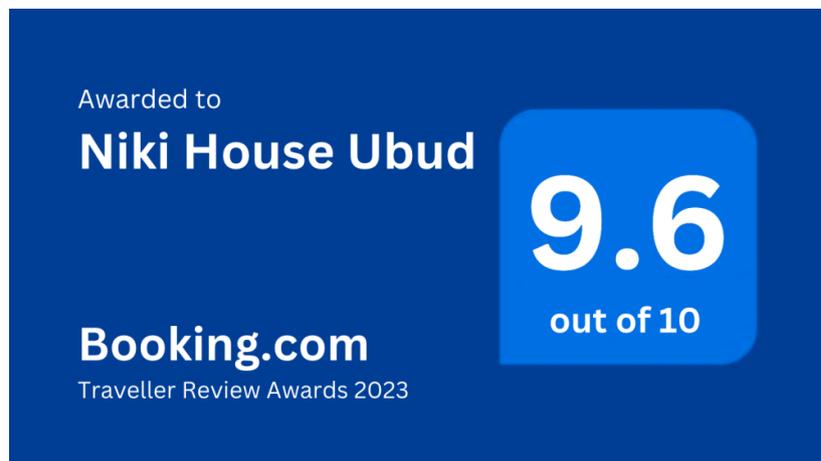
Figure 1. 1 Niki House Ubud Award

Source: PT Niki Real Estate, 2023

Niki House's achievement of receiving a remarkable 9.6 out of 10 review score from Booking.com in 2022 highlights its exceptional performance in the budget hotel sector. This recognition reflects the hotel's consistent commitment to providing excellent service and value for money, particularly for backpackers and budget-conscious travelers. However, despite this significant accomplishment, there has been a slight decline in performance since 2022. While still maintaining a solid reputation, the hotel

has faced some challenges in sustaining the same high level of guest satisfaction, which can be attributed to various factors such as market competition, changing customer expectations, and external conditions affecting the tourism industry.

Table1. 2 Niki House's Occupancy Rate

Year	Total Nights Sold	Occupancy Rate%	Growth by OR%
2022	335	14.74%	
2023	2264	62.93%	326.93%
2024	1802	49.32%	-21.63%

Source: PT Niki Real Estate, 2025

The table above illustrates Niki House's occupancy rates and total nights sold from 2022 to 2024. In 2022, the hotel experienced a modest occupancy rate of 14.74%, with only 335 nights sold, likely due to its initial years of operation. However, there was a remarkable increase in 2023, with the occupancy rate rising to 62.93%, reflecting the growing demand and recognition of the hotel, which resulted in 2,264 nights sold. Despite this significant improvement, the occupancy rate slightly declined in 2024 to 49.32%, with a total of 1,802 nights sold. This decline could indicate that there are some areas for improvements

Table1. 3 Niki House's Occupancy Rate

Year	Occupancy Rate (%)	Repeat Buyer Percentage (%)
2022	14.74	11.8
2023	62.93	54.7
2024	49.32	39.2

Source: PT Niki Real Estate, 2025

The data above illustrates the evolving relationship between occupancy rates and the percentage of repeat buyers at Niki House Hotel from 2022 to 2024. In 2022, as the hotel was still establishing its presence, the occupancy rate was relatively low at 14.74%, with only 11.8% of guests returning for another stay. This figure reflects the early-stage challenges of building guest loyalty and recognition. A dramatic improvement occurred in 2023, when the occupancy rate has risen to 62.93% in line with Bali's tourism rebound. The repeat buyer percentage also surged to 54.7%, indicating that a majority of guests were satisfied enough with their experience to return. However, in 2024, both the occupancy rate and repeat buyer percentage saw a decline, dropping to 49.32% and 39.2% respectively. This decrease likely reflects intensifying competition in Ubud's hospitality market and shifting guest expectations, as well as possible lapses in maintaining service consistency.

Table1. 4 Niki House's Guest Review from Airbnb

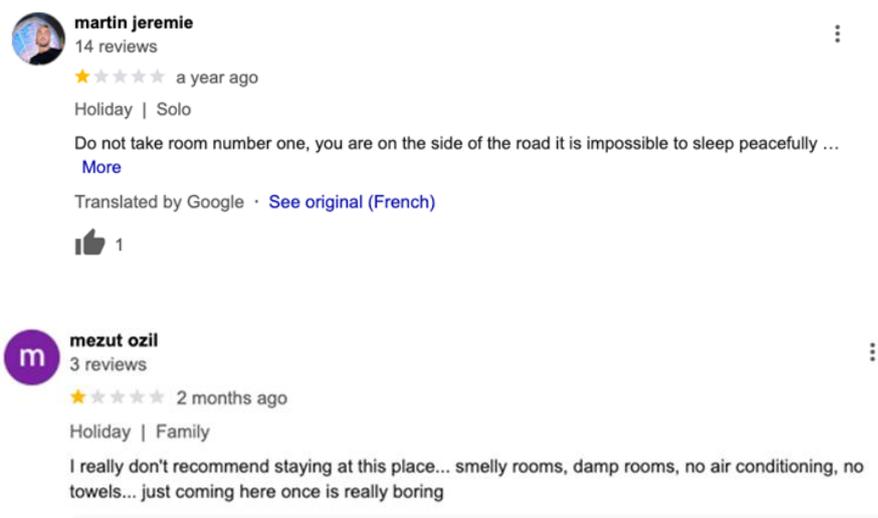| Year	%	Growth %
2022	55.45	
2023	59.13	6.64%
2024	58.63	−0.85%

Source: PT Niki Real Estate, 2025

In addition to occupancy rates, Niki House's guest reviews from Airbnb also provide insight into its performance over the years. In 2022, the hotel received a guest review score of 55.45%, which reflects the early stage of its operation and areas for improvement in guest satisfaction. However, in 2023, there was an improvement in the guest experience, with the review score rising to 59.13%. This indicates that guests began to appreciate the hotel's services more as it established its reputation. In 2024, the score slightly decreased to 58.63%, suggesting a minor dip in guest satisfaction, which could be linked to factors such as rising competition or changing customer expectations. Airbnb analyzes six key satisfaction indicators to assess and improve the experiences of both guests and hosts. These indicators help maintain the platform's reputation and ensure high-quality service.

The Accuracy indicator evaluates how closely a listing matches its description, including amenities and appearance. A high accuracy rating means the property meets guests' expectations, while discrepancies can lead to dissatisfaction. The Check-in rating measures how easy it is for guests to access the property. This includes clear check-in instructions, availability of self-check-in, and host responsiveness. A smooth check-in process

contributes to a positive experience. Cleanliness assesses the condition of the property in terms of hygiene and upkeep. Communication reflects the responsiveness and clarity of interactions between hosts and guests. Timely and helpful communication enhances the guest experience, while delays or lack of communication can cause frustration. The Location indicator considers the property's proximity to key attractions, transportation, and amenities. A well-located property typically improves the guest experience, especially when it's easily accessible. The Value rating measures whether guests feel the accommodation offers good value for the price. It takes into account the quality of the property and amenities relative to the cost. In conclusion, Airbnb uses these six indicators—Accuracy, Check-in, Cleanliness, Communication, Location, and Value—to ensure high levels of guest and host satisfaction, fostering trust and loyalty within the platform.

Figure 1. 2 Customer Guest Reviews on Google Map

martin jeremie
14 reviews
★☆☆☆☆ a year ago
Holiday | Solo
Do not take room number one, you are on the side of the road it is impossible to sleep peacefully ...
More
Translated by Google · See original (French)
👍 1

mezut ozil
3 reviews
★☆☆☆☆ 2 months ago
Holiday | Family
I really don't recommend staying at this place... smelly rooms, damp rooms, no air conditioning, no towels... just coming here once is really boring

Source: Google Map Public Review, Documented on 2025

Furthermore, the Google reviews highlight critical issues affecting guest satisfaction at Niki House, particularly concerning room quality, comfort, and amenities. Complaints include noise disturbances, unpleasant room conditions (such as dampness and odors), and a lack of basic necessities like air conditioning and towels. These negative experiences suggest that the hotel may struggle with maintaining consistent service standards, which could contribute to its declining Airbnb review scores and occupancy rate in 2024. Addressing these concerns through improved maintenance, enhanced guest communication, and upgraded amenities could help restore customer satisfaction and help prevent the hotel occupancy rate from dropping.

According to 53 guest reviews retrieved from Airbnb, 32% of guests rated their stay below 50%, indicating a significant gap between their expectations and the actual experience at Niki House Hotel.

Table1. 5 Niki House's Bad Guest Review from Airbnb (Random Sample)

Accuracy	Check-in	Cleanliness	Comm.	Location	Value	Review Passage
40%	40%	20%	40%	60%	40%	"The listing didn't match reality—several promised amenities were missing. Check-in was confusing and delayed, and the room was dirty with stains and a musty smell. The host was slow to respond to my concerns. While the location was decent, I didn't feel the stay was worth the price paid."
60%	40%	20%	40%	40%	20%	"Some details in the listing were inaccurate. The check-in instructions were unclear and I had to wait for the host. The

Accuracy	Check-in	Cleanliness	Comm.	Location	Value	Review Passage
						biggest issue was cleanliness: the bathroom was unclean and the sheets didn't look fresh. Communication was lacking, the area was a bit far from the center, and I felt the price was too high for what I got."

Source: PT Niki Real Estate, 2025

These negative reviews consistently highlight three critical areas of concern: cleanliness, accuracy of the listing, and communication. Guests frequently cited issues such as unclean rooms, discrepancies between the online description and the actual property, and delayed or unclear responses from staff. For example, several reviewers mentioned unpleasant odors, dampness, and the absence of promised amenities, all of which contributed to dissatisfaction and a reluctance to return.

On the other hand, 68% of guests rated their stay above 50%, reflecting a generally positive experience for the majority. Positive reviews most often praised the hotel's strategic location in Ubud, the smooth and hassle-free check-in process, and the perceived value for money.

Table1. 6 Niki House's Good Guest Review from Airbnb (Random Sample)

Accuracy	Check-in	Cleanliness	Comm.	Location	Value	Review Passage
100%	100%	100%	100%	100%	100%	"Everything about my stay matched the listing perfectly. The check-in process was smooth and hassle-free, and the room was spotless with fresh linens and towels. The host was always available and responded instantly to my questions. The location is ideal—close to Ubud's main

Accuracy	Check-in	Cleanliness	Comm.	Location	Value	Review Passage
						attractions—and for the price, I felt like I got amazing value. Highly recommended!"
80%	80%	100%	80%	100%	80%	"The property was just as described, and check-in was straightforward. The room was very clean, and the host communicated clearly, though sometimes replies took a bit longer. The location is fantastic for exploring Ubud, and overall, it was a great deal for the price."

Source: PT Niki Real Estate, 2025

Guests appreciated the proximity to local attractions, the ease of check-in, and fair pricing compared to other options in the area. These aspects not only met but often exceeded guest expectations, fostering higher satisfaction and the likelihood of repeat visits.

Table1. 7 Niki House's Monthly Average Daily Rate in IDR

Month	2022	2023	2024
January	251,236	310,200	273,324
February	196,916	227,480	195,123
March	244,496	289,520	248,818
April	249,361	299,860	257,834
May	252,837	320,540	277,042
June	260,992	330,880	288,248
July	265,917	342,120	296,319
August	301,450	353,160	303,912
September	301,039	364,900	316,119
October	313,491	376,240	320,395
November	384,988	496,320	453,921
December	331,887	382,580	331,664
Average	**279,551**	**341,150**	**296,893**

Source: PT Niki Real Estate, 2025

The monthly price data for Niki House Hotel from January 2022 to December 2024 clearly illustrates the impact of seasonality on hotel pricing. Throughout all three years, February consistently stands out as the lowest-priced month, reflecting the off-peak season when tourist demand in Ubud is at its weakest. In contrast, November emerges as the highest-priced month each year, marking the peak season when demand surges and room rates reach their annual maximum. This pattern shows that the prices typically drop by 20–40% during low season and can rise by 20–50% or more during peak periods.

The instability of the Hotel Occupancy Rate indicates that tourists do not always engage in Repurchase Intention, or the decision to stay at the same hotel on subsequent visits (Ummah et al., 2023). One factor influencing Repurchase Intention is E-Service Quality, which refers to the quality of electronic services provided by hotels. In the digital era, travelers increasingly rely on online platforms to gather information, make reservations, and evaluate their stay experiences. E-Service Quality, encompassing website navigation ease, booking speed and convenience, price and facility transparency, and responsiveness of online customer service, plays a crucial role in shaping tourists' experiences. When travelers perceive a hotel's digital services as inefficient or below expectations, they tend to seek alternatives for their next visit, leading to a lower Repurchase Intention. Conversely, superior E-Service Quality enhances customer

satisfaction and trust, ultimately strengthening Repurchase Intention (Ummah et al., 2023).

Several studies have examined the relationship between e-service quality, price fairness, customer satisfaction, and repurchase intention, highlighting their significant role in consumer behavior, particularly among service providers.

Consumer behavior in the hospitality and tourism industries involves various factors that influence consumers' decisions to purchase related products and services. Consumer behavior encompasses the psychological and social processes that drive individual purchasing decisions and product interactions (Schiffman & Kanuk, 2019). (Kotler et al., 2016) describe it as the series of actions consumers take, from problem recognition to post-purchase behavior. (Solomon, 2018) further elaborate that consumer behavior includes both internal psychological processes and external social influences, which together shape consumption patterns. (Blahopoluchna & Liakhovska, 2022) define consumer behavior as the study of decisions, activities, ideas, or experiences that fulfill consumers' needs and desires, including decision-making related to acceptance, consumption, and disposal of services.

In the hospitality and tourism industries, **consumer behavior** is heavily influenced by factors such as e-service quality, price fairness, customer satisfaction, and repurchase intention (Antwi, 2021; Chandra et al., 2020; Saodin et al., 2019)

E-service quality has emerged as a critical factor influencing customer satisfaction and repurchase intention, especially in online service environments. (Parasuraman et al., 2005) define e-service quality as the customer's overall evaluation of online services, including the service provider's handling of issues. Studies have shown that e-service quality positively impacts both customer satisfaction and repurchase intention. For example, (Salsabilah et al., 2024) found that e-service quality significantly affects customer satisfaction and repurchase intention through satisfaction as a mediator. Similarly, (Fazizah et al., 2024) showed that e-service quality significantly influences repurchase intention both directly and indirectly through customer satisfaction. In the hospitality and tourism industries, e-service quality plays a vital role in shaping the overall customer experience and fostering customer loyalty.

Price fairness is another critical factor influencing consumer behavior, as it concerns the perceived alignment between the price paid and the value received. (Xia et al., 2004) describe price fairness as the comparison of a product's price with a reference price and the transparency of the pricing system. Studies have shown that price fairness significantly impacts customer satisfaction, which in turn influences repurchase intention. (Susanti, 2019) noted that both service quality and perceived price fairness significantly affect customer satisfaction and loyalty. (Gumussoy & Koseoglu, 2016) found that price fairness, along with service quality, plays a pivotal role in determining customer satisfaction and loyalty,

particularly in service-oriented industries like hotels and online platforms. Moreover, research indicates that consumers who perceive prices as fair tend to have a stronger intention to repurchase, as fair pricing enhances trust and satisfaction (Haddad et al., 2015; Konuk, 2019).

Customer satisfaction serves as a crucial mediator in the relationship between e-service quality, price fairness, and repurchase intention. (Li et al., 2013) define customer satisfaction as the extent to which a service meets or exceeds customer expectations. Various studies emphasize the mediating role of customer satisfaction. For instance, (Aminah & Kusuma Dewi, 2023) found that customer satisfaction mediates the relationship between service quality and repurchase intention, particularly among airline service users. In the e-commerce sector, (Batubara et al., 2024) demonstrated that customer satisfaction mediates the impact of e-service quality on repurchase intention, showing how service providers can strengthen customer loyalty through consistent satisfaction. These findings suggest that customer satisfaction plays a vital role in strengthening the influence of service quality and price fairness on repurchase intention.

Repurchase intention refers to the likelihood of customers returning to purchase a service again after a prior experience. Several studies highlight that repurchase intention is influenced by e-service quality, price fairness, and customer satisfaction. (Fazizah et al., 2024) found that customer satisfaction mediates the effect of e-service quality and price

fairness on repurchase intention. Sukardi (2024) also confirmed that service quality and hotel facilities significantly affect repurchase intention, emphasizing that a positive customer experience is critical in driving future purchase decisions. Research in the hospitality and tourism industries shows that repurchase intention is closely linked to customer satisfaction, where positive experiences drive future loyalty (Chandra et al., 2020; Su et al., 2016).

the research indicates that e-service quality, price fairness, and customer satisfaction are key determinants of repurchase intention, with customer satisfaction acting as a crucial mediator. These findings highlight the complex relationships between these variables and emphasize the importance of understanding consumer behavior in the context of service provision. As studies in the hospitality and tourism sectors show, **e-service quality** and **price fairness** strongly influence **customer satisfaction**, which in turn significantly impacts **repurchase intention**. Service providers must address these factors strategically to enhance their service offerings and build long-term customer loyalty (Antwi, 2021; Chandra et al., 2020; Saodin et al., 2019).

Based on the background discussion, there exists a research gap and inconsistencies in previous findings. This highlights the need for further investigation, prompting the researcher's interest in studying **"The Effect of E-Service Quality and Price Fairness on Repurchase Intention Through Customer Satisfaction: A Case Study of Hotels in Ubud, Bali."**

This study aims to contribute to relevant stakeholders, particularly hotel management, by enhancing electronic service quality and implementing fair pricing policies to improve customer satisfaction and encourage repurchase decisions in hotels across Ubud, Bali.

1.2   Problem Identification

This research aims to investigate how e-service quality and price fairness affect repurchase intention through customer satisfaction in the hospitality industry. From Table 1.3, the repurchase intention shown by the return of previous guests at Niki House Hotel is experiencing a downward trend. The percentage of repeat buyers increased significantly from 11.8% in 2022 to 54.7% in 2023, indicating a substantial improvement in guest loyalty during the hotel's peak operational year. However, this positive momentum was not sustained, as the repeat buyer percentage declined to 39.2% in 2024. This study focuses on hotels in Ubud, Bali, which has witnessed fluctuations in occupancy rates despite growing tourism. The identification problems are as follows:

1. Does e-service quality influence the repurchase intention of customers at Niki House Hotel in Ubud, Bali?

2. Does price fairness influence the repurchase intention of customers at Niki House Hotel in Ubud, Bali?

3. Does e-service quality influence customer satisfaction at Niki House Hotel in Ubud, Bali?

4. Does price fairness influence customer satisfaction at Niki House Hotel in Ubud, Bali?

5. Does customer satisfaction influence repurchase intention at Niki House Hotel in Ubud, Bali?

6. Does e-service quality influence repurchase intention through customer satisfaction at Niki House Hotel in Ubud, Bali?

7. Does price fairness influence repurchase intention through customer satisfaction at Niki House Hotel in Ubud, Bali?

1.3   Research Purposes

The purpose of this research is as follows:

1. To analyze the effect of e-service quality on repurchase intention at Niki House Hotel in Ubud, Bali.

2. To analyze the effect of price fairness on repurchase intention at Niki House Hotel in Ubud, Bali.

3. To analyze the effect of e-service quality on customer satisfaction at Niki House Hotel in Ubud, Bali.

4. To analyze the effect of price fairness on customer satisfaction at Niki House Hotel in Ubud, Bali.

5. To analyze the effect of customer satisfaction on repurchase intention at Niki House Hotel in Ubud, Bali.

6. To analyze the effect of e-service quality on repurchase intention through customer satisfaction at Niki House Hotel in Ubud, Bali.

7. To analyze the effect of price fairness on repurchase intention through customer satisfaction at Niki House Hotel in Ubud, Bali.

1.4   Research Implication

1. **Theoretical Implication**

    The results of this study will contribute to the theoretical understanding of Consumer Behavior and how the concepts of e-service quality, price fairness, and customer satisfaction impacts repurchase intention in the hotel industry. This research will provide valuable insights into consumer behavior in the hospitality sector, especially in tourist destinations like Ubud, Bali.

2. **Managerial Implication**

    The findings will help Niki hotel management in Ubud enhance their e-service quality and pricing strategies to improve customer satisfaction and loyalty. By addressing the factors that influence repurchase intention, hotel managers can make informed decisions to strengthen their market position and ensure repeat visits. This research can also provide practical recommendations for improving the overall guest experience and increasing revenue through repeat customers.

3. **Social Implication**

    This study will increase the knowledge and understanding of consumer behavior in the context of the tourism and hospitality industry, particularly regarding how digital services and pricing

impact customer loyalty. By emphasizing the importance of customer satisfaction as a mediating factor, the research will promote a deeper understanding of how businesses in the hospitality sector can cater to the evolving needs of travelers and foster long-term relationships with their customers.

1.5 Literature Review

1.5.1 Consumer Behavior

Consumer behavior represents a fundamental concept in marketing research that encompasses the psychological and social dimensions of purchasing decisions. Consumer behavior involves the psychological and social processes that drive individual purchasing decisions and product interactions (Schiffman & Kanuk, 2019). This perspective is complemented by (Kotler et al., 2016) who conceptualize consumer behavior as the series of actions consumers undertake during the acquisition, consumption, and eventual disposal of products or services. (Solomon, 2018) further expand this definition by characterizing consumer behavior as the study of processes when individuals or groups select, purchase, use, or dispose of products to satisfy their needs. These definitions collectively emphasize the multifaceted nature of consumer behavior, acknowledging both the internal psychological processes and external social influences that shape consumption patterns.

The study of consumer behavior provides critical insights for understanding market dynamics and developing effective marketing

strategies. As noted by (Schiffman & Kanuk, 2019), consumer behavior research allows marketers to analyze the complex interplay between individual motivations and social contexts that influence purchasing decisions. (Kotler et al., 2016) highlight that understanding consumer behavior enables businesses to identify key touchpoints throughout the customer journey, from Problem Recognition, Information Search, Evaluation of Alternatives, Purchase Decision, and Post-Purchase Behavior. Furthermore, (Solomon, 2018) emphasize that consumer behavior research reveals how consumers' needs and desires translate into market demand, providing essential information for product development, pricing strategies, and promotional campaigns. This theoretical framework recognizes consumer behavior as both an individual and collective phenomenon, shaped by personal preferences, social norms, cultural factors, and situational contexts.

In the context of hospitality and tourism, consumer decision-making in electronic hotel bookings is recognized as a multi-stage process shaped by various psychological and informational factors. (Hu & Yang, 2020) provide a comprehensive analysis of this process, identifying three primary stages: the initial stage, the consideration phase, and the booking stage. At the initial stage, consumers actively seek information about hotels through diverse sources, including online reviews and ratings. Research from (Hu & Yang, 2020), as well as (Park et al., 2019) highlights that user-generated reviews and the volume of those reviews play a crucial

role in shaping the consumer's initial consideration set. These early impressions, formed through digital channels, are particularly influential in the hospitality sector, where trust and perceived credibility are essential for narrowing down accommodation choices. During the consideration phase, consumers begin to evaluate specific hotel attributes such as listed price, promotional discounts, and the popularity of the property among other travelers. Research by (Hu & Yang, 2020) and (Masiero & Nicolau, 2016) demonstrates that, at this stage, consumers typically employ fast, non-compensatory heuristic strategies to filter their options. This means that guests often make quick judgments based on standout features or deal-breakers, rather than conducting a detailed comparison of all available alternatives. Finally, in the booking stage, the decision-making process becomes more deliberate and compensatory. Consumers reassess key attributes such as price, discounts, and the content of online reviews using a more integrative approach to reach a final decision. The correlation between these factors becomes increasingly important, as guests weigh the trade-offs to ensure their chosen hotel aligns with both their expectations and budget (Hu & Yang, 2020; Masiero & Nicolau, 2016).

1.5.2   E-Service Quality

E-service quality has emerged as a critical dimension of online consumer experiences, focusing on how digital service delivery meets customer expectations. (Parasuraman et al., 2005) conceptualized e-service quality as the overall customer evaluation of service excellence in

digital environments, establishing key dimensions including fulfillment and contact as essential components of online service quality assessment. E-service quality is defined as the overall opinion and evaluation of customers related to online services and the company's handling of services that have problems (Parasuraman et al., 2005). This framework was preceded by (Zeithaml et al., 2005) who developed eleven distinct dimensions specifically tailored to online purchase environments for comprehensively assessing digital service delivery. (Santos, 2003) further refined this concept by defining e-service quality as consumers' overall judgment regarding excellence and quality of e-service delivery in virtual marketplaces. These foundational perspectives collectively emphasize that e-service quality represents a multidimensional construct that extends beyond website functionality to encompass the entire digital customer experience.

The evaluation of e-service quality involves distinct metrics and considerations compared to traditional service quality assessment frameworks. According to (Parasuraman et al., 2005), e-service quality measurement must address unique aspects of digital interactions, including system availability, privacy concerns, and efficiency of virtual service processes. (Zeithaml et al., 2005) contend that e-service quality evaluations are particularly influenced by technological interface characteristics, information quality, and responsiveness to customer inquiries in digital contexts. (Santos, 2003) emphasizes that consumers

form e-service quality judgments through comparing actual performance against expected service standards in virtual environments, highlighting the comparative nature of quality assessment. These theoretical perspectives collectively establish e-service quality as a fundamental determinant of consumer satisfaction and behavioral intentions in online contexts, with particular relevance for digital marketplace performance and competitive positioning.

According to (Parasuraman et al., 2005), e-service quality encompasses seven dimensions:

1. Efficiency

   Ease and speed of accessing and using the website, including how quickly customers can find information, navigate the site, and complete transactions without excessive effort.

2. System Availability

   Correct technical functioning of the website, including its accessibility, proper operation, and freedom from crashes or technical failures that impede customer interactions.

3. Fulfillment

   Extent to which the site's promises about order delivery and item availability are fulfilled, addressing accuracy, timeliness, and completeness of service delivery as promised.

4. Privacy

Degree to which the site is safe and protects customer information, including security of personal data and confidentiality of shopping behavior during the electronic transaction.

5. Responsiveness

Effective handling of problems and returns through the site, including the ability to provide appropriate information to customers when problems arise during service delivery.

6. Compensation

The degree to which the site compensates customers for problems, encompassing policies regarding refunds, shipping costs, and handling fees when service failures occur.

7. Contact

Availability of assistance through telephone or online representatives, evaluating the accessibility of live support and options for human interaction during electronic service encounters.

1.5.3   Price Fairness

Perceived pricing fairness represents a subjective evaluation process through which consumers judge the reasonableness of market offerings. Perceived price fairness can be defined as consumers' subjective evaluation of whether a seller's price is reasonable, acceptable, and justifiable compared to competitors' offerings (Xia et al., 2004),. Price

fairness is defined as a comparison of the price of a product with a reference price and the information contained in a price (Xia et al., 2004). This assessment process, as noted by (Herrmann et al., 2007) significantly influences customer satisfaction and purchase intentions in both physical and digital marketplaces, creating a direct link between pricing perceptions and consumer behavior outcomes. (Zeithaml, 1988) investigated this concept through the lens of value for money, conceptualizing it as the relationship between price paid and service received, which establishes a comparative framework for consumers' fairness judgments. These theoretical perspectives collectively emphasize that perceived price fairness extends beyond objective price points to encompass subjective interpretations influenced by market comparisons, personal expectations, and contextual factors.

The formation of price fairness perceptions involves complex cognitive and affective processes that shape subsequent consumer responses. (Herrmann et al., 2007) demonstrated that consumers engage in multi-faceted evaluation processes when forming price fairness judgments, considering factors such as price transparency, price reliability, and relative price position compared to reference points. (Xia et al., 2004) emphasize that when consumers perceive pricing as unfair, they may engage in various protective behaviors including complaints, negative word-of-mouth, or switching to alternative providers. (Zeithaml, 1988) further established that price fairness perceptions interact with quality

assessments to form overall value judgments, suggesting an integrated approach to understanding how pricing influences consumer decision-making. These theoretical foundations position perceived pricing fairness as a critical antecedent to customer satisfaction and loyalty, highlighting its strategic importance for sustainable business performance and competitive advantage in marketplace environments.

According to (Xia et al., 2004), price fairness includes three dimensions:

1. Comparing Prices with Competitors

   Evaluation of a product's price against similar offerings from other sellers in the marketplace, allowing consumers to contextualize prices within the broader market environment to establish fairness benchmarks.

2. Comparing Prices with Previous Prices

   Assessment of current prices against historical price points for the same product, addressing the temporal aspect of price fairness where consumers evaluate whether price changes over time appear reasonable.

3. Consumer Perceptions of Company Profits

   Evaluation of whether companies are generating reasonable profits relative to the price charged, reflecting consumers' beliefs about the relationship between pricing and perceived value delivered.

1.5.4   Customer Satisfaction

Customer satisfaction represents a central construct in consumer behavior research that reflects post-consumption evaluative judgments. (Oliver, 1980) defined customer satisfaction as consumers' evaluative judgment regarding whether consumption experiences meet or exceed expectations, establishing the expectancy-disconfirmation paradigm as a dominant theoretical framework. (Kotler et al., 2016) expanded this conceptualization by identifying three primary indicators of customer satisfaction: expectation fulfillment, perceived quality, and emotional response, highlighting the multidimensional nature of satisfaction judgments. (Fornell et al., 1996) positioned customer satisfaction as both an outcome of past consumption experiences and a predictor of future consumer behavior, establishing its dual role in consumer psychology. These theoretical perspectives collectively emphasize that customer satisfaction emerges from comparative processes wherein consumers evaluate actual experiences against pre-consumption standards or expectations.

The strategic importance of customer satisfaction stems from its established relationship with business performance metrics and consumer loyalty. Satisfaction judgments directly influence attitude formation and subsequent behavioral intentions, creating a causal chain linking satisfaction to repurchase decisions (Oliver, 1980). (Kotler et al., 2016) highlight that satisfaction measurement provides critical diagnostic

information about service delivery effectiveness and identifies specific improvement opportunities across customer touchpoints. (Fornell et al., 1996) demonstrated that aggregate customer satisfaction serves as a leading indicator of financial performance, positioning satisfaction as a key metric for evaluating market competitiveness and long-term business sustainability. In perspective of hospitality and tourism, Customer satisfaction is the extent to which a hotel meets or exceeds the expectations of its guests in key areas such as cleanliness, room quality, service, location, and value, leading to positive evaluations and loyalty (Li et al., 2013) theoretical foundations establish customer satisfaction as a central mediating variable that translates service quality perceptions and pricing fairness judgments into behavioral outcomes, emphasizing its role as both a performance indicator and a strategic objective for business organizations.

According to (Li et al., 2013), customer satisfaction in the hospitality industry consists of five dimensions:

1. Expectation

    Pre-consumption anticipations and standards that customers bring to the service encounter, including desired attributes, performance levels, and outcomes that serve as reference points for satisfaction judgments.

2. Service and Product

Evaluations of the tangible and intangible aspects of the hotel experience, including room quality, cleanliness, staff service, amenities, and overall comfort. This dimension also includes the perceived value for money and the level of service quality received during the stay.

3. Location

The convenience and desirability of the hotel's location relative to key attractions, transportation, and other relevant factors. This is a critical factor for domestic guests, especially in economic hotels, and can be an excitement factor for international guests.

4. Complaint Behavior

Customer actions in response to dissatisfaction, including direct complaints to the hotel management, negative online reviews, or word-of-mouth communication. Dissatisfaction typically arises when key expectations (room quality, cleanliness, service, or value) are not met.

5. Post-Consumption Evaluation

Guests' reflections and judgments after their stay, considering whether their expectations were met or exceeded. This evaluation influences repeat business, loyalty, and recommendations to others. The post-consumption evaluation is shaped by overall satisfaction with the hotel's services, value, and experience.

1.5.5 Repurchase Intention

Repurchase intention represents a critical behavioral indicator that reflects consumers' future engagement with service providers. (Hellier et al., 2003) defined repurchase intention as consumers' expressed likelihood to engage in future transactions with the same service provider, establishing it as a measurable manifestation of customer-firm relationships. Repurchase intention relates to the interest or desire of consumers to reorder the same hotel service after they have had a previous stay experience (Prabawa et al., 2023). (Zeithaml et al., 1996) positioned repurchase intention as a manifestation of consumer loyalty and a reliable predictor of actual repurchase behavior, highlighting its value as a forward-looking metric. (Oliver, 1999) further refined this concept by defining repurchase intention as a commitment to consistently rebuy a preferred product or service despite situational influences and marketing efforts designed to induce switching behavior. These perspectives collectively emphasize that repurchase intention reflects consumers' psychological commitment to maintain relationships with specific providers, serving as a bridge between attitudinal loyalty and behavioral outcomes.

The formation of repurchase intentions involves complex psychological processes influenced by multiple experiential factors. Repurchase intentions are shaped by a combination of satisfaction with previous experiences, perceived value, and switching barriers that collectively determine consumers' willingness to maintain provider relationships (Hellier et al., 2003). (Zeithaml et al., 1996) demonstrated that

service quality perceptions significantly influence behavioral intentions, establishing a direct pathway between service experiences and future engagement decisions. (Oliver, 1999) contends that the development of repurchase intentions progresses through cognitive, affective, and conative stages, culminating in action loyalty that manifests as consistent repurchase behavior. These theoretical foundations position repurchase intention as a culmination of the consumer decision process that integrates prior satisfaction, service quality assessments, and perceived value, making it a strategic outcome variable with substantial implications for business growth and customer retention strategies.

According to (Prabawa et al., 2023) repurchase intention comprises four dimensions:

1. Additional Purchase Intention

   Willingness to increase consumption volume or expand purchase scope with the same provider, reflecting customer intentions to buy more products or services from the existing provider in future transactions.

2. Preferential Intention

   Tendency to prioritize a particular service provider over competitors, reflecting preference-based loyalty that influences future purchase decisions in favor of the same provider when alternatives are available.

3. Transactional Intention

Explicit plans to engage in specific repurchase behavior, including the likelihood, frequency, and timing of anticipated future transactions with the same service provider.

4. Explorative Intention

Willingness to seek additional information about the provider and explore other offerings, reflecting consumer interest in discovering more of the provider's products or services beyond previous purchases.

1.6 The Effect between Variables

1.6.1 The Effect of E-Service Quality on Repurchase Intention

According to research conducted by (Saodin et al., 2019), e-service quality impacts positively on online repurchase intention in the hotel industry. Their study on three-star hotels in Lampung, Indonesia, found that higher perceived e-service quality enhances customer trust and satisfaction, which in turn influences their intention to repurchase. Similarly, research by (Vo et al., 2019) confirmed that website service quality contributes to customer satisfaction, which subsequently influences consumer engagement behaviors and brand loyalty. The study highlights that improving the quality of online services and hotel websites plays a crucial role in increasing customer retention and repurchase intention. These findings emphasize the need for luxury and budget hotels alike to enhance their e-service quality to foster customer satisfaction and encourage repeat bookings (Saodin et al., 2019; Vo et al., 2019)

H1: E-Service Quality has a significant effect on Repurchase Intention.

1.6.2 The Effect of Price Fairness on Repurchase Intention

Perceived price fairness impacts positively on consumer loyalty through customer satisfaction in budget hotels in East Java to (Susanti, 2019). The study found that fair pricing directly enhances customer satisfaction, which in turn strengthens their loyalty and repurchase intention. Similarly, (Gumussoy & Koseoglu, 2016) confirmed that perceived price fairness significantly influences customer satisfaction and loyalty in the Turkish hotel industry. Their findings suggest that when customers perceive pricing as fair, they are more likely to develop long-term loyalty and increase their likelihood of repurchasing. These studies highlight the crucial role of price fairness in shaping consumer behavior and maintaining a competitive advantage in the hospitality sector (Gumussoy & Koseoglu, 2016; Susanti, 2019).

H2: Price Fairness has a significant effect on Repurchase Intention.

1.6.3 The Effect of Customer Satisfaction on Repurchase Intention

Customer satisfaction impacts positively on consumer loyalty and repurchase intention in budget hotels in East Java (Susanti, 2019). The study found that satisfied customers are more likely to return and remain loyal to the hotel brand. Similarly, (Vieira et al., 2022) demonstrated that customer satisfaction mediates the relationship between perceived service quality and repurchase intention in the context of electronic technical

assistance services, emphasizing that satisfaction is a key driver for repeat purchases. Moreover, (Mahartana et al., 2023) found that customer satisfaction influences repurchase intention in the Indonesian hotel industry, although its effect through brand loyalty was not significant. These findings highlight the importance of ensuring customer satisfaction to encourage repeat patronage across different service industries.

H3: Customer Satisfaction has a significant effect on Repurchase Intention.

1.6.4 The Effect of E-Service Quality on Customer Satisfaction

E-service quality impacts positively on customer satisfaction in the luxury hotel industry, where high-quality hotel websites enhance customer satisfaction and engagement behaviors (Vo et al., 2019). Similarly, (Saodin et al., 2019) found that e-service quality significantly affects e-satisfaction among consumers of three-star hotels in Lampung, Indonesia, reinforcing the importance of digital service quality in shaping customer experiences. These findings suggest that improving e-service quality is crucial for increasing customer satisfaction, particularly in the hospitality industry.

H4: E-Service Quality has a significant effect on Customer Satisfaction.

1.6.5 The Effect of Price Fairness on Customer Satisfaction

Price fairness impacts positively on customer satisfaction in budget hotels in East Java, demonstrating that fair pricing enhances

consumer satisfaction and leads to greater loyalty (Susanti, 2019). Similarly, (Gumussoy & Koseoglu, 2016) and (Jonathan et al., 2024) found that perceived price fairness significantly influences customer satisfaction in Turkish hotels, emphasizing that fair pricing strategies contribute to higher customer satisfaction. These findings highlight the crucial role of price fairness in shaping positive customer experiences and reinforcing satisfaction across the hospitality industry. ality industry, leading to a stronger bond between customers and brands.

H5: Price Fairness has a significant effect on Customer Satisfaction.

1.6.6 The Effect of E-Service Quality on Repurchase Intention through Customer Satisfaction

E-service quality impacts positively on repurchase intention through customer satisfaction in luxury hotels, as higher website service quality enhances customer satisfaction, which in turn strengthens repurchase intention (Vo et al., 2019). Similarly, (Saodin et al., 2019) found that e-service quality influences online repurchase intention indirectly by first improving e-satisfaction, suggesting that satisfied customers are more likely to repurchase. These findings emphasize the mediating role of customer satisfaction in the relationship between e-service quality and repurchase intention, highlighting the importance of improving online service experiences in the hospitality sector.

H6: E-Service Quality has a significant effect on Repurchase Intention through Customer Satisfaction.

1.6.7 The Effect of Price Fairness on Repurchase Intention through Customer Satisfaction

Price fairness impacts positively on repurchase intention through customer satisfaction in budget hotels, indicating that fair pricing enhances customer satisfaction, which subsequently increases their likelihood of repurchasing (Susanti, 2019). Similarly, (Gumussoy & Koseoglu, 2016) and (Jonathan et al., 2024) found that perceived price fairness significantly influences customer satisfaction, which in turn strengthens repurchase intention. These findings suggest that ensuring fair pricing strategies can improve customer satisfaction, ultimately leading to higher customer retention and repeat bookings.

H7: Price Fairness has a significant effect on Repurchase Intention through Customer Satisfaction.

1.7 Previous Research

Previous research was used as a reference for researcher in conducting this research. There are several studies conducted by previous researchers:

Table1. 8 Previous Research

No	Researcher /Title/Year	Variable	Object	Result	Difference
1	Jonathan et al. / The Role of Guest Satisfaction Mediation in the Relationship Between Service	Service Quality, Price Fairness, Guest Satisfaction, Revisit Intention	Guests of a 4-star hotel in Bekasi, Indonesia	Service quality and price fairness impact positively on guest satisfaction, which in	Focuses on guest satisfaction as a mediator in the hospitality industry.

No	Researcher /Title/Year	Variable	Object	Result	Difference
	Quality, Price Fairness, and Revisit Intention: A Case Study of XYZ Hotel / 2024			turn impacts positively on revisit intention.	
2	Nga Thi et al. / The Impact of E-service Quality on the Customer Satisfaction and Consumer Engagement Behaviors Toward Luxury Hotels / 2019	E-Service Quality, Customer Satisfaction, Consumer Engagement Behaviors, Brand Loyalty	Luxury Hotel Online Bookers in Vietnam	E-service quality impacts positively on customer satisfaction, which then impacts positively on consumer engagement behaviors and brand loyalty.	Focuses on luxury hotels' online service quality and digital engagement.
3	Saodin et al. / The Influence of E-Service Quality Toward E-Satisfaction, E-Trust, E-WOM, and Online Repurchase Intention: A Study on the Consumers of Three-Star Hotels in Lampung / 2019	E-Service Quality, E-Satisfaction, E-Trust, E-WOM, Online Repurchase Intention	Guests of Three-Star Hotels in Lampung	E-service quality impacts positively on e-satisfaction and e-trust. E-WOM impacts positively on online repurchase intention, but e-satisfaction and e-trust do not impact e-WOM.	Focuses on online service interactions and consumer behavior in mid-range hotels.

No	Researcher /Title/Year	Variable	Object	Result	Difference
4	Gumussoy & Koseoglu / The Effects of Service Quality, Perceived Value, and Price Fairness on Hotel Customers' Satisfaction and Loyalty / 2016	Service Quality, Perceived Value, Price Fairness, Customer Satisfaction, Customer Loyalty	Hotel Guests in Alanya, Turkey	Service quality, price fairness, and perceived value impact positively on customer satisfaction, which then impacts positively on customer loyalty.	Focuses on perceived value as a key driver of satisfaction and loyalty.
5	Susanti / The Effect of Service Quality and Perceived Price Fairness on Consumer Loyalty through Consumer Satisfaction on Budget Hotel in East Java / 2019	Service Quality, Price Fairness, Customer Satisfaction, Customer Loyalty	Budget Hotel Customers in East Java	Service quality and price fairness impact positively on customer satisfaction, which then impacts positively on customer loyalty.	Examines customer behavior in budget hotels.
6	Susanto et al. / The Effect of Service Quality and Price on Customer Satisfaction and Repurchase Intention: Case Study at Crown Prince Hotel	Service Quality, Price, Customer Satisfaction, Repurchase Intention	Crown Prince Hotel Guests in Surabaya	Service quality impacts positively on customer satisfaction but not on repurchase intention.	Highlights the stronger role of pricing over service quality in repurchase decisions.

No	Researcher /Title/Year	Variable	Object	Result	Difference
	Surabaya / 2021			Price impacts positively on customer satisfaction and repurchase intention.	
7	Shinegi & Widjaja / The Influence of Hotel Interior, Hotel Customer Process, and Hotel Design on Repurchase Intentions Mediated by Customer Satisfaction / 2022	Hotel Interior, Hotel Customer Process, Hotel Design, Customer Satisfaction, Repurchase Intention	Sharia Hotel Customers	Hotel interior, customer process, and design impact positively on customer satisfaction, which then impacts positively on repurchase intention.	Focuses on design elements and their role in shaping customer behavior.

1.8   Hypothesis
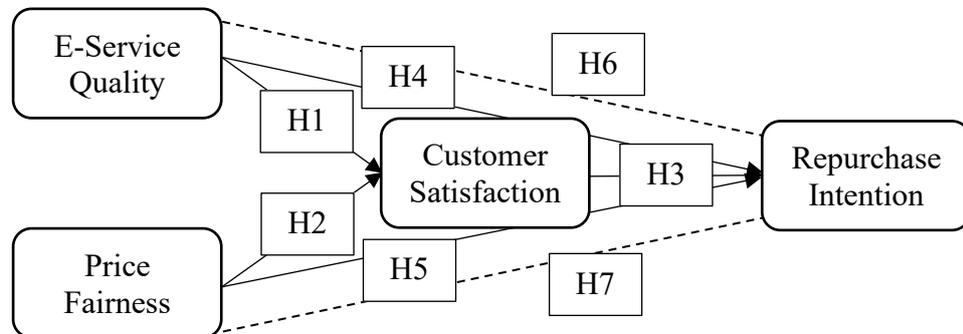
Figure 1.3 Theoretical Framework

A hypothesis is a proposition or conjecture that has not been proven, or is still tentative or tentative to explain facts or phenomena, as well as possible answers to research questions (Zikmund et al., 2000) The hypothesis proposed in this study are:

H1   : E-Service Quality has a significant effect on Repurchase Intention.

H2   : Price Fairness has a significant effect on Repurchase Intention.

H3   : Customer Satisfaction has a significant effect on Repurchase Intention

H4   : E-Service Quality has a significant effect on Customer Satisfaction.

H5   : Price Fairness has a significant effect on Customer Satisfaction.

H6   : E-Service Quality has a significant effect on Repurchase Intention through Customer Satisfaction.

H7   : Price Fairness has a significant effect on Repurchase

Intention through Customer Satisfaction.

1.9   Conceptual Definition

1.9.1   E-Service Quality

E-service quality is the overall opinion and evaluation of customers related to online services and the company's handling of services that have problems (Parasuraman et al., 2005)

1.9.2   Price Fairness

Price fairness is a comparison of the price of a product with a reference price and the information contained in a price (Xia et al., 2004).

1.9.3   Customer Satisfaction

Customer satisfaction is the extent to which a hotel meets or exceeds the expectations of its guests in key areas such as cleanliness, room quality, service, location, and value, leading to positive evaluations and loyalty (Li et al., 2013).

1.9.4   Repurchase Intention

Repurchase Intention relates to the interest or desire of consumers to reorder the same service after they have had a previous stay experience (Prabawa et al., 2023).

1.10   Operational Definition

Table1. 9 Operationalization of the Variables

No	Variable	Variable Definition (Conceptual)	Indicators	Scale

1	E-Service Quality (Parasuraman et al., 2005)	Overall evaluation of online services and the company's handling of service issues.	1. Efficiency 2. System Availability 3. Fulfillment 4. Privacy 5. Responsiveness 6. Compensation 7. Contact	Likert
2	Price Fairness (Xia et al., 2004)	Comparison of product price with reference prices and perceived fairness of pricing information.	1. Comparing prices with competitors 2. Comparing prices with previous prices 3. Consumer perceptions of company profits	Likert
3	Customer Satisfaction (Li et al., 2013)	Extent to which hotel services meet/exceed guest expectations in cleanliness, service, and value.	1. Expectation 2. Service and Product 3. Location 4. Complaint Behavior 5. Post-Consumption Evaluation	Likert
4	Repurchase Intention (Prabawa et al., 2023)	Likelihood of guests reordering the same hotel service after a previous stay.	1. Additional Purchase Intention 2. Preferential Intention 3. Transactional Intention 4. Explorative Intention	Likert

Source: Processed Data, 2025

1.11 Research Method

The research method according to Sugiyono (2019) is a scientific way to get data with specific purposes and functions.

1.11.1 Research Type

This research involves at least two variables that can be connected, and its purpose is to describe, predict, and control a phenomenon. Therefore, this study will explain the existence of interactive or reciprocal relationships between the variables and the extent to which

these relationships influence one another. The research adopts a quantitative explanatory type, which aims to clarify and highlight the relationships between variables and explain the independent variables in relation to the dependent variables. Explanatory research is designed to explain the position of variables and the relationships between them (Sugiyono, 2018). Quantitative research seeks to explain phenomena by collecting numerical data and analyzing it through mathematically-based methods. As stated by (Watson, 2015), quantitative research covers a range of methods concerned with the systematic investigation of social phenomena using numerical or statistical data. In quantitative research, it is assumed that the phenomena being studied can be measured.

1.11.2   Population and Sample

1.11.2.1 Population

According to (Sugiyono, 2019), a population refers to the generalization area consisting of objects or subjects that possess specific characteristics and quantities determined by researchers for the purpose of study and drawing conclusions. The population for this study comprises tourists aged 18 years or older who have stayed in Niki Hotel located in Ubud, Bali, within the past year, and who have made at least one hotel reservation online through their official Website. The selection of this population is based on the characteristics of Ubud, Bali, which primarily attracts adult tourists who book their accommodations online via Niki Hotel's official Website.

1.11.2.2 Sample

Sample, as defined by (Sudjana & Ibrahim, 2004), refers to a part of the population that can be accessed and shares similar characteristics with the population being studied. A sample is a segment of the whole population with similar traits (Sugiyono, 2018) Due to the uncertain nature of the population, the sampling method used in this research was adapted according to Cooper & Emory's approach in (Butarbutar, 2022) which suggests assuming an infinite population for non-probability sampling. According to Cooper & Emory, the sample size of 100 from a population of 5,000 is approximately equivalent to a sample of 100 from a population of 200 million.

1.11.3   Sampling Technique

The research employs a non-probability sampling method, which, according to (Sugiyono, 2018) does not provide each member of the population with an equal chance to be selected as a sample. Additionally, the purposive sampling method will be used, which requires thoughtful consideration (Sugiyono, 2018). This method is chosen because not all potential samples meet the required criteria, so purposive sampling was selected after considering the specific requirements and factors that the study's samples must meet. The criteria for sample selection are:

a.   Willing to complete a questionnaire.

b.   At least 18 years old.

c.   Respondents must be tourists who have stayed in Niki Hotel located in Ubud, Bali, in the past year.

d.   Respondents must have made at least one hotel reservation online through Niki Hotel's official Website.

1.11.4   Types and Sources of Data

1.11.4.1 Type of Data

Data refers to all the facts and figures used as material for compiling information (Arikunto, 2019), a broader sense, data consists of information that can be created, processed, transmitted, and analyzed. According to (Sugiyono, 2018) data types are divided into two categories:

1.   **Qualitative Data**

Qualitative data are non-numerical and may be in the form of sentences, words, or images. This data can include organizational histories, structures, and other data extracted from organizational documents.

2.   **Quantitative Data**

Quantitative data are numerical. These can be further classified into discrete data (derived from counting) and continuous data (derived from measurements).

1.11.4.2 Source of Data

The data sources for this study consist of both primary and secondary data:

1. **Primary Data**

   Primary data refers to information gathered directly by researchers from respondents with direct relevance to the variables being studied. Primary data sources include individual respondents, focus groups, and internet sources if questionnaires are distributed online (Sekaran, 2006).

2. **Secondary Data**

   Secondary data is collected from existing sources. These sources may include company records, documents, industry analyses by media, websites, and government publications (Sekaran, 2006). In this study, secondary data were obtained from literature reviews including books, journals, articles, and internet websites relevant to the study's variables.

1.11.5 Measurement Scale

According to (Sekaran, 2006), the measurement scale serves as a tool or method for distinguishing individuals concerning the studied variables. The choice of model or statistical test to be used in the analysis is influenced by the data types involved. The Likert scale is a commonly used psychometric tool for surveys, particularly in opinion polling. (Sugiyono, 2018) defines the Likert scale as a tool for measuring individuals' or groups' attitudes, beliefs, and perceptions regarding a social issue. In this research, the Likert scale will be used as follows:

Table1. 10 Likert Model Answer Score

Description	Score

Strongly disagree	1
Disagree	2
Neutral/Uncertain	3
Agree	4
Strongly agree	5

1.11.6 Data Collection Techniques

a. **Questionnaire**

A questionnaire is a written tool used to gather information on a specific topic from respondents (Arikunto, 2019). Data will be collected through the distribution of questionnaires in online formats, to tourist who have stayed in Niki Hotel located in Ubud.

b. **Literature Review**

Literature review involves collecting data from various scholarly and literary sources. According to (Sarwono, 2006) this method includes reviewing reference books and previous research findings. These results help to build a theoretical foundation for the study.

1.11.7 Data Analysis Techniques

Quantitative analysis is applied in this research to systematically measure and interpret changes in events and phenomena. The primary statistical analysis method employed is Partial Least Squares Structural Equation Modeling (PLS-SEM), utilizing SmartPLS 4.0 software for data processing and analysis. PLS-SEM is chosen for its ability to handle complex models involving multiple relationships between observed and latent variables, making it suitable for testing theoretical frameworks and

hypotheses in social science research (Abdillah & Hartono, 2015; Solimun et al., 2017).

1.11.7.1 Model Specification of PLS

Following the guidelines by (Ghozali, 2014) the PLS-SEM analysis in this research is structured in two main stages:

1. **Outer Model (Measurement)**

   The outer model specifies the relationships between latent constructs and their observed indicators. This stage focuses on evaluating the validity and reliability of the measurement instruments by assessing convergent validity (e.g., loading factors, Average Variance Extracted/AVE) and discriminant validity (e.g., cross-loadings, Fornell-Larcker criterion) (Ghozali & Latan, 2015).

2. **Inner Model (Structural)**

   The inner model outlines the hypothesized relationships among latent variables, both direct and indirect. This stage assesses the strength, direction, and significance of these relationships, providing insight into the causal structure proposed by the research model (Ghozali, 2014; Abdillah & Jogiyanto, 2015).

11.1.7.2 Outer Model (Evaluation of Measurement Model)

The evaluation of the outer model aims to ensure that the constructs are measured accurately and consistently. The following criteria are used (Ghozali & Latan, 2015):

1. Convergent Validity: Assessed through indicator loadings (preferably >0.70 for confirmatory research, >0.60 for exploratory research, >0.50 for early-stage research) and AVE values (>0.50).

2. Discriminant Validity: Examined using cross-loadings (each indicator should load highest on its associated construct) and the Fornell-Larcker criterion (the square root of AVE for each construct should exceed its correlation with other constructs).

3. Reliability: Evaluated using Composite Reliability (>0.70 for confirmatory, 0.60–0.70 for exploratory research) and Cronbach's Alpha (>0.70 for confirmatory, >0.60 for exploratory research).

All validity and reliability tests are conducted using SmartPLS 4.0, which provides comprehensive reports and visualizations for each measurement criterion.

11.1.7.3 Inner Model (Evaluation of Structure Model)

The inner model evaluation determines how well the structural model explains the relationships among latent variables. Key evaluation metrics include:

1. R-Square (R^2): Indicates the proportion of variance in endogenous constructs explained by exogenous constructs. R^2 values of 0.75, 0.50, and 0.25 are interpreted as strong, moderate, and weak, respectively (Chin, 1998; (Ghozali & Latan, 2015)

2.   Effect Size (f²): Measures the impact of a specific exogenous construct on an endogenous construct. Thresholds are 0.02 (small), 0.15 (medium), and 0.35 (large) (Chin, 2010).

3.   Path Coefficient Estimation: Path coefficients are estimated using the bootstrapping procedure in SmartPLS. The significance of these coefficients is determined by t-statistics and p-values (Abdillah & Hartono, 2015).

4.   Significance Testing: Hypotheses are supported if the t-statistic >1.96 (p-value <0.05) for a 95% confidence level. For a 90% confidence level, t-statistic >1.65 is used (Ghozali & Latan, 2015).

The evaluation process follows a two-step approach: first, confirming the measurement model (outer model), and then assessing the structural model (inner model), as recommended in the literature (Ghozali, 2014).

Table1. 11 Rule of Thumb for Evaluating Reflective Indicator Measurement Model

No	Criteria	Parameter	Rule of Thumb
1.	Covergent Validity	Loading Factor	a. >0.70 for Confirmatory Research b. >0.60 for Exploratory Research c. >0.50 for early-stage research
		Average Variance Extracted (AVE)	a. >0,50 for Corfirmatory and Exploratory Research
2.	Discriminant Validity	.Cross loading	a. >0,70 for every variable
		Square root of AVE and correlation between latent constructs	a. Square root of AVE > correlation

No	Criteria	Parameter	Rule of Thumb	
			between latent constructs	
3.	Realibility	Cronbach Alpha's	a. >0,70 for Confirmatory Research	
			b. >0,60 for Exploratory Research	
		Composite Reability	a. >0,70 for Confirmatory Research	
			b. 0,60 – 0,70 for Exploratory Research	

Source: (Ghozali & Latan, 2015)