Analyzing Safety Needs and Esteem towards Purchasing Decisions during the COVID-19 Pandemic (Case Study: Traveloka)

By

Isaura Flora 11703020

BACHELOR'S DEGREE

in

Hospitality and Tourism Management Business Administration and Communication



SWISS GERMAN UNIVERSITY

The Prominence Tower Jalan Jalur Sutera Barat No. 15, Alam Sutera Tangerang, Banten 15143 - Indonesia

STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

the thesis.	
Isaura Flora	
Student	Date
Approved by:	
Mr. Robert La Are, S.ST, M.Par.	
Thesis Advisor	Date
Dr. Nila Krisnawati Hidayat, SE., MM.	
Dean	Date

Isaura Flora

ABSTRACT

ANALYZING SAFETY NEEDS AND ESTEEM TOWARDS PURCHASING DECISIONS DURING THE COVID-19 PANDEMIC (CASE STUDY: TRAVELOKA)

By

Isaura Flora Robert La Are SST. Par, M. Par, Advisor

SWISS GERMAN UNIVERSITY

Due to the COVID-19 pandemic, everyone has been advised to stay home, work from home and some terminated from their workplace. Meanwhile working or staying from home seems to be the best choice, most workers and citizens are getting mentally exhausted and experiencing Burnt-out. To escape this, they find inspirations to travel in nature and staying in accommodations where it is hygiene through Traveloka. This study aims to analyze the impacts of Safety needs and Esteem from Maslow's Hierarchy of needs caused by the COVID-19 Pandemic, and how it is impacting their Purchasing Decisions, using 300 Bandung Gen X and Millennial Citizens, whose age ranges from 18-40. This study uses two types of data which is Descriptive and Quantitative using the 25th edition of SPSS. The results of this study found out that COVID-19 Pandemic has harmed the economy of Bandung, and the positive aspect of this pandemic is that Safety Needs and Esteem has a relation with Purchasing Decisions as well as it raises awareness, and respect of the community to help each other creating a social solidarity.

Keywords: Safety Needs, Esteem, Millennials, COVID-19 Pandemic, Purchasing Decisions, Online Travel Agency, Travelling and Hospitality Industry.



DEDICATION

I dedicate this thesis research for my family, advisor, friends who has been very supportive as well as to contribute the literature of Safety Needs and Esteem.



ACKNOWLEDGEMENTS

I would like to express my sincerest gratitude to:

- 1. My God Almighty for without his guidance, I would not be able to find the motivation on continuing my thesis. Thank you, God, for always guiding me through this journey, with every hour, step and the decisions that I took.
- 2. My Family, for all the unconditional love and support, spiritually and financially, encouragements, advices and most importantly always believing in me.
- 3. My advisor Mr. Robert La Are, S.ST, M. Par. for all the guidance throughout my thesis journey along with the attention, encouragement, time and advices that you have provided without time limitation. As well as Mr, Esa Theodore Mbouw M.Sc. and Ms. Munawaroh Zainal, S.E. M.M although you did not contribute as my advisor, I am deeply grateful for the advices and time that you have given me.
- 4. All of my lecturers in Swiss German University, for the knowledge during my 4 years of bachelor studies.
- 5. All my friends from Hotel and Tourism Management nor my friends that I have made in Swiss German University for giving me encouragement, memories, help and the struggles that we have faced together during the last 4 years.
- 6. The respondents that have contributed their time in order to fill out my questionnaire, without them I would not be able to finish the data without their participation.
- 7. To other people that I could not mention one by one. I am grateful and I really appreciate your help.

TABLE OF CONTENTS

	Page
STATEMENT BY THE AUTHOR	2
ABSTRACT	3
DEDICATION	5
ACKNOWLEDGEMENTS	6
TABLE OF CONTENTS	7
LIST OF FIGURES	10
LIST OF TABLES	11
CHAPTER 1 - INTRODUCTION	12
1.1 29	
1.2. Research Problems	25
1.3. Research Questions	26
1.4. Research Objectives	26
1.5. Scope and Limitation	27
1.6. Significance of Study	27
CHAPTER 2 – LITERATURE REVIEW	28
2.1. Framework of Thinking	28
2.2. COVID-19	29
2.2.1. Definition	29
2.2.2. Symptoms and Safety Procedures	29
2.3. Internet	31
2.3.1. Definition	31
2.3.2. E-Commerce	32
2.3.3. Online Booking Travel Agency	33
2.4. Consumer Behaviour	34
2.5. Purchasing Decisions	37
2.5.1. Consumer Ratings and Review	40
2.6. Previous Study Table	40
2.7. Study Differences	43
2.8. Research Model	45
2.9. Hypothesis	45

CHAPTER 3 – RESEARCH METHODS	46
3.1. Type of Study	46
3.2. Unit Analysis	47
3.3. Population and Sampling	48
3.3.1.Sampling Strategies	48
3.3.2.Sample Size	50
3.4. Location and Timeframe of Study	51
3.5. Data Resources and Collection Method	52
3.5.1.Type of Data	52
3.5.1.1. Primary Data	52
3.5.1.2. Secondary Data	52
3.5.2.Data Collection Method	53
3.6. Variable Operationalization	54
3.7. Data Testing Procedure	57
3.7.1. Pre-test	57
3.7.2. Post-test	58
3.7.2.1. Validity Test	58
3.7.2.2. Reliability Test	59
3.8. Data Analysis Technique	60
3.8.1. Descriptive Statistical Analysis	60
3.8.2. Inferential Statistical Analysis	61
3.8.3. Classical Assumption Test	62
3.8.3.1. Normality Test	62
3.8.3.2. Heteroscedasticity Test	63
3.9. Hypothesis Test	64
3.9.1. Coefficient of Determinant (R2)	65
3.9.2. F-test	65
3.9.3. T-test	66
CHAPTER 4 – RESULTS AND DISCUSSIONS	67
4.1. Organization Profile	67
4.2. Pre-Test Result	68
4.2.1. Validity Pre-test Result	68
4.2.2. Reliability Pre-Result Test	70

70
71
71
72
72
73
75
75
75
79
81
81
82
82
84
85
87
87
88
90
91

LIST OF FIGURES

Figures	Page
Figure 1.1 - Reported Cases and Deaths by Country or Territory	12
Figure 1.2 - Total Cases Worldwide	13
Figure 1.3 - Indonesia's Tourism Revenue	14
Figure 1.4 - Trip Styles in Terms of Popularity for Millennials	17
Figure 1.5 – Holiday photos on Social Media influences where I go on a Holiday	y 18
Figure 1.6 - Penetration of leading social networks in Indonesia as of Q3 2020	18
Figure 1.7 - What's your Generation	19
Figure 1.8 - Indonesian Workers Education level	20
Figure 1.9 – Occupation and Jobs for all types	20
Figure 1.10 – "Why do you book your holidays through your chosen method?"	21
Figure 1.11 - Most popular OTA among consumers in Indonesia	22
Figure 1.12 - Traveloka Price Alerts Interface	24
Figure 1.13 – workers made to WFH, laid-off or Terminated in Indonesia	26
Figure 2.1 – Top 2 of Maslow's Motivation Needs Theory Pyramid	35
Figure 2.2 – Pre-Purchase stages of Purchasing Decisions	37
Figure 2.3 – Research Model	45
Figure 3.5-1. – Likert Scale	53
Figure 3.7.2.1-1 Types of validity	58
Figure 4.1-1. Traveloka.com Logo	67
Figure 4.3-1 – Respondent's Age Demographic Result	71
Figure 4.3-2 – Respondent's Occupancy Demographic Result	72
Figure 4.3-3 – Respondent's Occupancy Demographic Result	72
Figure 4.4-1 – Normality Test Results (Kolmogorov-Smirnov)	76
Figure 4.4-2 – Histogram	77
Figure 4.4-3 – Normality Test Result for Safety Needs, Esteem and Purchasing	
Decision Regression (P-Plot)	78

LIST OF TABLES

Table	Page
Table 2.6-1– Previous Studies	40
Table 2.7-1– Study Differences	43
Table 3.4-1– Time Frame of Study	51
Table 3.6-1 – Variable Operationalization	54
Table 3.7.2.2-1. – Cronbach Alpha Coefficient Consistency	59
Table 3.8.1-1 – Likert Interval Scale	61
Table 4.2-1 – Pearson's R Correlation Coefficient Table (46-50)	68
Table 4.2-2 – Safety Need Items Validity Pre-Result Test	69
Table 4.2-3 – Esteem Items Validity Pre-Result Test	69
Table 4.2-4 – Purchasing Decisions Items Validity Pre-Result Test	70
Table 4.2-5 – Reliability items Pre-Result Test	70
Table 4.3-4 – Safety Need Items Validity Pro-Result Test	73
Table 4.3-5 – Esteem Items Validity Pro-Result Test	74
Table 4.3-6 – Purchasing Decision Items Validity Pro-Result Test	74
Table 4.3-7 – Items Reliability Pro-Result Test	75
Table 4.5-1 – Descriptive Statistic Result for Safety Needs	79
Table 4.5-2 – Descriptive Statistic Result for Esteem	80
Table 4.5-3 – Descriptive Statistic Result for Purchasing Decisions	80
Table 4.6-1 – Variables Entered for Simple Linear Regression	81
Table 4.6-2 – Model Summary Results for Simple Linear Regression	82
Table 4.6-3 – F-Test for Simple Linear Regression	83
Table 4.6-4 – F Table Values (250-400)	83
Table 4.6-5 – T-Test Results for Simple Linear Regression	84
Table 4.6-6 – T-Table Value (200-400)	85