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FACTORS INFLUENCING THE ADOPTION OF INTERNET RESERVATION SYSTEMS BY AIRLINE PASSENGERS IN SRI LANKA

UNIVERSITY OF MORATUWA, SRI LANKA

By

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This Dissertation was submitted to the Department of Computer Science & Engineering of the University of Moratuwa in partial fulfillment of the requirement for the Degree of Master of Business Administration.

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Declaration

"I certify that this dissertation does not incorporate, without acknowledgement, any material previously submitted for a Degree or Diploma in any University and to the best of my knowledge and belief, it does not contain any material previously published or written by another person or myself except where due reference is made in the text. I also hereby give consent for my dissertation, if accepted, to be made available for photocopying and for inter-library loans, and for the title and summary to be made available to outside organizations."

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To the best of my knowledge, the above particulars are correct.

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Signature of Supervisor — Date

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Abstract

The world has come to the verge of a revolution that is just as profound as the change in the economy that came with the industrial revolution. Soon electronic networks will allow people to transcend the barriers of time and distance and take advantage of global markets and business opportunities, opening up a new world of economic possibility and progress. With Internet's booming, airlines' business has been greatly changed.

This study is focused on measuring the intention to purchase air tickets using Internet reservation system and finding out the factors that influence intention. Data was initially gathered through interviews. This study integrates constructs from the United Theory of Acceptance and Use of Technology Model, Transaction Cost Saving, Perceived Risk and Perceived Enjoyment. A survey was administered to 128 Sri Lankan passengers in Bandaranaike International Airport who were experienced and inexperienced with such systems.

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According to the results obtained it can be clearly concluded that the intention levels of using Internet Reservation Systems by airline passengers in Sri Lanka are at a higher level. The results also indicate that Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions, Time Saving, Price Saving, Perceived Enjoyment and Perceived Risk have a significant effect on airline passengers' intention to use Internet reservation systems.

The study concludes with a list of recommendations that the researcher sees as suitable for the airline sector in Sri Lanka to adopt in order to improve the usage of Internet reservation systems and thereby improve on the services provided. Airlines and tour operators can implement more successful Internet based reservation systems by considering the findings of this research.

Key words: Reservation Systems, UTAUT, Airlines, Intention, Perceived Risk, Transaction Cost

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