

CHAPTER 1

INTRODUCTION

1.1 Object Review

TIX ID is the leading entertainment service application in Indonesia that provides a new experience in buying movie tickets and other entertainment. With TIX ID, users can find out information about the latest films and book cinema tickets easily, quickly and safely. TIX ID application can be downloaded on the Play Store and App Store. Tix Id application can be downloaded at Play Store and App Store. Tix Id application was launched on March 21, 2018 by an android development, namely PT Nusantara Elang Sejahtera.



Figure 1.1 Tix Id Logo

Source: www.facebook.com (2018)

The basic difference between TIX ID and other applications is in terms of payment, which is using the DANA balance. User of TIX ID application can add a DANA balance with a minimum top up of IDR 10,000 and no top up fees if use a particular bank. The minimum amount that can add to your DANA balance is IDR 10,000 and the maximum total DANA balances is IDR 2,000,000. In addition, people who have DANA application can also use the DANA balances on TIX ID in other applications that have supported payments through DANA such as BBM, Ramayana and Buka Lapak. This time TIX ID has 2 (two) payment methods, namely Debit / Credit Cards that have Visa or Master Card

logo and DANA Balance. To be able to make a payment, either using a DANA balance or using a Debit / Credit Card, user of TIX ID application must activate the DANA account first.

1.2 Background

Nowadays the internet has undergone a rapid development and has been a primary need for the daily lives of many. People can get the latest news in the world quickly, shop their necessities, play game online or do communication face-to-face with their distant families and friends with just a click of a button. The improvement of the internet technology has been massive that it has given everyone an ease of access for information. This has also given ease for businesses to interact with their customers. Businesses are now able to easily transfer information about their latest products and provide their customers with the most convenient services, without requiring them to leave their homes.

In terms of the growth of internet users, the 2014 Survey of the Association of Indonesian Internet Service Providers (APJII) and the Center for Communication Studies of Indonesia shows that internet users in Indonesia are projected to continue to grow for the foreseeable future 139 million users. Internet users in Indonesia use the internet to do four main activities, namely: (1) Accessing social networks (87.40%); (2) Finding information / searching / browsing (68.70%); (3) Using instant messaging services (59.90%); and (4) Looking for the latest news (59.70%). The use of internet access to e-commerce is 11% of users in 2014.

According to the APJII survey, most channel purchases were made for purchases of fashion products (71.60%), cosmetic products (20%) and purchases of gadget products (17.10%), while purchases of services / travel accommodation products only reached 1.70% of the total channel transactions. As many as 72.70% of internet users stated that they have never done channel shopping. The main factor that determines the intention of internet users to channel spending is because they assume that they will consume a long process (59.50%) and the second reason is the goods and services sold same / not according to what is / promised on the website (38%). In the most recent survey APJII presented the results of a survey entitled "2017 Indonesian Internet User Penetration and Behavior". The survey

results in collaboration with technopreneur said that the penetration of internet users in Indonesia increased to 143.26 million people, equivalent to 54.7 percent of the total population in Indonesia. In a similar survey in 2016, the number of internet users in Indonesia reached 132.7 million, so there was also an indication of an increase in internet users by 7.96 percent



Figure 1.2 Indonesia`s Internet User Penetration

Source: APJII Survey Result

The development of Information Technology which has been increasing rapidly lately has an impact on all sectors of business activities. Some estimates indicate that, since the 1980s, around 50 percent of new investors' capital has been invested in the development of Information Technology (Venkatesh, et al., 2003). According to Dewi (2009), the role of Information Technology in various aspects of business can be understood because as a technology that focuses on regulating information systems with the use of computers, Information Technology can meet the information needs of the business world quickly, timely, relevant and accurate. To find out the factors that encourage someone to use a system, there have been many research models developed, one of which is the Unified Theory of Acceptance and Use of Technology (UTAUT) model which is the result of the development of Venkatesh, et al. (2003).

The discovery of the UTAUT model in the study of Venkatesh, et al. (2003) encourage authors to conduct research on user acceptance in the use of information technology to support one's performance. The research conducted by Venkatesh, et al. (2003) will be examined again by researchers with differences in the study sample. Venkatesh, et al. (2003) use objects of various departments in the communications, entertainment, banking, and public administration industries in the United States, while this study uses research objects on the interests and behavior of online system users in terms of online ticket reservations (e-ticket).

Day to day with the development of the operating system on smartphones, features which supports the operating system also continues to grow. One of the most rapidly developing features is the supporting application. Until the beginning in 2016, there are various applications such as chat applications, games, e-commerce, e-mail and others. These applications make it easy consumers to connect with other consumers, obtain entertainment, and save time. These applications can also support work done by consumers and accelerate access to information required. The development of applications on this smartphone is not can directly change the tendency of communicating within consumers send a message. Before the presence of chat applications, consumers tended to using Short Message Service (SMS). However, nowadays consumers prefer to use the chat application because of its features offered.

Through the help of internet-based technology, e-commerce has now become a major factor in the development and popularity of businesses. Conventional shopping stores have now shifted their businesses into online shopping websites and provide quick product deliveries by travel sales (Bloomberg, 2013). It is no longer an issue for customers using electronic shopping service to mind their locations for purchasing products from stores located in a different continent, or from what device did they purchase those products from because even smartphones with the lowest quality and specification still provide internet connections. Customers, particularly the highly mobile ones, are now able to browse, to pick, and to pay for their desired products electronically without having to leave their daily activities. This is the factor that influenced ecommerce to further develop to mobile commerce. As the demand for online transactions keeps on

increasing, mobile commerce has now also become a key factor influencing the success of businesses. This has also influenced companies to broaden their services. Sales can now, not only be being done through websites, but also electronic receipts and tickets, mobile service, peer-to-peer payment, and applications (Anckar and D’Incau, 2002; Herzberg, 2003; Mallat Rossi, and Tuunainen, 2004; Stafford and Gilleson, 2003).

The movie theater industry nowadays, has undergone a massive development. One significant growth of the Indonesian Film industry today are the number of screens and theaters. In 2012, Indonesia only had 145 cinemas with 609 screens. This number increase sharply to 343 theaters with 1,756 screens in December 2018. This means, in the last six years, the number of cinemas has increased to 136.5 percent and the number of screens has increased to 188.34 percent. Until December 2018, the cinema has spread to 32 provinces in Indonesia. Only Aceh and north Kalimantan which at the time of this report were written did not have a cinema.

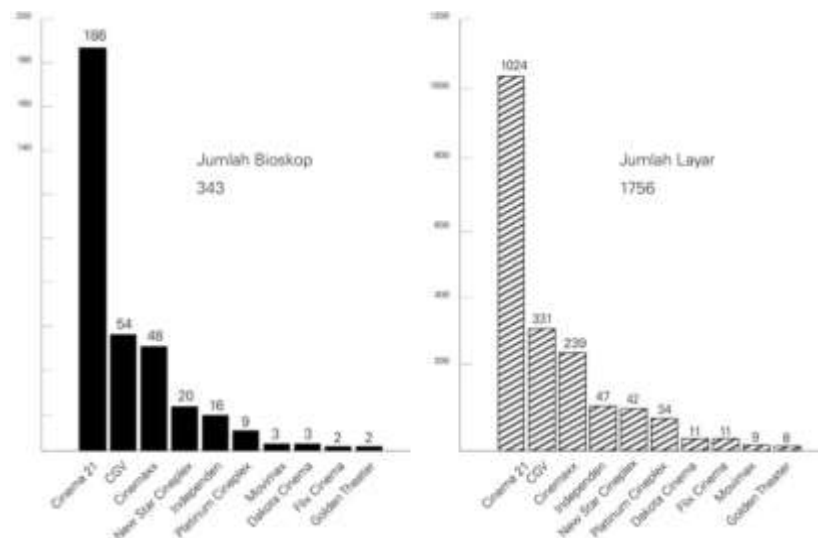


Figure 1.3 Number of screens and theaters

Source: *filmindonesia.or.id*

As there are more movies being produced over the years by local and foreign production houses, and the increasing number of movie theaters being built in more

provinces in Indonesia, the demand to watch these movies tend to increase and therefore, an easy way of earning tickets is needed.



Figure 1.4 Number of imported films and Indonesian films

Source: *Pusbangfilm Kemendikbud*

The number of imported film ranges from 200 -275 films every year, compared to Indonesian films which increase and reach 120 films.

Cineplex 21 Group is one of the cinema companies in Indonesia that has developed an internet-based ticket purchase service. One of the latest an application services that can be accessed at XXI is TIX. This online ticketing service is known as TIX ID has a main purpose of providing convenient services and time efficiencies for customers in purchasing their movie tickets and leading entertainment service application in Indonesia that provides a new experience in buying movie tickets and other entertainment. TIX ID application operation is done through remote transactions, where customers are able to purchase their tickets

without having to come to the theater to queue in line, and this process could be done anywhere through the customers' mobile devices. In order to use this service, the customer should download TIX ID application and use their phone number to register their account and TIX ID will send a code to get their account activated.

Despite the advantages offered by XXI through TIX ID application, most XXI customers have not decided to shift to this service. Most customers are still using the traditional method of earning their movie seats; arriving in the theaters early and wait in a queue line. This has proven that the adoption of mobile commerce and e-payment in Indonesia is still slow than what is being hoped for. Past studies regarding this issue explained that the influencing factors are the complexity of the transaction, the insecurities of consumers, and the lack of ease for mobile portal (Frolick and Chen, 2004; Siau and Shen, 2003).

There are two applications to buy a cinema ticket online, which are M- TIX and TIX- id. M-TIX is application to purchase movie tickets only at Cinema XXI was launched in 2007 by PT. Nusantara Sejahtera Raya whereas TIX id can buy movie tickets at cinema XXI and CGV. TIX id was launched march 21, 2018, so the author choose TIX id as object this research because TIX id is the latest application to purchase movie tickets in Indonesia. The number of TIX id users is 10 million and 10 million active users a month. This application reaches more than 80% of cinemas in Indonesia.



Figure 1.5 Mtix and Tix Id logo

Source: *arum.me*

1. How to pay, must top up on a different electronic money

MTIX or Cinema 21 applications can be paid using Mtix balance. The way to top up your mtix balance can be through BCA, Mandiri, and BRi, as well as Tokopedia. Minimum top up of Mtix 100 thousand rupiahs. While TIX ID, the payment uses the DANA balance. FUND is a digital wallet or electronic money issued by the Emtek Group. Minimum top up of Fund Balance is smaller than Mtix, just 10 thousand rupiah, and can be used at other merchants besides TIX Id.

2. Ease of seeing empty cinema seats

The other difference between Tix ID and Mtix is the ease of knowing which seats are empty. Through the Tix ID application, you can see which seats are empty, even if your Fund balance is empty (this provision can change at any time). While in the

Mtix Application, you can only see cinema seats if you have a MTix balance of at least one ticket seat.

3. The difference between the ticket admin fee for Tix Id and Mtix tickets

For this matter, Mtix is superior compared to Tix ID. If you buy a cinema ticket at Mtix, you will only be charged a Mtix admin fee of one thousand rupiah per ticket. Meanwhile, the admin fee for Tix Id is 3 thousand rupiah per ticket. Mtix charges a lower admin fee because this application is an official application.

4. Top up fees for Tix Id and Mtix balances

Top up your Fund balance to order Tix Id tickets using Mandiri online free of charge. Meanwhile, when refilling Mtix balances, a fee of 5,000 rupiah per transaction is charged.

5. Flexibility in using electronic money balances or electronic wallets

FUNDS used for tix id ticket payments are more flexible because they can be used also in Bukalapak, BBM, Ramayana, and so on, while Mtix can only be used in MTIX. The money in DANA can also be withdrawn to a bank account. Whereas in MTix, there doesn't seem to be a withdrawal menu for funds.

6. Promos at Tix id and Mtix

Many ticket promos at the TIX ID cinema, such as one free one, one 50% discount, and other attractive promos. Meanwhile, Mtix Promo is not as interesting as Tix ID promos.

7. Maximum ticket purchase amount

At Mtix, the maximum ticket purchase is 7 tickets per day while on Tix Id can be up to 8 tickets.

8. Special features of Mtix

PT Nusantara Sejahtera Raya as the owner of MTix recently launched a new feature, where users can order food and drinks while watching movies in theaters. Indeed, not all cinemas can support this special feature.

9. Review Tix ID VS MTix

Tix ID application has been downloaded more than 5 million people. From the existing reviews, the Tix ID application gets a 4.7-star review out of 5. This shows that the user's response to this application is quite good, satisfying and does not disappoint many users.

The Mtix or Cinema 21 application has also been downloaded by more than 5 million users in Play store. However, user reviews are not as good as the Tix ID application. Cinema 21 application on Play store only gets 4.2 stars out of 5. Based on user reviews, many feel disappointed when ordering on this application starting from applications that often have errors and also top costs up expensive.

Based on this background, the author will discuss the factors that encourage interest and behavior of using E-Ticket by applying the Unified Theory of Acceptance and Use of Technology 2 (UTAUT) model: “THE USE OF MODIFIED UNIFIED THEORY OF ACCEPTANCE AND USE OF TECHNOLOGY 2 MODEL TO ANALYZE FACTORS INFLUENCING CONTINUENCE INTENTION OF E-TICKETING ADOPTION (A CASE STUDY OF TIX.ID)”. Thu author using Unified Theory of Acceptance and Use of Technology 2 (UTAUT) model because Unified Theory of Acceptance and Use of Technology 2 (UTAUT) model are the latest model in technology adoption that incorporates eight previous known models, developed for consumer context and shows a significant improvement in variance from the previous UTAUT.

1.3 Problem Statement

Based on the background, it can be concluded that internet-based technology turns out to be able to change the way the operation becomes an important tool because it allows the public to get the latest and upcoming movie information quickly without having to travel to the movies. But for some people the use of TIX ID tools is still difficult because they do not understand how to use it, lack of trust in online payments. TIX ID ticket machines will provide various benefits to the public who often watch movies but the use of TIX ID services offered to consumers does not have a significant direct positive impact on the intention to use the service. This can be seen from the many consumers of Cinema XXI who use the conventional method of buying tickets to watch movies, namely by queuing directly at the ticket purchase window. Even though the existence of information technology is created, it does not directly make people accept it well.

1.4 Research Questions

Based on the description in the formulation of the previous problem, the author identified the research questions as follows:

1. Does Performance Expectancy influence the continuance intention in using Tix Id?
2. Does Effort Expectancy influence the continuance intention in using Tix Id?
3. Does Social Influence affect the continuance intention in using Tix Id?
4. Does Facilitating Conditions influence the continuance intention in using Tix Id?
5. Does Hedonic Motivation influence the continuance intention in using Tix Id?
6. Does Habit influence the continuance intention in using Tix Id?

1.5 Research Objectives

This study has several objectives based on research questions. The purpose of this study is:

1. To know influence of Performance Expectancy to the continuance intention in using Tix Id.
2. To know influence of Effort Expectancy to the continuance intention in using Tix Id.
3. To know affect Social Influence to the continuance intention in using Tix Id.
4. To know influence of facilitating condition to the continuance intention in using Tix Id.
5. To know influence of Hedonic Motivation to the continuance intention in using Tix Id.
6. To know influence of Habit to the continuance intention in using Tix Id.

1.6 Research Usefulness

This research aims to give the most accurate result in determining the factors influencing the customer's intention to use and their acceptance towards the TIX ID service. It will hopefully give benefits to some parties, including:

1. For the Company

The results of this study are expected to provide information for companies about factors that can affect consumers to use TIX ID services and consumer acceptance of these services. Information about these factors is expected to provide input for companies to always improve the performance of TIX ID services so that these services can be used optimally by consumers. If the optimal use of these services has been achieved, the expected implication will be an increase in the number of TIX ID users and the decline in ticket purchase queues directly in theaters.

2. Academic

The result of this research will hopefully give some insights of a real-life phenomenon that is currently going on in the movie theater industry and will then be connected to future information system studies. Past research done by Mallat et al (2006) has stated that mobile ticketing services are much influenced by use situation and mobility. As mentioned before, there has been a growing demand for mobile commerce, where nowadays, people tend to use their mobile devices to do their transactions because it is more convenient and is less time consuming. People are not requiring to leave their homes and they can purchase anything wherever they are and whenever they want. Another research conducted by Pikkarainen et al. (2004) discussed about consumer acceptance towards online banking by using Unified Theory of Acceptance and Use of Technology 2 (UTAUT 2). The two-research mentioned above will be the basis of this research and will then be connected to mobile ticketing service being provided by XXI cinema so academicians will be able to see the relationship between the existing theories through references obtained through past researches with the current situation.

3. General Public

The result of this research will hopefully give some insights on how the mobile ticketing service could actually give them ease in purchasing for tickets and in what aspect the service is actually lacking. The general public will then be able to respond toward the issues being faced by TIX ID application and give their inputs on how their services be improved so it will be able to further optimized the service they are providing and hopefully will attract more customers to register in the future.

1.7 Writing Systematic

Through this research, the writer will divide the research writing into parts, as explain below:

Chapter 1 – Introduction

This chapter discusses about the research background, problem statement, research questions, research purposes, research usefulness, and the writing systematics.

Chapter 2 - Background (Literature Review)

This chapter discusses about the literatures and references being used to and to support and develop the hypotheses that are going to be examined in this research

Chapter 3 - Research Methodology

This chapter discusses about the research typology which includes the research population and samples, sources and data gathering method, research variable measurement, instrument measurement, and hypothetical testing method.

Chapter IV Analysis and Discussion This chapter discusses about the hypothetical testing and the research result

Chapter V Conclusion This chapter discusses about the research conclusion, research limitations, and the researcher's expectations for future research.

