The Relationships of Trust, Risk-taking propensity and Travel Intention of Indonesian Tourists

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Abstract. Traveling is an interesting activity to do to escape from daily routine activities and work. This activity also involves some risk. Before deciding to travel, generally tourists have trust on the destination, so that they can decide whether to take the risk with its consequences or not. This study is to investigate the relation among trust, risk-taking propensity and tourists' travel intention. Online questionnaires using google forms were distributed to 243 respondents traveling during pandemic Covid 19 and the new normal condition. Then, multivariate analysis was employed for data analysis with the help of SPSS and Partial Least Square (PLS). The results shows that trust has significant impact on risk-taking propensity; and risk-taking propensity has also significant impact on travel intention. Nevertheless, trust has insignificant impact on travel intention. Therefore, travel agents and tourist providers need to accommodate tourists with detailed information and activities to engage in the destination so that it enhances tourists to travel.

Keywords: Trust, risk-taking propensity, travel intention

1 Introduction

Traveling has become one of the most interesting activities to do. Tourists or travelers can escape from their routine activities by being away from home to have certain purposes. Most tourists travel for a leisure and recreation, visiting relatives or friends, business trips, medical treatment, religious activities, and others [1].

Each tourist destination has special features and characteristics as points of interests for tourists' choices. But due to Pandemic Covid-19, the Indonesian government has prohibited people to travel a lot resulting the decrease of tourists' activities. As time passing by and the new normal condition get better, some tourist destinations are now open with new and strict protocols of social and physical distancing to keep the tourists safe. This openness has enabled tourists to travel again.

Trust has also become a very crucial factor for tourists before visiting a certain destination. When tourists have trust to the destination, their intention to travel to that

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destination is higher [2]. Apart from trust, risk also plays a vital role for tourists to participate in certain activities in tourist destinations [3]. Tourists' perception of risk can arise due to uncertainty, product, place, financial and psychological consequences as well as subjective belief, or even when there is a difference in congruity and actual image [4, 5]. Further study about Indonesian tourists show that solo and group travelers have no differences in trust, but they have differences in risk-taking propensity [6].

Risk-averse tourists tend to avoid visiting risky destinations. Previous studies suggested that the greater the risk, the less intention of tourists to visit the destinations [4, 7, 8, 9]. On the other hand, tolerant tourists tend to take risk and engage in risky activities in tourist destinations, especially those who are young and adventurous [10], as these may give them some opportunity to become and feel independent and empowered. Risk-taking behaviors are also predicted by lower education levels, lower levels of sense of mastery, longer period abroad, family support, and community participation [11].

As there is no similar studies about Indonesian tourists and inconsistent findings, the writers would like to explore the relationship of trust, risk-taking propensity and travel intention toward Indonesian tourists. So, the purposes of this study are to find whether 1) trust has significant impact on risk-taking propensisity, 2) trust has significant impact on travel intention, and 3) risk-taking propensity has significant impact on travel intention of Indonesian tourists.

2 Literature Review

2.1 Trust

Trust refers to the perceptions of consumers who believe that a service provider is reliable and trustable in delivering their promises [12]. It is a belief that the service provider has the capability and commitment to provide or deliver the anticipated services effectively to acquire consumers' trust [13]. Furomo and Pearson (2007) suggested that this belief can encourage consumers to make some decision [14].

According to Welter (2012), trust refers to individuals' understanding of risks in socio-economic activities [15]. This will shape the individuals' attitudes and preferences in making decision. A study by Furomo and Pearson (2007) indicates that women have greater trust than men [14]; whilst, Chaudhuri and Gangadharan (2003) state that men have more trust than women [16].

Trust is one of the fundamental factors in social interaction. It can be explained as the intention to count on another party regardless of the potential loss and uncertainty. In addition, it is also a belief shaped from the evaluation of certain attributes of an object, individual, organization or institution [17]. Therefore, trust is usually measured using multidimensional scaling, including the local inhibitants, public and private institusions which are honest, benevolent and competent. These attitudes will increase the level of trust from tourists [18]. In this study the indicators of trust include 1) In general, tourists agree that everybody can be trusted, 2) Most of the time there will be somebody willing to help, and 3) Most people will try to take an advantage from the tourists if they have some chance.

2.2 Risk-taking Propensity

In tourism, tourists may face some uncertainty or risk. Perceived risk includes physical, financial, social, and time risk [19]. Park and Reisinger (2010) state that travel risk is a possibility of experiencing some danger while travelling or visiting to some tourist

destination [9]. So, perceived travel risk is defined as negative and uncertain consequences faced by tourists while visiting unfamiliar places and new social environments corporeally.

Perceived travel risk can not be generalized as tourists' perception of risk is mostly dependent on individual factors and experiences. Therefore, the same risk may be perceived differently by every individual [20]. Schroeder et al. (2013) claimed that different age groups of tourists have different perceived travel risk. The results of this study show that generally youngest respondents perceived a host city of the Olympic Games to be riskiest. On the other hand, middle aged respondents perceived an Olympic Games host city to be the safest in terms of destination risk [21].

Other studies in psychology, sociology and management support the data that women and men respond to risk differently [22]. Women are less likely to accept risks than men. When social and technological hazards occur, women tend to be risk averse, even though both parties have the same level of expertise and experience [23]. Dwyer, Gilkeson, and List (2002) found a higher degree of risk avoidance in women [24].

Risk is not necessarily always negative. Some tourists perceive optimal risk to be essential to provide them with some excitement and adventures in their travel experiences. As positive aspect, risk is usually present in adventure tourism as it provide thrilling experience and personal growth [25]. Thus, the tendency of tourists to take some risk is measured using risk-taking propensity with the following indicators: 1) Tourists like to go camping in the wilderness, 2) Tourists like to swim far away from the beach or unguarded lake or ocean, 3) Tourists like to go on vacation to a third world country without any planned accomodation, 4) Tourists like to ski beyond their individual abilities, 5) Tourists like to play white water rafting, 6) Tourists like to take sky diving classes, and 7) Tourists like to try bungee jumping off a tall bridge.

2.3 Travel Intention

Travel intention is defined as tourists' perceived likelihood to visit a specific destination within a particular period of time [26]. This reflects tourist planned future behaviors, which include positive statements about products or service in that destination to be purchased in the future [27].

In addition, travel intention can represent a mental process which can motivate and be transformed into such travel behavior. It also reveals tourists' real preferences since intention cannot be translated perfectly into actual behaviors due to various constraints. Thus, understanding travel intention is very crucial as to comprehend travel behavior [28].

According to Wu (2015), travel behavior is also influenced by rational and effective product or service evaluation. Rational evaluation includes the tourists' needs which are fulfilled by the features or environment of the destinations. While effective evaluation refers to tourists' feelings and emotions about the destination [29]. The indicators of travel intention in this study are 1) Tourists are aware of the intended destination, 2) Tourists are interested in visiting the intended destination, and 3) Tourists want to visit the intended destination.

2.4 Trust and Risk-Taking Propensity

In uncertain environments, trust is especially important and plays an important role in risk-taking propensity. Trust can influence individual decisions to take some risks and their likelihood to be involved in some activity [30]. When tourists have trustable information about people or service provider in the destination, they would be willing to take some risk to engage in the activities of the destination.

Further study by Hanoch et al. (2006) suggested that different tourist may exhibit different risk-taking propensity. Tourists having high levels of risk-taking behavior in one

content area (for example: bungee jumpers taking recreational risks) can show moderate level in other risky areas (for example: financial) [31]. Therefore, risk-taking propensity has to be seen accordingly based on the context and environments. So the first hypothesis in this study:
H_1 Trust has a significant impact on risk-taking propensity

2.5 Trust and Travel Intention

Trust can enhance positive behavioral transaction that leads to purchasing intention of products or services. Individuals are unlikely to buy products or services if they do not trust the service provider [32]. So, the higher degree the individuals' trust is, the higher degree the intention of the individuals to purchase the products or services is.

Perceived trust also plays an important role in purchasing tourism commerce involving online retailers [33] as well as online group buying retailers [34]. A study by Chuang et al. (2011) has proven that trust has influenced individual intention to use Hight Speed Rail (HSR) in Taiwan [35]. Furthermore, according to Mohammed (2016), trust is an important antecedent to predict tourists' intention to travel [3]. So the next hyphothesis is:
H_2 Trust has a significant impact on travel intention

2.6 Risk-Taking Propensity and Travel Intention

Risk is responded differently by different types of tourists. In adventure tourism, some tourists are motivated to take part in some risky activities in the tourist destination as this may provide them with personal growth and adventurous experiences. But some others try to avoid the risk by choosing another option to visit [4, 9].

Additionally, risk perception can influence tourists' consideration to travel [36]. Liu et al. (2016) recognize that risk perception and perception of safety can affect travel intention [37]. Furthermore, intention to purchase online travel is mostly determined by attitude and perceived risk [38]. A study by Hajibaba (2015) suggested that non-resistant tourists demonstrate greater willingness to take all risks to travel; whilst, resistant tourists prefer to cancel their trip or change their destinations alternatively [10]. Thus, further hypothesis in this study is:
H_3 Risk-taking propensity has a significant impact on travel intention

3 Research Methods

This study is an associative study that aims to examine the relationship of trust and risk-taking propensity to travel intention. It is a quantitative study with an infinite population using a judgmental sampling. The respondents of this study are aged above 17 years old and those who have traveled abroad as well as within Indonesian during the Covid-19 pandemic and the new normal condition. Trust variable was developed from Mayer, Davis and Schoorman [39]. Risk-taking propensity used the DOSPERT Scale [40]; and travel intention was developed from Ajzen [41].

Online questionnaires using Likert scales ranging from 1 (strongly disagree) to 5 (strongly agree) are used. Google forms have been delivered to the respondents and 243 responses were submitted. All the samples were valid to be used for data analysis. Then data were analyzed using multivariate analysis with the help of SPSS and Partial Least Square (PLS). The research model is as follows:

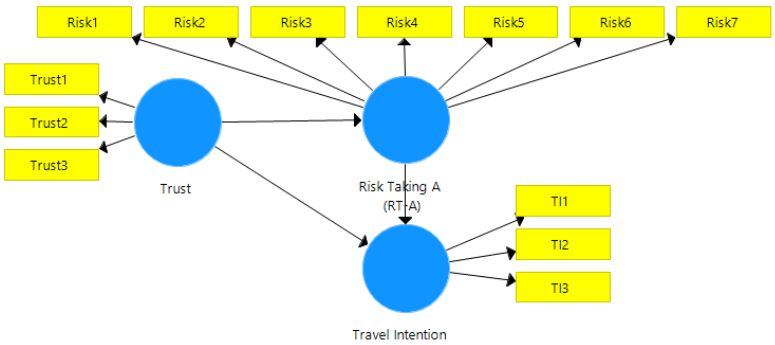

Fig. 1. Research Model

4 Findings and Discussion

The descriptive analysis shows that men tend to travel individually (26%), while women choose to travel in groups (36%). Most travelers are less than 17-25 years old (86%) with student status (79%), unmarried (89%), and undergraduates (75%). Some tourists have solo travel once or twice per year (86%) and group travel once or twice per year (46%). Mostly these tourists travel by plane.

Subsequently, the hypotheses were tested using PLS in two stages using outer and inner models. Outer model was done though convergent validity and discriminant validity to find the validity of the indicators. Moreover, Cronbach Alpha and composite reliability are also used. If the indicator is not valid and reliable, then it is removed for further analysis, especially in inner model test. Convergent validity is determined from the values of loading factors to indicate how much their contribution in shaping the total indicator score of a construct variable. It said to be valid when the value of loading factor is greater than 0.70 [42].

After several data processing processes, it was found that the values of loading factors from Trust2 (-0.092), Trust3 (0.525), Risk1 (0.599), Risk3 (0.506) and Risk5 (0.637) were invalid as they were less than 0.70. So, these indicators were not used for further analysis. Only one indicator of Trust was valid. Therefore, it becomes the limitation of this study. Indicators from other variables whose loading factor values are greater than 0.70 are declared to have a high level of validity. Therefore, they meet the requirements of convergent validity and PLS model can be seen as per Fig. 2.

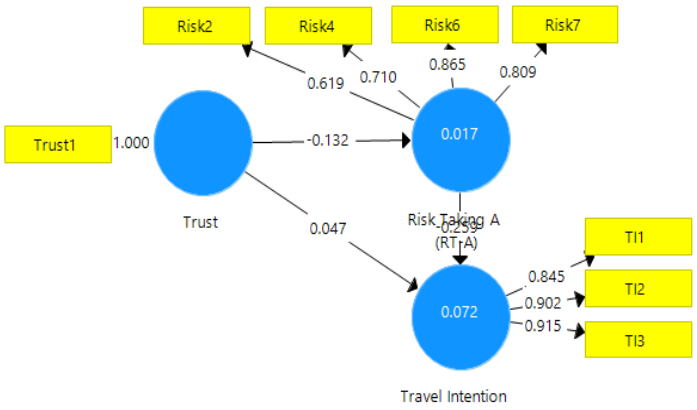

Fig 2. Final Iteration Phase of PLS Model

Furthermore, the cross loading value is to measure the magnitude of each construct correlation with its indicators and indicators from block constructs are considered to be good if the values are higher than the correlation of indicators from other block constructs. It can also be done with Average Variance Extrated (AVE) that must be higher than 0.50. The results are as follows: Trust (Cronbach's Alpha 1.000, Composite Reliability 1.000, and AVE 1.000), Risk-taking Propensity (Cronbach's Alpha 0.751, Composite Reliability 0.840, and AVE 0.572), and Travel Intention (Cronbach's Alpha 0.868, Composite Reliability 0.918, and AVE 0.788). As the values of Cronbach's Alpha and composite reliability are > 0.70, so they have met the requirements.

Moreover, the inner model test uses R^2 to measure how much data support the suspected dependent construct model. The greater the value of R^2, the greater the data support the model. R^2 on risk- taking propensity (0.017) and R^2 on travel intention (0.072) show that the data support for the model are very small. Trust has influenced risk-taking propensity as much as 1.7 % and travel intention as much as 7.2%. This is due to the fact that other factors as much as 98.3 % has impacted on risk-taking propensity and 92.8 % has impacted on travel intention. The relationship among variables can be seen with boostrapping simulation as per Figure 3.

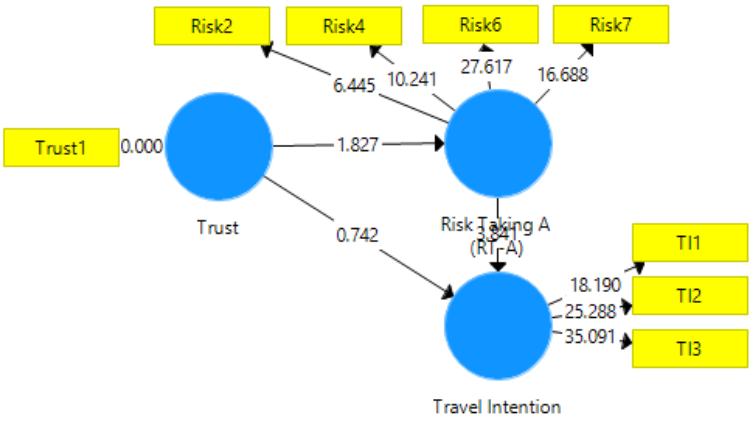

Fig.3 Model PLS - Bootstrapping

The results of path coefficients can be seen on the significance value (p-value) of the

t-statistics between the construct variables. Table 1 shows the relationship between trust and risk-taking propensity is significant at p-value 0.068, which is smaller than 10%, but the relationship between trust and travel intention is not significant at p-value 0.459, which is greater than 10%. The relationship between risk-taking propensity and travel intention which is proven to be significant at a p-value of 0.000, which is smaller than 1%.

Table 1. Hypothesis Testing and Path Coefficients

	Original Sample (O)	t-statistics (|O/STDEV|)	p-values
Trust → Risk-taking Propensity	-0,132	1,827	0,068*
Trust → Travel Intention	0,047	0,742	0,459
Risk Taking A → Travel Intention	-0,259	3,841	0,000***

***p-value < α 1%; *p-value < α 10%

The first hypothesis in this study stating that trust has a significant impact on risk-taking propensity is accepted. Trust has negative impact on risk-taking propensity meaning that tourists will not take any risk when they think that taking part in activities in the destination endangers their lives.

Although tourists generally agree that everybody can be trusted, the decision of taking the risk still depends on the tourists themselves. Different tourists may exhibit different risk-taking propensity according to different contexts and environments [31].

In contrast, the second hypothesis saying that trust has a significant impact on travel intention is rejected. It can happen because most respondents in this study are undergraduate students aged between 17-25 years old who might not have worked and earned any money themselves.

The third hypothesis stating that risk-taking propensity has a significant impact on travel intention is accepted. It is supported by the fact that most respondents in this study are young and single, so they are not resistant to take risky activities in the destination as they could gain a lot of exciting experiences and express their self-actualization. This is also in accordance with a study by Hajibaba (2015). Non-resistant tourists are willing to take all risks to travel, whereas resistant tourists prefer to stay safe by cancelling the trip or reconsidering some alternative destination [10].

5 Conclusion and Recommendations

The results of the study prove that trust is related to risk-taking propensity. In the post-pandemic, the higher individual trust in others can reduce individual's courage to take risks for challenging activities. This could be as a result of Government Enforcement and Restrictions on Community Activities. However, the low risk does not reduce individuals' intention to travel because they have been quarantined long enough during the pandemic and would like to get socialized with others soon.

The results of the study are interesting because they contradict with the results of previous studies. This indicates that pandemic condition has changed individuals' condition psychologically compared to the normal condition before the pandemic so that the actions taken are contradictory. Individuals prefer staying at home to traveling in order to be safe by not taking risky activities as the spread of Covid-19 is getting higher and higher.

Due to the limitation of this study at which only one indicator of trust is used and the research model is not good enough, it is recommended to employ other latent variables that might influence risk-taking propensity and travel intention for further research. These variables include travel constraints, travel motivation and destination safety. It is also

advisable to involve more respondents and the research is done when the pandemic has ended and the situation is getting normal.

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