Chapter 6

SUMMARY, FINDINGS AND RECOMMENDATIONS

Highly organized research is guaranteed to produce nothing new.
― Frank Herbert, Dune
6.1 SUMMARY

Gender profile of the respondent indicates that 80.2% of the male respondents use internet and 19.8% of the female respondents use internet for the preference of online travelling facilities. It means that 356 respondents are male and 88 respondents are female.

It is evident from Age frequency table that 8.8%, 8.1%, 31.1%, 35.8% and 16.2% respondents belongs to below 20, 21-30, 31-40, 41-50, and above 50 age groups respectively.

Marital status of respondents shows that 84.0% respondents are married and 16.0% respondents are unmarried.

Looking to the income of the respondents it is clear that 4.1%, 16.0%, 23.9%, 32.2%, 8.3%, 5.0%, 6.1% and 4.5% respondents belongs to below 20,000, 20,001 to 50,000, 50,001 to 1,00,000, 10,0001 to 2,00,000, 2,00,0001 to 2,50,000, 2,50,001 to 3,00,000 and above 3,00,000 income respectively.

The educational profile of the respondents clears that 4.7%, 20.7%, 49.1%, and 25.5% respondents belongs to up to 12, graduate, post graduate, and professional respectively.

It is evident from the respondent occupation that 29.3%, 30.9%, 3.4%, 15.5%, 7.4%, 8.3%, 3.2% and 2.0% percentages respondents belongs to government service, business, unemployment, private service, foreign company service, house wife, student and agriculture occupation respectively.

Frequency of travel by respondents indicates that 42.3%, 39.2%, 9.2%, 5.2% and 2.9% respondents travels once, 1-2 times, 2-4 times, 4-6 times, 6-8 time and 8-10 times travels respectively.

Respondent purpose of travel shows that 73.9%, 22.3%, 2.5% and 1.4% respondents travels for business, leisure, adventure and shopping respectively.
Companionship in travel data indicates that 60.8%, 18.0%, 4.5%, 14.0%, and 2.7% respondents travel alone, with business colleagues, spouse, family and friends respectively.

Table 5.10 and Chart 5.10, it is comprises that 33.1%, 59.2% and 7.7% respondents books their tickets, hotels and packages through local travel agent, online travel portal and both respectively.

Frequency of purchase from online travel of respondents comprises 7.4%, 31.3%, 47.3%, and 14.0% respondents who prefers to purchase from online travel portals up to 1-2 times, 2-4 times, 4-6 times and 7 or more than 7 times respectively.

Frequency analysis of buying product from online travel portal indicates that 22.7%, 8.1%, 31.1%, 35.8% and 2.3% respondents who prefers to buy air ticket, hotel booking, holiday packages, air ticket and hotel booking both and car rental respectively.

Awareness level of respondents towards online travel agencies shows that makemytrip.com, cleartrip.com and yatra.com are ranked more with respect to other online travelling agencies.

Preference of respondents towards online portal frequcy table shows that 34.7%, 31.3%, 14.6%, 2.7%, 2.7%, 3.6%, 3.2%, 3.2%, 0.9% and 0.5% respondents prefer makemytrip, cleartrip, yatra, ezeego, travelguru, expedia, goibibo, lxigo, travelcity, orbitz and other travelling agencies respectively.

Collection of travelling information by respondents indicates that most of respondent prefer online travel portals to obtain travelling information with compare to airline websites, local agents, search engines and others.
Information? It comprises that the most of respondents prefer online travelling because of convenience, more options, offers, cheaper rates etc.

Buying of airline ticket frequency of respondent shows that 75.7%, 18.9%, and 5.4% respondents buying air tickets from online travel portals, airline websites and local agents respectively.

Buying preference of respondent from online travel portal shows that respondent’s purchases air ticket through online web portals more because of convenience, security of payment and ease of payment facilities with compare to others.

Collection of information for hotel booking respondents data shows they prefer online portals more for booking hotels with compare to search engines, hotel websites and local agents.

Hotel booking preference comprises that respondents prefer online portals more because of more convenience, variety of option, cheaper rates and offers respectively with compare to other options of Table 5.21 and Chart 5.21, it comprises that 75.7%, 18.9%, and 5.4% respondents prefer online travel portals, hotel websites and local agents respectively for deciding hotel booking stay.

It is evident from Table 5.22 and Chart 5.22, that more number of respondents prefer online portals for hotel booking stay because of their convenience and trust as one of the main reasons with compare to others.

Collection of information for booking holiday package respondent collects the information from through online travel options, local agents, search engines and others respectively.

It is clear from the Table 5.24 and Chart 5.24 that respondents prefers online booking options more because of more convenience, variety of options, cheaper rates and offers are better than others.
Buying of holiday package by respondents comprises that 75.7%, 18.9%, and 5.4% respondents prefer online travel portals, tourism board websites and local agents to buy holiday package respectively.

Buying preference of indicates that they prefer online travel option more to buy their holiday package because of convenience, trust, security of payment and ease of payment more with compare to others.

Agreement level of respondents for buying holiday package from local agent comprises that 1.1%, 5.9%, 13.5%, 54.7% and 24.8% respondents are strongly disagree, disagree, neutral, agree and strongly agree respectively about the presence of online travel agency in their city.

Agreement level of respondents for web browsing facility of web page comprises that 3.8%, 8.6%, 24.1%, 46.2% and 17.3% respondents strongly disagree, disagree, neutral, agree and strongly agree respectively about the easiness web browsing facilities of online travel agency.

Table 5.29 shows the result of overall chi square case processing summary of selected demographic variables (gender, age, marital status, income, education and occupation) on the online web portal services provided by the travelling agencies.

Cross tabulation table 5.30 establishes the relationship between two selected variables. Researcher has applied contingency chi square test which is also known as test of independence. Here in the table 5.31, the calculated chi-square value is 23.392. As the significance value in the above selected demographic variables cross tabulation value is less than 0.05 so H0 is rejected. So we can conclude that overall satisfaction of consumer at travel agencies and gender of the consumer are not independent upon each other.
Cross tabulation table 5.32 establishes the relationship between two selected variables. Researcher has applied contingency chi square test which is also known as test of independence. Here in the table 5.33 the calculated chi-square value is 197.378. As the significance value in the above selected demographic variables cross tabulation value is less than 0.05 so H0 is rejected. So we can conclude that overall satisfaction of consumer at travel agencies and income of the consumer are not independent upon each other.

Cross tabulation table 5.34 establishes the relationship between two selected variables. Researcher has applied contingency chi square test which is also known as test of independence. Here in the table 5.35 the calculated chi-square value is 240.962. As the significance value in the above selected demographic variables cross tabulation value is less than 0.05 so H0 is rejected. So we can conclude that overall satisfaction of consumer at travel agencies and occupation of the consumer are not independent upon each other.

Cross tabulation table 5.36 establishes the relationship between two selected variables. Researcher has applied contingency chi square test which is also known as test of independence. Here in the table 5.37 the calculated chi-square value is 169.706. As the significance value in the above selected demographic variables cross tabulation value is less than 0.05 so H0 is rejected. So we can conclude that overall satisfaction of consumer at travel agencies and age of the consumer are not independent upon each other.

Cross tabulation table 5.38 establishes the relationship between two selected variables. Researcher has applied contingency chi square test which is also known as test of independence. Here in the table 5.39 the calculated chi-square value is 42.793. As the significance value in the above selected demographic variables cross tabulation value is less than 0.05 so H0 is rejected. So we can conclude that overall satisfaction of consumer at travel agencies and marital status of the consumer are not independent upon each other.
Cross tabulation table 5.40 establishes the relationship between two selected variables. Researcher has applied contingency chi square test which is also known as test of independence. Here in the table 5.41 the calculated chi-square value is 117.771. As the significance value in the above selected demographic variables cross tabulation value is less than 0.05 so H0 is rejected. So we can conclude that overall satisfaction of consumer at travel agencies and education of the consumer are not independent upon each other.

Factor analysis attempts to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. Factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance that is observed in a much larger number of manifest variables. Factor analysis can also be used to generate hypotheses regarding causal mechanisms or to screen variables for subsequent analysis (for example, to identify collinearity prior to performing a linear regression analysis).

Table – 5.44 depicts five rotated factors which together explain 60.996% of the total variance. The last column in the table shows the communalities which represent the portion of variance that a variable shares with other variables. Eigenvalues for factors F1 to F5 are 2.812, 1.755, 1.248, 1.114 and 1.000 respectively. Further, appropriate names have been assigned to all the three dimensions extracted based on the various variables representing each case. The names factors with constituting and their respective factor loadings are summarized in Table 5.45. The respective factor loadings represent the relationship between original variable and factor. Moreover, on each factor, ‘like signs’ of factor loadings reflect positive correlation between factor loadings and the factor and ‘opposite signs’ of factor loadings reveal negative correlation between factor loadings and factor. But the sign of factor loading relates to only that factor on which they appear, not to other factors as they are orthogonally rotated (Hair et al., 2006).

**Online Travel Agencies - Website Interface (OTA-WI)**

The broad dimensions of online travel agencies – website interface have been
Factor 1 Website contained six attributes explained 21.630% of variance in the data, with the eigenvalue of 2.812. The attributes associated with this factor dealt with the structure of the site is logical, a good search engine is present, the site is pleasant to look, The site is original, The use of colors on the site is good, The website makes it easy to get into touch with the travel agency.

Factor 2 Accessibility accounted for 13.500% variance in the data with eigenvalue 1.755. This factor loaded with Categorization of topics is helpful in finding what I search, there are too many pictures (recoded), the site is easy to customize (by offering the possibility to search on date, destination and price.), I can quickly and easily see if they offer something that suits me.

Factor 3 Web Browsing loaded with one attribute. This factor accounted for 9.601% of the variance, with an eigenvalue of 1.248. This attribute was browsing between pages is easy.

Factor 4 Searching loaded with one attribute. This factor accounted for 8.571% of the variance, with an eigenvalue of 1.114. This attribute was the site helps to find exactly what I want.

Factor 5 Inquiry loaded with one attribute. This factor accounted for 7.694% of the variance, with an eigenvalue of 1.000. This attribute was I can easily find the e-mail address and telephone number of travel.

Online Travelling Agency - Trustworthiness and Price Competitiveness (OTA-TP)

The broad dimensions online travelling agency trustworthiness and Preference Based on Personal Needs of respondents have been detailed below.

Factor 1 Risk contained seven attributes explained 37.236% of variance in the data, with the eigenvalue of 5.585. The attributes associated with this factor dealt with
my monetary loss resulting from purchasing airline ticket / hotel booking /holiday package from the website is high, I trust online web site more than traditional travel agent, My expected failure of service performance if I buy service from the airline website / hotel website is high, I do not think it is safe to buy service from the airline website/ hotel website, I feel the risk associated with buying from this airline website / hotel website is high, I feel that online purchases are risky because they may lead to financial loss for me, All travel packages/ air ticket online/offline are basically the same in price.

Factor 2 Precise Information identifies four attributes and accounted for 16.242% variance in the data with eigenvalue 2.436. This factor loaded with The information provided by the travel agency is up-to date, Product information (travel description) is accurate, I find better selections in online travel from websites, Travel agencies charge high services fees.

Factor 3 Reservation & Deals loaded with two attributes. This factor accounted for 10.479% of the variance, with an eigenvalue of 1.572. These attribute were I find many different ways to get my destination with online reservations, Online Travel Portal have always special deals.

Factor 4 Reliance loaded with one attribute. This factor accounted for 7.921% of the variance, with an eigenvalue of 1.188. This attribute is I can rely on the information provided on the website

Factor 5 Destination Choice loaded with one attribute. This factor accounted for 6.694% of the variance with an eigenvalue of 1.004. This attribute is I buy tickets, book holiday package online because of wide selection of destination.

Table – 5.53 depicts four rotated factors which together explain 61.354% of the total variance. The last column in the table shows the communalities which represent the portion of variance that a variable shares with other variables. Eigenvalues for factors F1 to F6 are 1.776, 1.630, 1.325, 1.195, 1.094 and 1.028
respectively. Further, appropriate names have been assigned to all the three dimensions extracted based on the various variables representing each case. The names factors with constituting and their respective factor loadings are summarized in Table 5.53. The respective factor loadings represent the relationship between original variable and factor. Moreover, on each factor, ‘like signs’ of factor loadings reflect positive correlation between factor loadings and the factor and ‘opposite signs’ of factor loadings reveal negative correlation between factor loadings and factor. But the sign of factor loading relates to only that factor on which they appear, not to other factors as they are orthogonally rotated (Hair et al., 2006).

**Online Travel Agencies – Service Quality (OTA-SQ)**

The broad dimensions of online travel agencies service quality has been detailed below.

**Factor 1 Timeliness & Revisiting** contained two attributes explained 13.664% of variance in the data, with the eigenvalue of 1.776. The attributes associated with this factor dealt with Timely response, In the future I will certainly make use of the website to search for travel information.

**Factor 2 Online Booking** loaded with three attributes. This factor accounted for 12.537% of the variance, with an eigenvalue of 1.630. This factor loaded with it protects customers’ credit card information, My last online booking experience is positive, In the future I will certainly make use of the website to book travel.

**Factor 3 Responsiveness** loaded with three attributes. This factor accounted for 10.189% of the variance, with an eigenvalue of 1.325. These attribute are adequate responsive time, I have good impression of the online travel company I booked my travel service from last time, I believe that the travel service provider can keep their promise.

**Factor 4 Satisfaction** loaded with two attributes. This factor accounted for 9.195%
of the variance, with an eigenvalue of 1.195. These attributes are I have arrived at most of my expectation in my last experience; in general I am satisfied with the services of the online travel agencies.

**Factor 5 Safety** loaded with one attribute. This factor accounted for 8.415% of the variance, with an eigenvalue of 1.094. This attribute is it protects the information about customers’ online shopping behavior.

**Factor 6 Quality of Service** loaded with two attributes. This factor accounted for 7.904% of the variance, with an eigenvalue of 1.028. These attributes are I believe that the travel service provider is honest and competitive; the quality of services on the travel agency’s website is very good.
6.2 Findings

In 2011, a combination of rising fuel prices, higher inflation, and a number of political and macroeconomic challenges slowed India's economic growth. Despite the slowdown, the country still has one of the fastest growing economies in the world, and the Indian travel marketplace remains strong. Both total and online bookings will enjoy double-digit growth through 2013. However, continuing economic challenges and a troubled aviation sector could soften growth in the coming years.

Fluctuating value of the rupee helps to drive inbound tourism

The value of the Indian rupee continued to fluctuate against the US dollar, and the depreciation of the rupee was quite high in 2013, which made India an affordable destination for inbound tourism. This contributed to strong growth of arrivals; though the total number continued to be much lower than departures.

Hotels continue to drive travel accommodation

Hotel bookings recorded strong growth in 2013, and at a rate higher than other travel accommodation. Hotel bookings in 2013 registered stronger growth than other travel accommodation, thought the actual bookings in terms of bed nights for hotels, were still lower than the latter. The growth was observed, as hotels were considered safer, cleaner and better equipped for stays. Due to lack of proper infrastructure, water supply, electricity and other basic amenities, consumers started to shift towards hotels, and referred not to take chances with other accommodation, even if was cheaper.

Airline industry gets a much needed boost

In 2013, the airline industry continued to experience difficulties. Only IndiGo made a profit during the year, with all other airlines suffering heavy losses; however, new
entrants within airlines, namely Air Costa (part of the LEPL Group), TATA SIA Airlines Limited, a joint venture between Tata Sons Ltd and Singapore Airlines Limited (SIA) and Air Asia India Pvt Ltd, a joint venture between Tata Sons Ltd and Air Asia and Air Pegasus successfully created interest with very cheap flight tickets. This resulted in airline transportation getting a much needed boost and the return of a large number of consumers.

**Online channel records strong sales growth**

Across travel and tourism, transportation, car rental and travel retail, amongst others, there was strong growth of bookings recorded via the online channel in 2013. An increase in internet penetration in the country, combined with greater availability of smart phones and computers, resulted in more consumers switching to online bookings during 2013. Online bookings for air, car rental and other transportation in particular, along with accommodation bookings are expected to continue to record strong growth over the forecast period, due to increasing use of intermediary websites that allow consumers to choose from all the available deals under one site.

**New government expected to push tourism aggressively over the forecast period**

The Indian general elections were held between April and May 2014, and resulted in a change in leadership for the country. The new government’s agenda includes strengthening the economy and foreign exchange earnings, and has selected tourism as one of the focus areas for its first year. The new government declared strong investment in the development and restoration of archaeological sites in the country. This is expected to drive and push tourism over the forecast period and help it to achieve its true potential, especially in terms of inbound tourism.
6.3 Recommendations

It is important for marketers to understand consumer behaviour, consumer needs and expectations in order to target the right consumers at the right time. Therefore, we reached out to e-Travel consumers and asked them what works for them. 380+ consumers replied across India, giving us an insider’s view of the need of an Indian traveller. This research is aimed to give the marketers an insight into the travel behaviour of Indian consumers which will help them to strategize their campaigns.

A growing number of consumers today are making their purchases online. The increasing popularity of smartphones and hand held devices has led to an increase in the time consumers spend on online search and purchase. According to a recent research by Google India "Mobile phones are becoming a key contributor in the online shopping space. Currently, 30% of all shopping queries in India come from mobile phones. According to IAMAI e-commerce report 2013, travel accounts for 71% of e-commerce business in India. With travel becoming cheap and affordable, the number of travellers and their frequency of travelling in India is increasing continuously. Through this report we aim to analyze the effectiveness of online travel agents (OTAs) and understand the purchase behaviour of Indian travellers. This research provides an insight into the extent of influence of online travel agents, e-mail marketing and social media on the path to purchase of a consumer. It uncovers as to how travel portals are using technology for their marketing activities to effectively engage with customers. This report includes valuable feedback from the consumers in India and gives an understanding of the current state of the e-Travel industry in India. There is also an in-depth analysis of how email marketing strategies are being used by e-Travel companies for creating communication that works towards customer engagement and in-return builds customer loyalty. A higher number of travellers now plan their itineraries online (including their tickets, stay bookings, travel insurance and other related services). This has led to an increase in the number of offerings made by the e-Travel portals.
in India. These portals are moving from being a standalone entity towards a "one stop shop" for all the travel needs of a traveller.

Majority of the travel portals are offering a complete experience through online hotel bookings, holiday packages, travel guides, air tickets, rail and bus tickets, customized holiday packages and MICE (Meetings, incentives, conferences, exhibitions) for both individual and group travellers. These wide range of offerings promise convenience in travel booking, planning and search.

A higher number of travellers now plan their itineraries online (including their tickets, stay bookings, travel insurance and other related services). This has led to an increase in the number of offerings made by the e-Travel portals in India. These portals are moving from being a standalone entity towards a "one stop shop" for all the travel needs of a traveller.

Majority of the travel portals are offering a complete experience through online hotel bookings, holiday packages, travel guides, air tickets, rail and bus tickets, customized holiday packages and MICE (Meetings, incentives, conferences, exhibitions) for both individual and group travelers. These wide range of offerings promise convenience in travel booking, planning and search. The offerings made by major e-Travel portals are:-

Many consumers use internet to take advantage of comparative pricing and enjoy the best deals at lower prices. It avoids them the extra cost of booking through a travel agent and saves the time consumed in visiting a traditional online booking store. Features like easy cancellation, personalized deals, ticket tracking and on-call customer service ease the journey of a travel seeker.

Travel companies are adopting user-friendly interfaces to simplify the consumer experience: easier navigation, better interactivity and time saver quick book options are amongst the most important ones. Marketers are using trip advisors, travel blogs and social networking sites to build a brand name by encouraging consumers to share their personal travel experiences. These sites spread word of
mouth and increase the credibility of the portals, thus increasing the lifetime value for their customers. Gift vouchers and deals offered on travel packages are a major draw for the consumers; many travel sites categorize their offerings as per themes – trekking, adventure, wildlife, history, culture, etc. Companies are also offering online content in regional languages in order to attract new customers. Also, the interest in m-commerce has increased with many brands now offering incentives to download their mobile apps to encourage bookings through mobile phones. Desktop users are more likely to compare various websites before they make a purchase, therefore the e-Travel companies are encouraging consumers to download their apps. Discounts on booking through mobile and various cash-back offers are mainly used to lure the customers. Also, discounts on last minute bookings, timed discount offers help the portals to attract huge traffic and provide the bargain-hunting traveller a wide range of choices. Some portals also offer discounts on group bookings as well as MICE to encourage bulk booking. Affiliate programs with banks, hotels, e-retail and travel related service providers are being used by travel companies to increase their reach and engagement. These tie-ups also help build long term relationships with customers.