The way to do research is to attack the facts at the point of greatest astonishment.
― Celia Green
AN EMPIRICAL STUDY OF CONSUMER PERCEPTION TOWARDS ONLINE TRAVEL AGENCY

Dr. Sanjay Bhayani*  
Ravi D Bavaria**

Online travelling is the newest addition to the travelling ecosystem in India. The advent and proliferation of computers, coupled with the increasingly acceptable leveraging of the Internet has caused some major changes in the travel industry. Online travelling in India is yet at a very nascent stage. Travelling has not been a focus area but merely another application for engaging users when they are looking out for some quick results. The engagement level of most users has also been low with infrequent usage and loyalty. However all this is changing with the spotlight sharply focused on complete travel booking. The traditional means of procuring airline tickets and associate travel arrangements are rapidly changing. These changes are primarily being facilitated by Internet travel marketplaces (such as makemytrip.com, yatra.com, etc.) that claim to provide an easier, less expensive alternative to traditional methods of ticket procurement without sacrificing service quality. If travel marketplaces are to be successful then they need to understand their customers and what the motivations behind their actions are, when it comes to shopping for discount travel. This project aims to report a descriptive study that investigated the perceptions of Consumers for online travel and online travel portals. Online consumer behavior is a broad and interesting area of study that can Benefit organizations in their efforts to market and sell travel products and Services online. As consumers’ perceptions and attitude towards online travelling is a prominent factor affecting actual buying behavior, this research has tried to investigate a modest part of that area. Moreover due to increasing players in online travel industry, the consumers have different preferences and perceptions regarding them. Despite the growing importance of the internet as an information source for Prospective travellers, as a marketing tool and as a way of doing business, there is a general lack of information related to perceptions of travellers for online travel products and services. Understanding their attitude is also of critical importance to travel marketers in formulating appropriate marketing strategies so as to fully exploit the developing potential of this new channel. Literature review revealed that researchers have tried to study online consumer shopping behavior in general but no such specific study to understand consumers ‘perceptions related to online travel has yet been done. Thus, the study will provide insights about the Internet users’ feelings towards information seeking and online travel booking and also help to know their experience, level of satisfaction and Purchase intention in future. Thus the research study would be useful to online travel marketers to better develop appropriate strategies to enhance and promote e-booking to future users while retaining existing customers and also to researchers as well as academicians conducting research in this area in providing future direction.

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Literature Review

Selling through the Internet is becoming a trend for most service providers. The customer purchase intention towards online shopping is dependent on their acceptance of the Internet as a delivery channel. Shim et al suggest that customers' attitudes towards online purchasing are dependent on transaction services, convenience, sensory experience and merchandise. Kim states that online customer satisfaction is categorized under after-sales service, purchase result and price attractiveness, product information, customer service, site design, product attractiveness, payment method, site information and log-on convenience. Famet al state that the determinants of trust in an online environment are dependent on predictability, intentionality, capability, transference, and tangibility and interactivity. In transactions, trust is a valuable catalyst in enhancing exchange.

Smith states that availability of free information does not ensure that customers will use it; this will depend on reliability of and trust in the supplier. The role of online travel websites is to facilitate in increasing accessibility of information and enhancing communication. An efficient information System would facilitate customer satisfaction and help in building customer satisfaction. Companies with stronger focus on relationship-building are using the Internet for greater interactivity and enhancing customer support and relationships. The ability to make comparisons between the Different products and services is also possible in an online environment, thus increasing customers' variety-seeking behavior. Evanschitzky et al, hypothesize that the online environment provides convenience to shoppers and enables stress-free and easy shopping. Koivumaki suggests that displaying pictorial images of the goods has a greater influence on customers' purchase decisions than just listing the product details. Customers can access product information at their convenience and expediency. Online customer service has long been limited in the prompt delivery of goods. Jahng et al, state that e-commercesites are primarily information sites facilitating effective communications with customers. Customer satisfaction with online travel websites is dependent on the informative, attractive and interactive nature of the websites. Law and Leung identified product information, pricing information, online booking facilities and quick web page load time as determinants of customer satisfaction with online airline travel sites. According to van Riel et al, preferences and customer satisfaction with online travel websites depends on accessibility, navigation, design, reliability and customization of the website. Nusair and Kandampully, in their research on attributes of customer satisfaction with online travel services, state that playfulness and customization can improve the online travel service and garner customer satisfaction. In services, interaction helps in instilling confidence in the minds of customers. Appropriate product information, user-friendly design, language options, graphics and interactive nature of the website can induce greater satisfaction and more sales conversions. Customers visiting or browsing a travel website may not necessarily imply willingness to purchase online. Online transactions entail providing website services according to customer needs. In an e-commerce setting, transparency in pricing, product features and services can enhance customer Satisfaction and increase loyalty towards the service provider. In India, customers would prefer a reassurance that the transaction has been successfully completed. In this regard, receiving a Confirmation through a text message or e-mail about the payment would reassure the customer about the credibility of the online travel firm. Nysveen et al suggest that the influence of value-based services, mobile terminals for exploring various options, travel options and agent-based services can improve customer satisfaction with a service.
Objectives of the Study

- To understand the perceptions and attitude of internet users related to online Travel and ticket booking.
- To analyze the customers’ perceived importance of attributes related to online Travel portals.
- Measure the importance of Click & Mortar Model against Only Web Presence

Hypothesis of the Study

Offline Presence of Online travel agencies would result to Greater customer satisfaction.

Methodology of the Study

Research Design

The research design was exploratory in nature for comprehending customer attitudes and expectations about online travel websites.

Sources of Data

- Primary Data
  Primary data has been collected through questionnaire. Questionnaires and formal questions are used to gather information. For collection of data Telephonic interviews and personal interview methods were used.

- Secondary Data
  Secondary data includes information gathered from journals, research papers, reports, publications of research organizations, government publications etc.

  Sample size- 100 respondents; which includes population from working professionals and students from different colleges of Rajkot city.

Analysis of Data

Behavior towards Airline Ticket Reservation

For Booking Airline Tickets, From Where u seeks Travel INFORMATION from (Price, Time, etc.)? Options Includes : 1) Online Travel agency  2) Airline websites  3) Local Agents 4) Others

Findings: Online travel agency is used mostly to find information regarding flight timing rates and offers over airline websites and local agents.

Why You Prefer above options for seeking INFORMATION for airline tickets?
Findings: while searching for information for Air Travel, respondents look for convenience and cheaper rates the most.

Once you searched for information, from where u prefer buying your AIRLINE TICKET? (Tick Only 1)

Findings: Once the respondents searched the information for air travel, they prefer buying airline tickets from online travel agents the most followed by airline websites.

Why do u Prefer Above option for Final Buying (Purchase) Airline Ticket? [Rank as per your Preference - 1=Most......7=Least]

Findings: for buying the airline tickets respondents rate convenience factor the most followed by security of payment and ease of payment.

Behavior towards Hotel Bookings
For Booking Hotels, From Where u seeks Information from (Price, Location, and Reviews etc.)?

Finding: For searching hotels in particular destination consumers look into online travel portal most followed by hotel websites and search engine. For searching information local agents and less preferred over online travel portal.
Why You Prefer above options for seeking INFORMATION?

Findings: for searching hotels customer looks for convenience and variety of option at a time followed by cheaper rates.

Once you have searched for information, from where u prefers Booking Hotel Stay? (Tick Only 1)

Findings: Once the respondents searches the hotel which matches its requirement they prefer booking it from hotel websites mostly over online travel agent or local agent

Why do u Prefer Above option for Booking Hotels? [Rank as per your Preference – 1=Most.......7=Least]

Total Score

1 Score is a weighted calculation. Items ranked first are valued higher than the following ranks, the score is the sum of all weighted rank counts.

Findings: for bookings hotel online, customers looks for convenience, ease of payment, security and responsible point of contact the most.

Behavior towards Buying Holiday Packages

For Booking Holiday Packages, From Where u seek INFORMATION From (Price, Location, Dates,etc.)? (Multiple Choice)
Findings: For searching holiday packages to particular destination consumers look into online travel portal most followed by preferred local agents and tourism board websites.

Why You Prefer above options for seeking INFORMATION for holiday packages? (Multiple choice)

Findings: While looking for holiday packages customers look for convenience in searching and variety of options at a time.

Once you have searched for information, from where u prefer buying Holiday Packages? (Tick Only 1)

Findings: Once a customer looks for information for holiday packages, while buying they prefers their preferred local agents over online travel agencies or tourism board websites.

Q) Why do you Prefer Above option for Buying Holiday Packages? [Rank as per your Preference - 1=Most....7=Least]

Total Score

Score is a weighted calculation. Items ranked first are valued higher than the following ranks, the score is the sum of all weighted rank counts.
Findings: while buying holiday packages customers rate Responsible point of contact as most important factor followed by after sales service and trust.

Service Satisfaction v/s Service Expectation [Hypothesis Test]

Are You Satisfied With the Services Offered by the Online Travel Agencies?

Findings: out of 100 respondents 57% respondents were dissatisfied with services provided by online travel agencies and 29% were neutral and only 8% were satisfied.

Do you Think You Preferred Online Travel Agency Should have a Local Presence in Your city?

Findings: out of 100 respondents more than 80% were with the view that there should be an offline presence of an online travel agency.

Hypothesis Testing:

H0: [Null Hypothesis]: Offline Presence of Online travel agencies would result to Greater customer satisfaction.

H1: Offline presence would not result to greater customer satisfaction.

Confidence Level: 99% Significance Level: 1%

Table 1.1

<table>
<thead>
<tr>
<th>Are You Satisfied With the Services Offered by the Online Travel Agencies? *</th>
<th>Do you Think You Preferred Online Travel Agency Should have a Local Presence in Your city?</th>
<th>Cross tabulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Compeletely Disagree</td>
<td>Disagree</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>2</td>
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<tr>
<td>3</td>
<td></td>
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Are You Satisfied With the Services Offered by the Online Travel Agencies?

<table>
<thead>
<tr>
<th></th>
<th>Completely Satisfied</th>
<th>Satisfied</th>
<th>Neutral</th>
<th>Dissatisfied</th>
<th>Completely Dissatisfied</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
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<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Satisfied</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>6</td>
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<tr>
<td>Neutral</td>
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<td>1</td>
<td>6</td>
<td>12</td>
<td>10</td>
<td>29</td>
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<tr>
<td>Dissatisfied</td>
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<td>0</td>
<td>7</td>
<td>34</td>
<td>16</td>
<td>57</td>
</tr>
<tr>
<td>Completely Dissatisfied</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>2</td>
<td>13</td>
<td>51</td>
<td>33</td>
<td>100</td>
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</tbody>
</table>

Table 2.2 Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>33.282a</td>
<td>16</td>
<td>.007</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>23.210</td>
<td>16</td>
<td>.108</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>1.781</td>
<td>1</td>
<td>.182</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* a. 20 cells (80.0%) have expected count less than 5. The minimum expected count is .01.

- Calculated Chi-Square value: 33.282
- Tabulated Chi-Square value: 34.300

And

Significance Level: 1% i.e. 0.1
And Actual (asymp. Sig, 2 sided) is 0.007

Hence, Calculated Chi-square is less than Tabulated and Significance value is less than Significance level of 1%, Therefore, WE ACCEPT NULL HYPOTHESIS.

Q) Should there be offline presence?

Reasons for agree?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>It helps develop trust</td>
<td>52%</td>
</tr>
<tr>
<td>Reliability of information</td>
<td>31%</td>
</tr>
<tr>
<td>Personal attention</td>
<td>48%</td>
</tr>
<tr>
<td>Assistance to the customer</td>
<td>55%</td>
</tr>
</tbody>
</table>

Respondents - 98

Reasons for Disagree? [Respondents 2]

- An efficient call center and a toll free number should do.
- Reliable Customer call center.

Results & Recommendations

- Higher the monthly income higher is the frequency of travel.
- Airline Tickets most bought thorough online travel portal.
- Makemytrip.com. Yatra.com and Cleartrip.com are the most known brands in Online travel Market.
- Makemytrip.com is the most preferred brand in Online Travel Market

✓ Airline Ticketing - Results

- Online Travel Portal used maximum to search airfares and flight timings.
Airline websites & online travel Portal are more convenient for searching information for flights rather than local agents.
- Online travel Portal preferred to buy airlines ticket followed by airlines websites.
- Convenience, Ease of Payment and Security of payment most important factor influencing Airline ticket buying behavior.

✔ Hotel Booking - Results
- Online Travel Used Maximum to search hotels in particular destination.
- Convenience, Variety of option and cheaper rates important factor for search a hotel at one time.
- Hotel websites preferred most for booking hotel stay followed by Local agents and then online travel portals.
- Ease of payment, Responsible point of contact and security and trust important factor in buying decision for hotels booking.

✔ Holiday Packages-Result
- Tourism board websites and online travel portal preferred most for finding holiday packages deals.
- Cheaper rates and Variety of options most looked for searching holiday package deals.
- Preferred Local agents highly preferred to buy holiday packages.
- Responsible point of contact, Efficient after sales service and trust more important than convenience or payment issues in buying holiday package.

Service satisfaction v/s Service expectation - Results
- More than 54% of respondents said they were not satisfied with services provided by online travel agencies.
- More than 80% feels that online travel portals should have local (offline) presence in the city, which would help consumers
  - Develop more trust
  - Personal attention
  - Customized offerings.
  - Flexibility in payment.

Recommendations
- Online travel agency work towards creating more trust within customers.
- Online Travel Agency should Have a local presence as they can deliver better customer satisfaction.
- Having an offline presence can cater even to offline customer as in INDIA only 8.5% population has access to internet. (Source www.iws.com)
- Online Travel Portals should concentrate more towards selling hotels and holiday packages.
- Online travel portals should promote deals and offers that people are attracted to buy and create experience.
- Online travel firms should encourage ‘browsers’ to become ‘purchasers’, by planning the service according to customer needs.

Conclusion
The online travel shopping behavior is dependent on an individual’s traits and characteristics. In online purchases, customers may feel skeptical about the website’s reliability and authenticity. In developing countries, the unavailability of legal infrastructure support for e-commerce websites exacerbates the lack of trust. Customers may be uninformed about the
technicalities and procedures of transaction and the outcomes of online purchasing. These
issues make customers skeptical about online purchasing. In making bookings through online
travel websites, financial transactions are involved (where customers have to provide their
bank details), and they are uncomfortable with this, as the Internet does not give the assurance
of a physical store. Thus, using the Internet for improving customer relationships and service
quality is difficult to achieve in developing countries, and investment return may be difficult
to measure. Plus an online travel agency lacks in personal attention and lacks in giving
customized offerings. Customers prefer interpersonal transactions to a faceless medium; this is
similar to the cultural attitudes of customers In case of queries, the customer cannot seek
assistance from the service personnel, as a website lacks a physical identity and is anonymous.
Thus, the effect of perceived risk is amplified and hampers the customer’s use of the service.
Customer satisfaction plays a significant role in fostering trust in online services, and leads to
repeat purchase. Hence a good e-commerce website and its Physical presence would help
strengthening customer trust, provide greater flexibility in payments, personal attention to
individual customer and customized offerings would lead to improving customer satisfaction.

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