Chapter 5

ONLINE TOURISM – An Indian Perspective

This chapter presents an outline of the online tourism industry in Indian context. The chapter begins with the description of the burgeoning online tourism industry in India, followed by the similar studies conducted in this regard. Further, there is a glimpse of various online tourism companies’ websites to investigate various factors selected for study. The detailed organization of the chapter is as follows:

5.1 Online tourism in India
5.2 Studies in Indian context
5.3 Glimpse of Indian Online Tourism Company’s Website
5.1 ONLINE TOURISM IN INDIA

Online tourism industry accounts for one of the budding industries in India. They changed the way people used to plan their tours. Out of the total e-commerce market in India, online tourism occupies more than three-fourth of the share. It signifies the relevance of this booming industry. Since its inception in India, from 2005 onwards, many players came forward to enjoy the benefits therefrom. Market size of the industry is on the increasing end and the level of competition makes it more challenging for the competitors to struggle for their share from the market. Hence, the pressure on the companies is to retain the consumers and gain their confidence/trust for superior performance.

This research work was conducted with the people who are the users of online tourism companies and they have been planning their tours through those online tourism companies. While evaluating the online services, customers assess the service in terms of its performance and outcome (Van Riel et al., 2001).

Lot of research work has been undertaken in the west (countries other than India), but very few studies were undertaken in Indian context. Jarvenpaa et al. (1999) emphasized that trust plays a critical role in stimulating consumer purchases over the internet. He highlighted that culture may also affect the antecedents of consumer trust, i.e., consumers in different cultures might have differing expectations of what makes a web merchant trustworthy. Since, Indian culture and psychology is very different from that of the rest, so the perceptions of trust might also vary for them.

Businesses entering the virtual world are based on one firm standing namely online trust. Online trust is an important aspect for an online business company because its absence can not only harm the customer loyalty thereby increasing customers’ switching towards other brands, but also can lead to dissemination of incorrect/incomplete information. Hence, it becomes very critical for the company to build trust amongst its consumers.
This is only one out of several cases. Therefore, the fundamental problem underlying the present study is to identify the factors that build trust in online companies (with special reference to Tourism companies) and thereafter establish & understand the nature of relationship between consumer trust and customer satisfaction.

**5.2 STUDIES IN INDIAN CONTEXT**

Study conducted by Khare and Khare (2010) revealed that there is high correlation between service attributes of the website and customer satisfaction with travel website. That is, customer satisfaction with online travel websites is dependent on the
informative, attractive and the interactive nature of the online website. Also, even though, the trust component is difficult to deduce, the study suggests that customers prefer to carry out transactions with a service provider they trust. They suggested that websites should be more user-friendly and the instructions should be easy to follow and understand.

Ganguly et al. (2011) identified that website trust is one of the key obstacles of online transactions. They investigated the key antecedents of consumer trust in online travel portals and concluded that Indian consumers give most importance to security, privacy, communication and self-efficacy to generate trust. Irrelevant personal information should not be asked for by the consumer at any point of the transaction. By infusing clarity of online transactions, the websites should provide real-time online buying experience. Also, Indian consumers’ desire faster personalized communication from travel portal service provider.

Banerjee and Banerjee (2012) revealed that people who prefer to purchase online include younger generation, professionals/ in service, post graduates and financially well off. They identified six major factors that influence consumers’ online trust. It includes: integrity, security and privacy, useful information, convenience in use, web design & word of mouth. They suggested that e-tailer should be transparent and have a clear return policy and must give opportunity to its customers to file a complaint/give feedback. The companies should incorporate extensive information about their offerings and serve customized needs as per their requirements. The consumers should be able to navigate the web pages with ease and if the same is attractive, it will be able to catch hold the attention of the visitors.

The results of the study conducted by Sinha and Kim (2012) revealed that retail companies should start taking measures to eliminate risk factor and build trust. Since, Indian consumers are still comfortable in buying from the brick and mortar format; the retail managers should sway consumers through ads, promotions and online only discounts. Like other studies, it also highlighted the user-friendliness of the website.

Kaur and Madan (2013) highlighted the relevance of trust in an online environment. They identified various factors that build trust in a website. They include: brand recognition, website look and feel, navigation, payment related issues, presence of
third party trust seals, product description, about us page, order tracking, contact us page, money back guarantee, terms and conditions, customer reviews on home page, secure connection, website download time, extraordinary good discounts, past experience and pop-up advertisements.

Thamizhvanan, A. and Xavier, M. J. (2013) stated that impulse purchase orientation, prior online purchase experience and online trust have significant impact on the customer purchase intention. Also, males as compared to females were found to have more intention to shop online. Moreover, Indian online shoppers typically tend to seek offers and great value price deals instead of brand or quality. They suggested the online retailers to target the impulse purchase orientation nature of Indian consumers and focus more on increasing online trust.

Jain et al. (2013) conducted a study to identify the drivers affecting e-tourism adoptability and thereby concluded with five major factors namely: Utility, Economic, Reliability, Efficiency and Security. They suggested that if the website is user-friendly, the consumers can very conveniently plan the tours online at any point of time. They opined that promotional strategies of online services also attract many users to avail these services, thereby making them more cost-effective. Websites must be regularly updated so that the users get latest and perfect information.

Another study conducted by Sahney et al. (2013) highlighted that online trust based constructs have a significant impact on the intention of buyers of booking online in India.

Hence, the studies highlighted the significance of user-friendliness of the website. People prefer to visit those websites, where everything is easy, simple to understand, informative, availability of good options, etc. This research study has analyzed significant Website Characteristics as evaluated by Indian tourists in e-tourism companies in order to increase the number of online bookings. This factor has been further categorized into six variables. The factors included were: Likeability of Site, Functionality of Website, Usage Convenience in Web Design, Site’s Efficiency, Website Information and Reliability of the Website. The second dimension analyzed in the study was Service Quality. Indian Tourists were investigated for SQ dimensions on six variables namely: Communication, Service Customization,
Availability, Promotional Deals, Value for Money and Cancellation or Refund Policy.

This study proposed a model that represents the factors that help in building consumer trust in an online tourism company in India. Seven factors have been identified as important variables having a significant impact on consumer trust namely; Website characteristics (Swaminathan et al., 1999; Wolfinbarger & Gilly, 2002; Hong-Youl Ha, 2004; Chen, 2006; Stewart, 2006; Gregori & Daniele, 2011; Ron, 2011), Personalization (Chen & Barnes, 2007), website information (Mcknnight et al., 2002; Hee-Woong et al, 2004), promotional deals, availability, price competitiveness (Delina & Drab, 2010) and refund policy (Zhou & Tian, 2010).

5.3 GLIMPSE OF INDIAN ONLINE TOURISM COMPANYS’ WEBSITE

Major Indian players in this industry include Yatra, MakeMyTrip, Travelguru, Clear Trip, Gobibo, SOTC (kyoni), IRCTC, Indian rail info, Travelocity, etc. Following is a brief discussion of few of the online tourism companies in India:

Table 5.1 A glimpse of few Online Tourism Company website

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Where:

WC: Website Characteristics
PS: Personalization
WI: Website Information
PD: Promotional Deals
AV: Availability
PC: Price Competitiveness
RP: Refund Policy

To start with the most popular of all is **IRCTC** - Indian Railway Catering and Tourism Corporation Limited. IRCTC dates back to 2002 when it started its operations. Although the processing is sometimes very slow, the website is preferred as it is **simple & easy to understand** and user-friendly. With the passage of time IRCTC has included many new features like that of Hotel booking, tie-ups with OYO, Shopping at Amazon, etc (Fig. 5.1). Also, the facility of **cancellation** is provided which holds the attention of the customers. Hence, the functioning of the website is improving while considering the customer demands and the number of bookings is record-breaking.

![Screenshot of IRCTC](image)

**Fig. 5.1 Screenshot of IRCTC**

The next in the number comes **Yatra.com**. Yatra.com began its operations in 2006 with 3 members increased to 700+ in 2008. Within two years of its inception it had 100% YoY growth. Slowly, it increased its accessibility for consumers by setting up retail outlets called Yatra Holiday Lounges which are premium outlets that cater planning leisure holidays. This being a promising business needs more attention viz-
a-viz retaining the customers especially from the other online tourism giants like Make My Trip. Yatra.com has tried to develop its website attractive while highlighting more on the features of personalization as well as promotional offers (Fig. 5.2 & 5.3). Herein, the customers are given various options like the type of vacation the customer is actually planning. And thereafter the moment you re-enter the website you get various offers regarding that.

Fig. 5.2 Screenshot of Yatra.com
Apart from this, the company also lays stress on **Price Competitiveness**, another dimension of consumer trust included in the study. As can be seen in Fig. 5.4, the website reveals personalized tour package as well as the option of travelling within the budget. The main idea of giving this option to the Indian consumers is to provide ‘value for money’.

**Make My Trip** began its operations in the year 2005 and has pioneered the Indian online travel industry by offering online flight tickets to Indian travellers. In 2010, the company enlarged its portfolio by adding holiday packages and hotel bookings. The website is *user-friendly* (Fig. 5.5) as it is very simple to understand even by the first time users.
A motivating factor that is clearly visible on the portal is that of deals offered by the company (Fig. 5.6). As can be clearly seen from the makemytrip website the promotional deals are also categorized into three parts: Discounts (only for app users), Hot deals and Last Minute Deals with an intention to grab the immediate attention of the consumer.

Also, last but not the least, a good amount of focus is on the quality and quantity of information on the website (Fig. 5.7). Also, they guarantee on best deals.
The detailed information about the company, website, product offerings, partner programs is provided on the portal. Also, apart from the offers, MakeMyTrip also guarantees the best deals thereby laying stress on Price competitiveness as compared to other companies in the same field. **Refund status** as well as the **flight status (Availability)** can be checked anytime from the website. Also, **communication** with the personnel seems to be easy in this portal. The customer can also manage its booking all by himself once he logs on to the portal. Therefore, as per the literature the company has covered most of the aspects that should be available on the website. By incorporating trust amongst its customers the company has been able to take as high as 47% of the total market share.

**Cleartrip** was launched in the year 2006. Cleartrip works on the principle of ‘Making Travel Simple’ (its punchline), therefore it provides **easy booking** to its customers along with useful travel tips. The mere look at the website reveals its simplicity and ease of transacting. Also, another column highlights **deals** section. It indicates, no matter what, promotional deals is a significant factor for attracting the customers (Fig. 5.8).
Since its inception in 2005, Travelguru, shifted its focus to hotels and now specializes in hotel bookings and business trip planning. Travelocity acquired Travelguru in August 2009. Later, Yatra.com bought Travelguru from Travelocity in June 2012. The website is quite attractive (Fig. 5.9) and include many important aspects which can motivate its customers. As stated since its focus is on hotels, travelguru puts forward the best deals (Fig. 5.9 & 5.10) in hotels at the first place.
While using the **beautiful pictures** and that also at **attractive prices**, Travelguru highlights varying destinations to capture different segments of the society (Fig. 5.11).

*Fig. 5.10 Screenshot of Travelguru*

*Fig. 5.11 Screenshot of Travelguru*
As can be seen in Fig. 5.12, Travelguru captures the attention of the users by answering the major question: *Why book with Travelguru?* i.e. the company is focusing on sharing information with its customers. Also, being actively present on social platforms, reveals that they are quite responsive. Once they track the types of search a customer is conducting on their website, they send you personalised offers or deals (Fig. 5.13).

Being a promising business venture, [Goibibo](#) started its operations in the year 2009. Apart from being user-friendly, the website enables the travellers to search and buy
from across categories. It also offers an **instant refund function** named as ‘GoCash’ (Fig. 5.14).

![Fig. 5.14 Screenshot of Goibibo](image)

Goibibo also offers **personalization** tools (Fig. 5.15 & 5.16) for customer bookings. The customer can plan his vacation all by himself and the company can structure the tour as per his suggestions at reasonable prices.

![Fig. 5.15 Screenshot of Goibibo](image)
Fig. 5.16 Screenshot of Goibibo