

# A Study and Analysis on the Changing Perceptions of Tourists towards Online Traveling and Booking Sites

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## 1. Introduction

Internet had emerged as significant tool for information searching and purchasing of products and services. Past few years have witnessed an explosive growth in the use of internet by tourist. The growth is also evident from the continuous rise of budget airlines, Hotels and travel booking sites across the world . According to Westland and Clark (2000), Internet retailing is becoming more prominent as a future business tool and has an extensive presence on the Net, where many customers are using it to research potential purchases before they actually visit the physical retail outlet. Westland and Clark view “the market” as being the centre of commerce. E-commerce, allows manufacturers to sell directly to the consumers, thereby lessening the position of intermediaries, allowing even more services to evolve

Nowadays an increasing number of tourists are taking advantage of the many benefits offered by electronic commerce (Buhalis & Law, 2008). Despite some obstacles for the online penetration in some markets and segments, namely poor technology and transportation infrastructure, different technologies and resources are also emerging. For instance, U.S. travelers use mobile phone or PDA (40,6%), and user generated content (41,3%) to access travel info and plan leisure travel, and only 9,7% makes use of travel agents (Statista, 2014).

This shows that the traditional travel agent is no longer the main source of information for travelers. People who purchase hotel rooms online tend to be younger, have higher incomes, and tend to purchase more room-nights than those who use traditional distribution channels (Toh, DeKay, & Raven, 2011)

## 2.Literature Review

Tourists nowadays are more informed and demanding searching for unique and customized experience. Most travelers try to reduce uncertainty of travel and improve the quality of trips through information search before leaving home (Fodness & Murray 1997). The Internet makes it possible for travelers to search and compare information on travel choices, as well as to purchase services or goods (Jang 2004)

## 2.1 Main Concept in Consumer Behavior

Consumer Behavior is defined as the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desire“ The main trends that have affected the travel industry in recent years have been globalization, deregulation, changes in consumer demands and heightened expectations. Also, customers have become more knowledgeable and are relying more on automated technologies. (Bloch & Segev, 1996). Forbes believes the socio-economic forces such as increased hours spent at work; two income families and an aging population have led to the event of the interactive marketplace. Customer Segmentation is better described below:

Customer segments of the Travel Market

<b>LEISURE</b>	<b>Independent</b>	<b>Family holidays ,Destination Visits</b>
<b>BUSINESS</b>	<b>Independent</b>	<b>-Those who organize and pay for their own Travel -Those who are assisted by corporate travel departments and are reimbursed for expenses</b>
<b>TOURS &amp; GROUPS</b>	<b>Leisure Business</b>	<b>-Cruises, tours abroad -Incentive, business, convention</b>

## 2.2 Determinants

It has been established that the consumer buying behavior is the outcome of the needs and wants of the consumer and they purchase to satisfy these needs and wants. Although it sounds simple and clear, these needs can be various depending on the personal factors such as age, psychology and personality. Also there are some other external factors which are broad and beyond the control of the consumer. There is a wide range of factors that can affect consumer behavior in different ways. These factors are divided by Hoyer et al. (2012) into four broad categories: situational, personal, social and cultural factors.

Situational factors impacting consumer behavior may include location, environment, timing and even weather conditions (Hoyer et al., 2012).

Personal factors, on the other hand, include taste preferences, personal financial circumstances and related factors. The impact of personal factors on consumer decision-making is usually addressed by businesses during market segmentation, targeting and positioning practices by grouping individuals on the basis of their personal circumstances along with other criteria, and developing products and services that accommodate these circumstances in the most effective manner.

According to Hoyer et al. (2012) social factors impacting consumer behavior arise as a result of interactions of perspective consumers with others in various levels and circumstances. Targeting members of society perceived as opinion leaders usually proves effective strategy

when marketing products and services due to the potential of opinion leaders to influence behavior of other members of society as consumers.

Lastly, cultural factors affecting consumer behavior are related to cross-cultural differences amongst consumers on local and global scales. Culture can be defined as “the ideas, customs, and social behavior of a particular people or society” (Oxford Dictionaries, 2015) and the tendency of globalization has made it compulsory for cross-cultural differences amongst consumers to be taken into account when formulating and communicating marketing messages.

### **2.3 Motivators**

Most travelers try to reduce uncertainty of travel and improve the quality of trips through information search before leaving home (Fodness & Murray 1997). The Internet makes it possible for travelers to search and compare information on travel choices, as well as to purchase services or goods (Jang 2004)

“Growing consumer interest towards m-commerce is one of the key game changers of this market as 76% of the aggregate online population in India is using mobile internet. Travelling companies are offering incentives through huge discounts, cash back proposals and gift vouchers to book online, besides encouraging to download their mobile apps. Also, the rise of mobile wallets and electronic cash is widening the customer base of m-commerce companies,” says Sriram Mohan, Lead Analyst, Consumer Goods and Retail, Technavio Research.

The major impact on the travel industry has been the promotion of lower priced holidays with a more customer-focused approach, which in turn allows a more personal service to suit the

particular wants and needs of the traveler. Money is saved, reducing the need for extra staff and paperwork, allowing the information to be received in the home

## **2.4 Decision Making Process**

One of the common models of consumer decision making process has been offered by Blackwell et al (2006). According to him, the five stages of consumer decision making process are followings: problem/need recognition, information search, evaluation of alternatives, purchase decision made and post-purchase evaluation.

As per Neal and Questel (2006) stating that need recognition occurs due to several factors and circumstances such as personal, professional and lifestyle which in turn lead to formation of idea of purchasing.

Next stage, consumer searches information related to desired product or service (Schiffman and Kanuk, 2007). Information search process can be internal and external. While internal search refers to the process where consumers rely on their personal experiences and believes, external search involves wide search of information which includes addressing the media and advertising or feedbacks from other people (Rose and Samouel, 2009).

In simple words, once the consumer recognized the need, searched for relevant information and considered the alternatives he/she makes decision whether or not to make the decision

## **3. Methodology**

In this study we conducted a consumer survey in travel industry to explore the general public's perceptions on online travel service distribution and their future intentions on travel service booking. In the survey a questionnaire was developed to collect empirical data. The investigated objects in this study are the passengers of an international airline company. Copies of the questionnaire were distributed to passengers onboard. Totally 190 copies were received in the survey, and 169 copies are usable. The questionnaire includes some questions based on background studies and secondary research. At the beginning a brief narrative introduction of the study and an explanation of the purpose on the questionnaire are provided. Respondents are asked to indicate their current and perceived future use of online travel service booking. Some questions are demographic-related and others are related to travel service delivery, including online booking experience, travel information searching channels, and future intentions on travel service booking. In the survey respondents were clustered on the basis of their responses to some questions on their gender, age, Internet use and online booking experiences, and these groups were then related to the scales on their current travel searching channel, their current use of online travel service booking, and their future intentions on travel service delivery.

#### **4. Conclusion**

As insight into the above research, the adoption of online travel service delivery has attracted wide customers, and travel agency is facing the disintermediation threat service booking. The results imply that though disintermediation exists in travel industry, but travel agency still has strong market share in travel industry. Disintermediation or not depends on travel agencies'



competitive capability in the travel market. In summary, the results support the following conclusions. First, online travel service delivery has grown as a popular direct distribution channel in travel industry. Second, customers has intentions to book travel service online. .

Online booking is an increasingly important channel for tourism sales.. In fact, travel and tourism industry has been particularly affected by the great advancement and the wide application of e-commerce in business, especially the way travel organizations deliver their travel products to the market and the customers. The Internet, as a universal and interactive communication means, has resulted in great changes of customer's behavior and attitude. Consumers can conduct travel information searching and travel service booking online. They shifted from the traditional offline channels to online channels. Online travel service reservation has constituted one of the largest and fastest growing segments of e-commerce in B2C arena. Above study is also supported by Technavio in-depth analysis of the Retail Travel Services Market in India, which is estimated to grow at a CAGR of nearly 15% between 2015 and 2019 with a rise in disposable income, which has resulted in an increase in leisure travel in the country.

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