

# FACTORS AFFECTING CUSTOMER PERCEPTION TOWARDS ONLINE TRAVEL PORTALS

Prerna Garg<sup>1</sup>  
Pushpender Gaur<sup>2</sup>

## ABSTRACT

*Due to the incomparable scalability of internet, the conventional modes of travel bookings have observed a complete makeover. The advent of internet has given rise to the entry of many Online Travel Portals which not only facilitate the customers in travel bookings but also offer a wide range of tourism services to choose from. This one stop shopping experience in services like tourism is gaining drastic popularity since few years. Therefore the current study aimed at identifying factors affecting customer perception towards online travel portals. The study used non probability convenience sampling to collect responses from 130 customers from Delhi. The adequacy of sample size was tested through the KMO value and then Factor analysis was used to reduce the data and form concrete un-correlated factors from 21 items. The items reduced and converge to seven distinct factors and explained almost 70% of the total variance. The obtained factors were then named as are Privacy and reliability, Easy accessibility, Time saving, Customized benefits, Assurance of security, Easy to use, individual attention and Likability. The research provides a valuable insight for marketers to realise the significance of these factors and formulate strategies to significantly affect customer perception positively.*

**Keywords:** Behaviour, Customer, Electronic, Perception and Travel Portals.

## INTRODUCTION

Tourism sector is one of the emerging service sectors of the Indian economy. As reports indicate, tourism is a very fast growing sector contributing almost 6 % in the GDP and also giving employment to lot of people. It is expected that, by the end of 2020, tourism in India could contribute Rs. 8,50,000 crores to the GDP. It can also be considered as the backbone for other sectors like transportation, civil, hospitality. Tourism sector is also one of the significant contributors to foreign exchange reserve of the country. Online travelling is the newest addition to the travelling ecosystem in India. The use of Information and Telecommunication Technology (ICT) play an important role in growth of tourism services. The advent and proliferation of computers, coupled with the increasingly acceptable leveraging of the Internet has caused some major changes in the travel industry. Now, customers give priority to search for information related to tourism services on the Internet. Since people want everything to be properly planned, so they are taking initiatives to plan their own trips according to their convenience and this has made possible easily by the use of online tourism service portals. Online Travel portals (OTPs) offer an interface to provide all travel solutions on a single platform focusing more on user convenience. It all started with IRCTC (Indian Railway Catering and Tourism Corporation) in 1999 when the Indian audience was much less tech savvy. IRCTC brought a wave of eCommerce by launching its first transaction website. Then MakeMyTrip was founded in 2000, opening the whole new world of OTPs. This was the

first time the Indian audience experienced the convenience in booking train tickets, airline tickets and hotels with just few clicks away, followed by Yatra.com, Goibibo, and Cleartrip. The main aim of these portals is to make the traveler self-dependent and to provide all information on single click. Internet is a one stop-shop where travelers find each and everything ranging from a very popular destination to a remote place. These services also help the domestic as well as foreign tourists and claim to provide easier, less expensive alternative to traditional methods of ticket procurement without sacrificing service quality. In light of the same, this study aims to investigate the factors affecting customer perceptions for 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.

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.

## LITERATURE REVIEW

Gao & Bai (2014) conducted a study on factors affecting customer perception towards online travel buying decision and which controllable factors influence its formation. Using a

<sup>1</sup> Assistant Professor, Gitarattan International Business School, Delhi, prerna.garg@gitarattan.edu.in

<sup>2</sup> Student, Gitarattan International Business School, Delhi, gpushpender@gmail.com

stimulus–organism response framework (S–O–R framework) as the theoretical basis this study examined the impact of consumer perceptions of website atmospheric (informativeness, effectiveness and entertainment) on the development of flow and its subsequent impact on purchase intention and satisfaction. The results supported the validity of the S–O–R framework in the context of online tourism and indicated that flow fully mediates the three site atmospheric cues with regards to purchase intention and satisfaction with the travel website.

Jain, Jain & Sharma (2013) conducted a research on the factors affecting customer perception towards online websites in which they had shown that India has become one of the favorite medical tourism destinations for the tourists. The study was an attempt to identify major drivers affecting adoptability of e-Tourism services. The study used Principal Components Matrix method of Factor Analysis with Varimax Rotation with Kaiser Normalization and revealed five drivers namely Utility, Economic, Reliability, Efficiency and Security which affect adoptability of e-Tourism services.

Sparks, Perkins & Buckley (2013) conducted a study on factors affecting customer perception towards online travel buying decision. They tested experimentally how source, content style, and peripheral credibility cues in online postings influence four consumer beliefs, and how those in turn influence attitudes and purchase intentions for an eco-resort. They compared tourists' posts to managers' posts, containing vague versus specific content, and with or without peripheral certification logos. The interactions were complex, but broadly tourists treat specific information posted by customers as most useful and trustworthy. Their purchase intentions are influenced principally by their overall attitude toward the resort and their beliefs in its corporate social responsibility.

Ayeh, Au & Law (2013) conducted a study on the perceptual mapping of online travel agencies and websites to investigate the intention to use consumer-generated media for travel planning by introducing new factors into the conventional TAM and using a partial least squares' estimation. Findings shed light on the differences in terms of the antecedents in this context. While the study demonstrates the theoretical validity and the empirical applicability of the TAM model to the context of CGM usage for travel planning, it goes further to verify the significant roles of distinctive factors like travelers' perceptions of similarity of interest, trustworthiness and enjoyment.

Amaro & Duarte (2015) conducted a study on Grounded in the Theory of Reasoned Action, the Theory of Planned Behaviour, and the Technology Acceptance Model and on the Innovation Diffusions Theory. This study proposed and empirically tested an integrated model to explore which factors affect intentions to purchase travel online. Partial Least Squares Structural Equation Modelling was conducted to assess the hypotheses. The empirical results, obtained in a sample of 1732 Internet users, indicated that intentions to purchase travel online are mostly determined by attitude, compatibility and perceived risk.

Cosma, Bota & Tutunea (2012) conducted a study on customer attitude towards online travel agents. The purpose of the study was to find why Romanians use Internet, if they practice tourism recently and what type of tourism, reasons for using the online for different types of tourism products, their preference for the online or offline tourism based on different criteria, the share of online consumed tourism. The results of the paper have implications for target marketing strategies designed for business environment, travel destination areas, services, and facilities and also for tourism organizations.

Wen (2009) conducted a study on factors affecting customer perception towards online travel buying decisions The purpose of this paper was to review the literature on theories affecting consumers' online purchase intention of travel products. The paper identified antecedents of consumers' online purchase intention, including three domains of measuring e-commerce web site design – consumer trust, consumers' attitude perception, and consumer satisfaction – and applied them to the travel and tourism field. The paper proposes a conceptual framework of factors affecting online consumer travel purchasing.

Nusair & Kandampully (2008) conducted a study on the antecedents of online travel websites. The purpose of this study was to examine the travel web sites quality dimensions that ultimately influence customers' satisfaction; and to conduct content analyses on the five prominent travel web sites. A content analysis was conducted on the six prominent travel web sites as ranked by J.D. Power Consumer Report. The findings of the content analysis provide evidence to suggest that online travel companies are underperforming in terms of providing web service quality attributes that enhance customer satisfaction.

Chen (2006) conducted a research on the factors affecting customer perception towards online portals. Based on previous studies in multiple disciplines, this study develops a model representing the determinants of consumer trust in an online travel site and reports the results of an empirical investigation for this model. Theoretically, the study advances our current understanding of consumer trust in e-commerce by proposing a model and providing evidence for the major elements contributing to the formation of this construct. From a managerial perspective, the study provides practitioners with practical insights on how to design Internet marketing strategies that can initiate, develop, and maintain consumer trust. Moreover, travel businesses need to consider integrating features that make shopping experiences more enjoyable.

Beldona (2005) conducted a research on the factors affecting customer perception towards online websites The objective of this study was to distinguish changes in online travel information search behavior among generational (baby boomer and Generation X) cohorts between 1995 and 2000. Although significant increases in travel information search behavior were found across all cohorts between the two periods, the study also found that older baby boomer cohorts reported greater

increases in the likelihood of travel information search behavior than Generation X. This empirically validates the notion that boomers adopted the Internet earlier than traditionally assumed. The study provides explanatory detail using a synthesis of literature across the areas of technology adoption theory, e-commerce, and sociology. The findings provide an evolutionary perspective of online travel information search behavior among and within generational cohorts. Theoretical and practical implications are discussed.

Kolsaker, Lee Kelley & Choy (2004) conducted a research on the factors affecting customer perception towards online websites in Hong Kong where consumers have embraced the web but appear reluctant to buy airline tickets online, suggesting that perceptions of risk outweigh perceived convenience. The study identifies that both risk and convenience factors are associated strongly with willingness to purchase, particularly privacy, security and poor customer service, time savings, site usability and information provision. It also identified that the experienced shopper is only moderately satisfied and that satisfaction appears to be associated strongly with willingness to make further purchases. Overall, findings suggested that although consumers recognize a number of benefits, there is deep-rooted resistance to buying this particular product online. The explanation may lie in a combination of the physical density of the Hong Kong market, love of the whole shopping experience and a desire to minimize risk. The study concludes that to tempt consumers online airlines and agents must target the Hong Kong market with a clear value proposition which includes user-friendly sites, streamlined payment procedures, on- and offline customer support, price-related promotions and tailored offline services which reinforce online offerings.

Li & Suomi (2007) conducted a study on online travel websites usefulness and conducted a survey to explore the Chinese consumer's current usage of the Internet as the channel to search travel information and to book travel services. It also investigated customer's future intentions on using the Internet to book travel services. This paper aimed to examine difference between different consumer segments in terms of gender and age, and to find the hypothesis of disintermediation or intermediation in travel industry. The results indicate that online travel service delivery has grown as a popular direct distribution channel in travel industry, but more of the customers still turn to the traditional travel agencies, which support both the disintermediation and intermediation in travel industry. The results also revealed that online travel services provided by travel service providers still need to be improved since the number of online bookers is declining.

Beldona, Morrison & O'Leary (2005) examined purchase motives of pleasure travel components of low and high complexity in a Web environment. Motives to buy travel components of a typical pleasure vacation were differentiated using the economics of search framework and mapped using correspondence analysis. Findings show a uni-dimensional solution that was named informational/transactional. While

purchase of activities, accommodation, events and attractions demanded more informational contexts behind purchase; purchase of car rentals and airline tickets were driven by transactional contexts.

## OBJECTIVES OF THE STUDY

The objectives of conducting this study are:

- (a) To understand the nature and extent of online travel services used by customers.
- (b) To identify factors affecting choice of online travel portals over conventional modes of travel planning.

## METHODOLOGY

A descriptive research was carried out in order to identify factors affecting choice of online travel portals. As an essential part of the study, the primary data was collected from 130 customers with the help of a questionnaire from respondents of diverse demographic profiles, while the secondary data was collected from journals, reports, books, magazines and internet sources. The sample was chosen by convenience sampling method which is one of the non-probability techniques. The scope of the study was limited to Delhi in terms of the region covered to conduct the study and the participants targeted were at above the age of 18 years. Demographic data of the respondents has been coded and tabulated using MS Excel and findings were drawn after using Factor Analysis to reduce the data and identify significant factors affecting choice of online travel portals.

## RESULTS AND DISCUSSIONS

Descriptive Statistics, discussed in this study comprises of the frequency and percentages of profiles of the respondents. Table 1 illustrates the demographic profiles of respondents according to variables: gender, age, and income respectively.

**Table 1: Demographic Profile of Respondents**

	In figures	In Percentage
<b>Gender</b>		
Male	78	60 %
Female	52	40 %
<b>Age</b>		
18-30	71	55%
30-45	25	19%
45-60	18	15%
Above 60	16	11%
18-30	71	55%

Table 1 (Contd.) : Demographic Profile of Respondents

Income Group (P.M.)		
0- 20,000	65	50%
20,001- 40,000	30	23%
40,001- 60,000	22	17%
60,000 Above	13	10%
Occupation		
Business	40	31%
Services	25	19%
Student	65	50%

Factor analysis has been used to identify factors affecting choice of online travel portals over conventional modes of travel planning as it attempts to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. Values of Bartlett’s test of sphericity and Kaiser-Meyer-Olkin measure of sampling adequacy were tested to determine the factorability of the matrix as a whole.

Table 2: KMO and Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.696
Bartlett's Test of Sphericity	Approx. Chi-Square	1059.612
	Df	210
	Sig.	0.000

The results value of Bartlett’s test of sphericity is significant ( $p < 0.001$ ,  $p = 0.000$ ). In addition, the Kaiser-Meyer-Olkin

measure is 0.696 which is greater than 0.6, it is suggested that if the Bartlett’s test of sphericity is significant, and if the Kaiser-Meyer-Olkin measure is greater than 0.6, then the data is sufficiently adequate for applying factor analysis. Thus, based on the results, it is appropriate to proceed with Factor Analysis to examine factors affecting choice of online travel portals. Table 3 displays the total variance explained at six stages for factors affecting choice of online travel portals. Seven factors were extracted because their Eigen values were greater than “1”. These seven factors when extracted were able to explain 69.643 percent of the variance.

Table 3: Total Variance Explained

Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	3.020	14.381	14.381
2	2.953	14.062	28.443
3	2.663	12.680	41.124
4	2.080	9.904	51.028
5	1.382	6.582	57.610
6	1.271	6.051	63.661
7	1.256	5.982	69.643

Extraction Method: Principal Component Analysis.

This Table shows the actual factors that were extracted. For analysis purpose researcher are only concerned with Rotation Sums of Squared Loadings. In Rotation Sums of Squared Loadings, the “% of variance” column explains how much of the total variability (in all of the variables together) can be accounted for by each of these summary scales or factors. All the factors extracted therefore, were able to explain 69.64% of the total variance.

**Table 4: Rotated Component Matrix**

		Rotated Component Matrix <sup>a</sup>						
		Component						
		1	2	3	4	5	6	7
1	These sites are easily accessible	.		0.673				
2	Online tourism services are more users friendly as they cross all boundaries of space, and language.			0.696				
3	It is very comfortable to use online tourism services			0.715				
4	These services are more cost effective as the user's interaction is directly with the company.			0.732				
5	The portals purchase system are stable and consistent				0.468			
6	Online tourism services make deciding and finalizing your plans hassle free.				0.795			
7	Promotional strategies of online tourism services are effective	0.547						
8	It is easy to get familiar with these portals	0.792						
9	Online tourism services are reliable with lesser probability of errors.	0.807						
10	Privacy of personal information	0.829						
11	These portals give me individual attention		0.777					
12	The graphics on these portals are likable		0.567					
13	These portals clearly explains how user information is used		0.576					
14	Online tourism services are technologically more advanced as users get all the facilities like online ticketing, hotel booking, check-in etc in a single click		0.724					
15	Efficiency of these services remains the same all the time	0.723						
16	It is easy to find what I want in these portals		0.797					
17	Online customer services or help on these portals is available all the time		0.825					
18	Save time and resources					0.704		
19	Online tourism services let the users have secure money transactions.						0.722	
20	These portals understands my specific needs						0.742	
21	These portals are willing to customize its services for me							0.837
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.								

a. Rotation converged in 7 iterations.

Table 4 shows the rotated factor matrix for the questionnaire. After performing Varimax Rotation Method with Kaiser Normalization, Factor 1 comprised of five items with factor loadings ranging from 0.547 to 0.723. Factor 2 comprised of six items with factor loadings ranging from 0.777 to 0.825. Factor 3 comprised of four items with factor loadings ranging from 0.673 to 0.732. Factor 4 comprised of two items with factor loadings ranging from 0.468 to 0.795. Factor 5 comprised of one item with factor loading 0.704 while Factor 6 have 2

items ranging from 0.722 to 0.742 and finally factor 8 has one item with factor loading of 0.837.

Seven factors were successfully constructed using factor analysis and assigned as the factors affecting customer perception towards online travel portals. Table 5 shows the name of the new factors and percentage of variance explained for each of the factors. The first factor shows the highest percentage of variance explained when it was extracted. The

factors are Privacy and reliability, Easy accessibility, Time saving, Customized benefits, Assurance of security, Easy to use, individual attention and Likability.

**Table 5: Factors Affecting Customer Perception towards Online Travel Portals**

Factor	Name	% of Variance
1	Privacy and reliability	14.381
2	Easy accessibility	28.443
3	Time saving	41.124
4	Customized benefits	51.028
5	Assurance of security	57.610
6	Easy to use	63.661
7	Individual attention and Likability	69.643

## FINDINGS

To make the theoretical contribution of this research easier to follow, the findings has been presented according to the research objectives outlined in the introduction.

- (a) There are seven factors which affect the customer perception towards online travel portals. These are Privacy and reliability, Easy accessibility, Time saving, Customized benefits , Assurance of security , Easy to use , Individual attention and Likability.
- (b) The effect of factor Easy to use is that the customers can use these portals without any hassle and they get proper and complete information from these portals.
- (c) The effect of factor privacy and reliability is that the customer while purchasing emphasize more on their privacy and reliability of online portals.
- (d) Online travel portals are considered as easily accessible. The “easy accessibility” attribute can increase the use and adoption of Online travel portals.
- (e) These portals provide customized benefits as they can customized there services.
- (f) The questionnaires were filled by 130 respondents who are from differnet region of Delhi. The survey shows that majority of the respondents of online travel portals users were males.
- (g) The study indicates the responses drawn from majority customer of Online travel portals falling in the age group of 18-30 years. The research shows that majority of the respondents surveyed were from students.
- (h) The research shows that majority of the respondents surveyed having income “between”0 to 20,000 Per Month.

## MANAGERIAL IMPLICATIONS

Considering the growth of online travel industry, marketers must work upon designing distinct differentiation strategy. This study facilitates the marketers in identifying antecedents of travel intention while using an online travel portal to take travel decisions, which provides a mechanism for online businesses to evaluate their websites. An improved online travel booking experience will positively enhance the behavioural intention resulting long term profits of the marketers and thus improved sales. The dimensions of choosing a travel portal can be used by marketers to make their travel portals more exhaustive and user friendly. Other key service attributes that have been ignored so far by most of the Online travel marketers like virtual tours, zooming, music etc can be used as an added advantage too.

## SCOPE FOR FUTURE RESEARCH

In view of the above mentioned limitations, the Scope for further study can be directed to understand the implications of collectivist factors on online travel portals. 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 security. 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..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.

## REFERENCES

1. Amaro, S. & Duarte, P. (2015), An integrative model of consumers’ intentions to purchase travel online, *Tourism management*, 46, 64-79.
2. Ayeh, J. K., Au, N. & Law, R. (2013), Predicting the intention to use consumer-generated media for travel planning, *Tourism Management*, 35, 132-143.
3. Beldona, S. (2005), Cohort analysis of online travel information search behavior: 1995-2000, *Journal of Travel Research*, 44(2), 135-142.
4. Beldona, S., Morrison, A. M., & O’Leary, J. (2005), Online shopping motivations and pleasure travel products: a correspondence analysis, *Tourism Management*, 26(4), 561-570.
5. Chen, C. (2006), Identifying significant factors influencing consumer trust in an online travel site, *Information Technology & Tourism*, 8(3-4), 197-214.

6. Cosma, S., Bota, M., & Tutunea, M. (2012), Study about customer preferences in using online tourism Products, *Procedia Economics and Finance*, 3, 883-888.
7. Gao, L., & Bai, X. (2014), Online consumer behaviour and its relationship to website atmospheric induced flow: Insights into online travel agencies in China, *Journal of Retailing and Consumer Services*, 21(4), 653-665.
8. Jain, K., Jain, J. & Sharma, J. (2013), Drivers affecting e-tourism services adoptability, *International Journal of Advanced Research in IT and Engineering*, 2(10), 87-99.
9. Kolsaker, A., Lee Kelley, L. & Choy, P. C. (2004), The reluctant Hong Kong consumer: purchasing travel online, *International Journal of Consumer Studies*, 28(3), 295-304.
10. Li, H. & Suomi, R. (2007), Customer's perceptions and intentions on online travel service delivery: an empirical study in China, In *Integration and Innovation Orient to E-Society 2* (113-122), Springer, Boston, MA.
11. Nusair, K. & Kandampully, J. (2008), The antecedents of customer satisfaction with online travel services: a conceptual model, *European Business Review*, 20(1), 4-19.
12. Sparks, B. A., Perkins, H. E. & Buckley, R. (2013), Online travel reviews as persuasive communication: The effects of content type, source, and certification logos on consumer behavior, *Tourism Management*, 39, 1-9.
13. Wen, I. (2009), Factors affecting the online travel buying decision: a review, *International Journal of Contemporary Hospitality Management*, 21(6), 752-765.