Tourism

ONLINE PURCHASING BEHAVIOUR OF BUSINESS TRAVELLERS: A STUDY OF THE ONLINE TRAVEL PORTALS

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ABSTRACT This research paper investigates the precursors of online purchasing behaviour taking into account the business travellers. The constructs chosen for the study are secure and safe payment gateway, varied options and user friendly services in the travel portal. A secondary survey was conducted to know the Online buying behaviour of the business travellers. The objective of the study is to understand the level of services that can be offered by Online Travel Portals to the business travellers.

KEYWORDS : Online Travel Portals, Business Travellers, Online Purchasing Behaviour

Introduction

The present scenario is witnessing the emergence of Online Travel portals so much that even the first time travellers are now deeply interested and indulging in the services of these travel portals. These mediums provide a plethora of relevant information online where a prospective traveller can compare, contrast and subsequently decide and even book and pay online from their home or office.

These portals provide a secure payment gateway that makes payment consistent, reliable, and protected. Rapid progression and expansion of the web technologies have initiated a great leap in the travel and tourism industry because it is now tremendously trouble-free As the internet plays a leading role in almost every sphere of present-day life and service providers have come up with a ample range of services and other connected products in order to make sure the most relaxed and trouble free products for their existing as well as forthcoming customers.

Concurrently the highly developed search process provides the site visitors a chance to plan their journey in their own individual & delicate way by using the most excellent service companies and then choose the best deal.

Internet has created revolutionary changes in the tourism industry .Websites of travel agents and travel suppliers provides an array of travel related services depending on the needs of the prospective travellers. As the travel industry is very competitive, being a travel agent is not an easy one. Traditional Travel agencies are under constant pressure like facing stiff competition amongst them and also with online portals and they have to survive with lower profit margin. There are travel agencies who are trying to position themselves by specializing in niche segments like medical and wellness, honeymoon, adventure, water sports etc.

In the past, the travel suppliers used to sell their packages to the public through travel agencies. Nowadays, the usage of Internet for travel service by travel consumers has been increasing and so all the travel suppliers are opting for online travel agencies. .

A Travel Portal provides online booking facilities to customers or end users visiting the website. Travel Portal constitutes of following important features to its customers. Air Ticket booking for domestic and international airlines, Hotel booking for domestic and international hotels, Bus Booking engine using which a user can book Bus from one location to the other location nationwide, Car Booking engine which can help a user to book the car rental of his choice at his desired location, Charter plane booking & exclusive travel and destination holiday packages. Holiday packages help users to choose the desired or suitable package as per their requirements.

However there are many shortfalls with the Travel Portals which are commonly faced by its users every day. As more and more people turn to online travel portals for vacation and business travel, the conventional travel agents are quickly becoming a dying breed. Convenience and rock-bottom prices through volume and automation make booking travel needs online an attractive alternative. According to the J.D. Power 2014 Online Travel Agency Satisfaction Report, 58

percent of those visiting online travel agencies book hotels, 52 percent make flight reservations, 33 percent purchase vacation packages and 31 percent book rental cars. This agency also reports that about 18 percent of those booking online travel arrangements experience some sort of problem. The bottom line is that booking travel needs online can come at a cost.

Business and Leisure travellers both want good value of money as they both are well aware of the technological advancements and want it should improve their experience pertaining to travel. Both require greater options in their travel search as travellers want to book multiple services and add-ons at the same time.

Both these travellers spend lot of time in searches and are willing to buy add-on services. Social networks such as Facebook, twitter, LinkedIn, friends and families also influence the travel decisions for both leisure and business traveler in developing countries such as China and India. Business travellers want good internet connectivity and facilities such as receiving information pertaining to destinations right on their mobile phones. Leisure travellers rely on numerous sources of information to research and book travel. They use more sources than business travellers.

Business Travelers rely on Travel Management companies as their decision is simple and transactional as the time and place are fixed. It is being witnessed that for holidays the business traveller use more than three websites to plan and book trips in comparison of four sources in case of leisure travelers. Travel companies should provide a one stop shop to cater to the preferences and changing needs of business traveler and it should be cost effective. 66% of Leisure travellers use online search engines to research travel in comparison to 59% in case of business travellers.40% of both the travelers use Airline websites,36% of both the travellers use hotel websites and 40% of leisure travelers and 32% of business travelers use destination sites for booking their last trip(source:Travelport)

Internet is transforming the travel industry for business and leisure travelers but it is not replacing other sources of information gathering such as getting information from friends, families and colleagues. Printed material, television and professional advice still have a role in the travelers sojourn. Websites such as Facebook, twitter, YouTube are transforming the idea of word of mouth and extending the influence of these social networking sites. Both the technology driven travelers demand updated information and services that facilitate a truly personalized travel experience Customers' demands are constantly evolving and the organizations providing online services need to establish user friendly interfaces that will provide light to the customers who choose to purchase online. These companies need to strengthen not only their quality standards in terms of their processes but also their service delivery. These strategies will eventually reduce the degree of risk and uncertainty the customers still affiliate with online purchase behaviour.

Review of Literature

Technology-driven change is revolutionizing every industry from retail distribution to banking, from manufacturing to publishing and education. The pressure of new technologies (computer, networks, and

interactive television) combined with increasing customer demands (flexibility, convenience, customization, service, etc.) and hyper-competition (global markets, shrinking product cycles, increasing risk, rapid change) is requiring companies to redefine their strategies, products and processes.

The World Wide Web has changed the business environment and competitive behavior in many industries because consumers now have more access to market information. The speed at which the Internet has revolutionized information availability and information sharing has taken managers by surprise. While many firms have failed in their effort to implement sound Internet strategies in an environment where consumers are better informed, other firms with creative strategies have succeeded.

The Internet has become an important information source for end consumers in many industries. It has brought higher levels of market transparency, permitting consumers to observe information that previously was not available via other distribution channels. Review of literature indicates that in the framework of e-commerce there are many functional service qualities which are valued by customers during online purchase such as fast connectivity, security issues and user friendly network (Dhar and Wertenbroch,2000)

Perceived value is built during the purchasing process whereas satisfaction is evaluated post purchase as revealed through various studies. Perceived value is related to the trade-off between benefits and sacrifices (Chang,et al,2009)

Prior studies indicate that service quality is linked with customer satisfaction (Mouakket and Al-hawari,20112) and loyalty intention(Sadeh et al,2011).Very few studies have been conducted to investigate the impact of service quality on perceived value and the ones who have conducted research does not differentiate between the functional and hedonic dimensions of service quality which leaves area for further research.Ravald and Gronroos(1996) touched upon the value concept as the ability to provide superior quality to the customers and came to a conclusion that customer satisfaction was more than just a perception of the quality received.

Consumers tend to buy familiar and well known products as they feel more confident with that they are actually buying (Chi et al,2009).A positive image through word of mouth is essential for boosting brand awareness(Kim et al,2004).Huang(2008) found that loyalty to an online travel agency resulted in an increased intention to purchase from that agency.

Loyalty refers to the psychological commitment that a customer makes in the act of purchasing(Nam et al,2011)This commitment may eventually result in the final intention to purchase or recommend. Brand loyalty has a strong impact on purchasing intention (Hawes and Lumpkin, 1984)

Lang (2000) indicate that many travel consumers are surfing the web but reluctant to book online preferring more conventional and traditional travel networks. Internet is serving as a mode to extract information while very few users who surf the net book online. This makes the literature review indecisive on how to represent the online purchasing behaviour of consumers. Purchasing intention does not in any way represent a shortcoming as there is significant indication of the existence of a casual link between intention and buying behaviour (Venkatesh and Davis, 2000)

Conclusion:
It is quite evident from the literature review that this is the era of digitalization as it saves time, money and most importantly the waiting period. The World Wide Web has changed the business environment and competitive behavior in many industries because consumers now have more access to market information. The speed at which the Internet has revolutionized information availability and information sharing has taken managers by surprise. While many firms have failed in their effort to implement sound Internet strategies in an environment where consumers are better informed, other firms with creative strategies have succeeded. Since the Business travellers is a growing niche and contributing immensely in economic terms so their preferences and needs should be properly addressed and carefully examined by the service providers. Business travellers value time and convenience as they are always on the move. They also require secure and safe payment gateway, varied options and user friendly services in the travel portal.

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