

## “TO STUDY CONSUMER BEHAVIOUR WHILE BOOKING HOTEL THROUGH ONLINE SITES”

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### **Abstract**

E commerce industry is growing like a mushroom. India has witness the immense growth in past few years in online industry which some where transformed the dispersion of travel products and affected the way tourist search and purchase those products. The emerging operators of online travel bookings have become a global phenomenon and represent a significant percent of global travel sales. Online intermediaries in travel industry provides the various options and comparison of hotels, tourist products, travel destination, brand choices, prices and most importantly convenience to the consumer. This research helps us to understand online consumer behaviour and to analyse consumers' motivation and intention to search and book hotel deals through online travel intermediaries. A quantitative research method was employed to measure the cognitive, emotional and social factors that influenced motivation and also how motivation mediated these factors toward booking intention. The result indicates consumers' attitudes and perception were two substantial factors that influenced motivation to book hotel deals online, which in turn, impacted their future intention.

**Keywords :** E commerce, internet, Consumers behaviour, Online Buying Behaviour, Online hotel booking

## INTRODUCTION

The revolution of E-Commerce industry boosts the immense growth and potential business opportunities of the online tourism market. The emerging online travel booking operators has become a global phenomenon and represents one third of total global travel sales (yStats, 2012). According to octane research, Consumers are turning to the internet to take advantage of ease of booking and comparative pricing. 95% of consumers search online before making a travel purchase. Best deals are an important motivation for customers to go online. According to our research 36% consumers make unplanned trips if offered a discount. Octane Research's Annual Reports (State of e-Marketing India and State of Email Marketing) drives comprehensive analyses which are tailored to meet the requirements of the India Marketer and leverage them with multiple channels to aggregate customers and engagement rich conversions. Since the online agencies provides flexibility and accessibility, it is easy for tourists to search and buy travel products and services with in a small fraction of time. Train and air tickets, car rentals or accommodation can be researched, evaluated and reserved through the online sites 24 \*7. Online consumers tend to utilize numerous websites like yatra, trivago, goibibo , cleartrip, expedia etc. as a primary tool for booking travel products due to the variety of product offerings, quick price comparisons, time savings and ease of use when requesting services to fulfill their needs (Toh, Raven & DeKay, 2011). Online booking availability not only benefits customers by making travel arrangements easier, it also increases the profits of businesses such as airlines, hotels and other package tour companies (Hotelmarketing, 2012). Research shows 32% of hotel revenue is generated through online bookings (TravelClick, 2012). online travel intermediaries have been viewed as effective marketing channels to sell distressed inventory and reach customers hotels may not be able to connect with directly (Kotler, Bowen, & Makens, 2010). Hotel bookings through online travel intermediaries increased 14% in 2013 and continue to demonstrate demand by customers (TravelClick, 2013). Price transparency of online channels adds more pressure to hotel room rates and thereby forces hotels to keep rate parity in all channels, keep online rates as low as possible, or provide "low price guarantees" on hotel websites (Green & Lomanno, 2012). The travel intermediaries consist of third-party travel agencies (e.g., Bookmyhotel.com), social media sites (e.g., Yatra.com) and search engines (e.g., Google, yahoo). Research indicates most consumers are concerned with acquiring good value for their money instead of solely seeking the lowest possible price (Gupta & Kim, 2010; Peterson, 2011).

## LITERATURE REVIEW

Electronic commerce, also referred as e-commerce is defined by Oxford Dictionary (2012) as 'commercial transactions conducted electronically on the Internet'. Another definition made by Financial Times (2012) as a buying and selling activity over the Internet. To sum up e-commerce can be defined as the buying, selling and exchanging of goods and services through an electronic medium (the Internet) by businesses, consumers and other parties without any physical contact and exchange. 'The rise of these new information and communication technologies and of Internet users, has introduced a new marketing reality'(Xavier and Pereira, 2006). This new presence change the relations between the players. Furthermore businesses have realised and seen the importance of the Internet and it has become that e-commerce in the business context, for most companies, can be seen as a complement (Shaw, 2006; XV). The importance of the competitive power and superiority has come to foreground and organisations' understanding of competition has changed dramatically. In today's world businesses use electronic commerce channels to communicate with customers and to increase competitive advantage (Lee and Lin, 2005; 161).

Literature with regard to the online information search behaviors of the tourists reveals why, what, where, who, when and how to search. For example, Vogt & Fesenmaier (1998) state that tourists' online search behaviors are motivated by their functional needs, hedonic needs, innovation needs, aesthetic needs and sign needs. Xiang & Pan (2011) find that the tourists search for hotel, airport, casino, beach and map most frequently. According to the report by Iresearch (2012), the most frequently used channels for Chinese to search travel information are, in order, general search engines, vertical search engines, OTAs, portal travel channels, and social media such as review sites, online communities and BBS. Travelers usually are directed to social media sites by the general search engines (2010). Kim et al. (2011) find that the chief motivations for consumers to seek online travel reviews are convenience and quality, risk reduction, and social reassurance. Pan (2003) models the process of travel information search and identifies continuous search, pre-purchase search, search during travel planning, search during traveling, and search after the travel. Verma et al. (2012) indicate that when gathering information for a hotel stay, most travelers follow the recommendation of the company or friends and colleagues at first, and then turn to such online sources as the brand website, OTAs, and TripAdvisor, and make online booking via the brand websites or OTAs. The tourists' behavioral consequences of the online information search are also stressed by the researchers. Skadberg et al. (2004) demonstrate empirically that flow experience while browsing a destination website leads to changes of attitude and behavior, including inquiring for more information, coming back to the website, and visiting the destination. Fodness & Murray (1999)

indicate that a tourist's information search strategy has significant impacts on his length of stay, number of destination visited, number of attractions visited, and the travel-related expenditures. Ye et al. (2011) show that online travel reviews have a significant impact on online sales, with a 10 percent increase in traveler review ratings boosting online bookings by more than five percent. Consumers seem to be more influenced by early negative information, especially when the overall set of reviews is negative, whereas positively framed information together with numerical rating details increases booking intentions (2011). Bruner & Kumar(2000), found that consumers' attitude toward the website is a valid measure of website effectiveness and significantly correlated to consumers' attitude toward the brand and their purchase. This was reinforced by website characteristics that include ease of use, product information, entertainment, trust, and currency. Past research has shown that several website factors will affect consumers forming a favourable attitude toward online purchase. Sukpanich & Chen(1999) found that there were three variables that affected attitude toward online shopping. These three factors consist of awareness, preference and intention. Different people have different attitudes towards online shopping. These attitudes vary not only as the result of the activities performed, but as the result of personalities, lifestyles, social classes and other factors. Previous researches suggested different views on this subject. Meanwhile, Nusair and Kandampully(2010), tried to look at different aspects by doing a content analysis on six prominent travel websites in the United States. The purpose of their study was to identify the key dimensions of a quality website which include navigation, information quality, trust, personalization and responsiveness would influence customer satisfaction or purchase of online travel services.

## **METHODOLOGY**

This research examined consumer behavior related to online hotel deal purchases, particularly through online travel intermediaries such as online travel agencies (OTA) . Based on the perspectives from consumer psychology, the quantitative survey research method was developed and employed to discover the latent factors of deal purchasing behavior, understand how these factors influence purchase motivation and intention, and acquire information regarding the demographic characteristics of deal-prone consumers .For the purpose of this study, survey data were collected from the 50 customers and analyzed.

## **RESULT**

Research Indicates that male and female respondents were compared to test the effect of gender. Among male participants, positive emotions showed a positive and significant relationship on motivation . This finding contradicted females who displayed no significance

between positive emotions and motivation. Findings demonstrated consumers' attitudes and perceived self-efficacy were two substantial factors that influenced consumers' motivation toward booking hotel deals, which in turn, impacted future intention. Findings also showed that gender and age differences existed in consumers' deal-purchasing behavior. Respondents, who were on regular business trips, booked in only two ways: through travel agencies or their own companies. Not a single customer booked through the Internet. Bookings between women and men do not differ significantly. The share of online reservations amongst women is somewhat bigger (about 35%) than amongst men (21%). Considering the age of the respondents, who booked over the Internet, we can conclude that the differences between the age groups are not great. The smallest share of online reservations belongs to the age group 41 to 60 years (18%), and the biggest share of online reservations belongs to respondents aged 20 to 40 years. No age group had an extremely low or extremely high share of online reservations.

## CONCLUSION

Online booking is an increasingly important channel for tourism sales. The paper through light a new research criteria for tourist behaviors in online booking based on literature review. From the process of online booking, we conclude the findings in online hotel information search, epitome of online booking and online booking consumer loyalty. Since consumer behaviors are based on effective utilization of marketing mix, our literature survey provides a systematic view for the tourism marketers. The results of the paper also put some light on the future research in online travel management.

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