An exploratory study on online travel trends and travel behavior of employees working in I.T. organizations in Bengaluru, India

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Abstract

Online travel market in Asia Pacific region (APAC) is growing at a faster pace, and India being one of the top emerging markets, representing 9% of APAC online market, travel organizations are trying their level best to deploy emerging technologies for gaining competitive advantage and to catch up with the rapidly changing business scenario in India. In this paper, efforts are taken to understand the online travel trends and travel behavior of employees working in I.T. organizations in Bengaluru which employs 35% of India's pool of one million I.T. professionals. Further in this paper, efforts made to get into the insights of I.T. employees’ adoption and attitudes towards online technology platforms and identify how they put their attitudes into action.

Keywords: Online travel, travel behavior, I.T. employees, Bengaluru
1. Introduction

Although travel is an inherently social activity, arranging a trip is a complex endeavor that often involves an intensely personal decision-making process. From the beginning, most travel sellers designed websites to support a shop-book sequence. This mimicked the approach, professional travel agents used on global distribution systems (GDSs). The design was made to capitalize on low-hanging fruit – monetizing traffic by making bookings for travelers who already had specific dates and destinations in mind.

Researchers have investigated search for travel information on the Web in terms of adoption of travel e-shopping (Kamarulzaman 2007), differences among age cohorts (Beldona 2005), the role of destination online promotion activities (Han & Mills 2006), and depth of information search (Johnson et al. 2004). However, research is needed to investigate the nature of comparison search on purchase completion. Reports in commercial media suggest that the ratio of lookers (those who search for travel information on the Internet) versus bookers (those who actually purchase travel products) has been low (29%) (Evason 2000) and declining rapidly with current statistics citing one buyer for every 10,000 to 100,000 viewers (look-to-book ratio 0.001% to 0.0001%) (Torbenson 2010).

This low rate of visit-to-purchase conversion underscores the need to predict and understand the extent of and impact of comparison-shopping on purchase conversion. This is of utmost importance to travel website managers since small changes in purchase conversion can result in considerable increases in sales revenue. Nevertheless, little is known about the effects of comparison search duration (time spent searching for travel information online) and comparison search dispersion (number of alternative vendors examined) during pre-purchase search on consumer propensity to complete a travel purchase at a website (Totty 2002).

2. Literature Review

Several studies have explored how consumers adopt technology (Wilkie 1994; Barczak, Ellen & Pilling 1997; Swanson, Kopecky & Tucker 1997; Wiefels 1997; Aggarwal, Chaj & Wilemon 1998; Dover 1988; Williams & Tao 1998; Otto & Chung 2000; Christou & Kassianidis 2002; Huang & Law 2003). These studies can be classified into four categories based on their overall perspectives. The first category includes studies that address the stages consumers go through from awareness of the new technology’s existence to adoption (Aggarwal et al. 1998; Williams & Tao 1998; Otto & Chung 2000). The second category involves studies that explore the amount of time that elapses between the inception and the adoption of new technology (Wilkie 1994; Wiefels 1997). The third category consists of theories that focus on the impact of consumers’ characteristics and stage in life cycle when adopting technology (Swanson et al. 1997; Barczak et al. 1997; Christou & Kassianidis...
Finally there are theories that address the nature of the technology being adopted (Wiefels 1997; Dover 1988; Frambach, Barkema & Wedel 1998; Huang & Law 2003). All these theories emphasize consumers’ behaviours leading to the adoption of new technology.

A consumer purchase decision for a travel service involves a complex multistage process layered along a hierarchical set of activities (Jeng & Fesenmaier 2000). Moreover, the purchase decision varies considerably as a result of inherent demographic characteristics. Many studies have examined online shopper’s profile in terms of demographics and purchase patterns (Bhatnagar & Ghose 2004; Citrin, Sprott, Silverman & Stem 2000). However, most studies are limited to low-priced and frequently purchased tangible goods such as books, CDs or food products.

Research suggests that users visit websites mainly to fulfill goal-directed search or experiential browsing (Nadkarni & Gupta 2007). Online shopping visits consist of buying, searching, browsing, and knowledge building stages that vary in terms of the purchasing likelihood, and whether the purchasing horizon is immediate or in the future (Moe 2003). Decision-making researchers argue that information search involves both cognitive and physical effort (Johnson, Bellman & Lohse 2003). For these researchers, extent of information search, often measured by the number of product offers viewed, occurs within, not just across, retailers and other providers of information (Diehl 2005; Häubl & Trifts 2000; Payne, Bettman & Johnson 1988). There is considerable price variation across time within a store (inter-temporal search) and across stores (intra-store search) for any destination due to the high seasonality of many travel destinations and popular use of promotional pricing strategies by travel firms.

In the context of online travel purchases (i.e., flights, hotels, car rentals), we conceptualize comparison search behavior as a sequential search where at each stage the consumer decides whether she has acquired enough information to make a decision of whether to quit, purchase or to search further. We conceptualize the process of sequential search for travel service offers/prices as a series of “micro” decisions. At each stage of the search process (i.e., for each inspected alternative), the consumer makes two related micro decisions: (1) whether the current product is the most attractive one encountered thus far and (2) whether to terminate the search and buy the best of the inspected alternatives or continue searching. However, if the consumer is experientially browsing travel websites only to collect information to formalize destination choices, termination of search does not imply purchase readiness. At retail websites, the more the number of websites searched or higher the comparison search dispersion, the closer the consumer is to stop searching and purchase.

For this study Bengaluru was chosen as destination since it is India’s third most populous city and fifth-most populous urban agglomeration. It is well known as the hub of India’s...
information technology sector. IT firms in Bengaluru employ about 35% of India's pool of 1 million IT professionals and account for the highest IT-related exports in the country. Bengaluru is called as the Silicon Valley of India because of the large number of information technology companies located in the city which contributed 33% of India’s ₹144214 crore (US$24 billion) IT exports in 2006–07. Bengaluru's IT industry is divided into three main clusters — Software Technology Parks of India (STPI); International Tech Park, Bengaluru (ITPB); and Electronics City. UB City, the headquarters of the United Breweries Group, is a high-end commercial zone. Infosys and Wipro, India’s third and fourth largest software companies are headquartered in Bengaluru, as are many of the global SEI-CMM Level 5 Companies. Bengaluru is also hub to many high-tech companies Infosys, Wipro, Tata Consultancy Services, Accenture and many others.

3. Methodology

The study was aimed for the employees working in the top ten information technology companies in Bengaluru who have used internet for online travel. The survey used convenient sampling method and questionnaire as a survey tool. The questionnaire was build using google forms of google drive and sent online. The responses received were send to spread sheet. For filling the questionnaire, criteria was set, which stated that, respondent should have used internet to select a destination, compare travel products and shared their experience. A total of 692 responses were received and 447 were taken into consideration as rest of them were not completely filled. Data gathered was fed into statistical package IBM SPSS 21.0 and analysis included, descriptive statistics and cross tabulation.

4. Results and Discussions

4.1 Typical websites or applications (apps) used for travel shopping

The travel shopping process is a most complex endeavor, and most consumers not only use more than one website, but also use more than one type of website. The most common website category used while shopping for leisure travel is online travel agencies (62%), followed by search engines (53%). Usage of top categories is significantly higher among users of online social networks versus non users, as is the case with many of the various site categories. Two notable exceptions are destination websites and magazine / newspaper websites, which are nearly popular among online social network users and non-users. Destination and magazine / newspaper websites does not offer a wide breadth of information, and in turn, social network users do not show stronger usage of these media than non-users. Among the users, 17% typically use social networks when shopping for leisure travel. The category clearly ranks low compared to travel specific categories and general search, but still
represents a substantial group. Micro blogs such as Twitter have a notably smaller following, at 6% of social network users.

4.2 Influence of travel information sources

There is strong gap between users and non-users when it comes to recommendations, at 49% versus 31%, respectively. It reflects the inherently social nature of consumers who use social networks, which are ultimately designed to keep people connected to their social circle. Print advertising, television programs, television advertising and online advertising has influence on an average of 15%, 9%, 11% and 26% respectively.

4.3 Travel booking methods by age

An average of 47% of online travelers typically book by online travel agents (OTA’s) such as Yatra.com, makemytrip.com etc. however, closer analysis shows that not all age groups display a preference for OTA’s hence it is seen that travelers in the age group of 55-60 prefer travel provider website. Further from the below figure it is seen that on an average all the age groups have occasionally used methods such as booking by calling travel provider (9%), travel search engine (7%), calling a retail travel agent (9%), walk – in (4%).

4.4 Features in the website that influence travel purchasing decisions

68% of online travelers find user generated ratings influential and 28% find it very influential. When shopping for hotels, consumers often use broad range of online content to help then make decisions. Comments from people in online social media is being accepted influential by 32% of online travelers but only 5% feels it as very influential. Traveler reviews on OTA sites rank third, followed by interactive maps. Though social networks rank low next to the other content types, nearly a third (32%) were at least somewhat influenced by comments from their social network connections, and nearly a quarter (24%) were at least somewhat influenced by travel companies through social networks.

4.5 Participation in online Social Networks by age

From the analysis, it is understood that, among the young travelers (21-34years), Face book reaches an outstanding 90%, Twitter (30%), LinkedIn (18%), and Google Plus (10%). However, among the age group of 45-54 yrs. and 55 – 60 yrs., there are 48% and 49% of respondents, who have not participated on any online social networks.

4.6 Social Media Activities

As far as activities related to travel is concerned, majority of the travelers (38%) have posted comments, solicit for tips or advice from friends (19%), look for deals and post own videos (19%) become a fan or friend or follow a organization (19%) and download apps (15%).
4.7 Medium of communication for personal travel recommendations

With all the various communication options travelers have, people can give and receive personal advice about travel from their social circle using a range of media. In person conversations remain the most common way travelers get advice, but less than half of travelers receive advice in this manner. The flow of advice from friends and family is still basically channeled through one to one communication media, even for social network users just 4% of them selected online social networks as a platform for obtaining travel product recommendations, such as which hotel to stay in. However, 20% of social media users indicated that they solicit general tips and advice about travel on social networks.

4.8 Methods of interacting with travel companies

Finally, when it comes to interacting with travel companies, travel websites are not surprisingly the most common touch point used by online travelers. Almost all travelers are visiting these websites on computers and 19% visit them using their mobile devices. Email is also very common, with three in four travelers accessing email via computer and 20% via mobile device. Email is one of the early types of communication flourishing on the mobile platform, along with SMS text messaging at 15%. This highlights the very practical need for travelers to access itinerary information, such as confirmation emails and text alerts on flight status, while on the go. Downloaded applications are also becoming a substantial mobile touch point, as 21% of travelers have used them to interact with travel companies.

5. Conclusion

Most of the online travelers (62%) working in Information Technology companies are using website of online travel agents (OTA’s) shopping for leisure travel. Studies have shown that influence of culture, reference groups also influence consumer behavior because particular behavioral norms permeate across groups of people (Bearden & Etzel 1982). In this study, as far as influence of travel information is concerned, (49%) of social network users rely on personal recommendation from friends / family against non-users (31%). Studies have found significant association between demographics and attitudinal factors in the adoption of new technologies (Shimp & Beardon 1982; Rogers 1995; Dabholkar 1996). In this study, (47%) of online travelers, in the age group of 21-34 years do the travel bookings through online travel agents and employees in age group of 55-60 years (40%) prefer travel provider website. When it comes to features in the website, (68%) of online travelers found user generated ratings as influential followed by travel review websites (56%) and online review from travel professionals (50%). Among the social media, Facebook was dominant (75%) among youngsters 23-34yrs. for participation and they did activities such as posting comments / photos (38%), following a company on social network (19%). Finally online travelers,
interact with travel companies wide travel website (19%), email (19%), online social network (30%), blogs (19%) and download apps (6%) through smart phones.

References


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