

# Consumers' Preference Towards Online Travel Agencies with Reference Bhopal Madhya Pradesh

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**Abstract**— Today, the travel and tourism industry has been particularly affected by the great advancement and the wide application of e-commerce in business. Present study investigated the factors that affect customers preference towards the online and offline tourism market. This research also investigates the potential of those factors to influence the decision of travel agencies choice. Most studies on travel agencies choice consider that the customer preference is influenced before he makes the decisions based on the information that is available, online or offline. Thus, the online travel booking is the act of booking for the travel over the Internet. Most of the travel booking are nowadays done by using their websites and applications. It has been continuously eliminating the concept of traditional booking methods and is almost virtual now. The main purpose of the study is to know the determinants influencing consumer preferences and satisfaction level towards online travel agencies. The secondary data such as research papers and information, etc. that is available on various sources are used in this research study. This paper includes deep insight about the key determinants of consumer preferences and will discuss the various aspects of online travel agencies, which certainly increase the satisfaction level of consumer. Customer preference in India is almost changing and creating a tremendous potential for the tourism industry to look for innovative ideas and bring in new service with creative marketing approach to tap the huge working population.

**Index Terms**— Consumer preferences, online travel agencies, barriers, influential determinants.

## I. INTRODUCTION

### • Online Travel Agencies

Online travelling is the newest addition to the travelling ecosystem in India. The advent and proliferation of computers, coupled with the increasingly acceptable leveraging of the Internet has

caused some major changes in the travel industry. Online travelling in India is yet at a very nascent stage. Travelling has not been a focus area but merely another application for engaging users when they are looking out for some quick results. The engagement level of most users has also been low with infrequent usage and loyalty. However, all this is changing with the spotlight sharply focused on complete travel booking. The traditional means of procuring airline tickets and associate travel arrangements are rapidly changing. These changes are primarily being facilitated by Internet travel marketplaces (such as makemytrip.com, yatra.com, etc.) that claim to provide an easier, less expensive alternative to traditional methods of ticket procurement without sacrificing service quality. If travel marketplaces are to be successful then they need to understand their customers and what the motivations behind their actions are, when it comes to shopping for discount travel. This study aims to report a descriptive study that investigated the perceptions of Consumers for online travel and 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. Moreover, due to increasing players in online travel industry, the consumers have different preferences and perceptions regarding them.

Despite the growing importance of the internet as an information source for Prospective travelers, as a marketing tool and as a way of doing business, there is a general lack of information related to perceptions of travelers for online travel products and services.

Understanding their attitude is also of critical importance to travel marketers in formulating appropriate marketing strategies so as to fully exploit the developing potential of this new channel. Literature review revealed that researchers have tried to study online consumer shopping behavior in general but no such specific study to understand consumers' perceptions related to online travel has yet been done. Thus, the study will provide insights about the Internet users' feelings towards information seeking and online travel booking and also help to know their experience, level of satisfaction and Purchase intention in future.

- Customer Preference

Many companies have recognized the importance of customer preference theory in recent years. They have started using customer data to improve their products and services. For example, Amazon uses customer data to make sure its customers are happy with their purchases. Customer preference is defined as what type of product or services an individual customer likes and dislikes. Customer preferences can be used in many ways, such as understanding what customers want from a product or service. Creating new products or services based on what customers want and to improving the quality of existing products or services. Consumer preference is a term that refers to consumers' choices to maximize their satisfaction. Consumers have some degree of control over the type of goods they buy, but they cannot always choose what they want.

- Online travel Agencies: Online travel agencies are the online organizations which facilitate the services of online travel booking via internet. Purchasing travel services online is absolutely beneficial for both service providers and buyers. Online travel agencies play a major role in the online channels of the travel booking as it provides the best price offers, information, pictures, and wider choices to the consumers to help them in taking decision while booking for the travel. The consumers can look for different options, can compare the prices of different websites, the quality of Online travel agencies, can check the perceived values offered and any other requirements of the consumers in online booking. "Online travel agencies are essential for hotels since they help them to give visibility, thus

increasing the interest of tourists and occupancy rates (Ling, Dong, Guo & Liang, 2015)." Online travel booking has achieved an astonishing place and this achievement is possible due to technology upgradation and use of the devices – "laptops, tablets, smart phones, etc."

- Online travel agencies and Consumer: The Online travel agencies are offering the various options and advantages to the buyers of online travel services. There are various reasons behind opting for the online travel agencies. The information search is the important part while purchasing via Internet. The Online travel agencies facilitate the information searching for consumers. Nowadays Online travel agencies are often used for all types of travel search, reviewing, comparing and booking. "Szynenski and Hise (2000) divide convenience into time and browsing benefits and stated that the perception in both categories is likely to be related to positive perception of convenience." Booking the travel online via Online travel agencies offers consumer prominent ease and satisfaction of not occurring of any kind of transportation costs, as they can search, review and book their travel online, anywhere anytime. Due to the ease of booking, no transportation cost and time, less thinking and deciding time with the help of Online travel agencies. As information and booking options, time required is too shorten as compared to the time required in traditional booking. Every consumer is mainly look for the Price before anything and consumer can see the lower prices advantage in booking travel via Online Travel Agencies. Online travel agencies provide the best price deals, discounts, and many promotional coupons, automatically reduces the prices of the travel which is not available in traditional travel booking. Numerous online travel agencies are working to facilitate the services and few are leading the market.
- MakeMytrip: "India"s largest Online Travel Agency and a member of the top 10 Online travel agencies club worldwide in revenues. MMT as it is popularly known was an early starter on the scene and probably has the widest range of Indian hotels. They deal good offer packages for the online customers. On this

website, there are lot of travel stories and experiences of travellers here. The company provide in domestic and international flight, train and bus tickets, holiday packages, hotel reservations and other products and services.”

- Yatra: “Yatra provide good deals and consumers friendly for Indian travellers. They have offers on international and domestic packages. There are a good number of packages for friends and families those who are interested in travel. Pricing details and bookings of domestic and international hotels, train, flights and car rentals across 336 cities in India.”
- Travelguru: “This one claim that they give you last minute hotel deals too. The travel package they offer is fairly good overall and is suitable for the budget of most people in India. It gives the users various deals on airlines and hotels worldwide.”
- Goibibo: “Goibibo is the new concept develops in the Online Travel Agencies develop in Indian travellers. The feedback and reviews have always been good which shows that people like the deals provided by the company to the travellers. The company features various travel services and products which allows the user to explore the largest range of destinations and hotels. Goibibo has been very pro-active with hotels and its marketing spend. They work on performance linked programmes.”
- Cleartrip: “They have offers on international and domestic packages. There are a good number of packages for friends and families those who are interested in travel. Cleartrip provides online travel services which includes and international holiday packages, reservations, rail tickets, flight tickets and bus tickets.”

## II. LITERATURE REVIEW

- Kanagal.N (2023) this article acknowledges about the usage of marketing research for generation of product concepts. The author has researched and analyzed about consumer preference, online travel sites, key factors that influence their choice and

custom, and consumer prospects with respect to booking their travel online. The aim of the author is to show the systematic marketing research that can be deployed for development of new product concepts, which would provide a space for new entrant in the market.

- According to Nguyen et al (2022), perceived autonomy promotes perceived competence in a favorable way, which then has a positive effect on performance satisfaction and system satisfaction. Therefore, it is crucial to create interfaces that contribute to boosting perceived autonomy. The competition will become even more fierce as more emphasis is placed on online shoppers.
- Folstad et al (2021) also mentioned that on a corporate level, chatbots are increasingly being used for marketing purposes such as customer relationship management (CRM), pre-and post-purchase support, and customers preference, as they represent a potentially cost-effective solution that can save up to 90% depending on the characteristics of the functions being automated.
- Ahsfaq et al. (2020) investigate the impact of virtual agents on consumer satisfaction, product attitude, and purchase preference. Because such new technologies have the potential to satisfy the user's needs/desires by providing personalized information, making the shopping experience more enjoyable, they find that virtual agents in online shopping lead to greater consumer "satisfaction with the retailer, a more positive attitude toward the product, and a greater purchase intention"
- Suman K. Paliwal (2019) stated that over 80% of Madhya Pradesh travelers visited more than three different websites or service providers before booking a flight. Therefore, the essential part of digital marketing strategies is designing and maintaining quality of websites, which is strictly intertwined with tourism management.

## III. FINDINGS AND DISCUSSION

This study is based on the comprehensive review of the literature, the above literatures revealed that Consumers convenience and the price are positively associated with the purchase decision. Online Travel Agencies plays major role in providing convenience

and best price deals to the consumer for online travel booking. It provides a platform where consumer of online travel booking services can book for the travel anytime & anywhere. Discounts, ease of booking, ease of cancellation, advance booking and many other offers which benefitted the consumer are available on the website and applications of Online Travel Agencies. The above literatureshowed the positive as well as negative attitudes of the consumers towards online travel agencies but more in a positive way. Most of the travel booking is done online nowadays and the online travel industry is growing rapidly and covering the maximum share of the market. The online travel portals covering the hospitality business (hotel booking) too.

Nowadays, consumer is more informed and educated, not to buy only but also post the reviews and comments online about the Online Travel Agencies, and destination. Consumer will see many things before booking and many of the things influence the consumer preference such as - Price and Promotion offers, Convenience, Perceived value, Information, Safety & security, Website quality, Online reviews & comments, Hotel type and Destination photos. However, these factors values differs with the consumer personal characteristics such as age, education, visibility, perception, security concerns and hygiene consciousness, which plays a moderating role in the purchase decision. The services or the factors leads to the consumer satisfaction are - Good value, Better location, Friendly staff, Good service, Clean infrastructure and Comfortable stay.

There are some barriers too such as – safety and security, hygiene consciousness, usage constraints, personal characteristics and internet connectivity issues which restricts the consumers for purchasing online travel. Most of the Online Travel Agencies or online travel platforms requires to fill the personal information and bank details for booking and payments, which is not suitable & trustworthy for all the consumers due to their privacy & safety concerns. Sometimes low or poor internet connectivity with some customers don't allow them to go for the online booking option. Consumers also pissed of the bad experience of the last stay or travel which are the cause of the dissatisfaction such as - low value, uncomfortable & dirty rooms, unfriendly

environment. Thus, the Online travel agency work towards creating more trust within customers. Online Travel Agency should Have a local presence as they can deliver better customer satisfaction. Having an offline presence can cater even to offline customer as in INDIA only 8.5% population has access to internet. (Source [www.iws.com](http://www.iws.com)). Online Travel Portals should concentrate more towards selling hotels and holiday packages and travel portals should promote deals and offers that people are attracted to buy and create experience. Online travel firms should encourage 'browsers' to become 'purchasers', by planning the service according to customer needs.

### CONCLUSION

The online travel shopping behavior is dependent on an individual's traits and characteristics. In online purchases, customers may feel skeptical about the website's reliability and authenticity. In developing countries, the unavailability of legal infrastructure support for e-commerce websites exacerbates the lack of trust. Customers may be uninformed about the technicalities and procedures of transaction and the outcomes of online purchasing. These issues make customers skeptical about online purchasing. 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 a physical store. 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. Customers prefer interpersonal transactions to a faceless medium; this is similar to the cultural attitudes of customers. In case of queries, the customer cannot seek assistance from the service personnel, as a website lacks a physical identity and is anonymous. Thus, the effect of perceived risk is amplified and hampers the customer's use of the service. 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.

## SUGGESTIONS

There are some recommendations which may enhance the worth of Online travel agencies in the future. To take care of the factors which leads to the customers satisfaction and dissatisfaction. The safety is a major concern for the consumer. So, Online Travel Agencies should ensure safety & security of the consumer, so that consumer can feel safe. By improving the website quality and updating the correct information, they can attain the more customers. The Government must intervene to regulate the prices, for security and safety of travelers and to support the tourism agencies too.

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