Focus Group Technique to Study Customer Attitude Towards Online Travel Services in India

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ABSTRACT

The development of Internet as a service delivery medium has gained ascendency in recent years. In developing economies, where Internet usage is restricted to an elite few, the potential for e-service delivery channels is being recognized immensely. Online travel services are being accepted as a substitute for travel agents and brick-and-mortar formats. The research explores the attitude and perceptions of Indian customers towards online travel firms. The authors used Focus Group technique, as online travel is still in the embryonic stages and people are aware of its existence but are not familiar with its services. The authors intended to study their feelings and expectations about online travel. This flexibility was possible only through qualitative research technique. The authors considered using the focus-group technique as it is an appropriate technique for generating new ideas within a social context. Financial security of the transactions emerged as one of the strongest determinants of more prolific online behavior with regard to travel.

Keywords: Appearance, Financial Security, Financial Transactions, Focus Groups, Navigability, Online Travel, User-Friendly Layout of Website

INTRODUCTION

Rapid growth of travel sector and increased usage of technology as a tool to facilitate online transaction has led to blending of technology with travel. “The rapid development in consumers’ online access and usage for travel and tourism is being reflected by the status of online communication and sales activities within the tourism industries” (Lohmann & Schmücker, 2009). Research indicates that modern travelers are looking for interactive facilities, high quality travel services, varied information on products, and appropriate information to assist them in decision making (Lubetkin, 1999; Christian, 2001; Law et al., 2004). The high degree of intangibility in travel sector (Laroche et al., 2005) requires clear understanding about requirements of the customers. Global travel industry has adopted new models like computer reservation systems, global reservation systems, and the internet for service delivery (Bigné-Alcañiz, Ruiz-Mafé, Aldás-Manzano, & Sanz-Blas, 2008).
Szymanski and Hise (2000) focus on four web dimensions, namely convenience, merchandizing, site design, and financial security which may be considered important for customer satisfaction. Customer purchase of online travel service is a complex process and constitutes a hierarchical set of activities which are affected by customer demographics and purchase intentions (Citrin et al., 2000; Fe- senmaier & Jeng, 2000; Blake et al., 2003). The perception about quality of the online service provider is inevitably linked with credibility, reliability and trust of the travel firms and this represents an integral aspect of intangible nature of services (Bonn et al., 1998; Claycomb & Martin, 2001). Internet research shows that people use Internet for seeking information (Walle, 1996). Travel products are heterogeneous, offer greater differentiation, and are high involvement products (Frew & Dorren, 1996; Bonn et al., 1998; Heung, 2003). The customers’ perceptions of the service quality is based upon their relationship with the service provider (Patterson & Smith, 2001) and in the similar vein while evaluating an online travel firm, they will be governed by reliability of the service provider (Smith, 2004).

Our research was directed towards understanding Indian customers’ perceptions about online travel and adopting it as an alternative medium for purchasing. For Indians Internet use is restricted to browsing the Internet for accessing mail services or exploring websites (Ganguly, 2009). According to Internet World Statistics (2009), Internet use in Asia between 2000 and 2009 has increased more than 5 times and accounts for 42.2% users. India stands fourth globally with 4.9 Internet users and this trend is likely to grow in the coming years. According to Wireless Duniya (2010) “mobile Internet users in India will grow from 5 million in 2009 to 162.1 million in 2014 with an annual growth rate of 100.5 per cent. Mobile internet users in India will go up to 30 million in 2011, 65.1 million in 2012 and 114.2 million in 2013”. The major operators in the online travel sector in India are Yatra.com, Thomas Cook, and Makemytrip.com.

Indian Railways offers reservation and booking services online; and has radically changed customers’ perception towards online services. As a government service provider, the credibility and reliability of services of Indian railways is well entrenched in customer minds. Assuming that people are aware about online travel services, we proposed to decipher concerns of Indian customers towards online travel firms. As most customers are not well-versed with the technical idiosyncrasies, we used Focus Group technique for data collection and understanding the customers’ reasons for opting online travel services. The sample size was 60, comprising of 6 focus groups (3 of customers between age group of 22-30 years and 3 of customers between age group of 35-50 years). The disparity in age groups was deliberately kept while constituting the groups, as it was assumed that there might be variation in the perception of the two segments, given that their use of Internet is dissimilar.

LITERATURE REVIEW

Online Retailing

“Online shopping is a complex process that can be divided into various sub-processes such as navigation, searching for information, online transactions, or customer interactions” (Lee & Lin, 2005). The traditional service quality aspects like competence, courtesy, comfort and friendliness are not relevant in the online context (Cox & Dale, 2001). While evaluating the online service, customers would view the service in terms of its performance and outcome (Van Riel et al., 2001). Winning customer loyalty and orders would require integrating marketing and operational aspects (Boyer et al., 2002). For this understanding customers’ behavior on website is vital. Hoffman and Novak (1996) posit that on the web, customer navigation activities consist of information search for products and services. For motivating the customer to be intrigued by the website, the content and design of the website should compel the customer to explore the product attributes. In this regard, the research by
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