Chapter 44

The Search and Purchase Process among E-Travel Customers

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ABSTRACT

Tourism is an intangible product that is simultaneously produced and consumed as well as perishable. Therefore, it is highly dependent on the availability of information. Information Technology, such as the Internet, can support customers’ search and purchase processes and act as a source and facilitator to achieve higher efficiency, less risk, and more satisfied tourists. This chapter reviews the emergence and growth of research on tourists’ online information search and purchase, the need for and use of support in this process, as well as the perception of values. Future developments of mobile technology and social media use are discussed as interesting areas of more research since they have implications for customer behavior, marketing, and management.

INTRODUCTION

The search and purchase process among e-travel customers is defined as all the activities that customers perform using information technology for the purpose of finding information about and purchasing travel and tourism products before, during, or after consumption of tourism products and services.

In a competitive marketplace, customer awareness, evaluation, and choice of tourism products and services depend on the information that they find and the actions they take based on this information. To use information technology to search for and purchase travel and tourism products adds an interactive dimension to this process that did not previously exist. Individual tourists can now immediately react on information they found for
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instance by quickly and easily move from content sites to booking sites or distribute this digital information to others in multiple media. This in turn has an effect on customer behavior as well as implications for marketing and management.

This chapter provides an overview of the emergence and growth of the field of research focusing on tourists’ online information search and purchase process. Specifically, research on the importance of the Internet as a source of information, customer profiles, customer behavior and information technology support in terms of recommendation systems is reviewed. Also, research on customers’ perceived value and the expected future importance of developments in mobile technology and social media use is presented.

OVERVIEW

Predictions about future events and impacts are difficult and perhaps not even a task for scientific research. However, the impact of developments in information technology for business operations and customer behavior was timely introduced by Poon (1993). Although the travel industry, specifically the airline industry had been dependent on computer based reservation systems since the 1950’s, Poon (1993) proposed that information technology was important as a strategic approach to tourism development. Poon (1993) stated that “old tourism” was mass oriented, standardized and rigidly packaged. It was posited that “new tourism” on the other hand was flexible, segmented, customized to tourists’ needs, and diagonally integrated. This “new tourism” was based on, among other things, the power of information technology and new opportunities for customization since the use of information technology would bring suppliers and customers closer to each other. The most information intensive parts of an organization such as marketing, organization and management, was also expected to be most influenced.

The intangible (tourism and travel is not a physical object), perishable (it cannot be stored) and inseparability (production and consumption are simultaneous processes) characteristics of tourism services and hence the industries dependence on information and information processes was pointed out by Buhalis (1998). It was stated that this was a reason for emerging opportunities using information technology as a facilitator. Increased use of information technology was proposed to be driven by the size and complexity of tourism demand, expansion and sophistication of tourism products, changing needs of travelers leading to changes in information needs and search, as well as a need to interact with suppliers in order to customize products. It was stated that information technology would enable travelers to access reliable and accurate information as well as make reservations more efficiently thus contributing to increased service quality and satisfaction. A suggestion was also that the Internet would provide travelers with more choice and opportunities to compare information and prices. Moreover, it was claimed that travelers use commercial and non-commercial Internet sites to plan, search, and purchase and amend their travel.

Pointing to the importance of the Internet as a source of information, early research also had a focus on finding differences in travel behavior between users and non-users. For instance, Bonn, Furr and Susskind (1998; 1999) developed customer profiles for users and non-users in the pleasure travel market. They found that people who use the Internet to find travel related information are more likely to be college educated computer owners, less than 45 years of age, more often use commercial lodging options, and spend more money while travelling.
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