Chapter 2
Assessing Website Effectiveness of Airline Companies

D. Vrontis
University of Nicosia, Cyprus

Y. Melanthiou
University of Nicosia, Cyprus

ABSTRACT

Within the tourism industry, hotels and airlines are encouraging potential customers to make their reservations online. Because of the significant setup costs involved in website development, assessing online behaviour and website effectiveness is necessary. This paper explores the factors influencing online shopping. Moreover, by using three airline company websites as an indicative example, the research identifies whether website best practice principles are utilised and examines visitors’ perceptions of their effectiveness. Further, the results of the current study are compared with the results of a previous study carried out in a similar field to identify similarities/differences over time. Information was collected from both secondary and primary sources. Primary sources included structured interviews, from which 180 responses were collected. The results show that the factors considered when purchasing online are comparable, but with some significant differences, implying that consumers are more confident engaging in online shopping. The limitations of the study are restricted to the non-probability sampling method used. Practitioners are able to use the results from the study as suggested guidelines for their promotional efforts.

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INTRODUCTION

With 1.8 billion internet users worldwide, companies cannot afford to ignore the huge potentials that websites can offer (Internet World Stats, 2010). A website is not simply an information portal but it is rather a tool which can offer interactivity and one-to-one communication with a company’s audience. As it stands today, the internet can most surely be more greatly integrated with a company’s general marketing strategy because of a number of advantages: the marketing process online is inexpensive, it delivers instant international reach, it offers great real time feedback, and reaches millions of people for whom the Web is the centre of virtually all communications.

The rapid development of information technology in general and the Internet in particular has dramatically changed the tourism industry (Ho & Lee, 2007). Jang (2004) and Law and Hsu (2006) correctly forecasted that online information search and online reservation will become a major trend among travellers. Today the travel industry is probably among the most popular industries online. A thorough and well-designed website can constitute a very strong promotional tool for any company in the tourism industry. This is of paramount importance as people around the world are using the internet at an increasing pace. For the successful design, development, implementation and evaluation of a Web-based marketing communication plan, a website’s main objectives should be determined, website best practices should be applied, website visitor activity should be monitored, and website visibility should be maximized.

Internet Use in the Tourism Industry

According to a study carried out by Nielsen (2008), the online purchase of airline tickets is among the Top 5 most purchased items on the internet (Figure 1). Products that do not necessarily need any physical inspection seem to be very popular on the internet. Airline ticket reservations for example, or tours and hotel reservations do not require that the consumer actually sees the airline ticket or hotel coupon prior to making a reservation. With e-commerce being widely used in the airline industry, this means that even if one were to buy a ticket from a travel agent, there will probably not be any physical evidence to inspect in this situation either. All that the consumer will receive after purchase is an email confirming the reservation, or perhaps an electronic ticket printed on plain A4 paper. Thus, coupled with the fact that online reservations may often be quicker and cheaper, travellers today seem to be relying on the internet for their travelling arrangements.

Many airline and travel companies have long realised this potential boom of internet purchases and have developed an additional channel through their own corporate websites. Although initially only providing mainly information, they have now become quite sophisticated in the sense that travellers may not only book complex trips but may also proceed in booking cars, hotels, packages, create accounts and win mile points, and much more. These additional services which are being provided online, have been indirectly requested by customers themselves since they have now much more experience with online purchases, and are thus looking for a one-stop service (Chu, 2001).

Research has been carried out in the past which sought to provide an understanding of overall consumer online preferences in the areas the tourism industry. This research dealt with both the hotel industry (Buhalis, 1998; Palmer & McCole, 2000; Doolin et al., 2002; Wan, 2002; Baloglu & Pekcan, 2006; Vrontis et al., 2007; Schmidt et al., 2008; Sigalla, 2001) the airline industry (Law & Leung, 2000; Chu, 2001; McIvor et al., 2003; Benckendorff, 2006; Lubbe, 2007), and in general, the tourism industry (Benckendorff & Black, 2000; Mullen, 2000; Legoherel et al., 2002; Law et al., 2010). However, this most of the research that has been carried out has mainly focused on