

# IMPACT OF DEMOGRAPHIC FACTORS ON ONLINE BOOKING BEHAVIOUR- A STUDY IN JAMMU DISTRICT

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## INTRODUCTION:

The revolution of E-Commerce industry boosts the immense growth and potential business opportunities of the online tourism market. The emerging online travel booking operators has become a global phenomenon and represents one third of total global travel sales (Y Stats, 2012). Consumers are turning to the internet to take advantage of ease of booking and comparative pricing. 95% of consumers search online before making a travel purchase. Best deals are an important motivation for customers to go online. According to our research 36% consumers make unplanned trips if offered a discount (Octane Research's Annual Reports). Train and air tickets, car rentals or accommodation can be researched, evaluated and reserved through the online sites 24 \*7. Online consumers tend to utilize numerous websites like yatra, trivago, goibibo, cleartrip, expedia etc. as a primary tool for booking travel products due to the variety of product offerings, quick price comparisons, time savings and ease of use when requesting services to fulfill their needs (Toh, Raven & DeKay, 2011). Online booking availability not only benefits customers by making travel arrangements easier, it also increases the profits of businesses such as airlines, hotels and other package tour companies (Hotelmktg, 2012). Research shows 32% of hotel revenue is generated through online bookings (TravelClick, 2012). online travel intermediaries have been viewed as effective marketing channels to sell distressed inventory and reach customers hotels may not be able to connect with directly (Kotler, Bowen, & Makens, 2010). Hotel bookings through online travel intermediaries increased 14% in 2013 and continue to demonstrate demand by customers (TravelClick, 2013). Price transparency of online channels adds more pressure to hotel room rates and thereby forces hotels to keep rate parity in all channels, keep online rates as low as possible, or provide "low price guarantees" on hotel websites (Green & Lomanno, 2012). The travel intermediaries consist of third-party travel agencies (e.g., Bookmyhotel.com), social media sites (e.g., Yatra.com) and search engines (e.g., Google, yahoo). Research indicates most consumers are concerned with acquiring good value for their money instead of solely seeking the lowest possible price (Gupta & Kim, 2010; Peterson, 2011).

There are very few researches in this area and most of the existing studies on online purchase investigate consumers purchase intentions and they do not offer a solution to problems the actual online shopping. Besides that, these researches have also provided contradictory findings. Even though many studies have been conducted to understand consumer behaviour in the e-commerce environment but most of them are based on developed countries while empirical studies in developing countries are rare (Roca, J.C, 2009). This is similar in the case of the online travel industry where there are still very limited studies in the areas of consumers' online hotel room reservations and Ticket reservation (Law, 2006). Despite the growing online markets, hotels and tickets are still searching the best ways to get consumers to reserve hotel rooms and tickets through online reservations. There are also very little studies conducted to understand the online consumer behaviour when making online reservations (Grewal, 2006). With the trend and growth towards online travel agency, this exploratory research will be focused on online hotel room and ticket reservations made via different e-commerce websites.

## LITERATURE REVIEW:

Vogt & Fesenmaier (1998) state that tourists' online search behaviors are motivated by their functional needs, hedonic needs, innovation needs, aesthetic needs and sign needs. Xiang & Pan (2011) find that the tourists search for hotel, airport, casino, beach and map most frequently. According to the report by Iresearch (2012), the most frequently used channels for Chinese to search travel information are, in order, general search engines, vertical search engines, OTAs, portal travel channels, and social media such as review sites, online communities and BBS. Travelers usually are directed to social media sites by the general search engines. Kim et al. (2011) find that the chief motivations for consumers to seek online travel reviews are convenience and quality, risk reduction, and social reassurance. Pan (2003) models the process of travel information search and identifies continuous search, pre-purchase search, search during travel planning, search during traveling, and search after the travel. Verma et al. (2012) indicate that when gathering information for a hotel stay, most travelers follow the recommendation of the company or friends and colleagues at first, and then turn to such online sources as the brand website, OTAs, and TripAdvisor, and make online booking via the brand websites or OTAs. The tourists' behavioral consequences of the online information search are also stressed by the researchers. Skadberg et al. (2004) demonstrate empirically that flow experience while browsing a destination website leads to changes of attitude and behavior, including inquiring for more information, coming back to the website, and visiting the destination. Fodness & Murray (1999) indicate that a tourist's information search strategy has significant impacts on his length of stay, number of destination visited, number of attractions visited, and the travel-related expenditures. Ye et al. (2011) show that online travel reviews have a significant impact on online sales, with a 10 percent increase in traveler review ratings boosting online bookings by more than five percent. Consumers seem to be more influenced by early negative information, especially when the overall set of reviews is negative, whereas positively

framed information together with numerical rating details increases booking intentions (2011). Bruner & Kumar(2000), found that consumers' attitude toward the website is a valid measure of website effectiveness and significantly correlated to consumers' attitude toward the brand and their purchase. This was reinforced by website characteristics that include ease of use, product information, entertainment, trust, and currency. Past research has shown that several website factors will affect consumers forming a favourable attitude toward online purchase. Sukpanich & Chen(1999) found that there were three variables that affected attitude toward online shopping. These three factors consist of awareness, preference and intention. Different people have different attitudes towards online shopping. These attitudes vary not only as the result of the activities performed, but as the result of personalities, lifestyles, social classes and other factors. Previous researches suggested different views on this subject. Meanwhile, Nusair and Kandampully(2010), tried to look at different aspects by doing a content analysis on six prominent travel websites in the United States. The purpose of their study was to identify the key dimensions of a quality website which include navigation, information quality, trust, personalization and responsiveness would influence customer satisfaction or purchase of online travel services. Rahim (2008) states that there are several reasons why this topic has drawn the researcher's attention. Firstly, it is said that in order to contest in the present business environment, most hospitality businesses must implement an internet based booking system in order to cut down on their distribution costs. Meanwhile, Nusair and Kandampully(2010), tried to look at different aspects by doing a content analysis on six prominent travel websites in the United States. The purpose of their study was to identify the key dimensions of a quality website which include navigation, information quality, trust, personalization and responsiveness would influence customer satisfaction or purchase of online travel services. Elliott & Speck (1997) states that "Two-thirds of e-shoppers indicate that they will not shop on a poorly designed web site, and affluent e-shoppers are even less likely to". Many studies have shown that consumer characteristics and environmental experiences which include demographic, economic, social, psychological and culture are main factors that influence consumer buying behaviour.

#### OBJECTIVES OF THE STUDY:

- To identify the impact of Gender on online booking behavior of consumer.
- To identify the impact of Occupation on online booking behavior of consumer.
- To identify the impact of Qualification on online booking behavior of consumer.

#### HYPOTHESIS OF THE STUDY:

**H1:** Gender of the consumer significantly impact online booking behavior of the consumer.

**H2:** Occupation of the consumer significantly impact online booking behavior of the consumer.

**H3:** Qualification of the consumer significantly impact online booking behavior of the consumer.

#### ANALYSIS OF THE DATA:

The study of Demographic Dynamics of Online Booking Behaviour- A Study in Jammu District with various variables which are generalized through review of literature. In the present study factor analysis has been used to reduce the number of variables to frame the factors which are associated with the said topic. EFA has been used to check the large number of statements in the given data. The process of Factor extraction involves principle component method and varimax rotation.

The KMO value which is known to check the measure of sampling adequacy comes out to be .596 and Bartlett's test of sphericity was used to test the adequacy of correlation matrix and it found to be significant which clearly shows that factor analysis can be applied on data.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.596
Bartlett's Test of Sphericity	Approx. Chi-Square	1907.909
	df	496
	Sig.	.000

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.552	.578	32

The cronbach's Alpha value which is a measure of reliability of questionnaire comes out to be .578 shows that a questionnaire is reliable.

**CORRELATION:**

Correlation analysis between the variables Consumer online booking behavior towards Risk involved in online booking, Experience about online booking, Factor hindering online booking and Consumer perception about online booking. As depicted in the table the variable Consumer online booking behavior and Risk involved in online booking positively and significantly related with each other having Pearson value 0.663 and significant value .000. The variable Consumer online booking behavior and Experience about online booking positively and significantly related with each other having Pearson value 0.170 and significant value .045. The variable Consumer online booking behavior and Factor hindering online booking positively and significantly related with each other having Pearson value 0.728 and significant value .000. The variable Consumer online booking behavior and Consumer perception about online booking positively and significantly related with each other having Pearson value 0.608 and significant value .000.

**Descriptive Statistics**

	Mean	Std. Deviation	N
Consumer on line booking behavior	3.47	1.269	101
Risk involved in online booking	2.2089	.40844	101
Experience about online booking	1.8062	.31660	101
Factor hindering online booking	2.8535	.81481	101
Consumer perception about online booking	1.9963	.32884	101

**Correlations**

		Consumer on line booking behavior	Risk involved in online booking	Experience about online booking	Factor hindering online booking	Consumer perception about online booking
Pearson Correlation	Consumer on line booking behavior	1.000	.663	.170	.728	.608
	Risk involved in online booking	.663	1.000	.131	.588	.144
	Experience about online booking	.170	.131	1.000	.026	-.130
	Factor hindering online booking	.728	.588	.026	1.000	.253
	Consumer perception about online booking	.608	.144	-.130	.253	1.000
Sig. (1-tailed)	Consumer on line booking behavior	.	.000	.045	.000	.000
	Risk involved in online booking	.000	.	.097	.000	.075
	Experience about online booking	.045	.097	.	.398	.098
	Factor hindering online booking	.000	.000	.398	.	.005
	Consumer perception about online booking	.000	.075	.098	.005	.
N	Consumer on line booking behavior	101	101	101	101	101
	Risk involved in online booking	101	101	101	101	101
	Experience about online booking	101	101	101	101	101
	Factor hindering online booking	101	101	101	101	101
	Consumer perception about online booking	101	101	101	101	101

**REGRESSION ANALYSIS:****Linear Regression Model:**

$$\text{Con. OB Beh} = \alpha + \beta_1 \text{Risk} + \beta_2 \text{Exp.} + \beta_3 \text{hinder} + \beta_4 \text{Perception} + e$$

Where Consumer online booking behavior is a dependent variable and risk, exp, hinder and perception stands out for risk, experience, hindrance and perception of consumer about online booking respectively and they are independent variable.  $\alpha$  stands for the constant and  $\beta$  stands for the coefficients whose values are to be assessed and  $e$  stands for the error.

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.916 <sup>a</sup>	.838	.832	.521	.838	124.406	4	96	.000	1.984

a. Predictors: (Constant), Consumer perception about online booking, Experience about online booking, Risk involved in online booking, Factor hindering online booking

b. Dependent Variable: Consumer online booking behaviour

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	135.071	4	33.768	124.406	.000 <sup>a</sup>
	Residual	26.057	96	.271		
	Total	161.129	100			

a. Predictors: (Constant), Consumer perception about online booking, Experience about online booking, Risk involved in online booking, Factor hindering online booking

b. Dependent Variable: Consumer online booking behaviour

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.366	.508		.720	.473
	Risk involved in online booking	1.035	.160	.332	6.464	.000
	Experience about online booking	.717	.169	.179	4.252	.000
	Factor hindering online booking	.635	.081	.407	7.822	.000
	Consumer perception about online booking	1.856	.166	.481	11.182	.000

a. Dependent Variable: Consumer online booking behaviour

In the above table the predictability model of Consumer online booking behavior is shown where the value of R Square 0.916 indicates that 91 percent of Risk involved in online booking, Experience about online booking, Factor hindering online booking and Consumer perception about online booking are responsible for the Consumer online booking behavior. From the analysis of variance (ANOVA) test it can be predicted that the significant value of 0.05 is greater than the calculated significant value i.e. .000 it stands for a significant correlation between the dependent and independent variables. Coefficient analysis demarcated that association between dependent and independent variables. According to the calculated significant variable Consumer online booking behavior has a significant effect upon Risk involved in online booking, Experience about online booking, Factor hindering online booking and Consumer perception about online booking as the table significant value of 0.05 is greater than the calculated significant value. Hence from the above mention regression analysis shows that variable Consumer online booking behavior is significantly and positively affecting the independent variable i.e. Risk involved in online booking, Experience about online booking, Factor hindering online booking and Consumer perception about online booking so the regression equation comes out to be:

Regression Equation:  $.366 + 1.035(\text{Risk}) + .717(\text{Exp}) + .635(\text{Hinder}) + 1.856(\text{Perception}) + e$

### ANOVA

#### Descriptives

#### GENDER

Factors	N	Mean	Std. Deviation	F-Value	Sig. Value (WELCH)
<b>Consumer Online Booking Behaviour:</b>					
Male	65	3.06	1.239	23.773	.000
Female	35	4.23	.942		
Total	101				

on the basis of gender the variable 'Consumer Online Booking Behaviour' was found to be significant with F-Value 23.773 and p-value .000, where mean of male respondents (mean= 3.06) is less than the female respondents (mean= 4.23). Which bring in line that Consumer Online Booking Behaviour does not vary on the basis of gender.

#### Descriptive QUALIFICATION

Factors	N	Mean	Std. Deviation	F-Value	Sig. Value (WELCH)
<b>Consumer Online Booking Behaviour:</b>					
Up to 10+2/ Diploma	09	4.33	.866	13.735	.000
Graduate	67	3.72	1.204		
P.G/ Professional	25	2.48	1.005		
Total	101				

On the basis of qualification the variable 'Consumer Online Booking Behaviour' found to be significant with F-Value 13.735 and p-value .000, where mean of respondents having qualification 10+2/ diploma (mean= 4.33) is higher than the respondents having qualification UG and PG. Which bring in line that Consumer Online Booking Behaviour does not vary on the basis of qualification.

#### Descriptive PROFESSION

Factors	N	Mean	Std. Deviation	F-Value	Sig. Value (WELCH)
<b>Internet Banking Usage:</b>					
Student	09	4.33	.866	13.240	.000
Business	28	4.21	.957		
Service	43	2.72	1.031		
House wie	21	3.62	1.396		
Total	101	3.47	1.269		

On the basis of occupation the variable 'usage of online booking' was found to be significant with F-Value 13.240 and p-value .000, where mean of student respondents (mean= 4.33) is higher than the business respondents (mean= 4.21), house wife (mean= 3.62) and service class respondents (mean= 2.72). Which bring in line that Consumer Online Booking Behaviour does not vary on the basis of occupation.

### **LIMITATION OF THE STUDY:**

Although the study brought out encouraging and useful findings, it has limitations:

- The study is restricted to Consumer online booking behavior in Jammu only.
- Response of the consumers will be subjective and hence generalization will not be totally true.
- Response from customer may be a biased. So as many as 101 respondents was surveyed

### **RESEARCH CONTRIBUTION FOR STAKEHOLDERS:**

The study was formulated with the objective of understanding the factors that influence the behavior of customers towards online booking. The preliminary findings suggest that gender, occupation and qualification play a significant role in determining online booking preferences. However, the usage of online booking does not vary amongst the consumer across the gender, occupation and qualification. The evidences from the survey contribute significantly in assisting the service provides to formulate strategies allowing them to effectively understand the dynamics of online booking and incorporate a mechanism to improve online booking experience for better business outcome.

### **CONCLUSION:**

The rationale behind this study is to know the extend up to which Consumer online booking behaviour. Gender, Occupation and Qualification have any statistically significant relationship with Consumer online booking behaviour. It is found that online booking behavior does not vary on the basis of Gender, Occupation and Qualification.

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