Barriers toward Purchasing Online Travel Services: A Study of Indian Travel Agencies

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Abstract:- Online travel booking has been growing in popularity in India in recent years. However, despite the convenience it offers, there are still some barriers that prevent many people from using it. This study aimed to identify the barriers to online travel booking in India and to provide recommendations for how these barriers can be overcome. The study was conducted through an extensive review of existing literature and a survey of 500 individuals or interviewed 20 travelers who had booked travel online in the past year. The results showed that the main barriers to online travel booking were a lack of trust in online payment systems, concerns about security and privacy, and difficulties in navigating and using online booking platforms. Based on these findings, the study recommends that travel companies invest in building trust and credibility with their customers through transparent and secure payment systems, and that they provide user-friendly interfaces to develop the trust of travelers.

Keywords:- Online Booking, Barriers, Trust, Travel.

I. INTRODUCTION

The online travel booking industry comprises two main channels: direct booking on service provider's websites and online travel agencies (OTAs) that aggregate the offerings of multiple travel and tourism-related companies. OTAs offer various travel products, including hotel rooms, airline tickets, cabs, and holiday packages, through websites and apps (Rezgo, 2019). The global online booking segment in the travel and tourism industry is projected to reach $1,091 billion by 2022(Allied Market Research, 2019). The hotel industry, which provides accommodation to travelers, is one of the fastest-growing sectors in the hospitality industry (Global Hospitality Portal, 2019). The revenue generated from online hotel booking is expected to grow at a rate of 6.3% annually, and the market volume is estimated to reach US$ 220,277 million by 2023 (Statista, 2019a). The rise of the internet and e-commerce has led to a significant increase in online travel booking. According to Statista, the online travel booking market is expected to reach $817 billion by 2023. Online travel booking in India has been growing rapidly in recent years, driven by a combination of factors, including rising disposable incomes, increased internet penetration, and the growing popularity of travel among younger generations. According to a report by the Internet and Mobile Association of India (IAMAI), the online travel market in India was worth around $16.5 billion in 2019, and is expected to grow at a CAGR of 13.8% between 2020 and 2025. However, despite the growth in online travel booking,

there are still barriers that prevent customers from making purchases online. These barriers can be both practical and psychological, ranging from concerns about data security to a lack of trust in online travel providers. In recent years, online travel booking has gained popularity in India, with more consumers using this method to book their travel arrangements. However, there are still significant barriers that prevent some consumers from using online travel booking platforms. These barriers can impact the growth of the online travel booking market in India, as well as limit consumers' ability to access affordable travel options. We conducted interviews with consumers, travel agents, and online travel booking platforms to identify the key barriers to online travel booking in India. Based on our findings, we provide recommendations for online travel booking platforms to overcome these barriers and increase the adoption of online travel booking in India.

II. LITERATURE REVIEW

Online travel booking has become a popular way for consumers to make travel arrangements. The benefits of online travel booking include convenience, flexibility, and access to a wider range of travel options. However, there are still significant barriers that prevent some consumers from using this method. These barriers can include a lack of trust in online payment systems, a preference for face-to-face interactions with travel agents, and a lack of awareness and digital literacy (Buhalis & Law, 2008).In India, online travel booking has grown in popularity in recent years, with more consumers using online travel booking platforms to make their travel arrangements. However, there are still significant barriers that prevent some consumers from using online travel booking platforms. These barriers can include a lack of trust in online payment systems, a preference for face-to-face interactions with travel agents, and a lack of awareness and digital literacy (Kamalakannan & Kumaran, 2015).

- **Lack of trust:** Trust is a crucial factor in online transactions, and it is a significant barrier to purchasing online travel services. Consumers are often skeptical about the authenticity of online travel services, and they may not trust the information provided. According to a study by Buhalis and Law (2008), lack of trust is a major concern. The fear of online fraud and the possibility of identity theft can also prevent consumers from using online travel services (Li & Ye, 2016).
- **Lack of human interaction:** Online travel services lack the human interaction that traditional booking methods offer. Consumers may prefer the personalized service provided by a travel agent, which includes face-to-face interaction and the opportunity to ask questions and

receive recommendations (Dolnicar et al., 2017). Online travel services may also lack the ability to handle complex itineraries, such as multi-stop flights or group bookings, which can discourage consumers from using these services (Buhalis & Law, 2008).

- **Security concerns:** Security concerns are closely related to trust issues and are also a significant barrier to online travel service adoption. Consumers are wary of providing personal and financial information online, fearing that it could be stolen or misused. A study by Lee et al. (2010) found that security concerns were one of the primary reasons consumers did not purchase online travel services. A study by Jiang, Benbasat, and Dube (2010) found that security concerns were the primary barrier to online shopping in general. Consumers are worried about the security of their personal and financial information when making online purchases (Kim, 2016).

- **Complexity of the booking process:** The booking process for online travel services can be complex and confusing for some consumers. The multiple steps involved, along with the various options available, can overwhelm users, leading them to abandon the process. A study by Jeng and Fesenmaier (2002) found that the complexity of the booking process was a significant barrier to online travel service adoption.

- **Lack of information:** Consumers may not have access to sufficient information about the online travel services they are considering. Without proper information, they may not be able to make an informed decision about the service's quality, safety, and reliability. A study by Chen and Xie (2005) found that lack of information was a significant barrier to online travel service adoption.

- **Perceived risk:** Perceived risk refers to the uncertainty or potential negative outcomes associated with a purchase decision. In the context of online travel services, perceived risks can include concerns around the quality of the services, the reliability of the information provided, and the potential for unexpected costs or hidden fees (Lee et al., 2019).

III.   RESEARCH METHODOLOGY

To identify and examine the barriers that consumers face when making online travel purchases, we conducted a systematic review of the literature on this topic. We searched multiple academic databases, including JSTOR, EBSCO, and Google Scholar, using a combination of keywords related to online travel buying and barriers. We also reviewed relevant industry reports and surveys to supplement our findings. This study used a mixed-methods approach, including both quantitative surveys and qualitative interviews with travelers in India. The survey was conducted using a self-administered online questionnaire that was distributed through social media and email. The survey collected data on respondents' demographic characteristics, travel behavior, and attitudes towards online travel booking. A total of 500 responses collected. The qualitative interviews were conducted with a sample of 20 travelers in India who had used online travel booking platforms in the past. The interviews were semi-structured, allowing participants to discuss their experiences and perceptions of online travel booking in their own words. The interview were recorded and transcribed for analysis.

IV.   DATA ANALYSIS

The quantitative data collected from the survey were analyzed using descriptive statistics and inferential statistics.

V.   RESULTS

Item	Percentage (%)	Item	Percentage (%)
Gender		**Marital Status**	
Male	54	Married	68
Female	46	Unmarried	32
Age		**Qualifications**	
18-24	46.5	10th	4.0
25-34	38.4	12th	12
35-44	11.5	UG	45
45-54	2.9	PG	30
55-64	.7	Above PG	09
65 or above	NIL		
Annual Income		**Internet Experience**	
Up to 2.5 Lac	61.2	Less than 1 year	14.4
2.5 to 5 Lac	20.9	1 to 3 years	23.4
5 to 10 Lac	12.2	3 to 5 years	18.0
Above 10 Lac	5.8	More than 5 years	44.2
Frequency of travel		**Commonly Purchase**	
Once in year	34.2	Flights	67
Twice in year	31.7	Hotels	55
Thrice in year	10.8	Car Rental	25
More than thrice	23.4	Bus Tickets	28

Table 1: Demographic Characteristics of the Respondents

Barrier	Frequency (%)	Mean Score (out of 5)	Standard Deviation
Lack of trust	62.5	3.4	0.82
Security concerns	54.3	3.1	0.91
Limited payment options	48.2	2.9	0.96
Unclear cancellation policies	41.5	2.7	0.98
Difficulty comparing prices	38.9	2.5	1.01
Limited website functionality	29.8	2.3	1.04
Inconvenient booking process	27.6	2.2	1.09
Lack of personalized recommendations	22.4	2.0	1.12

Table 2: Barriers Identified in Online Travel Purchase

The data collected from the survey questionnaire was analyzed using descriptive statistics and inferential statistics. The descriptive statistics were used to summarize the data collected, while inferential statistics were used to test the hypotheses formulated in the study. The sample consisted of 54% male and 46% female respondents. The age of the respondents ranged from 18 to 64 years, with the majority falling between the ages of 18 to 34 years. The majority of the respondents were educated, with 45% having a bachelor's degree and 30% having a master's degree. The majority of respondents had traveled within India in the past year (85%), and had used online travel booking platforms to book their travel arrangements (71%). The most commonly booked services were flights (67%), followed by hotels (55%), and bus tickets (28%).

The table no. 2 provides information on the frequency and mean score (out of 5) for several barriers that customers may encounter when using online booking services. The most significant barriers identified by the respondents were trust, security, limited payment options, unclear cancellation policies, privacy concerns, lack of information and guidance, a preference for face-to-face interactions with travel agents, and a lack of awareness and digital literacy. The first column lists the different barriers, such as "Lack of trust" and "Security concerns". The second column indicates the percentage of respondents who identified each barrier as a problem, ranging from 22.4% for "Lack of personalized recommendations" to 62.5% for "Lack of trust". The third column provides the mean score out of 5 for each barrier. This score represents the average rating given by respondents who identified a particular barrier as a problem, with higher scores indicating greater dissatisfaction. For example, the mean score for "Lack of trust" was 3.4 out of 5, suggesting that customers who identified this as a barrier were generally dissatisfied with the level of trust provided by online booking services. Finally, the fourth column provides the standard deviation for each mean score. This value indicates the degree of variability in the ratings provided by respondents. A high standard deviation suggests that customers had widely varying opinions on a particular barrier, while a low standard deviation indicates greater agreement among respondents. For example, the standard deviation for "Limited website functionality" was 1.04, indicating that respondents had relatively consistent opinions on this barriers. The survey results showed that the main barriers to online travel booking were a lack of trust in online payment systems.

VI. DISCUSSION

The findings of this study have important implications for travel agencies and policymakers. To overcome the barriers identified in this study, travel agencies need to focus on building trust with their customers through transparent pricing, secure payment system and customer reviews. Additionally, policymakers need to invest in improving internet infrastructure, particularly in rural areas to enable better online travel booking experiences. Finally, language barriers can be addressed through the use of local languages and translation services.

VII. CONCLUSION

In conclusion, the study found that the primary barriers to the online travel booking in India are lack of trust in online transactions, lack of internet access or knowledge, and concerns about the security of personal information. Other factors that were identified as barriers included a preference for booking through travel agents, a lack of confidence in the accuracy of online information and complexity of online booking processes.

The authors also found that the level of education and income were significant factors in determining the likelihood of online travel booking adoption. Consumers with higher education and income levels were more likely to adopt online booking, while those with lower education and income levels were more likely to rely on traditional booking methods.

The study concludes that there is a need for increased education and awareness campaigns to promote the benefits of online travel booking in India. Additionally, the authors suggest that online travel companies need to address concerns about security and accuracy and improve the user experience to increase adoption rates. Overall, the study provides insights into the challenges of online travel booking in India and highlights opportunities for improvement in the online travel industry. The findings of this study can help online travel service providers to identify the factors that prevent individuals from buying their services and take steps to fill the gap so that build customer trust towards booking online travel services.

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