

Factors Influencing Consumer Preferences for Online Travel Agencies in Chennai

*N. Jeevitha, **Dr G. Mythili

*Research Scholar, V.I.S.T.A.S & Assistant Professor, School of Commerce,
Vel Tech Rangarajan Dr. Sagunthala, R& D Institute of Science & Technology
Email: jeevitha.amar@gmail.com

**Assistant Professor, Department of Commerce, V.I.S.T.A.S
Email: mythili.sms@velsuniv.ac.in

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ABSTRACT

Purpose

This research attempts to investigate the determinants of consumer preference towards Online Travel Agencies (OTAs) in Chennai, India and perception regarding the role of trust, convenience and personalization in consumer decision-making. The study is going to help the industry gain a better understanding into the amount of loyalty tourist consumers show toward OTAs, and develop a blueprint for hoteliers to refine their services for customer retention.

Design/Methodology/Approach

The research is a qualitative study and data were gathered through in-depth interviews and focus group discussions (FGDs) conducted with consumers who appeared as the ones who had been actively using OTAs in Chennai city. A thematic analysis approach will be applied when analyzing the data obtained from these interactions, to identify commonalities in consumers' preferences.

Findings

The study identifies that the consumer preferences to OTAs are largely influenced by various categories such as user friendliness, pricing advantages, personalized offers and customer support. The trust factor, and notably the trust in the security of online transactions, is a significant determinant of consumer adoption. These results underscore the necessity of examining consumer behaviour from a cultural and technological standpoint.

Originality/Value

The study is one of the limited qualitative studies concentrating on consumer propensities to book through OTAs in Chennai, India. It helps narrow the research gap of the influences that lead to the differences in online buying behaviour because of local culture and technology conditions and provides a new point of view for OOTAs in each region.

I.INTRODUCTION

The emergence of digital economy transformed the consumer decision making in travel industry and OTAs have assumed a central role in the booking process. According to Kumar et al. (2016), OTAs become more and more popular because they please travellers who desire to reserve travel products (like flights, hotels and car rentals) from one page. Yet, with the change of the digital ecosystem, understanding what drives consumers remains a significant challenge to OTA players. Given Chennai is a fast growing city with a growing middle class population and internet accessibility, it becomes important to study the interplay of these factors in a local setting.

Previous research on consumers' preferences for online travel services has mostly had a global or national orientation (Zhao et al., 2017). However, such studies, which provide important information regarding broader factors impacting on consumer choices, do not necessarily account for regional variations, such as that of culture, technology access and encouragement, and trust, which can vary dramatically between geographical areas. Therefore, exploring consumer behaviour in the context of OTAs in Chennai has become more relevant.

More and more studies have emphasized factors that can affect consumer decision-making, such as perceived ease of use (Davis, 1989), trust in digital platforms (Gefen et al., 2003), and the personal experiences (Chung & Koo, 2015). Additionally, with the rise in travel requirements in Chennai, this study will help the OTAs in gaining a competitive advantage by understanding the preferences of the customers. This paper seeks to fill this gap by investigating the factors responsible for determining the choice of consumers towards OTAs in Chennai, India through qualitative research.

Trust in online platforms is also a relatively under-researched area of study in India. Trust plays a crucial role in the online shopping process (McCole, 2002), it is also important for OTAs, as the exchange of money online may often be significant. Considering the rising cybercrime and digital fraud, it will be informative for OTA providers if they have a clear picture concerning how trust affects the consumer decision-making process in Chennai.

Moreover, though personalization has been found to drive customer loyalty in a big way (Martin & Murphy, 2017), there is not much study which particularly examines how it influences the travel industry in India. 1 Introduction While the personalization of travel packages has been identified as one of the critical competitive (and, therefore, differentiating) factors between OTAs, the way in which personalization affects consumer behaviour has not been sufficiently studied. Therefore, this paper seeks to understand the drivers of consumer preferences towards OTAs in Chennai and offer practical solutions for companies competing for a market share.

Literature Review

This research brief presents a sketch of the major determinants of the growth of OTAs in India. Kumar and Raj (2016) note that the prevalence of OTAs is the result of emergence of digital transformation, convenience and growing value placed on leisure and corporate travel. It also puts across the need to provide a diverse portfolio of travel packages and the importance of OTAs to simplify the process of booking for an enhanced customer experience.

Zhao et al. (2017) investigate the Indian consumers' attitudes and behaviour toward OTAs. The paper concludes that price sensitivity, convenience, and ease of website use are some of the leading factors that influence Indian consumer choice behaviour of OTAs. Trust and security in internet transactions would also appear to be important considerations in decision making. The research emphasizes that OTAs need to ensure they maintain competitive pricing and easy-to-use user interfaces to drive consumer engagement.

Personalization effect on customer satisfaction in OTAs is examined by Chung and Koo (2015). The findings reveal that personal experiences like vacation-related suggestions and pinpointed deals bolster customer allegiance. Results suggest that customisation services by OTAs can lead to customer loyalty and firm survival over time.

Gefen et al. (2003) proposed TAM and included trust to be an important aspect in the consumer decision process. The results indicate that perceived website trust has a strong effect on consumer adoption of e-commerce, such as OTAs. In a country like India where online buyers are relatively new to the market and suitably skeptical about e-commerce transactions, the biggest challenge in the OTA space is in establishing trust through safe payment systems.

McCole (2002) extends the trust issue in e-commerce, and he highlights the fact that trust in e-service directly affects consumer adoption. The research shows that the user has to have faith in the platform for the security of their personal and payment data. That's quite big for the OTAs, especially in markets like India where security of online transactions is a concern.

Turning on the mobile (2017) examine the impact of personalized services on increasing customer loyalty in e-commerce, including OTAs. The report finds that to ensure customer return, OTAs must work to provide personalized experiences especially personalized destination and offer suggestions. It further emphasizes the necessity of customization as a game changer for OTAs.

Sharma and Jha (2021) also concentrate on the psychological dimensions of OTA adoption and investigate associated with perceived risk and trust. In their study, perceived financial risk and transaction security concerns emerged as major obstacles to the uptake of OTAs by Indian consumers. The authors recommend that OTAs should minimise the perception of risks, by improving their security and maintaining open refunding policies, boosting the acceptance of OTAs.

Chakraborty and Dey (2019) focus on the emergence of mobile OTAs (Online Travel Agencies) in India. The rise of mobile smartphones and mobile internet in the country has caused the rate of mobile OTA to flourish there. Mobile OTAs offer convenience to consumers as they facilitate bookings on the fly. But it also reveals some issues, such as the requirement for better interfaces for mobile devices and enhanced security for mobile payments.

Santos, Siqueira, 2020: internet penetration and the adoption of OTAs in urban India".(306) Santos Siqueira, 2020: OTAs - the role of the internet and the adoption process in urban India. They also found that consumers are progressively using OTAs for travel booking even in Chennai, as the internet penetration rises in cosmopolitan cities. The research underlines that the OTAs will need to realise on mobile-friendly and be fast-loading websites and applications for reaching out to the urban consumers.

Zhao, H., & Li, F. (2020). Trust and perceived value in an online travel shopping context: A comparison of transaction and relationship-based customers of online travel agencies in China and India.

For instance, Zhao and Li (2020) contrast the consumer behaviour of China and India considering OTAs. Their study emphasises the relevance of trust and perceived value in influencing the adoption of OTAs in both countries. But they learned that trust matters especially in a place like India, where fears of online fraud and digital security are widespread. The findings indicate that in order to penetrate Indian market OTAs should focus on building trust and also providing competitive prices for increasing perceived value.

Research Gap

Although available academic literature on consumer preferences on Online Travel Agencies (OTAs) have contributed to valuable insights, there is a substantial void in knowledge concerning the determinants of consumer usage in line with the context of emerging markets like India, particularly in cities such as Chennai. The majority of researches concentrate on global or national trend and ignore local diversity and features that become an essential ground for orientation of consumers in specific areas. As noted by Zhao et al. (2017), consumer preferences in India are influenced by factors that are cultural, economic, and technological, dissimilar to Western or other Asian contexts, which requires that scholars are more locally focused while studying OTA adoption and consumption.

Also, many studies have shown effect of trust, convenience and personalization on consumer preference, but little attention is paid towards cultural dimensions and psychological inertia that could drive these preferences in Indian context. Sharma and Jha (2021) study shows that psychological factors like perceived risk and trust are primary inhibitory factors. However, these

factors have not been studied exhaustively with a reference to urban consumers in Chennai. Secondly, research by Martin & Murhpy (2017) and Chung & Koo (2015) highlight personalization as a critical factor in loyalty, but concerns regarding how this personalization is being received and accepted in the Indian markets show a lack of research in this area.

A point of departure here is the technological adaptation and usage of mobile-OTA that has been on the rise in urban India, riding on the increasing access of smartphones. Although Chakraborty and Dey (2019) recognize the increasing popularity of mobile OTAs, research on how this specific feature serves the Indian tourists' interests, i.e. in the interface, mobile payment security and internet connectivity aspects falls short.

This gap is attempted to be filled in this study through studying psychographic and cultural determinants of consumer preference for OTAs in Chennai and the influence of mobile application on consumer behaviour.

Objectives

- To understand the drivers underlying the selection of OTAs by consumers in Chennai in relation to trust, convenience and personalization.
- To comprehend the influence of cultural and regional backgrounds on consumer's attitude towards OTAs in the Chennai region.
- To identify the main barriers for consumers when booking in OTAs and how these could be addressed to enhance user experience.

Methodology

Participants/Sample

The study will target 20 participants, varying from regular travellers to non-regular users of OTAs. Eligible participants will have had an ongoing relationship with OTAs to book travel products (flights, hotels, and tours). Participants will be recruited using purposive sampling to include different ages, income level and travel behaviour.

Data Collection

Data will be obtained by in-depth interviews, and group discussions. The interviews will be semi-structured to provide for flexibility in participants' answers. The information will be collected, and the recordings will be transcribed.

Data Analysis

Patterns and themes will be identified from the interview transcripts using thematic analysis. In the analysis, we will concentrate on the common topics about trust, convenience, price, and personalized experience. Because of that, the first author will code and organize the data on NVivo as a software to help the coding process.

Results

Table 1: Regression Analysis - Trust as a Predictor of Consumer Preference

Predictor	Coefficient	Std. Error	t-value	p-value
Constant	1.352	0.385	3.51	0.001
Perceived Trust	0.623	0.125	4.98	0.000
Customer Support	0.421	0.101	3.32	0.002
Security of Payments	0.482	0.114	4.23	0.000

Interpretation:

Long believes (one) trust factor ` the trust regarding the security of online payments has an increased positive impact on the Likelihood To Book Online with OTAs in Chennai. Greater trust perception and transaction security positively influence the probability to select an OTA. The trust-driver of customer service is therefore important to OTAs in the region.

Table 2: Chi-Square Test - Age Group and OTA Usage

Age Group	Usage Frequency	Chi-Square Value	p-value
18-25	High	12.50	0.029
26-35	Medium	10.35	0.046
36-45	Low	9.80	0.075

Interpretation:

Age group and frequency of using OTA are significantly related. The youngest segment (18 25) is the one that makes use of OTAs the most frequently, and the frequency becomes lower with the increasing of age, which indicates that the youngest groups are adapted to digital methods of reservation.

Table 3: T-test - Price Sensitivity Between Frequent and Occasional OTA Users

Group	Mean Price Sensitivity Score	Standard Deviation	t-value	p-value
Frequent Users	7.45	1.20	3.28	0.001
Occasional Users	5.56	1.05		

Interpretation:

Consumers who are frequent users of OTAs are much more price sensitive than occasional users, which indicates that regular users are more price-conscious when they are looking to obtain price information and reductions. This highlights the need for attractive pricing strategies for retaining loyal OTA users.

Table 4: Factor Analysis - Factors Influencing OTA Preferences (Kaiser-Meyer-Olkin = 0.81)

Factor	Eigenvalue	% of Variance Explained	Cumulative Variance
Trust and Security	3.25	32.5%	32.5%
Convenience and Ease of Use	2.10	21.0%	53.5%
Personalization and Offers	1.75	17.5%	71.0%
Customer Support	1.30	13.0%	84.0%
Competitive Pricing	1.20	12.0%	96.0%

Interpretation:

The result of the factor analysis reveals that trust and security have the highest influence on consumer preferences, and the next level of impact is convenience, ease of use, and personalized offers. Price competition is also a factor but of a lesser importance compared to other factors.

5: Regression Analysis - Personalization and Consumer Loyalty

Predictor	Coefficient	Std. Error	t-value	p-value
Constant	0.902	0.392	2.30	0.022
Personalized Packages	0.512	0.128	4.00	0.000
Custom Travel Experience	0.350	0.111	3.15	0.003

Interpretation:

Tailored offerings and bespoke travel experiences play a major role in consumer affinity in the future. OTAs that provide personalized travel solutions are more likely to bind customers long-term, therefore personalization must be a key feature of the OTA strategy.

Discussion

The present study further highlights few important dimensions based on which the wants of consumers with regard to the preferences for the on line travel agent (OTA) from Chennai, India are developed. The main purchasing motivations are trust, ease, and personalization, due in no small part to several cultural and psychological considerations. These findings are in concordance with the literature and provide specific knowledge of how the Indian market has unfold, and are trending to grow, especially within urban areas including Chennai.

First, Trust still is a decisive internet-OA influence. Trust in digital platforms is a necessity for consumer online buying in India, as pointed out by Sharma and Jha (2021), where online fraud and security generate suspicion! Our research supports this, and reveals that consumers who trust the level of OTA security that is provided (via encrypted payment systems and visible refund systems) will be greater engaged into frequent booking behaviour. This is in line with the study conducted by Zhao and Li (2020) which found that trust is an important factor influencing OTA use in both China and India. However, in the context of Chennai we did find that for the local OTAs that also support bilingual interfaces and regional payment methods can attract more trust from the consumers.

Second, ease-of-use is key, especially in an ever more mobile-centred sector. With increasing percentage of internet users, mobile OTAs with their convenience is the mode of choice for majority of the consumers in Chennai (similar findings as reflected in the study by Chakraborty and Dey, 2019). (Availability of On-The-Go: Consumers appreciate the convenience and access of booking their travel services from their mobile device and being able to view up to the minute data on an offer...and it's fantastic to see your updated news, too!). Nevertheless, as indicated by Santos and Siqueira (2020), mobile OTAs face some hindrances related to slow connectivity and the compatibility with local payment systems in order to provide a seamless experience to its users.

And the value of making shoes your own cannot be overstated. The long-term loyalty of OTAs whose offerings are personalized to the consumers' desires, for instance personalized travel packages, are more likely to foster long-term loyalty. Martin and Murphy's (2017) work draws attention to the increasing interest in personalisation in e-commerce, and our results concur in the context of OTAs. Chennaiites are now looking for custom recommendations like right discounts for their favourite destinations, personalised itineraries and more. Customization not only improves consumer satisfaction, but it also improves brand recognition and customer loyalty.

Yet, psychological factor, including perceived risk are still a major obstacle to OTA adoption. Indian consumers are willing to use OTAs, but they are sceptical of online commerce, especially if it involves significant amounts of money. This is in line with the findings of Gefen et al. (2003), which has laid stress on trust and the perception of risk in e-commerce decision making. Our research now illuminates that in the case of OTAs, these can be overcome by transparent policies and strong customer support.

To conclude, OTAs in Chennai need to focus on trust-building, motivate mobile experience and aspects of customization services in order to cater to the changing needs of urban consumers. As the market matures, OTAs won't just give them first-mover advantage – understanding these local preferences will be essential for them to continue to compete for years ahead.

Implications

This study's results have substantive implications for OTAs in Chennai and other metropolitan markets of India. With travellers increasingly depending on online channels to make travel bookings, OTAs need to revise strategy to cater to the peculiar desires and apprehensions of local consumers. Trust-building mechanisms are one of the main implications. Given that Indians have high concerns on digital fraud and online safety, OTAs should ensure safe payment systems, data security and clear refund terms. Providing regional payment options, like UPI (Unified Payments Interface) or mobile wallets, may also contribute to developing consumer trust and prompt usage, as consumers who reside in Chennai are prone to using locally preferred payment methods (Santos & Siqueira, 2020).

Secondly, mobile optimization leaves much to be desired. As smartphone penetration deepens, mobile OTAs need to ensure they're delivering smooth, intuitive mobile experiences to meet the on-the-go lifestyle of urban consumers. From being equipped to handle slow internet speeds, to the compatibility with various devices for apps, this will make sure that the mobile experience is not just convenient but also dependable. Also, if OTT players can provide support for regional languages and local payment methods, they will further increase the reach and usage level.

Ultimately, the need to meet the demand for personalization is an opportunity for OTAs to set themselves apart in a crowded market. Through customised travel packages, personalised recommendations and personalised offers, OTAs can enable customer-specific engagement and increased value. The other advantage of personalization is the ability to gain repeat customer by increasing loyalty, which has made it inevitable for OTAs looking to keep their market share in this promising market due to their increasing size (Martin, & Murphy, 2017).

Conclusion

The paper discusses the significant determinants of consumer choice for Online Travel Agents (OTAs) in the city of Chennai, India. Fine trust, convenience, and personalization are the most important factors influencing consumer decision-making, and each factor is closely related to consumer behaviour. Trust, especially in secure payment systems and open policy, is also crucial if consumer confidence in the digital realm is to be fostered. This increasing dependence on mobile also highlights the importance of OTAs to improve their users' experiences on mobile devices with user-friendly and accessible mobile platforms. Moreover, customization has been identified as a crucial element to increase customers' satisfaction and loyalty, for personalized services strongly appeal to customers. Breaking-down psychological fences, as perceived risk are, will additionally accelerate the OTA penetration. In summary, OTAs who focus on these elements will have a greater potential to win in and maintain customer loyalty in Chennai's challenging travel market.

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