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The Use of the Internet for Hospitality and Travel-related Activities

The purpose of the study was to address the use of the Internet by consumers when searching for information and purchasing products and services in the travel and tourism industry. It identifies which sector(s) consumers are using the Internet for, and why they use the sites they choose. A survey (response rate was 37.9%) was conducted using a telephone interviewing system for the data collection. It found that hotel and motel sites are used most often, with respondents searching for information, savings and convenience as the motivating factors for purchasing these services through the Internet. The study concludes with future research suggestions for attracting consumers to the e-travel/tourism sites. In addition, the research identifies ways to better serve consumers and lists the products and services e-consumers are looking for from the hospitality and travel/tourism industry.

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Introduction

The impact of the Internet on the retail sector has been reported by a variety of parties including government, trade associations, Internet survey companies, industries, academia, etc. The U. S. Department of Commerce News indicated that e-commerce contributed $55 billion, approximately 1.6% of total retail sales in 2003 (an increase from 0.5% in 1999). The most recent reports from the office demonstrate that e-commerce sales in the first quarter of 2004 accounted for 1.9 % of total sales (U. S. Census Bureau, 2004). The travel and tourism industry was one of the top three products/services purchased through the Internet (Heichler, 1997). In addition, the travel and tourism industry is the single largest revenue generator among the e-tailing markets (Weber & Roehl, 1999).

The purpose of the study was to address the use of the Internet when consumers look for information and purchase products and services in the travel and tourism industry via the Internet. Specifically, the study had three objectives: 1) to determine which sector(s) of the travel and tourism industry consumers are using the Internet for when purchasing products and services in the restaurant, lodging, travel destinations, and travel-related activities; 2) to identify personal computer ownership and Internet service access; and 3) which sites e-consumers utilize the most and why they use those sites.

Methods

A survey for the study was developed based on methodology tested by others and uncovered after an exhaustive literature search which concentrated on research about the Internet use of business sectors including hospitality, travel, and the tourism industry (e.g., Bonn et al.,

1999; Weber & Roehl, 1999; Kwak et al., 2002). The survey was shown to experts in survey methodology (the Director of the University of Kentucky Survey Research Center (UKSRC) and consultants at the University of Kentucky Statistics Center) and revised according to their recommendations.

The survey process was performed by UKSRC, based in Lexington, Kentucky. A telephone interviewing system facilitated the data collection. The sample population consisted of Kentucky adult residents while respondents were selected using random-digit dialing. This procedure gives every residential telephone line in Kentucky an equal probability of being called. The survey was done from July 20 until August 26, 2002. A total of 2,454 calls were made; about five percent (5.1%) were not eligible at that time for the interviews (n=125). Among the rest, eight hundred and eighty two people completed the surveys, while more than half (n=1,447) refused to participate in the interviewing process. Therefore, the response rate was 37.9% among the total eligible (882/[2,454-125]).

Results

The average age of the sample was 49.8 with most of the respondents belonging to the 30-59 years of age (61.9%) range. About forty percent were male and sixty percent were female. Around two thirds of the respondents were married with more than half completing high school/GED education or attending some college. Nearly sixty percent were employed while the majority had occupations such as professional specialty (29.6%), technician/sales/service (40.5%), and production/farming (15.6%).

In order to address the first objective the survey asked, "Have you used the Internet for restaurants, lodging, travel destinations and other travel-related activities?" More than three-

quarters (77.3%) of the respondents answered, "Yes." Then they were asked to pick all the

activities for which they have used the Internet. As expected, the most popular category was

hotels and motels (76.7%), followed by airlines (8.9%), museums (5.0%), travel destinations

(4.5%), theme parks (3.7%), restaurants (.6%), and other travel-related activities (.6%). Other

travel-related information for which respondents used the Internet included weather, driving

directions, car rental, recreational activities, concerts/movies/shows, cruises, and camping.

Table 1. Hospitality and tourism activities consumers using the Internet for

Hospitality and Tourism Activities	Percentage
Hotels or motels	76.7
Airlines	8.9
Museums	5.0
Travel Destinations	4.5
Theme Parks	3.7
Restaurants	.6
Others	.6

The second research objective addressed computer ownership and Internet access.

Around seventy percent (69.9%) demonstrated personal computer ownership at home. The

respondents indicated accessing the Internet at work (9.6%), at home (44.2%), both at work and

home (29.8%), and other places (11.0%). The outcome shows only five percent (5.4%) of the

respondents did not have access to the Internet.

Table 2. Locations where consumers have an on-line access

On-line Access Locations	Percentage
Work	9.6
Home	44.2
Both at Work & Home	29.8
Other places	11.0
No Access to Internet	5.4

The third research objective was addressed by asking the respondents which e-travel site was used the most and why. The five most used sites are Travelocity.com (21.4%), Expedia.com (16.3%), Priceline.com (7.9%), Orbitz.com (6.5%), and Cheaptickets.com (3.3%). Others (44.6%) indicated using other sites but did not specify which sites. When asked to identify the reasons for using the e-travel/tourism sites, respondents listed information searches, savings, and convenience as the main motivators. Specifically, the largest group used those sites because of ease in searching for information (36.6%), followed by saving money (23.6%), convenience (17.1%), saving time (8.4%), and personalized information (3.6%). About ten percent of the respondents (10.7%) had other reasons than those listed above.

Table 3. E-travel sites used most

Travel Websites	Percentage
Travelocity.com	21.4
Expedia.com	16.3
Priceline.com	7.9
Orbitz.com	6.5
Cheaptickets.com	3.3
Others	44.6

Table 4. Reasons consumers using Travel Websites for

Reasons Using Travel Web site	Percentage
Ease in Information Search	36.6
Saving money	23.6
Saving time	8.4
Convenience	17.1
Personalized information	3.6
Other reasons	10.7

Conclusion and Discussion

The results of the study indicate that a large percentage of consumers used the hotel and motel web sites but the percentage of respondents that utilized the Internet for travel destinations is still small. Web sites for travel destinations are primarily managed by government or non-profit organizations in an effort to attract tourists by providing relevant and necessary information about the location. However this study revealed consumers are not using the travel destination web sites much.

In attempts to improve the economy and elevate their reputations as travel destinations, tourism authorities are putting much effort and many resources into recruiting tourists to their locations via the Internet. However, more research is needed to: 1) determine why people do not use the travel destination web sites; and 2) to design the web sites in ways that will attract consumers and encourage them to visit the web sites more frequently.

Consumers used the travel-related web sites for information, savings and convenience. To some consumers relevant and abundant information was more important than saving money. To other consumers convenience was the most important motivation for using the hospitality and travel sites. Since the reasons for using the Internet vary among the individuals, each e-travel company should research the main reasons why their customers use their web sites. By determining which features are most important to their customers, the travel company will provide products and services most closely reflecting their customers' needs.

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