**PRIFYSGOL CYMRU
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FACTORS INFLUENCING PURCHASE INTENTION FOR ONLINE TRAVEL PRODUCTS – CASE STUDY OF TAIWANESE CONSUMERS

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Thesis submitted to the Cardiff School of Management in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

2009

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DECLARATION

I declare that this work has not been previously accepted in substance for any degree and is not being concurrently submitted for any other degree.

I further declare that this thesis is the result of my own independent work and investigation, except where otherwise stated (a bibliography is appended).

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DEDICATION

This thesis is dedicated to my parents, for all the love, support and encouragement they have given me during my journey through life.

ACKNOWLEDGEMENT

ABSTRACT

The Internet has dramatically changed how people communicate, search for information, make decisions and purchase goods/services. Travel product has distinguishing features which make them particularly receptive to the Internet benefits. Although the Internet provides benefits for information searching and product purchasing, there are perceived barriers that customers may encounter while using the Internet for travel purchase, which, to some extent, impeded the growth of online travel sales.

Several factors influence purchase intention for online travel products, e.g. social factors which contextualize online purchase. Trust influences consumer behaviour and is significant in e-commerce. This thesis develops a framework for investigating factors influencing Taiwanese consumers' purchase intention for online travel products emphasizing the role of trust and providing a holistic view of online consumer purchase decision-making processes incorporating trust, culture and various supply/demand side factors and their influence on online travel purchase intention.

A case study investigates Taiwanese consumers' online travel purchase behaviour. Multi-methods enable triangulation: in-depth interviews and participant observation explore consumers' online travel purchase experience and perceptions of travel websites; questionnaire and projective technique interviews investigate attitudes and perceptions identified in the questionnaire survey and their effect on travel purchase intention.

The findings suggest trust significantly impacts online travel purchase intention. Trust cab be built by supply-side factors: vendor's reputation and website design. If consumers feel online travel companies care about mutual benefits, trust is more likely to be forged. Cultural factors impact on consumer purchase intention. Consumers often visit and feel more comfortable purchasing from websites recommended by family and friends.

This research helps understand trust by explaining factors promoting trust in online travel purchase contexts. Since perceptions of travel website information quality, vendor's reputation, and recommendations from family and friends strongly predict trust, Taiwanese online travel companies should focus on them to increase trust and ultimately online transaction volume.

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CHAPTER ONE

INTRODUCTION

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1.1 INTRODUCTION

The development of the Internet has undoubtedly had a significant impact on the way in which travel products and services are being marketed, distributed and sold (Beldona 2005; Gretzel *et al.,* 2006). Due to their information-intensive nature, travel products are thought to be very suitable for sale on the Internet (Jun et al., 2007; Kah et al., 2008; O'Connor, 1999). The rapid growth of travel-related websites, such as Expedia and Travelocity, along with the increasing percentage of online sale, has supported this insightful view.

According to a recent report from PhoCusWright (2009a), a leading travel research and strategy firm, US online leisure/unmanaged business travel market now represents more than one third of the total travel market place. While online travel declined in 2009, it still far outnumbered the broader travel market and has been projected to return to positive growth much sooner. As far as European online travel market is concerned, like the US, it also accounted for more than one third of the total European travel market (PhoCusWright, 2009b). While the total European travel market experienced a double-digit decline, online leisure/unmanaged business travel in fact grew slightly in 2009. In addition, online travel agency expansion continues to impact some countries in the Asia Pacific (APAC) region such as India and Australia/New Zealand (PhoCusWright, 2009c). Despite an overall downturn in the APAC travel

industry in 2009, the online travel market grew at double-digit rates as technology soared in markets such as China and Japan.

Previous academic research examining the role of the Internet in travel and tourism can be broadly grouped into four streams, two on the supply side and two on the demand side. Supply-side issues are: Internet adoption by tourism businesses and website evaluation across a range of tourism sectors. Demand-side issues are: the characteristics, preferences, and expectations of the Internet consumers towards online travel products and the behaviour of Internet consumers when purchasing online travel products. Each of these will be explored further below.

Research on Internet adoption by tourism businesses is supply-side oriented, focusing on the use of the information technology by the tourism business. The research methodologies typically involve interviews or surveys of tourism business, such as tour operators, hotels and destination marketing organizations (Hudson and Gilbert, 2006; Yuan *et al.*, 2003). Supply-side research has also focused on website evaluation across a range of tourism sectors (Beldona and Cai, 2006; Kasavana, 2002; Law and Leung, 2000; Schar *et al.*, 2004; Schegg *et al.*, 2002) and mainly used content analysis of website features. Many of these studies primarily dealt with the technical assessment of basic content and hypertext structures of websites. However, it is interesting to note that Law and Leung's study (2000) of 30 Asian-based and North

American-based travel websites is of some relevance to this study. The research findings suggested significant differences in website attributes between geographic regions. More specifically, it was indicated that North American-based sites provide more comprehensive feedback information and more flexibility in terms of accommodating a traveller's individual preferences. These differences in results could be attributed to the more advanced technical background of North American-based businesses. Another reason for such a difference may be due to the characteristics between selected travel websites. More specifically, North American-based websites can be considered as online service providers which offer a comprehensive level of reservation services, while Asian-based websites can be classified as online travel agencies which mainly focus on offering reservation services. Asian-based websites, therefore, need to expand their level of service provision.

Demand-side research examining the characteristics, preferences, and expectations of Internet consumers emphasizes the services and features preferred by Internet customers when making decisions about online travel products (Belona *et al.*, 2003; Bonn *et al.*, 1999; Morrison *et al.,* 2001; Weber and Roehl, 1999). It is interesting to note that some studies have investigated the demographic differences between "online browsers" and "online purchasers" (Law and Hsu, 2006). The findings indicated no significant differences between these two groups of Internet users. However, the authors suggested that there is a need to investigate whether cultural factors affect

Internet consumer behaviour. It is surprising to note that few studies have been conducted on consumer expectation towards travel websites from a cultural perspective. Another stream of demand-side research has emerged recently, dealing with more sophisticated issues regarding online behaviour of Internet users. (Cazier et al., 2009; Jasen et al., 2008; Kah et al., 2008). For example, Öörni and Klein (2003) conducted an insightful study of online consumer behaviour. The authors suggested that the impact of the Internet on travel information search is moderated by numerous domain-specific effects, such as product and market structure, which are not yet fully investigated. Similarly, Gursoy and McCleary (2004) argued that travellers' information search behaviour is likely to be influenced directly by the perceived internal and external costs. Familiarity and experience, learning and previous visits indirectly influence the search. Their influences are mediated by familiarity and experience with the destination, which are, in turn, mediated by external and internal costs. Some research echoed this finding and suggested that a thorough understanding of the travellers' information search behaviour is needed in order to design more effective online systems (Shneiderman and Plaisant, 2005). This stream of research is interesting because it recognizes the need for research that assesses the effectiveness of the Internet from the perspective of the recipient of the marketing communication, i.e. the consumer.

It is important to note that most of these studies investigating the issues of application of the Internet for purchasing travel products were conducted in developed countries from the perspective of Western consumers. Very little research has explored the point of view from consumers in Asia, particular Taiwan, a country with rapid growth rate in terms of Internet use and e-commerce. According to a survey by FIND (2009), Taiwan's leading IT industry analysis and consulting service providers, the number of Internet users in Taiwan until December 2009 reached 10.67 million, which indicated an online penetration rate of 48%. Taiwan's B2C e-commerce has also been growing in line with the development of the Internet. Transactions in Taiwan`s overall e-commerce market were expected to exceed NT$300 billion in 2009, up 37% from 2008, according to industry reports released by the Market Intelligence Center (MIC), under the government-funded Institute for Information Industry (2008). MIC noted that the growth of Taiwan`s e-commerce market, including online shopping, slowed down slightly in 2008, but the frequency of users' visit to e-commerce websites has been on the rise and even equal to that of visit to real-world department stores and shopping malls. As far as online transaction value is concerned, the revenue of online travel products made it the top of product sold online, which account for 68% of the total online avenue. Additionally, according to a report focusing on global consumer attitudes towards online shopping by ACNielsen (2005), Taiwan ranks second in the Asian region with at least 90% of respondents claiming to have made a purchase online, and at least 6 in 10 of whom have done so within the

last month. Although a number of research studies have investigated online shopping in the context of travel and tourism (Athiyaman, 2002; Beldona *et al.*, 2005; Jun et al., 2007; Weber and Roehl, 1999), few have been found that deal specifically with Taiwan.

Previous research has suggested that the Internet provides consumers with various benefits including, but not limited to, higher convenience, lower search cost, and greater selection of products and services (Childers *et al.*, 2001; Eastin, 2002; Elliot and Fowell, 2002). Although the Internet is an important tool for information searching and product purchasing, not all Internet users make their travel purchases online (Jun et al., 2007). Lack of trust has been argued to significantly influence the adoption of online shopping for travel products (Gefen, 2000; Pavlou, 2003; Yoon, 2002). Most research concerning trust on the Internet has mainly emphasized topics related to security, privacy and payment of secure online transaction (Camp, 2000; Urban *et al.*, 2000). Although these technical issues represent essential factors in building trust on the Internet, social aspects of variables have not been adequately addressed.

It is important to note that social factors play a crucial role in e-commerce in general, and online shopping in particular, because they form the general "context" or "environment" within which online shopping take place. For example, demographic features, issues of trust and culture, all affect the adoption and use of the Internet in general and e-commerce in particular.

E-commerce is made up of global businesses which do not have barriers in between nations; however, geographic location does create segmentation in consumers. Therefore, it is important to understand the impact of culture on trust. Some studies indicated that cultural factors influence trust Cheskin, 2000; Fukuyama, 1995). More specifically, the Cheskin study (2000) concluded that cultural factors result in different responses to risk. As each culture's "collective programming", the accumulation of shared meanings, norms and traditions among members of an ongoing society, results in different norms and values, the criteria and processes which people use to decide whether and who to trust is heavily dependent upon a society's culture (Deutsch, 1958). More specifically, the fundamental base of trust varies across nationalities with consumers coming from individualistic countries, where individuals reflect a preference for a loosely-knit social framework, being more self-reliant and tend to make decisions based on their own opinions. Moreover, they are more willing to base their trust in the merchant on factors that are inferred from an impersonal website than consumers from collectivist countries, where individuals have a preference for a tightly-knit social framework in which members tend to behave as a result of others' opinions (Dawar et al., 1996).

To understand how culture is related to social psychological phenomena, such as trust, several researchers (Dawar *et al.*, 1996; Jarvenpaa and Tractinsky, 1999; Simon, 2001) refer to Hofstede's (1984) study of cultural dimensions, and indicated that individualism versus collectivism and uncertainty avoidance have

influenced information-searching behaviours and purchasing intentions. Jarvenpaa and Tractinsky (1999) argued that the cultural background of Internet consumers may be one of the antecedents of trust. For example, consumers from individualistic cultures show higher trust in specific Internet stores than those from collectivistic cultures. Karvonen *et al.* (2000) also pointed out the role of cultural factors in the formation of trust on the Internet consumers. Despite the significance of culture on trust in the Internet setting, few studies have focused on this interrelationship in the context of online travel setting, particularly in Taiwan, a country that has a collectivistic culture in Asia, where individuals are very sensitive to group boundaries that they are less likely to trust someone outside of their group. As mentioned earlier, Taiwan represents a nation at the forefront of Internet and e-commerce growth. It is therefore imperative to explore Taiwanese Internet consumers' attitudes towards purchasing online travel products for the better understanding of behaviour of Taiwanese Internet consumers.

Among various factors influencing online travel purchase intention, website design has been argued to be one of the most significant determinants contributing to consumer satisfaction and ultimately consumer trust. In the case of online purchase, the website is perhaps the only way a firm communicates with its customers. Therefore its appearance and structure encourage or discourage a consumer's purchase intention. In the marketing literature, website features such as layout, graphics, and ease of use heave been argued

to affect consumer's clicking frequency (Chen and Dhillon, 2003). Given the perishablity of travel products, the highly competitive nature of the online travel market, and the fact that many products differ little in terms of their functionality, it can be argued that the travel website design is increasingly the deciding purchasing factor, and therefore, consumer satisfaction with the website can become a key competitive advantage. In the online travel shopping context, the seller becomes "faceless"- a firm and its salesperson are replaced by a single identity: a website. In other words, the relationship between the customer and the company becomes a simple interaction between the customer and the website. It can be argued that the website has its own "personality" and its "physical appearance" can encourage or discourage consumer purchase intention through consumer trust (Murphy, 1999). There have been various studies investigating the relationship between social-cultural factors and Inter-related variables, such as online shopping behaviour, website design preferences, and trust in the EC (Cyr and Trevor-Smith, 2004; Jarvenpaa et al., 1999; Lui et al., 2004; Sigh et al., 2003). Hwang et al (2006) investigated the online shopping preferences in three countries, including the US (well-developed in EC), Korea (fast growing with good infrastructure), and Turkey (developing with good potentials). They indicated that there were significant differences in online shopping preferences, especially in information quality, security and product-price comparison. These differences, according to the authors, can be explained by economic, infrastructure, and cultural factors. Despite the significant difference of socio-cultural implications on

Internet-related variables, few studies have been conducted from consumer perspective in travel and tourism setting, particular in Asian counties including Taiwan.

In response to this gap, the aim of this study is to explore the factors influencing purchasing intentions for online travel products, with special focus on the impacts of trust and culture as well as the impact of website design, from the point of Taiwanese consumers. This interdisciplinary study explores how trust can be built from a socio-cultural perspective. This study is believed to be one of the first studies focusing on online trust from Taiwanese consumers' point of view in the context of travel and tourism. It is also believed to be one of the very few studies focusing on the online consumer purchasing intentions for travel products in Taiwan, a fast-growing country with an advanced IT infrastructure which has shown rapid growth of Internet use and e-commerce.

1.2 RESEARCH QUESTIONS

Based on the background of the study, the research questions are developed as follows:

1. To what extent does trust and culture have significant influences on consumer purchasing intentions for online travel products as far as Taiwanese consumers are concerned?

2. Which factors significantly influence consumer trust and online travel purchasing intention as far as Taiwanese consumers are concerned ?

3. To what extent does website design have a significant influence on consumer perception and trust as far as Taiwanese consumers are concerned?

4. Which travel specific website features significantly influence consumer perceptions and trust as far as Taiwanese consumers are concerned?

1.3 AIM AND OBJECTIVES

The aim of this study is to explore the factors influencing consumer purchasing intentions for online travel products from the perspective of Taiwanese consumers. More specifically, which factors have significant impacts on consumer trust and how consumer trust can be built accordingly. The following objectives are proposed to achieve this aim:

Objective one:

To explore the relationship between the Internet and the travel industry, with a special emphasis on the impacts brought by the Internet.

Objective two:

To identify the factors influencing purchasing intention for online travel products, with special emphasis on the influence of trust and culture.

Objective three:

To develop a theoretical model that aids understanding of consumers' purchase intentions for online travel products

Objective four:

To explore Internet usage for information searching and product purchasing for online travel products by Taiwanese consumers.

Objective five:

To identify the critical travel website features influencing online travel purchase intentions by Taiwanese consumers.

Objective six:

To examine the perceived significance of factors influencing purchasing intention for online travel products by Taiwanese consumers.

1.4 THE SIGNIFICANCE OF RESEARCH

This is one of the few studies examining the role of trust in online travel purchasing intentions from a consumer perspective, particularly with reference to Taiwanese consumers. The literature review draws on a number of disciplines, including psychology; sociology; social psychology; information systems; consumer behaviour; marketing and travel and tourism. This study is complementary to other studies in e-commerce in general and online shopping for travel products in particular.

From a theoretical perspective, this study will contribute to the understanding of consumer trust in e-commerce by examining factors which promote trust building in travel and tourism. From a managerial perspective, this study will provide useful information on online consumer behaviour, particularly regarding Taiwanese consumers. With understanding of consumers' preferences and expectations, the Taiwanese travel companies will be able to design Internet marketing strategies which will initiate, develop, and maintain consumer trust and therefore increase consumer purchasing intention.

1.5 THESIS OUTLINE

This thesis consists of ten chapters. Chapter one starts with the background of the study. Specifically, research questions are presented and aim and objectives are addressed followed by the significance of the research. This chapter concludes with the thesis outline. Chapter two is related to supply-side issues, including the effects of the Internet on the travel industry and the impacts it caused on travel distribution channels. The impact of information technology on online travel market is also the focus of this chapter. Evaluation of travel websites, including a review of website design, and in particular, consumers' perception of critical website features is considered. Demand-side issues are the focus of chapter three, including the benefits and barriers of purchasing travel products on the Internet. The factors influencing purchasing intention for online travel products are critically identified and the influence of

trust and culture on purchase intention is particularly discussed. Chapter four presents the conceptual framework employed in the study, based on the significant factors drawn from both demand and supply side.

The research methodology employed in this study is presented in chapter five. It focuses on constructionism as the epistemology and interpretivism as the theoretical perspective. This chapter details the theoretical background of the case study as research methodology for investigating the dynamics of consumer online travel purchasing intention, and also presents the research methods utilized in this research. Multiple methods, including qualitative and quantitative methods, were employed in this study to gain a broader or more complete understanding of the study phenomenon. The results from fieldwork are presented in chapter six, seven, eight and nine. Chapter six presents the results of semi-structured interviews. It provides an overview of Taiwanese consumers' perceptions of purchasing travel products on the Internet. The level of usage of the Internet as a travel information source and travel product purchasing channel was assessed, the benefits and barriers explored, and the major factors influencing online travel purchasing intentions identified, with special focus on trust and culture. Chapter seven presents the result of participant observation, which explores the influence of travel website on consumers' perception and online travel purchasing intention. The overall perception of travel website design was assessed, website features contributing to positive perception explored, and website attributes influencing online travel

purchase intention identified. Chapter eight presents the results of questionnaire survey, which explores internet usage of Taiwanese consumers for travel information searching and product purchasing on the Internet. In particular, it explores if there are significance differences between online travel purchasers and browsers. Chapter nine presents the results of projective interviews, which explores perception of major factors identified in questionnaire survey and examined their effects on travel purchase intentions. The thesis concludes with chapter ten. It presents review of research objectives and linking research findings to research questions. It presents the significant contribution in relation to theory, practice and methodology. This chapter also set out an agenda on this complex yet dynamic issue of online travel consumer behaviour.

CHAPTER TWO

THE INTERNET AND THE TRAVEL INDUSTRY

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2.1 INTRODUCTION

This chapter reviews the relevant literature on the relationship between the Internet and the travel industry. It opens with a review of the impacts of the Internet on the travel industry, including the consequences, such as disintermediation and reintermediation, brought by the Internet which has significantly changed the structure of travel industry. Section 2.3 focuses on the current practice of the online travel market and examines the business models which were used to cope with the competitive nature of online travel sale. The impacts of IT on online travel market is the focus on section 2.4, including the advances of Travel 2.o and the emergence of travel metasites. In section 2.5 the significance of travel website design is highlighted and critical website features are identified. Section 2.6 concludes the chapter with a summary of the application of the Internet on the travel industry.

2.2 THE IMPACTS OF THE INTERNET ON TRAVEL INDUSTRY

2.2.1 The role of the Internet on travel industry

It has been widely recognized that the Internet and the travel industry are highly compatible. Various studies have shown the direct fit of the Internet and travel and tourism products (Christian, 2001; Buhalis and Licata, 2002; Poon, 2001). Travel and tourism products have distinguishing features which makes them receptive to the benefits that the Internet offers (Cazier et al., 2009; Jasen et al.,

2008; Kah et al., 2008). For example, at the point of sale, travel products are little more than information products, implying that all transactions and arrangements can be made online (Anckar and Walden, 2000; Beldona et al., 2005; Jan et al., 2007; Sheldon, 1997). Potential customers need plenty of information to understand different products, compare them and make their travel decisions. With the emergence of the Internet, the process of fast information transmission can be addressed effectively at a low cost. In other words, customers are able to receive comprehensive, timely and relevant information in a virtual environment to assist their decision-making process. According to Law (2000), the Internet is defined as a global computer network, a "network of networks" that links millions of computers all around the world, although as Law *et al.* (2001) state, it is also a huge repository of information. The use of Internet by potential customers to search information so as to plan their trips has proliferated (Bernstein and Awe, 1999; Car et al. 2003; Morrison et al. 2001; Jasen et al., 2008).

Apart from *information* channels, the Internet represents a potential powerful *communication* tool for the travel industry. More specifically, travel suppliers can eliminate the obstacles created by geography, time zones and location by utilizing the Internet because it enables them to communicate directly with potential customers through their web sites.

The Internet also serves as *transaction* channel for online customers to make purchase on products and services. It was estimated that the Internet would account for one in every four travel purchases in the main generating markets within the next few years (Alford, 2001). An alternative forecast predicted that by 2007, online ticket sales will become the major distribution mechanism worldwide (Buhalis, 2004). Although statistics and projections from various researchers are unanimous, however, it is expected that travel products sold online will continue to grow rapidly in the coming years and will be the largest business to consumer product in value to be sold online during the next decade (Tyler, 2000).

Since its advent in early 1990s, the Internet has been predicted to bring significant impacts for the travel industry. Although some of the figures used seem outdated as travel is now one of the largest product/service sold on the Internet, it is further evident that how dramatically the Internet has changed the way business operate, as well as the way consumers purchase travel products. The focus will then move to the impacts of the Internet on travel distribution channels, which further leads to the way travel products being marketed and distributed.

2.2.2 The impacts of the Internet on travel distribution channels

In the last few decades, IT has deeply affected the way business is performed and the way that organizations compete (Porter and Millar, 1985). The travel industry was affected by these developments and, in particular, the way

organizations distributed their travel products in the marketplace (Buhalis and Schertler, 1999; Fesenmaier et al., 2000; Sheldon *et al.*, 2001).

The fundamental distribution channel in the travel industry is made of three important players – principals, intermediaries and customers. While principals (suppliers of travel products such as airlines, hotels, car rental companies, etc) provide travel services to customers, intermediaries pass information about these services on to potential customers and try to influence targeted customers to purchase their products. They also facilitate in customizing the principal's services to the customers' needs and handling paper-work and after-sales enquiries.

Travel agencies traditionally acted as intermediaries between the principals and customers. Principals sourced airline seats, hotel rooms and tours, and packaged them into products which are supplied, typically through computer reservation systems (CRS) and later global distribution systems (GDS), to travel agencies. Retail travel agencies relied primarily on commission from ticket sales as their source of income. Figure 2.1 depicts the traditional flight ticket sales channel in airline industry.

Figure 2.1:   The traditional chain of distribution
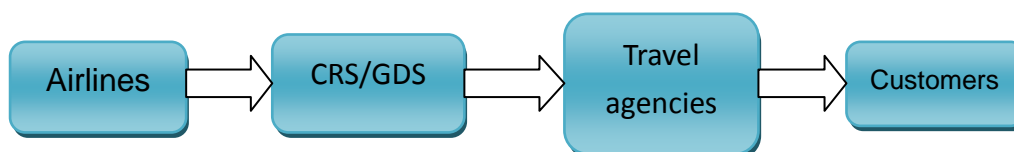
- Travel agencies were the core distribution channel for airline tickets. The agents intermediate transactions between airlines and customers. The travel agency market has been fairly protected by fixed (although constantly reduced) airline commission.

- Computer reservation systems (CRS) and later global distribution systems (GDS) were developed in the 1960s by airlines in order to make internal bookings available to travel agencies. In the meantime GDSs operated as industry platforms, usually owned by several airlines, to handle the bulk of booking transactions for scheduled flights, international hotel chains and car rentals.

- Used almost exclusively by travel agencies, GDSs created a linear distribution chain. The four leading GDS are Sabre, Galileo, Amadeus and Worldspan.

- All airlines have different types of direct sales activities: they operate travel agencies, call centres and increasingly, branded web sites. Low cost airlines, such as Easyjet, particularly focus on direct online sales.

Triggered by increased information and communication possibilities combined with low costs, the travel service principals are currently marketing their products directly to customers. Thus the position of the travel agent, the intermediary in the travel distribution chain, has commonly been seen as severely threatened (Lewis and Talalayevsky, 1997; Standing et al., 1998; Oppermann, 1999).

From the perspective of service suppliers, the motivating factors for cutting out the "middleman" were to save money and increase efficiency. In the context of travel industry, distribution costs traditionally accounted for large portion of all operating costs, for example, former British Airways CEO, Rod Eddington, revealed that BA spent one billion pounds on distribution in 2001 which amounted to their third biggest expense after labour and fuel (Noakes and Coulter, 2002). It is therefore reasonable to argue that airlines can make significant reductions in their distribution costs if they could transfer some sales to the Internet. The focus now moves to disintermediation, one of the most significant impacts brought by the Internet to the travel industry and examines the changes caused in the travel distribution channel.

2.2.3 Disintermediation in the travel industry

The threatened intermediaries (or disintermediation) hypothesis first presented by Malone et al. (1987), who used the term "electronic brokerage effect" for the phenomenon, essentially describes the middlemen functions between producers and customers being eliminated through digital networks, as producers internalize activities that have been traditionally performed by intermediaries (Sarkar *et al,* 1995). With the bypassing of intermediaries, which saves significant costs to the value chain (Benjamin and Wigand, 1995), a redistribution of profits along the value system will occur (Sarkar *et al.,* 1995) with resulting benefits for both producers and customers. Although entire channel layers may not be eliminated, there will be significant shifts in power from one channel layer to another (Vassos,1996).

Opposing views have, however, been presented on the disintermediation hypothesis with Sarkar *et al.* (1995) arguing that the case for the elimination of intermediaries as a result of e-commerce is based on questionable assumptions, suggesting that more, rather than fewer, intermediaries (mainly new players, cybermediaries) will be involved in the electronic markets (Gigalis *et al.,* 1999). Their assumptions are backed up by exploratory findings by Bailey and Bakos (1997) suggesting that the need for intermediaries is not likely to be eliminated in the near future, although some of the traditional roles of middlemen may become less important as a result of advances in IT. Instead, the electronic marketplaces will more than compensate for the disintermediation phenomenon by promoting the growth of new types of electronic intermediaries (Bakos, 1998) and new versions of traditional middlemen and product distribution channel.

Due to the presumed suitability of travel products for e-commerce and the fact that the travel distribution chain traditionally has been heavily dependent on middlemen, the travel industry has been hypothesized to be among the first sectors to experience disintermediation on a large scale as a result of e-commerce. Accordingly, the position of the travel agent, the principal intermediary in the travel distribution chain, has commonly been mentioned as being under severe pressure. Indeed, the Internet has revolutionized the travel distribution channel and changed the way companies operate. The most important structural change that has been brought by the Internet to the travel industry is disintermediation, which means travel principals bypass

intermediaries (travel agencies) to sell products and services directly to customers. Figure 2. 2 depicts result of disintermediation in airline industry.

Figure 2.2: Results of disintermediation in the airline industry

Airlines → CRS/GDS → Customers

This assumption does not necessarily always originate from a direct disintermediation threat, but from the indirect effects of bypass opportunities offered by electronic markets, namely:

- the necessity to refocus and reinvent as new roles emerge for travel agencies as a result of the changing business models (Chircu and Kauffman, 1999),

- heavy commission cuts by airlines as a result of high distribution costs, opportunities to launch their own reservation system on the Internet (Cohen,1997), and because the work involved is much less demanding (or automated) in online bookings.

As the case with the disintermediation hypothesis in general, opinions also tend to differ on the plausibility of disintermediation in the context of travel industry. Drawing on data from managers and travel consultants of Australian travel agencies, Standing *et al.* (1998) and Vasudavan and Standing (1999)

suggested that many high street travel agents will be eliminated in the next few years. Using data collected through the Delphi method, McCubbery (1999) presented similar findings and suggested that major disintermediation and cybermediation will occur and there will be a sharp reduction in the number of traditional travel agents in next five to ten years.

On the contrary, in a series of exploratory studies using experiment and survey data, Anckar and Walden (2000) found that even experienced Internet users have trouble producing satisfactory travel arrangements through self-booking services. Following the contention that the problematic nature of online reservation is likely to influence the willingness of consumers to adopt online travel services in the future, the authors provided empirical evidence contradicting the disintermediation hypothesis. Moreover, based on an exploratory survey among industry experts, Licata *et al.* (2001) presented similar findings indicting that more traditional travel agents are likely to be bypassed or that their roles will change dramatically: 96.6% of the respondents in the authors' study agreed or strongly agreed on the statement that the Internet will be the most prominent travel distribution channel in five years, the corresponding figure for high street shops being 19.9%. Yet, the majority (70%) of the respondents deemed the disintermediation of traditional distribution channel avoidable, instead considering reintermediation a more probable outcome (Licata *et al.*, 2001).

It is important to note that some predictions for the future of traditional travel agents are evident as, for example, US online leisure/unmanaged business travel market now represents more than one third of the total travel market (PhocusWright, 2009a), which further suggests a bleak future for traditional travel agents. However, some traditional travel agents have taken advantage of the Internet and have re-engineered their roles to cope with the challenge on the ever-changing travel market (Bennett and Buhalis, 2003). The focus of this chapter will now move to the issue of re-intermediation in the travel industry and examine the way that traditional travel agents can better adapt to the consumers' needs.

2.2.4 Re-intermediation in the travel industry

Re-intermediation refers to the utilization of IT and Internet tools for the development of either new intermediaries or new methods for existing intermediaries that enables them to re-engineer the travel distribution channel (Bennette and Buhalis, 2003). While much of the discussion and debate was focused on the potential demise of the travel agent, the Internet is also being considered as a catalyst and opportunity to re-engineer travel agents' role in the distribution chain. As O'Connor (1999) states, the Internet has not changed the principal role of intermediaries who exist to simplify consumers' decision making process. Indeed, the great strength of travel agents has always been their ability to organize and interpret huge amounts of data in a value-added manner to the customers.

While a wide range of information is provided on the Internet, this often leads to information overload for consumers, whose purchasing processes sometimes are made more complex. It can be argued that an increase in choice is psychologically costly for consumers. In this respects, travel agents will be able to re-engineer/re-define their roles as "counselors" (Loban 1997) to assist in product search and evaluation, needs assessment and product matching, risk reduction, and product delivery. The intermediary function helps to balance and integrate the interests with customers and suppliers. As a result, it is interesting to note that a shifting emphasis among travel intermediaries from acting as the selling agent of the principals to acting as the buying agent of the buyer. In other word, re-intermediation is evident through the provision of value-added services that are available through intermediaries, and is manifested in the proliferation of websites that offer consumer convenience in travel shopping through the use of sophisticated and intelligent agents. In addition to travel agents re-defining their roles in the distribution chain, the Internet presents opportunities for new e-mediaries to emerge, which will be discussed in the next section.

2.3 THE EMERGENCE AND GROWTH OF ONLINE TRAVEL INTERMEDIARIES

2.3.1 The emergence of online travel intermediaries

Apart from the previously-mentioned issue of disintermediation, the emergence of online travel intermediaries is one of the significant impacts brought by the Internet. The process of restructuring within the travel industry has been driven

primarily by the rapid proliferation of "travel e-mediaries", defined as companies offering services via a network of virtual channels to stakeholders, and which are not constrained by geographical boundaries (Buhalis & Licate, 2002).

Online travel intermediaries are represented by a new breed of strategic players within the travel industry and facilitate the distribution of information flows, directly and indirectly, between customers and suppliers. In other words, the Internet can be, and has been, used to shift the existing balance between players of the travel industry. Intermediaries, and e-mediaries in particular, have proven to be masters of balancing acts between the interests of suppliers and customers. For example, the most popular types of information channel used for travel planning are online travel agency websites such as Expedia, Travelocity, Orbitz and Priceline (PhoCusWright, 2009). Based on the premise that intermediaries exist because they provide value-added services, these e-mediaries have the potential to pass economies of scale directly to the customers, offering reduced fares as well as the convenience of online booking on a 24/7 widely accessible basis (Werthner and Klein, 2000; Christodoulidou et al., 2007).

The travel industry is now characterized by an increasing number of distribution channels as every player hopes to generate a high volume of profit. Travel suppliers, and airlines in particular, take advantage of the new opportunities and develop e- commerce applications by allowing customers to access directly their reservation system. As they are the owners of travel products, many

airlines have changed the rules for travel agents by either reducing sales commission or exclusively offering products which are not available via travel agents, e.g. ticket auctions. Increasingly, airlines are competing more openly and aggressively with their traditional partners, travel agents, as they have invested serious amounts of money into their web activities.

Moreover, many airlines are forming market alliances with other businesses as they are now operating as travel agents selling flight tickets, accommodation, tours, and car rental. For example, in February 2003 Expedia signed a deal with British Airways (BA) to provide its hotel booking solution. This allowed BA to offer more than 40,000 hotel properties throughout its websites in Europe. There is little doubt that travel suppliers are pursuing an Internet strategy themselves by providing added value to their customers and thus are fierce and powerful competitors fighting the independent e-mediaries on two fronts: as suppliers and as immediate competitors (Klein and Teubner, 2000).

While industry incumbents have developed different business models and (re) positioned themselves in the online travel market, new players, so-called cybermediaries, have entered the market. They position themselves prominently as consumer advocates with innovative pricing models (Klein and Loebbacke, 2001), Priceline being an outstanding example of these new entrants, which focus on innovative pricing models.

It is noted that several business models exist within the online travel industry, which all aim to take advantage of the benefits brought by the advent of the Internet. The next section critically reviews the different business models employed to understand the diversity of online travel market structure.

2.3.2 Business models of online travel intermediaries

One implication of the emergence of online travel intermediaries is the way these companies have evolved to sell travel products and services. From the traditional travel agency model to the innovative price comparison model, it can be seen that online travel intermediaries have evolved from a dependent role, mainly making profits on commission from suppliers, to an independent one, acting as consumer advocate to provide added value. Facing severe competition in online travel market, several business models have emerged in recent years, which are presented below:

AGENCY

Many online travel intermediaries have replicated the long-established travel agency model whereby the companies act as an intermediary between the principals and customers (business or leisure travellers). The main income of these online intermediaries is commission for products sold. However, this model has been under increased pressure in last few years with the trend towards reduction of commission levels. For example, the airline industry has tried to cut distribution costs (which can be as high as 17% of the total costs of a ticket) from a traditional 7%-10% to as low as 1% (or in the case of some USA

airlines, entirely scrapped). Several highly-successful low costs airline (e.g. Easyjet) have opted out of using intermediaries altogether focusing on direct distribution via their websites and call centres. As a result, e-mediaries are moving away from this model as it offers increasingly low yields.

MERCHANT

In this model the online travel agencies operate in much the same way as tour operators. Agencies establish contracts with suppliers in advance to buy bulk supplies of the product at discounted prices, which are then resold to customers at a margin that the companies calculate according to market demand. In some cases, the online agencies only buy the right to book which, if not sold by a cut-off date, expires with no penalty to the agencies. Online travel intermediaries using this merchant model typically have a high level of gross profit compared to the agency model while still providing better prices to the customers compared to agency transactions. Some agencies, such as Expedia, claim the majority of their business is procured through the merchant model, with other revenue provided from booking fees from airlines (Kambil et al., 1999).

DISTRESSED INVENTORY

This can be seen as a variation of the merchant model focusing exclusively on distressed inventories typically only available from 15 days prior to departure. Lastminute.com has built its business model predominantly around the fulfillment of "last-minute" requirements of their customers, expanding their

initial offerings (flights, hotels and holidays) to last-minute theatre and restaurant bookings.

DEMAND COLLECTION

The demand collection model takes advantage of the information sharing and communication power of the Internet to create a new way of pricing products and services. It focus on finding a balance between the interests of buyers who are willing to accept trade-off in order to save money, and suppliers who are prepared to generate revenue by selling products at below retail prices. For example, Priceline serves as broker and intermediary for airline tickets. The customers input flight destination, dates (not time), and a specified price. Priceline then search for an airline willing to release seats at the requested price, and reply to the customers within one hour. If tickets are found at the requested price, they are purchased and charged to the customer's credit card. Priceline earns a commission of USD 10 for every ticket sold which is paid by airlines. However, Kelin (2000) argued that this business model is limited to comparatively low sales volumes as they are rather dependent on "over-stock", which limits the variety of products.

COMPARISON SHOPPING

In this model online intermediaries offer customers the ability to compare airlines and hotels offers sourced from other e-mediaries or directly from online suppliers. The data offered can occur either by the online intermediaries allowing suppliers to directly input their offers (usually via an extranet) or

through the use of sophisticated mechanisms which automatically scan both GDS and online databases for the lowest fares. The revenue in this model is usually an advertising, commission or customer service fee basis. Examples of comparison shopping websites include TravelZoo in the USA and Travelsupermarket in the UK. After reviewing the business models currently employed by online travel market, the next section of the chapter will outline the growth strategies and briefly review examples of some leading online travel intermediaries.

2.3.3 The growth strategies of online travel intermediries

The substantial growth of online travel intermediaries has been achieved essentially through a mix of organic growth, growth by mergers and acquisitions and growth through strategic alliances. There has been a marked difference between USA-based intermediaries and their European counterparts with the former pursing expansion mainly through organic growth or joint ventures while the latter involves a considerable number of European acquisitions (PhoCusWright, 2003). This is likely to be a direct reflection of the very different nature of the USA and Europe markets with the latter being very fragmented and more culturally diverse than the former. Expanding by acquisition strategy, European intermediaries have been able to achieve growth in market share and acquire local knowledge in the different countries in which they operate (PhoCusWright, 2003).

Besides being aggressive in their respective home market, many online travel intermediaries have achieved international expansion and three broad groups of players have emerged:

● Global players: These are players with presence in the key Northern American, European and Asian markets. Expedia and Travelocity fall into this category. In most cases the expansion of these companies outside the USA has occurred through joint ventures with local partners.

● Regional players: These are mainly European, and to a lesser extent Asia Pacific, intermediaries that are trying to build the highly-fragmented European and Asian markets (e.g. eBookers in Europe, Zuji in Asia). Airlines-owned online travel intermediaries (Orbitz, Opodo and Zuji) also fall into this category although they have not shown the level of acquisitions evidenced by their counterparts.

● Local players: These are players which are unable or unwilling to move beyond their local markets and as a result they have been the takeover target of regional players aiming to build localized presence through acquisitions.

2.4 THE IMPACTS OF IT ON ONLINE TRAVEL MARKET

2.4.1 The advances of Travel 2.0

The proportion of people using the Internet to search and purchase travel products has increased in recent years. It is argued that the Internet has become a crucial medium for information delivery and acquisition (Buhalis,

2003; Card et al., 2003; Jun et al., 2007), and is affecting the media consumption patterns of travellers (Werthner and Ricci, 2004). Currently, the US is leading the role in terms of online travel shopping. The advanced level of the US online travel market creates an atmosphere in which many innovations, such as metasearch and user-generated content (UGC), incubate in the US before expanding to other global markets. Many of these innovations include the new online capabilities that PhoCusWright has termed Travel 2.0 -- the travel industry`s application of Web 2.0 practices empowering the online consumer (PhoCusWright, 2007b) Web 2.0 technologies-applications can be considered as the *tools of mass collaboration*, since they empower Internet users to actively participate and simultaneously collaborate with other Internet users for producing, consuming and diffusing the information and knowledge being distributed through the Internet. In other words, Web 2.0 tools utilize the full potential of the genuine concept and role of the Internet (i.e. the network of the networks created and exists for its users). According to Travel 2.0 Consumer Technology Survey by PhoCusWright (2007b), more Americans have used Web 2.0 technologies overall than have used them in the process of shopping for travel. The content and information generated by users of Web 2.0 technologies are having a tremendous impact not only on the e-business model that businesses need to develop and/or adapt, but also on profile, expectations and decision making behaviour of Internet users. It is no doubt that information is the lifeblood of the travel industry and the use and diffusion of Web 2.0 technologies have a substantial impact on both travel supply and demand.

2.4.2 The emergence of travel metasites

While travel suppliers have traditionally used intermediaries, such as travel agents, to facilitate the distribution process, advances in technology and the Internet as an electronic medium has led to the emergence of online travel intermediaries. As such, online travel intermediaries have gradually become commonplace in making travel searches and bookings. The convenience of one-stop shopping provided by online travel intermediaries is recognized as one of the major reason why consumers are motivated to purchase travel products online (Beldona et al., 2005; Kay et al., 2008; Weber and Roehl, 1999).

With the online travel market becoming more competitive and commodity-like, the point of differentiation is price. Previous research has shown that consumers have become more value conscious. For example, a recent study found that most travellers visit between two to five websites to compare price (PhoCusWright, 2007a). Similarly, 50% of people in the UK find booking their holiday online stressful because of the intention to find best deal, according to a recent survey by travel search company, SideStep.com (EyeforTravel News, 2007). The survey findings are based on 1,744 UK adults. Among these respondents, one in five visit over 10 websites when they are booking a holiday. In order to meet the consumers' need of finding lower fares, the Internet has seen the creation of travel metasites. Travel metasites are a new generation of online travel intermediaries that simultaneously gather data from multiple online travel websites (Park and Gretzel, 2006) to meet the

requirements and specifications of the travellers in terms of price, value and convenience. Travel metasites use the inventories of other travel websites to gather information for users and present it on a single screen. This service can be very convenient for customers because there is no need for them to go to each travel website for price comparison. Travel metasites are relatively new compared to other online travel business models (e.g. agent models and merchant models) and is still evolving. Examples of popular travel metasites include US-based travelaxe (launched in 1999) and UK-based kayak (launched in 2004). Figure 2.3 shows a screenshot of what the display for the Kayak (www.kayak.co.uk) metasite looks like after a search has been requested (results were sorted by pictures).

Figure 2.3: Kayak – example of search result sorted by pictures
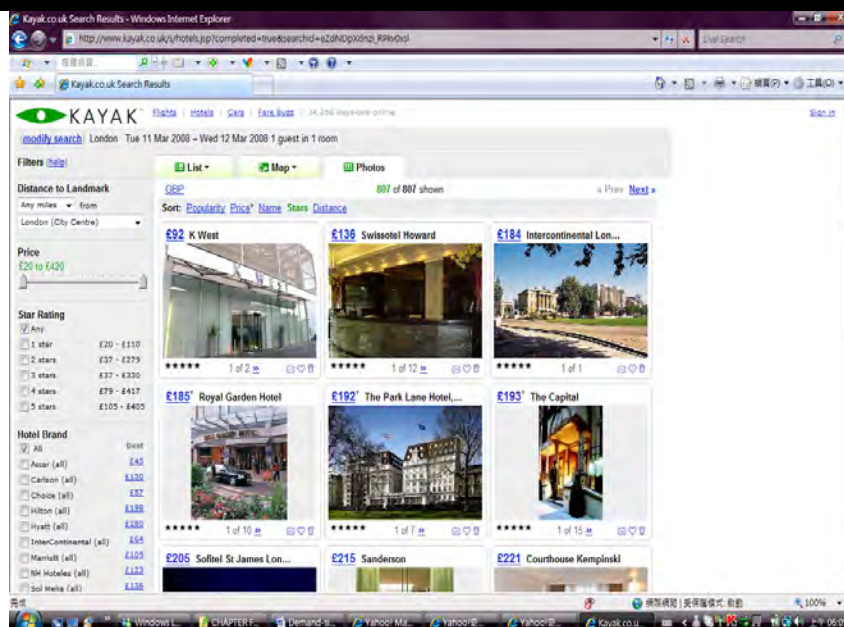
Instead of pictures, the results can also be sorted by maps while choosing the options provided . Figure 2.4 shows the results sorting by the format of map.

Figure2.4: Kayak – example of search result sorted by the format of map.
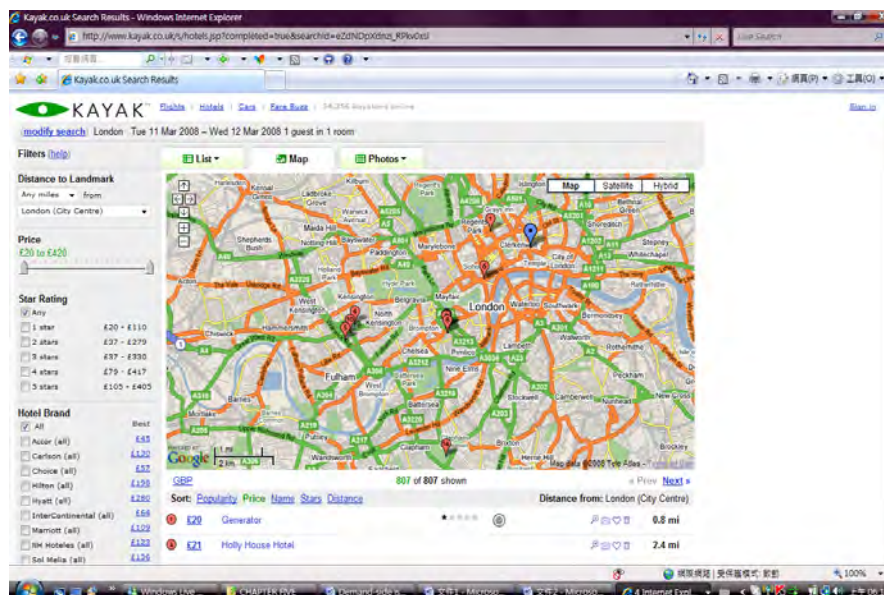
Travel metasites use alliances with major hotels, airlines and car rentals to gain some of the market share form online travel agencies and online travel intermediaries (Beirne, 2005). Currently, Expedia and Travelocity restrict travel metasites from searching their websites but Orbitz allows Sidestep, kayak and other metasites to search within their sites for information. Based on the booking made, the metasites receive their revenue by commission based on the total value of the transaction, which could be either a fixed fee or a referral fee, depending on the agreement with suppliers (Christodoulidou and Brewer,2006).

It appears that the focus of consumers using travel metasites is primarily price (Beirne, 2005). Apart from economic benefits, consumers may feel that they have better value in travel metasites by having to search fewer travel websites for price comparison. It is argued that if travel metasites provide additional benefits for the consumers by creating better value, being easier to use, and thus creating greater loyalty. Currently, travel intermediaries and travel metasites are competing with each other and will continue fighting for control of distribution process and booking and, ultimately, the consumers (Christodoulidou *et al.,* 2006).

This section highlighted the current structure of the online travel market, in which online travel intermediaries need innovative market strategies in order to survive and make profits. One of the most important issues associated with the development of online travel intermediaries is the websites that they use to market and distribute their products and services. The quality of websites plays a crucial role in terms of earning trust of potential customers. Therefore, the evaluation of online travel websites, including the website design and critical features influencing consumers' perception towards the websites, will be discussed in the next section.

2.5 EVALUATION OF ONLINE TRAVEL WEBSITES

2.5.1 Review of the website design

The Internet and e-commerce have become extremely important avenues for companies in many industries to interact with their customers and other stakeholders. For any company with an online presence, the website is the platform used to communicate with customers and to facilitate business transactions. The website is an ambassador for a company on the Internet, and the first impression of the website will be the first impression of the company conducting their business on the Internet.

The website of a company is similar to the layout of a brick and mortar store. Traditional retailers are well aware of the fact that a positive experience of consumers entering their stores is an important factor in their decision to stay or leave. In other word, the design and atmosphere of a store is a major retailing quality affecting customers' impression and determining their future actions and behaviour (Lewison, 1994; Jobber, 2001; Kotler, 2003). Like shoppers in traditional stores, the layout is particularly important for first-time visitors who are unfamiliar with the store. The design and atmosphere of websites must attract the attention and capture the interest of first-time visitors in order to encourage them to make purchase decision.

Previous studies have shown that there is a direct relationship between the design of a website and the perceptions of consumers towards the company. Kim and Moon (1998), for example, conducted a study which suggested that

the manipulation of different web interface design factors could win the confidence of customers. Similarly, Rhodes (1998) notes that good content, a simple design, and few errors in the use of language are needed to establish trust. The study also indicated that people tend to trust websites which have a good design and are usable. In addition, Egger (2001) argued that the design of the interface is one of the main determinants of trust.

Website design relates to the visual presentation of web page. This includes factors such as colour, text, layout, photo and animation. Colour has an effect on the readability of a website, and good combination of text colour and background can persuade viewer to use a website. Lindsay (1999) suggests that colour used in web page should be based on psychological considerations to attract users to browse the website and stay with it. For example, Schraff and Ahumada (2002) suggest that the use of a plain background with moderate-to-high contrast text increases readability of web pages. Like colour, the style and size of font can affect the readability of a web page. Schraff and Ahumada (2002) note that the careful selection of a font style and size is important in website design and that different styles of applications need different styles of font. In addition, page layout has been posited as a major issue in website structure (Ivory and Hearst, 2002), having a potential major impact on user satisfaction. In this respect, Bhatti et al. (2000) recommend that website pages should avoid using scroll bars as visitors do not like spending time on scrolling pages.

Due to its dependence on visual representation as well as intangible and heterogeneous nature, travel products are thought to be very suitable for sale on the Internet (O'Connor, 1999). It is argued that use of pictures on the Internet is one of the strategies that can be employed to overcome disadvantages associated with the intangibility of the travel products and services in the pre-purchase stage of consumer decision-making process (Koernig, 2003). Similarly, Leong et al. (1996) suggest that pictures are more memorable and easier than text for creating an image about travel products and services in the customers' mind. In addition, Lightner and Jackson (2001) argue that a combination of text and pictures is more effective for selling travel products than simply using textual descriptions alone. Clearly there is an expectation that information presented on travel websites is not only useful but also well presented and attractive (Hinton, 1998).

In the computer-mediated environment such as the Internet, pictures can add tangible cues, enable customers to obtain virtual experience of the products beforehand, and make them feel more present with the company's products and services (Krentler and Guiltinan, 1984; Berry and Clark, 1986; Li *et al.*, 2001; Koernig, 2003). For example, a variety of pictures of the hotel (e.g., bedrooms, lobby, restaurant, and other hotel areas) could increase tangible cues for customers and provide a vivid images and conditions of the hotel, which subsequently evoke more positive attitudes and behaviour (Koernig, 2003).

The use of pictures is not only related to the presentation of travel products and services, but also applies to the images of people. Images of people have widely been used in advertising to create positive attitudes towards products or trust in brand. In a face-to-face situation, the direct contact to the salesperson provides the customers with important cues for the establishment of trust (e.g. eye contact and gestures) which stabilize their relationship and add to their verbal communication. These features are assumed to have a crucial impact for mediating personal contacts (Goffman,1972). However, computer mediated environments lack most of these features for building trust. Therefore, adding social cues to a website has been suggested by some researchers as a possible strategy to increase customer trust in online vendors. For example, Fogg (2002) noted that pictures of authors can increase the credibility of online articles. Similar, Steinbrueck et al. (2002) found that a picture of an employee on the homepage of an online bank significantly increased user trust.

However, the use of pictures can produce a variety of responses, including negative reactions and lower trust (Riegelsberger and Sasse, 2001). In particular, non-shoppers with a very low tendency to trust e-commerce consider pictures as attempts to manipulate trust while online shoppers with a high preference for efficient interaction (termed function-seekers) reacted negatively to the pictures as they cluttered the interface without providing any added functionality (Riegelsberger and Sasse, 2001). They concluded that images with people had a positive impact on user trust for medium experienced shoppers. However, highly experienced users as well as users with a high level

of distrust towards e-commerce benefited little from the provision of social cues (pictures) in the websites. In addition, reactions towards images of people also varied with different roles and faces, such as pictures of employees, the business owner, or a "happy customer" receives positive reaction while photos of "perfect" people may undermine credibility and thus destroy trust as they are clearly not real employees (Riegelisberger and Sasee, 2002). It is therefore argued that the content of pictures on the website should be carefully considered to avoid causing negative perception.

Despite the continuous growth of EC, especially through company's website, little research has been reported to indicate how such website design factors as pictorial presentation influence consumers' purchasing intentions, and not many studies have been found examining the effects of pictures presented on travel websites.   To date, researchers (Strader and Shaw, 1997; Sawyer *et al.*, 2000) have mainly focused on information and its effects on consumers' perceptions of websites and purchasing intentions. These studies have found that relevancy, accuracy, timeliness, and completeness of information on the web are frequently-used attributes to measure information quality of a website. These attributes, however, focus on text-based information rather than graphics embedded on the web. It is therefore necessary to explore the influences of pictures presented on travel websites and their impacts on consumer purchase intentions. After reviewing websites design, the next part will explore various website features contributing to positive perception of travel websites.

2.5.2 Consumer perceptions of critical website features

Given the perishability of travel products, the highly-competitive market, and the fact that many products differ little in terms of their functionality capacity, it could be argued that website features are increasingly the deciding purchasing factor, significantly influencing consumers' perception and satisfaction with a particular website.

Although many travel websites have been built to attract potential customers on the Internet, little research has been carried out to find out specific website features which can be used to measure consumer perception of the travel website. Previous research mainly concentrated on assessing the general characteristics of website features such as content and design (Huizingh, 2000), log file data (Murphy *et al.,* 2001), and usefulness and social acceptability (Lu and Yeung, 1998). Other studies have profiled Internet users (Bonn *et al.*, 1998; Weber and Roehl, 1999), and examined users' perceptions of general shopping features on the Internet (Shanker *et al.,* 2003).

Researchers have long recognized that it is essential to have a set of specific criteria for assessing the success of travel and tourism websites (Barch and Walsh, 1997; O'Connor and Frew, 2004, Toms and Taves, 2004). Kasavana (2002) however, argued that it is difficult to develop such a set of specific criteria, and instead the industry should outline a set of popular web-based features. Law and Chung (2003) echo such claims, suggesting the importance and difficulty of developing a set of detailed website features.

Despite the difficulty of developing evaluation criteria, researchers have made attempts to identify the features that may influence consumers' perception of websites. According to a framework proposed by Lu and Yeung (1998), functionality (content richness) and usability (ease of use) can contribute to the success of a commercial website.

Functionality

The term functionality generally refers to whether the website provides sufficient information about the products and services being promoted. Information is the essence of the website (Lederer *et al.*, 2000), and also a determining factor influencing online consumers' potential purchasing behaviour (Standing, 2000; Chu, 2001; Jeong and Lambert, 2001). Batty and Lee (1995) attribute the failures of early attempts of online shopping as limited product information and low product comparability. Information has been suggested to affect the perceived quality of financial, retail, and sporting websites (Kim and Lim, 2001; Waite and Harrison, 2002; Brown, 2003). Shchiglik and Bearnes (2004) indicated how information plays a crucial role in the evaluation of airline website performance.

As far as the travel and tourism literature is concerned, Chung and Law (2003) create a set of detailed criteria to measure the functionality of hotel websites, and suggested that there is a significant relationship between hotel quality rating and overall website functionality. Although the findings are interesting, their study is based on data collected from hotel managers, and therefore it is

unknown to what extent customers perceive the importance of various hotel website features.

In their proposed framework for effective website application development, Lu and Yeung (1998) note that the most critical factors for website usefulness was functionality. Following this conceptual approach, Jeong *et al.* (2001) investigated consumer perception of hotel websites, and suggested that information completeness was found to be the most crucial factor for online consumer satisfaction towards hotel websites. Similarly, Jeong and Lambert (2001) suggested that consumers' perceived quality of information about products and services was most significant in predicting their purchase decisions. They also pointed out that consumers look for accurate, relevant, helpful, and important information in order to make their purchasing decision. Moreover, Chu (2001) conducted focus group interviews to identify Internet users' need and expectations towards airline/travel websites, and suggested that consumers expect informative, interactive, and attractive information from airline/travel websites.

Usability

Although functionality is crucial in influencing consumers' perception towards the website, usability is also a key issue in terms of increasing sales of products and services. Travis (2003) defines website usability as the extent to which a specific website can be used by specific users to achieve specific goals with effectiveness, efficiency, and satisfaction in a particular environment. When

faced with a site with poor usability, users are likely to abandon their visits in favour of more usable sites (Nielsen, 2000). Souza *et al.* (2000) reported that 65 percent of visitors to retail websites leave due to usability barriers. Similarly, Nielsen (2002) found that users looking for a desired item on commercial website cannot find it nearly one third of the time, leading to lost opportunities for sales. As a result, usability is a key issue affecting customer perception of commercial websites.

Egger and deGroot (2000) note that usability is a component of trust in their model for e-commerce whereas Fogg *et al.* (2001) suggest that trust and usability both as components of credibility. In the initial trust formation stage, when the initial look of the site encourages a visit to the site, the usability level of a site increases. Then the "evaluation of satisfaction" stage is a direct consequence of the presence of usability of the site. It can be argued that the more usable the site, the more user satisfaction and hence continuous trust develop (Egger, 2001).

The usability of website is concerned with how easy the website would be for users to use and find what they want. Ease of use is one of the most important factors to consumer on the Internet (Eighmey and McCord, 1995; Fram and Grady, 1995). Ease of use refers to the ability of a customer to find information or enact a transaction with the least amount of effort, and it influences the initial decision to use a certain website (Adams *et al.*, 1992; Madu and Madu, 2002). Ease of use includes the issue of navigation. A clear navigation design allows

customers to know where they are on a site and provides the ability to find their way back to a previous menu screen.

Despite the importance of usability for commercial websites, previous research in the context of travel and tourism has mainly concentrated on evaluating the functionality of websites with little attention being given to usability (Au Yeung and Law, 2003; Law and Ngai, 2005; Yeung and Law, 2006). Few exceptions were found by Jung and Butler (2000) who suggested that, in the airline industry, ease of use was regarded as a more important factor than content. Wan (2002) conducted website evaluation of hotel websites by developing three criteria: user interface, variety of information, and online transaction. According to his study, user interface is considered to be the most important factor influencing purchase behaviour. Particularly, some researchers were interested in developing attributes of usability which provided indications of important indices. For example, Lynch and Horton (2001) developed a list of usability attributes based on the need of users to navigate the website effectively.

There is no doubt that functionality and usability are crucial factors influencing consumers' perception of commercial websites in general and travel websites in particular. However, it is argued that some specific feature/services should be provided on travel websites to support the process of information searching and product purchasing, and thus increase consumer satisfaction and trust, and ultimately enhance purchasing intention (Nysveen and Lexhagen, 2001; Tjostheim, 2002). The next section will therefore focus on the attributes

influencing online travel purchasing experience.

2.5.3 Website features influencing online travel purchasing experiences

The most frequently-mentioned reasons for using the Internet to search for and purchase travel and tourism products are: the richness and depth of information, the search and purchase process is controlled by the customers, it is available at all times, and many products are offered discount price by suppliers who pass distribution savings to online customers (Buhalis, 2003). Although it is obvious that many benefits are associated with using the Internet for searching and purchasing travel products, very little research has focused on how travel websites actually supported the searching and purchasing process and how website attributes are perceived by consumers in related to their needs (Beldona et al., 2005; Kah et al., 2008). A number of website attributes are suggested which should be highly relevant in terms of supporting the decision-making process for online travel products (Rachman and Richins, 1997; Weeks and Crouch, 1999; Procaccino and Miller, 1999; Nysveen and Lexhagen, 2001). Some of the most important services proposing on the travel and tourism literature are presented below:

Contact information

Contact information is defined as information regarding a tour operator's or travel agency's physical address, information about telephone and fax, and e-mail address (Nysveen and Lexhagen, 2001). The provision of contact information gives the consumers an opportunity to make contact with the

company behind the travel websites, and to clarify some questions or issues arising during search and purchase process. This may be particularly relevant for consumers with little experience using the Internet as communication and reservation medium. Contact information should be clearly presented on the home page in order to save consumer time on finding this alternative method of contact, and thus increase satisfaction towards the travel websites.

Search engine

Search engine is an application where visitors can insert a word or phrase which the search engine will then use to locate specific sites or pages within the website that are relevant to the information the customers are looking for (Laudon and Laudon, 1998). This is particular relevant for consumers with limited knowledge of travel products and therefore find it is difficult to start searching process. It is suggested that one important factor creating satisfaction is the availability of alternatives (Mouthino, 1987), and using search engines, consumers can reduce the searching time associated with finding the relevant information and generate higher evaluation and satisfaction.

Links

Links (hyperlinks) is a method of moving between websites (Chaffey *et al.,* 2003). Links are thought to provide access to relevant information and services available at other sites to assist customers in their search for travel and tourism products. Although the Internet is believed to simplify the information search process, locating suitable sellers and travel products has been shown to be

more difficult than previously believed (Öörni and Klein, 2003). Locating websites for the suitable products is even difficult for users with little online travel purchasing experiences. Links to other relevant websites can provide complementary information and thus save time and effort.

Travel community

The travel community gives consumers the opportunities to communicate with other individuals who use the websites. Travellers can also read other travellers' experiences, ask questions and read answers from people who have visited the destination or purchased the products on the websites. The travel community can be described as a forum for WOM, which is thought to be an important and influential source of information (Bickart and Schindler, 2000; Blackwell *et al.*, 2001; Gruen et al., 2006; Smith et al., 2005). This extra and neutral information helps travelers to make decisions regarding purchase, and thus giving travellers more control of the purchase process (Murray, 1991). This may be particularly relevant for travellers with little experiences as they perceive higher risk associated with online purchase due to lack of information and previous online travel purchasing experiences (Havlena and DeSarbo, 1991).

Multimedia

Multimedia is the integration of two or more types of media, such as text, graphics, sound, full motion video or animation into a computer-based application (Laudon and Laudon, 1998). Through using different multimedia

techniques a richer and more vivid picture of the products can be provided (Cho and Fesenmaire, 2000). This is particularly important for travel products characterized by experience attributes, such as the atmosphere in hotels and restaurants.

Personalization

Personalization is a method to provide information and services based on individual needs. Personalization can be used to increase the speed of interaction between seller and buyer (Sisodia and Wolfe, 2000) and therefore enhance the efficiency of the search and purchase process for the customers. For example, customers get personalized information and services on the website where name and preferences are specific to the individual user based on their pre-registered customer profile. Another example is that the website offering seating and food in an airplane according to stored, personal preferences. Personalization adds convenience and control to the buying process by the automatic adjustment of customer's profiles on the basis of buying behaviour. Customers, therefore, do not need to express their preferences each time they make the purchase while they can be assured that their products are in accordance with their preferences.

It is noted that all these web features contribute to positive perceptions of online travel buying experience, and therefore should be provided in order to increase customer satisfaction as well as trust and ultimately enhance purchasing intention. However, the significance of these website features varies between

different customer segments. For example, personalization may not be important for first-time visitors who have not even purchased from the website yet while believed to be important for customers who already made purchased with the website and thus find this service useful in terms of time saving.

2.6 Summary

This chapter focuses on the supply-side issues, including the impact of the Internet on the travel industry and review of online travel intermediaries. The design and features of online travel websites are also examined. The focus now moves to demand-side issues, including the advantages and barriers consumers encounter when purchasing online travel products and factors influencing online travel purchasing intention, with a special focus on the impacts of trust and culture.

CHAPTER THREE

PURCHASING TRAVEL PRODUCTS ON THE INTERNET

CHAPTER THREE: PURCHASING TRAVEL PRODUCTS ON THE INTERNET

3.1 INTRODUCTION

This chapter reviews the relevant literature related to purchasing intention for online travel products. It starts from review of the current trends in online travel market, and advantages and barriers perceived by consumers when using the Internet for purchasing travel products. Section 3.3 focuses on the factors influencing purchasing intention for online travel products, including the influence of individual characteristics, product type, reputation, trust and culture. In section 3.4 the significance of trust is highlighted, including the role of trust in online environment, antecedents of online trust and the relationship between trust and website design. Section 3.5 examines the influence of culture in online purchasing intention, including the review of cultural model and its impacts in information searching and purchasing intention. A summary of the chapter content is given in section 3.6.

3.2 PURCHASING TRAVEL PRODUCTS ON THE INTERNET

3.2.1 Current state of online travel market

The Internet has dramatically changed the way people communicate, search for information, make decisions, and particularly the way they purchase goods and services. On the other hand, the Internet has also had a major impact on the

way in which goods and services are being marketed, distributed, and sold. Travel products in particular have proven to be one of the most suitable for selling online (Card et al., 2003; Jun et al., 2007). Marcussan (1999) indicated that travel products are ideal for selling online because they are no distribution costs involved. The lower the distribution costs, the more likely it is that the products will be sold on the Internet.

According to a recent report from PhoCusWright (2009a), US online leisure/unmanaged business travel market now represents more than one third of the total travel market place. While online travel declined in 2009, it still far outnumbered the broader travel market and has been projected to return to positive growth much sooner. As far as European online travel market is concerned, like the US, it also accounted for more than one third of the total European travel market (PhoCusWright, 2009b). While the total European travel market experienced a double-digit decline, online leisure/unmanaged business travel in fact grew slightly in 2009. In addition, online travel agency expansion continues to impact some countries the Asia Pacific (APAC) region such as India and Australia/New Zealand (PhoCusWright, 2009c). Despite an overall downturn in the APAC travel industry in 2009, the online travel market grew at double-digit rates as technology soared in markets such as China and Japan.

As far as the types of online travel products purchased are concerned, it is suggested that online travellers tend to purchase airline tickets first, followed by hotel accommodation and car rentals, with package tours being purchased the least (Morrison *et al.*, 2001; Card *et al.,* 2003). Card *et al.* (2003) explained that airline ticket services are transactional services involving a purchase rather than an exchange of information, while package tours involve more information seeking and are typically more expensive than airline tickets. Similar, Morrison *et al.* (2001) categorized flights, accommodation and car rental as low-risk travel products and package tours as high-risk travel products. Consumers feel more comfortable purchasing low-risk travel products online, and thus many online travel websites concentrate on these items (Card *et al.*, 2003).

3.2.2 Benefits of using the Internet for purchasing travel products

The Internet has been seen to offer numerous benefits to potential customers seeking to purchase travel products online. In general, the online environment certainly holds the promise of fast, convenient, and inexpensive travel reservation; a wider selection of travel service providers; anytime/anywhere access to rich multimedia destination information and real-time information on price and availability (e.g., last-minute deals). Some researchers indicate that convenience, easy access to up-to-date information, and saving time are benefits perceived by respondents concerning using the Internet for travel-related purpose (Beldona et al. 2005; Card et al. 2003; Kah et al. 2008).

Similarly, consumers have opportunities to find out product information with rapid process and save time and money while purchasing travel products on the Internet (McGangey & Manson, 1998). Some benefits associated with purchasing travel products online are discussed below.

Wider selection of travel information

Shim *et al.* (2001) propose an online pre-purchase intentions model based on the interaction model of the pre-purchase consumer information search (Klein, 1998) and the theory of planned behaviour (Ajzen, 1991). Shim *et al.* (2001) conclude that information search was the most crucial element leading to purchase via the Internet.

The Internet lies in its role of facilitating information searching for consumers. The product acquisition process is enhanced by enabling consumers to access a greater amount of detailed information with regard to product attributes, comparative pricing, and availability. According to a report by TIA (2005), more than nine out of ten online travel planners indicated that they used the Internet to plan a personal trip in 2004. With the increase in online travel planning, other planning sources have declined, such as traditional travel agents – down to 31 percent consulting a travel agent for travel plans compared to 39 percent in 2004. There is no doubt that the Internet has become the most frequently-used resources for travel information search.

Convenience

According to Kare-Silver (2001), convenience is at the heart of what fundamentally drives demand for the Internet, and numerous studies support this stance (e.g. Childers *et al.*, 2001; Eastin, 2002; Elliot and Fowell, 2002). More specifically, Szynenskin and Hise (2000) divide convenience into time and browsing benefits and posit that the perception in both categories is likely to be related to positive perception of convenience. For example, purchasing travel products online offers consumers a higher level of convenience (Card et al. 2003; Beldona et al., 2005; Lehto et al. 2005; Licate *et al.*, 2001), which stems from the fact that consumers do not face any transportation costs, because they can search information and make reservations as well as receive confirmation all on the Internet, probably at home if they prefer.

Moreover, purchasing travel products online can save consumers time (Burke, 1997; O'Connor and Frew, 2001). Due to less transportation time, and less waiting and planning time, the overall time required for purchasing travel products online is relatively less than the time required for purchasing travel products through traditional channel (e.g., high-street travel agents).

Lower price

Apart from convenience, lower price has been frequently documented as the key benefits associated with purchasing travel on the Internet (O'Connor, 2003; Reibstein, 2002). Lower price is a result of markets becoming more competitive

(Conard, 1998). According to a study by the Joint Hospitality Industry Congress (2000), there is expectation among consumers that Internet prices are lower than those in the "brick and mortar" stores. Such perception has developed for several reasons. Firstly, many of the well-known Internet retailers (such as, for example, Amazon.com) compete with traditional stores based, to a large extent, on price. As a result, there is an assumption that the same is true for travel products. Secondly, many customers are aware of the lower distribution costs associated with web channels (Nua, 1998). Buhalis (2003) suggests that customers understand that travel suppliers are cutting distribution costs through web channel and expect saving to be pass on them, as well as being rewarded for making the booking themselves. Such expectations are being reinforced by the budget airline sectors which offer discounts for online booking (Cooke, 2000). Lastly, many airlines and hotels use the Internet to sell last-minute deals, which are at relatively low prices with limited offers only. Such promotion has resulted in the public associating travel products sold over the Internet with cheaper prices.

Jeong and Lamber (2001) suggested that lower price is one of the key motivating factors that encourage consumers to purchase travel products online. For example, when consumers who have not purchased travel products online were asked what would encourage them to do so, 64% said that saving money would make them more interested. No other benefits – saving time, more control of booking, or getting better information- came close to this level of

response. However, Lee-Kelley *et al.* (2003) argue that price is only a weak factor in determining why consumers choose to purchase travel products online and that other factors such as trust and loyalty may have an overriding impact on online travel purchasing decision.

3.2.3 Barriers of using the Internet for purchasing travel products

Despite the fact that online travel services provide several benefits to customers for information searching and products purchasing, there are, on the other hand, a number of perceived barriers that customers encountered while using the Internet for travel purchase, which, to some extent, impedes the growth of online shopping for travel products.

Information overload

One of the well-documented barriers for online shopping is information overload, which often leads to confusion and the possibility of missed opportunities and /or higher costs (Loban, 1997). The amount and quality of information available have a strong impact on consumers' ability to make decision. Many of the unique characteristics of the Internet such as: the speed of access; scope of access; provision of interactive assistance; flexibility and choices in representing information all have impacts on consumer behaviour in general and consumer information search in particular.

While the Internet offers a variety of travel information, it also has a possibility that an increase in choices is psychologically costly for customers, whose purchasing processes are made more complex. The possibility of information overload can adversely impact consumers' perceived costs associated with processing the information both cognitively and physically (Peterson and Merino, 2003). Therefore, consumers may choose to purchase travel products through traditional channels to simplify the searching and purchasing process (Heijden, 1996).

Time consumption

Time consumption is another perceived barrier which mirrors the problem of information overload. According to Money and Crotts (2003), the theoretical background of information search behaviour is rooted in Stigler's (1961) theory of economics of information: consumers continue expending resources to search until the utility obtained from the search exceeds the costs, which means searching behaviour is a function of the utility and cost. During the search process, customers develop strategies that reflect the trade-off between the perceived benefits and cost of the search (Moorthy *et al.*, 1997).

Although the Internet provides a wider selection of travel products and services, it often takes a long time, in some cases, for consumers to locate information which they search for (Walden and Anckar, 2006; Murray, 1996). Moreover, consumers may find it time-consuming to go to different travel websites for

product and price information in order to do price comparisons. As a result, consumers are likely to experience that the cost of search exceeds the benefits, and therefore it is feasible that, for the sake of time, some consumers are reluctant to purchase travel online and may still prefer to purchase travel products through traditional channels.

Although the time spent (invested) is often considered to be one of the important costs associated with information search (Stigler 1961), the cost is not equal for everyone: time is more valuable for people with a higher opportunity cost of time (income or wage rate) (Bryant 1988; Stigler 1961). However, Marmorstein *et al.* (1992) argue that wage or income alone may not measure opportunity costs correctly if a person receives satisfaction or other benefits from the search. More specifically, some people derive satisfaction and pleasure from the search process itself, enjoying reading travel-related information without a particular need to make a specific decision.

It is noted that some travellers value the information acquired because it enables them to reduce uncertainty for their future travel (McCleary and Whitney 1994), and it enables them to serve as both opinion leaders and sources of information for their acquaintances (Marmorstein *et al,* 1992). In addition, availability of time or time pressure is also likely to influence this search cost. The perceived value of time for travellers under time pressure is likely to be higher for those with no pressure.

Price dispersion

As mentioned earlier, one of the significant benefits that consumers perceive from online travel purchase is the possibility of lower price. Technology enables higher level of transparency over time, which means consumers should be more consistently able to locate the best offerings as search costs decline. As a result, prices should be less dispersed, since service providers would be forced to lower their prices towards the limit of marginal cost of production to attract customers (Bakos, 1998).

However, real markets rarely operate so smoothly. In fact, the existence of price dispersion is one of economics' most replicated findings (Dahlby and West, 1986; Sorensen 2000).The economics literature has traditionally focused on three explanations for price dispersion: search costs, asymmetrically informed customers, and product heterogeneity. Bynjosson and Smith (2000) indicate that substantial price dispersion existed in electronic markets for books and compact discs while the average prices were somewhat lower. One of the possible reasons is that consumers may aware of only one or two Internet retailers for books and CDs and find that the cost of searching for additional retailers exceeds the expected price benefit. This may explain why well-known retailers like Amazon. com can charge a price premium compared to less known rivals such as Books.com.

In travel and tourism literature, wide price dispersion has been consistently observed in electronic markets for scheduled airline tickets and hotel rooms (Clemon *et al.* 2002; Law et al. 2007; Öörni, 2002). The consequence of price dispersion, combined with dynamic differential pricing (based on yield management), results in a high level of price uncertainty. Consumers are therefore likely to find it difficult to decide when to stop searching when wide price dispersion persists. Inexperienced consumers, in particular, are more likely to suffer as a result of wider price dispersion. Both price dispersion and dynamic pricing are considered factors influencing online travel purchase behaviour.

Security

Security issues have been, and still are, concerns for online shopping. The security issue has shown to be a critical reason for consumers choosing whether or not to make purchase on the Internet (Lang, 2000; Law and Leung, 2000; Udo,2001; Law and Wong, 2003). According to Salisbury *et al.* (2001), online security involves the consumers' perception of risk while transmitting sensitive information such as credit card information over the Internet.

Researchers have found that perceived web security by consumers can be positively related to purchasing intention. According to Yoon (2002), the security issue in online shopping is one of the most important antecedents of purchasing intention. Miyazaki and Fernandez (2000) echo this view by suggesting that the

number of statements related to security issues on a website would have positive impact on consumer purchasing intention. In their study of internet shopping in Hong Kong, Singapore, and China, Wee et al. (2000) found that Internet users who do not purchase express concerns about security and privacy. Similarly, Weber and Roehl (1999) indicate that the most frequented cited reasons for not purchasing online are credit card security and privacy issue.

It can be argued that security is likely to be a hygiene factor rather than a satisfier in online shopping setting, because its impact on purchasing intention is much less than other variables, such as the features of website or the quality of information provided (Miyazakiand Fernandeza, 2000). However, managers must develop strategies to assure the customers of the security associated with their websites. For example, one of the possible ways to reduce security risk is using symbols of security approval, such as Verisign. Figure 3.1 shows a screenshot of security label provided on travel website.

Figure 3.1: Example of security label provided on travel website.

This section reviewed the benefits and barriers perceived by consumers when purchasing online travel products. The next section will present a comprehensive review integrating individual, technical, and social aspects of e-commerce to better understand consumers' online travel purchasing intention.

3.3. FACTORS INFLUENCING ONLINE TRAVEL PURCHASING INTENTION

As the Internet continues to gain widespread acceptance as a communication medium, information source, and even transaction channel, it is imperative to examine the factors influencing online purchasing intention, with special focus on trust and culture as far as this research is concerned.

Travellers can reduce the level of uncertainty and improve the quality of trip through information search since it is difficult to evaluate the travel product before experiencing it (Fodness and Murray, 1998; Jasen et al. 2008; Jun et al. 2007). Thus, the information search travellers undertake has significant implications for the purchase they eventually make (Kah et al., 2008; Money and Crotts, 2003). Overall, previous studies at local, regional, national, and global scale revealed that some critical factors have significant impacts on information search which can be categorized as follows:

3.3.1 Individual characteristics

Demographic profiles

Gender, age and educational level all have an influence on consumers' Internet use which, in turn, has impact on their online purchase intention (Beldona et al. 2005; Bonn *et al.,* 1998; Weber and Roehl, 1999; Card *et al.*, 2003; Wolfe *et al.*, 2004). Early studies have generally shown that Internet users are predominately males and that men took to the Internet faster than females

(Zaffane and Cheer, 1993; Harrison and Rainer, 1992). Similarly, several other studies indicated that men are more likely to be Internet users and use the Internet for more activities (Katz and Aspden, 1997; Sexton *et al.*, 2002). There is a common stereotype that men are more web savvy than women, but according to recent reports that women outnumber men online and that women are more likely to plan and book leisure trips online (TIA,2005). Similarly, women convert at a higher rate than men from the first step of searching a specific online travel product to making a final online purchase (ArguscarHire, 2006; Kim et al. 2006). It is therefore important that travel companies pay attention to this demographic and market themselves accordingly. As for as age is concerned, previous studies have also shown that levels of computer usage, computer skills and levels and types of Internet usage are related with respondents' age (Beldona et al. 2005; Bonn *et al.,* 1998; Weber and Roehl, 1999)

In the tourism and travel literature, Bonn *et al.* (1998) have conducted an exploratory investigation to examine those Internet users who search online travel information. Findings of their study suggested that those who use the Internet as travel-gathering tool are likely to be more educated, younger, with higher household incomes, more likely to use commercial lodging accommodations while traveling, tend to spend more money on travel-related expense. Weber and Roehl's study (1999) also show similar results. They found that online travel purchasers are more likely to be people who are aged 26-55,

with higher incomes, higher status occupations, and have more years of experience with the Internet than those who do not search or purchase online. However, there has been a shift in the demographic profile of the Internet users. As the Internet becomes more readily available, online travel purchase has become more common among the less affluent. The trend was evidenced by the decline in the average income of online purchasers three years in a row (TIA, 2002).

Internet experience/skill

Internet experience/skill, not surprisingly, has an effect on online searching and purchasing behaviour. The more Internet experience consumers gain, the more likely they will adopt online shopping. According to Shim and Mahoney (1991), online purchasers are high-tech and in-home shoppers, and they enjoy Internet shopping or in-home TV shopping. Peterson and Merino (2003) argue that experience with the Internet may be a prime determinant of search behaviour and purchase intention because of the way it mediates one's ability to learn about products and costs of doing so. Thus, Internet savvy users are more likely than non-experts to look for more information because they are aware of more attributes or they are more capable of formulating specific questions about the object of the search, especially in complex products such as travel, which tends to be packaged with multiple components such as air and land transportation, hotel accommodation, restaurants and destination activities and events. As far as online travel purchase is concerned, Weber and Roehl

(1999) found that Internet travel purchasers are more likely to have used the Internet for more than four years. Similarly, other studies have confirmed that Internet travel purchasers spend more time online per week than those booking travel offline (Beldona et al. 2005; Kang, 1998; Xu, 1999). It is, therefore, suggested that Internet skill/experience is positively related to purchase intention for online travel products.

Previous online shopping experience

Intention to shop online is influenced by consumers' Internet shopping history (Shim *et al.,* 2001). Many studies indicated that previous online shopping experiences have a direct impact on Internet shopping intention (Weber and Roehl, 1999). In the online shopping context, consumers evaluate their Internet shopping experiences in terms of perceptions regarding product information, form of payment, delivery terms, service offered, risk involved, privacy, security, personalization, visual appearance, navigation, and enjoyment (Mathwick *et al.*, 2001; Burke, 2002; Parasuraman and Zinkhan, 2002).

In cases where previous online shopping experiences resulted in satisfactory outcomes and were evaluated positively, consumers were lead to continue to shop on the Internet in the near future (Shim *et al.,* 2001). Such positive experiences decrease consumers' perceived risk levels associated with online shopping. However, if these previous experiences are judged negatively, consumers are less likely to engage in online shopping on future occasions.

This illustrates the importance of turning first-time visitors into repeat consumers by providing them with satisfying online shopping experiences (Weber and Roehl, 1999).

3.3.2 Product type

Consumers vary in their knowledge of product categories and necessary knowledge is in turn related to product complexity. Hence, efficiency of a search and acceptance of online shopping will be influenced by the characteristics of the products. Recent studies in online purchasing of travel products such as travel packages (Christou and Sigala, 2003) and airline tickets (Athiyanan, 2002) have suggested that the type and characteristics of the product were found to have an effect on whether consumers prefer to purchase them online or not.

Hodgon (1987) distinguishes between "high-advice" and "low-advice" travel products, stating that low-advice products, such as simple ticket transaction, can be supplied by technology, whereas package, rather like business trips abroad, are high-advice products requiring an emotional involvement that can only come via face-to-face contacts. Similarly, Gatinan and Rohtreson (1991) suggest that the product complexity has been found to reduce the diffusion rate of innovation since consumers have more difficulties in learning about the product. Services of low complexity coupled with high consumer knowledge are generally well suited for automated distribution since there is limited need to assist customers in transaction (Apte and Uepsalainen, 1993). In the travel and

tourism context, such standard products comprise last-minute offerings and single component products (e.g., hotel room) (Werther and Klein, 1999). The more complex the product, the less suitable the product is for automation of purchase by providing customers with direct access to the products (Werthner & Klein, 1999).

Despite the high advisory environment offered by the Internet, the distinction between high-complexity and low-complexity travel products may remain highly apparent in e-commerce setting. Thus, it is suggested that the Internet is likely to become the primary distribution channel for "simple" journey, such as routine business flights (Anckar and Walden, 2002; Walden and Anckar, 2006; Libenan, 1997; Werthner and Klein, 1999), whereas the role of travel agent will remain important in high-complexity travel products (for example, unpackaged multi-destination journeys), which require special knowledge and arrangements (Lewis and Talalayevsky, 1997; Turban *et al.*, 1999; Werthener and Klein, 1999).

3.3.3 Reputation

Reputation has been defined as the public information on the hitherto trustworthiness of an object (Picot *et al.,* 2001). Granovetter (1985) stressed the social aspect of this concept and stated that reputation emerges as a result of social network effects when information on an object in one relationship spreads to others via an information network. In the marketing literature,

reputation has been associated with the image of the company (Dowling, 1994) or the net perception of a company's ability to meet the expectations of all its stakeholders (Fombrun, 1996). Looking at these definitions, it is noted that the economic, sociological, as well as the marketing-oriented view emphasizes the collective nature of reputation as an asset that is shared among people, build-up among them, and also destroyed by them.

It is the social or collective nature that gives reputation the power to reduce uncertainty and serve as a means to engender trust. On the one hand, reputation serves as a hostage in the hand of the customers (Spremann, 1988). This means that the reputation of an actor, for example a firm, can be destroyed by the customers who spread the word of the actor's bad comportment when he or she behaves in an opportunistic manner. Thus, opportunistic behaviour bears the risk of causing harm to an actor's reputation and the risk can serve as an important inhibitor to act unfavourably for the trustor. The better the reputation, the greater the loss in case of bad comportment, and the greater the certainty the potential customers will have that the company will not engage in opportunistic behaviour. On the other hand, information on the hitherto trustworthiness of a firm originating from parties other than the firm itself has great potential to reduce uncertainty and engender trust, particular if the source is perceived as trustworthy. Especially influential are signals coming from sources that are not controlled by the company, such as the press or specialized groups like financial-rating agencies or consumer agencies

(Fombrum, 1996). This is because those groups are not supposed to have direct stake in the company's reputation (Sternthal *et al.*, 1978). In addition, informal sources, such as peers, friends, family members, or colleagues, are particularly trustworthy.

Reputation has also been claimed to be a vital source for trust in e-commerce (Jarvenpaa and Tractinsky, 1999; Walczuch *et al.*, 2001). When consumers have little or no experience with the online vendor, third-party opinion about the trustworthiness of the vendor can be a major source of information for trust building (Jarvenpaa *et al.*, 2000). That reputation has great potential to enhance trust in companies selling on the Internet is supported by the fact that consumers do not necessarily choose the cheapest offer, but purchase from branded and widely known websites even when they do not offer the lowest prices (Smith *et al.,* 2000). Electronic markets with their network characteristics can be seen as important facilitators for the diffusion of reputation (Einwiller and Will, 2001). For example, some online websites provide service for customers to recruit friends via e-mail, hardly having any expenses for marketing. Consumers who learn about friends or colleagues' positive shopping experience on the Internet and who believes that their knowledge and skills are rather similar to their own, should be more likely to follow the advice given.

3.3.4 Trust

Trust has always been an important element in influencing consumer behaviour (Schurr and Ozanne, 1985). In other word, the influence of trust on consumer online transaction activities is fundamental in predicting e-commerce adoption (Pavlou, 2001; Gefen, 2002). The open nature of the Internet as a transaction medium and its global nature have further heightened the importance of trust in e-commerce (Keen, 1999; Gefen, 2000). More specifically, concerns about privacy and security underscore the importance of trust (Palmer *et al.,* 2000). Jarvenpaa and Tractinsky (1999) argue that lack of trust prevents consumers from engaging in online transaction. It is reasonable to argue that the importance of trust has become elevated in e-commerce given the high degree of uncertainty present in most online transaction (Lee, 1998; Fung and Lee, 1999).

Despite its significance as an influencing factor of online purchasing intention, trust-related issues have not been widely studied in travel and tourism literature. There is a greater need to know what increase trust in the context of online travel purchasing. It is also necessary to understand the major factors of this phenomenon that will encourage consumers to commit the "purchase" click once they are online. By understanding what increase online trust, travel companies can incorporate the result into web sites to build trust and subsequently encourage online purchasing. As a crucial factor for increasing online purchasing intention, trust will be further discussed in following section.

3.3.5 Culture

From an international marketing perspective, culture, a way of directing individual's thinking, is a crucial factor influencing consumer behaviour. For example, it determines what forms of communication are acceptable and the nature as well as the degree of information-searching behaviour that an individual considers appropriate (Engel *et al.*, 1995). Given the inherent nature of international tourism research, it is noted that few cross-national studies have been conducted to examine travellers' information behavior in terms of information sources used. Most studies have focused on respondents form the US (Fodness and Murray, 1997; Vogt and Fesenmaier, 1998; Cai et al., 2004) or from a few other Western cultures such as Switzerland (Bieger and Laesser, 2004). The few exceptions include studies by Chen and Gursoy (2000) that compared Japanese, Korean and Australian travellers' behaviours and Gursoy and Chen (2000) that examined British, French, German, and Japanese travellers' behaviours. These studies suggested that national culture of travellers influenced external information searching behaviours. For example, Chen and Gursoy (2000) found that Japanese and Korean travellers relied more on printed materials than Australian travellers, who preferred personal consultants and promotional materials.

On the other hand, other studies have examined international differences in terms of cultural characteristics. Hofstede (1991) identified the difference in national culture with five distinct culture dimensions: (1) "power distance" refers

to the degree to which members of a society automatically accept a hierarchical or unequal of power in organization and the society, (2) "individualism versus collectivism" refers to the degree of interdependence a society maintains, (3) "masculinity versus femininity" refers to the differences of societal roles between genders; (4) "uncertainty avoidance" refers to the extent to which individuals feel threatened by uncertainty and attempt to prevail in these circumstances; and (5) "long-term orientation" refers to the extent to which a society demonstrates a pragmatic future-oriented view rather than a short-term perspective. It is recognized that the five dimensions of Hofstede's cultural model all have influence on individual behaviours in general. However, two specific dimensions, individualism versus collectivism and uncertainty avoidance, are argued to be related to online information search and purchasing intention (Li,1997; Chen, 2000). For example, high uncertainty avoidance is associated with a greater use of personal source of information (Reisinger and Turner, 1999; Money and Crotts, 2003). Money and Crotts (2003) found that consumers with high risk tolerance (e.g. German travellers) were more likely to use mass media sources, while those with lower risk tolerance (e.g. Japanese travellers) tended to seek information from channel members (e.g. travel agents). Although it is not the purpose of this study to conduct cross-cultural research concerning online travel consumer behaviour, it highlights the significance of exploring the impacts of information on travel decision making, particularly from a cultural perspective.

This section critically reviewed the factors influencing online travel purchase intention. With the increasing importance of online sales for travel and tourism products, it is imperative to develop a better understanding of the behaviour of online travel consumers. Previous research mainly focused on the influence of individual characteristics such as demographic profiles on information search and product purchasing intention. The impacts of social factors such as trust and culture have not been adequately addressed. The following sections will highlight the importance and influence of trust on online purchasing intention, examine the antecedents of trust, and discuss how trust can be built online accordingly.

3.4 THE INFLUENCE OF TRUST ON ONLINE PRCHASE INTENTION

3.4.1 The role of trust in online environment

Trust is a highly complex and multi-dimensional phenomenon (Lewis & Weigert, 1985; Butler, 1991). Its importance in interpersonal and commercial relationships is evidenced by numerous research efforts within the various disciplines such as social psychology (Lindskold, 1978; Lewicki & Bunker, 1995), Sociology (Strub & Briest, 1976; Lewis & Weigert, 1985), economics (Dasgupta, 1988; Williamson, 1991), and marketing (Dwyer *et al.*, 1987; Moorman *et al.*, 1992; 1993; Ganesan, 1994). Particularly, a large stream of literature has emphasized the role of trust as being central to the success of

consumer relationship building in all contexts of relationship exchange (Dwyer *et al.,* 1987; Achrol, 1991; Morgan & Hunt, 1994).

Trust is prerequisite of many business interactions (Dasgupta, 1988; Moorman *et al.,* 1992; Kumar *et al.,* 1995) because it reduces the uncertainty that is created by dependency on others (Deutsch, 1958; Luhmann, 1979). Trust deals with the belief that the trusted party will fulfill its commitments (Rotter, 1971; Luhmann, 1979) despite the trusting party's dependency and vulnerability (Meyer and Goes, 1988; Roussean *et al*, 1998). In other words, trust creates the social environment in which business can function (Luhmann, 1979; Lewis and Weigert, 1985).

Trust is generally important in the adoption of new technologies (Fukuyama, 1995), including the web (Gefen, 1997) and e-commerce (Gefen, 2000). Palmer *et al.* (2000) argue that building consumer trust in e-vendor is essential for the growth of B2C e-commerce. On the other hand, lack of trust in e-vendor deters consumer adoption of e-commerce (Bhattacherjee, 2002). It can be argued that trust is considered as one of the most important success criteria determining online business turnover, as "currency of the Internet" (Urban et al., 2000).

Trust, in a broad sense, is the belief that other people will react in predictable ways (Luhmann, 1979). Trust is crucial because people need to control, or at least feel that they understand the environment in which they live and interact.

However, it is not easy for people to completely understand this complex society or to know what to expect from others because other individuals are independent agents whose behaviour and intentions cannot be controlled or may not be predictable.

Faced with such overpowering social uncertainty on the one hand, and the need to understand the social environment in order to interact on a rational basis with other individuals, on the other hand, people are forced to trust in others. People have to trust because they are never in possession of the full facts of any situation. Indeed, in a world without trust, risk is unmanageable and would mean collapse at the individual level of psychological maintenance, and collapse at the societal level of interaction.

In the context of EC, trust is further promoted due to a lack of: physical proximity, non-verbal cues, common legal regulation, and limited knowledge of the parties involved (Clarke, 2002). The physical distance between two parties usually leads to a low trust level (Henning-Thurau and Hansen, 2000), which is often in the context of online environment. Moreover, press releases reporting misuse of credit cards, organized crime and fraud in the Internet have made many customers more wary of the Internet. Thus, for the potential customers, a situation where they wish to request information from an e-vendor or even purchase products or services contains an element of uncertainty and risk. As a result, trust plays a central role because the greater the uncertainty for the

customer, the more important trust becomes (Gronroos, 1994).

As a relatively new form of commercial channel, online purchase implies more uncertainty and risk than traditional shopping. Most of Internet shops are less well known to customers. Moreover, customers cannot physically check the quality of products before making purchase, or monitor the safety and security of sending personal and financial information (e.g., credit card numbers') through the Internet to a party whose behaviours and motives may be hard to predict. Therefore, the importance of trust in EC cannot be overestimated. Many studies have identified the building of trust as a fundamental and yet unresolved issue in the development of Internet shopping (Ratnasingham, 1998; Hoffman et al., 1999).

Although the importance of trust is widely recognized, there is widespread disagreement about its definition. Mayer et al. (1995) identified some major issues that summarize the root of this disagreement:

● Confusing trust with its antecedents and outcomes

● Failing to clearly understand the relationship between trust and risk

● Failing to consider both the trusting party and the party to be trusted

Most researchers have identified trust according to their specific disciplinary perspective. For example, psychologists conceptualized trust as a belief, expectancy, or feeling rooted in the personality and originating in the individual's

early psychological development, and thus defined trust as tendency to trust others (Rotter, 1971). Sociologists conceptualized trust mainly as a phenomenon within and between institutions, and as the trust individuals put in those institutions, and thus defined trust as characteristics of the institutional environment. Social psychologists conceptualized trust in terms of the expectations and willingness of the trusting party in a transaction, the risks associated with acting on such expectations, and the contextual factors that either enhance or inhibit the development and maintenance of that trust.

Trust has been conceptualized by previous research in a variety of ways, both theoretically and operationally, and researchers have long acknowledged the confusion in this field (Lewis and Weigert, 1985; McKnight *et al.*, 1998). Researchers view trust as:

(1) a set of specific belief dealing primarily with the integrity, benevolence, and competence of another party (Giffin, 1967; Larzeleve and Huston, 1980; Ganeasen, 1994; Donney and Cannon, 1997).

(2) a general belief that another party can be trusted (Moorman *et al.*, 1992; Hosmer, 1995; Gefen, 2000), sometimes also called trusting intentions (McKnight *et al.*, 1998) or "the willingness of a party to be vulnerable to the action of another" (Mayer *et al.*, 1995).

(3) Affect reflected in "feeling of confidence and security in the caring response" of the other party (Rempel *et al.*, 1985).

(4) A combination of these elements.

Some researchers have combined the first two conceptualizations into one construct (Donney and Cannon, 1997). Other researchers have split the first two conceptualizations, suggesting the specific beliefs as antecedents to the general beliefs (Mayer *et al.*, 1995; Jarvenppa and Tractinsky, 1999; Mayer and Davis, 1999), sometimes naming the specific process beliefs as trustworthiness (Jarvenppa and Tractinsky, 1999) and sometimes conceptualizing the specific beliefs as antecedents to trusting intentions (McKnight *et al.,* 1998). The latter stream of work, which is an effort to remove some confusion in the trust field, is based on the social psychology (specifically, the theory of reasoned action (TRA), Fishbein and Azjen, 1975) that has a long tradition of separating beliefs from intended behaviour.

The same diversity of trust conceptualization is also evidenced in the context of EC. Trust has been conceptualized as general belief in an e-vendor that results in behavioural intentions (Gefen, 2000); as a combination of trustworthiness, integrity, and benevolence of e-vendor that increase behavioural intentions through reduced risk among potential but inexperienced customers (Jarvenppa and Tractinsky, 1999); as a belief in integrity, benevolence, and competence that leads to a general belief in trust (Jarvenppa *et al.*, 1998); or as specific beliefs in integrity, benevolence and competence that leads to trusting intentions (Mcknight *et al.*, 2002).

For the purpose of this study, trust is defined as a *psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behaviours of another under conditions of risk and interdependence* (Rousseau et al., 1998: 395). As for dimensionality, this study supports the findings of two recent comprehensive literature studies conducted by McKnight *et al.*, (2002) and Chen and Dhillion (2003). These authors suggest that *competence, benevolence*, and *integrity* are the most important elements in establishing the dimension of trust. After reviewing the significance and definition of trust, the focus will move to the antecedents of trust examining how trust can emerge in order to design internet strategies accordingly.

3.4.2 Antecedents of trust

According to previous research, a number of trust antecedents have been identified which include: knowledge-based trust, cognition-based trust, calculative-based trust, personality-based trust and institution-based trust, Each antecedent will be discussed as below:

Knowledge-based trust

Familiarity refers to experience with the "what, who, how, and when" of what is happening. While trust reduces social complexity relating to future activities of the other party, familiarity reduces social uncertainty through increased understanding of what is happening in the present (Luhmann,1979). According

to Luhmann (1979), familiarity builds trust because it creates an appropriate context to interpret the behaviour of the trusted party.

Knowledge-based trust antecedent such as familiarity with the e-vendor suggest that trust develops over time with the accumulation of trust-relevant knowledge resulting from experience with the other party. (Holmes, 1991; Lewicke and Bunker, 1995) With a trustworthy e-vendor, familiarity lessens confusion about the web site procedures and, in doing so, reduces the possibility that the potential customers mistakenly sense that he or she is being taken advantage of (Gefen, 2000).

Cognition-based trust

Cognition-based trust literature posits that trust may form quickly (before parties have meaningful information about each other) because of certain reason such as reputation. This view examines how trust is built on first impressions rather than through experiential interactions (Brewer and Silver, 1978; Mayerson *et al.*, 1996). In an effort to gain some personal control in an uncertain situation, individual will assess a person's trustworthiness (Langer, 1975) by observing cues that might confirm this person's trustworthiness (McKnight *et al.,* 1998). The mere process of observing, even in the absence of any evidence, tends to over-inflate trust beliefs (Davis and Kotterson, 1994). For example, potential customers interact with e-vendor, which involves, to some extent, evaluation of the information provided by particular website. This kind of trust mostly relates

to trust formation in the absence of first-hand experience with the trusted party (McKnight et al., 1998).

Calculative-based trust

According to calculative-based trust literature, trust can be developed by rational assessment of the costs and benefits of another party cheating or cooperation in the relationship (Dasgapta, 1988; Coleman, 1990; Shapiro *et al.*, 1992; Willamson, 1993; Lewicki and Bunker, 1995). Trust in this view is derived from an economic analysis occurring in an ongoing relationship, namely that is not worthwhile for the other party to engage in opportunistic behaviour (Willamson, 1993; Doney *et al.,* 1998). In the context of e-commerce, potential customers are likely to trust an e-vendor more when they believe that the e-vendor has more to lose than to gain by cheating or has nothing to gain by breaking customer trust.

Personality-based trust

Personality-based trust or disposition to trust refers to the tendency to believe in others and so trust them (Farris *et al.*, 1973; Mayer *et al.*,1995; McKnight *et al.,*1998). Disposition to trust does not necessarily imply that one believes that the other party to be trustworthy. Whatever the reason, one tends to be willing to depend on others. People may grow up with a disposition to trust or may develop it later in life (Eriskon, 1968). Disposition to trust is an enduring and personal characteristic that may be embodied in culture.

Two types of personality-based trust proposed in the literature are faith in humanity and faith in general others. Faith in humanity means that one assumes others are usually competent, benevolent, honest, and predictable (Rosenberg, 1957). For example, if someone is going to drown, he or she trusts that nonspecific others would come to his/her aid if this person has high faith in humanity (Mayer *et al.*, 1995). Those with high faith in humanity tend to be less judgmental or critical of others upfront and are usually more tolerant of their mistakes. Likewise, an individual with high faith in humanity tends to believe that an e-vendor is trustworthy. Faith in general others means that, regardless of what one assumes about others generally, one assumes that the other party will achieve better outcomes by dealing with people as though they are well-meaning and reliable (Riker, 1971; McKnight *et al.,* 1998). Therefore, trusting others is like a personal choice or strategy to trust others. Specifically, faith in humanity is about attributes of general others; faith in general others is a personal approach to dealing with others. For example, a potential customer with faith in general others is likely to trust an e-vendor, whether or not they have worthy characteristics, until they proves him/her wrong.

In novel situations such as purchasing from unknown or unfamiliar brands, people tends to rely on their general disposition to trust (Johnson-George and Swap, 1982). Disposition to trust will affect trust in a specific other (interpersonal trust), but only when novel situation arise in which the other party and the situation are unfamiliar (Johnson-George and Swap,1982). Internet

shopping, to some extent, is novel to some customers, which means disposition to trust is likely to influence trust in the e-vendor (Gefen, 2000). Personality-based trust is argued to be significant because any consideration of consumer trust in Internet shopping which did not examine the disposition to trust, a personality trait of the potential customer, would be quite inadequate. (Mcknight *et al.,* 2002)

Institution-based trust

Institution-based trust means one believes that favourable conditions are in place that is conductive to situational success (Luhmann, 1979; Lewis and Weigert, 1985; Shapiro, 1987). The two types of institution-based trust discussed in the literature are situational normality and structural assurances (Mcknight *et al.*, 1998).

Situational normality mean one believes that the environment is in proper order and success is likely because the situation is normal or favourable (Lewis and Weigert, 1985; Baier, 1986). For example, bricks and mortar stores that look like a store, with salespeople who look like salespeople, build customer trust, while stores that do not look that way erode customer trust. This is because an individual's trust disappears when a situation is not normal (McKnight *et al.,* 1998). In other words, people tend to extend greater trust when the nature of interaction is in accordance with what they consider to be typical and thus, anticipated. This is in line with the perspective of sociologists, such as Balu

(1964) and Luhmann (1979), who view trust as the product of fulfilled expectations. In the context of the Internet shopping, if a web site presents what customers expect based on their experience and knowledge of other similar web sites, they will be more likely to trust that particular web site.

Structural assurances means one believes that structure like guarantee, regulations, promises, legal resource, or other procedures are in place to promote success (Zucker, 1986; Shapiro, 1987). According to this view, structural assurance built into the web site, such as the TRUSTe- seal of eTrust, should build trust (Gefen, 1997). The use of such a digital seal in a company's web site provides a fair amount of trust for the ordinary customers (Gritzalis and Gritzalis, 2001), which also provides a way for many unknown online company to start earning trust. After reviewing the antecedents of trust, the focus will move to examine the research findings of previous studies on factors influencing online trust.

3.4.3 Factors influencing online trust: Academic research

Lohse and Spiller (1998) conducted a report aiming to predict website traffic and sales as a function of interface design features (e.g., the number of products, link in the website, search modes). These design features are grouped according to four marketing attributes identified by Lindquist (1975), including merchandise, service, promotion and convenience. The results suggest that traffic and sales can be positively affected by improving browsing

and navigational features of commercial websites. Detailed product description and presentation were also found to have a great effect on sales. It can be argued, however, that the approach adopted by Lohse and Spiller (1998) lacks scientific rigour, as evidenced as the selection of design factors was subjectively made by the authors and distributed into an existing marketing classification. In addition, no distinction was made in terms of the qualitative properties of the interface features, such as information versus graphics. The findings reported in this study stem from a purely empirical approach without any theoretical backup, which has serious implications for their validity and generalisability.

Kim (1997) introduces a more conceptual approach by distinguishing the user interface, which is more concerned with ease of learning and ease of use, and the customer interface, which should provide a pleasant shopping environment. There is no doubt that the interface of commercial website should attract customers, thereby converting them into potential customers. Kim (1997) puts forward a research framework that outlines variables to take into account when designing interface of commercial websites. He identifies four dimensions of customer interface design:

1. Graphical design refers to the graphical presentation of the site's architecture, use of logos, colour, layout, etc. It is then assumed that different graphical elements can have crucial effect on the feelings of consumers .

2. Structural design refers to the way knowledge of domain is organized in the online shop, which should be in accordance with the consumers' mental model of the domain. This is especially important in the case of product categorization.

3. Navigation design refers to the site's architecture and design aspects that minimize users cost while navigating the site, such as, e.g., user support in the form of search engines.

4. Content design refers to the type and scope of information provided about products and services. This information, Kim (1997) argues, should be appropriate for consumers to assess whether product is worth purchasing.

Kim and Moon (1998) further conducted a study to investigate precisely which graphical design elements were most likely to communicate trustworthiness in the interface of online banking websites. This study focused exclusively on the impact of visual design features on the feeling of trustworthiness, at the expense of the information content. The results indicate that the interface of online banking website induce more trust if it contains more images that is 3D, dynamic, and covers half of the total screen size and the main colours are pastel and of low brightness. This, they argue, would support the hypothesis that manipulating visual design of interface can affect its experienced trustworthiness. The focus on graphic alone is surprising as Kim (1997) acknowledges the importance of content design in the classification he had proposed one year earlier. It can be argued that a more holistic approach to the design of trustworthiness into user interface would yield more valid results.

Javenpaa *et al.* (1999) investigated the impacts of national culture on consumer trust in e-commerce. The study was initially carried out in Australia, later replicated in Israel and Finland. The focus was on initial trust rather on trust developing over time. The assumption was that people from individualistic countries have a greater pre-disposition to trust. An individualist country, defined by Hofstede (1980), is one where relationship between individual are loose, mostly taking care of themselves and their close relatives. These people, according to their prediction, may trust impersonal e-commerce sites more easily than people from collectivist countries. A collectivist country is one where individuals are part of the group in which they give protection in exchange for loyalty. For this reason, collectivists are more likely to trust a network of people and therefore are more risk-adverse outside their trusted group (Hofstede, 1980). However, the authors indicate no cultural antecedents regarding the antecedents of trust. Limitations include sampling biases and that the study did not take into account bias such as the site's aesthetics, language and usability. Moreover, no similar research has been replicated in Asian countries, which are mainly considered to be collectivist societies. It is necessary, therefore, to examine how trust varies according to cultural background within a wider geographical boundry.

Javenpaa et al. (2000) conducted a study in which consumers recognized differences in size and reputation among online companies, which influenced their judgment of trustworthiness and perception of risk. The finding indicated

that trust was positively affected by lower perceived risk, larger company size and strong reputation. Company size is used as an indication that the company has conducted business successfully and will delivery its promises. Large company size suggests that the sellers have necessary resources to provide customers, and can assume risk if something goes wrong, can offer compensation to its customers. In other word, large companies have invested more in their business and therefore have more to lose than smaller companies (Doney & Cannon, 1997). Reputation can be defined as the extent to which consumers believe the company is honest and concerned about its customers (Rempel *et al.*, 1985; Doney & Cannon, 1997). Reputation is an asset that requires a long-term investment of resources, effort and attention to customer relationship. As a result, such companies seem unlikely to jeopardize their reputation by acting in an opportunistic way to secure short-term benefits. Javenpaa *et al. (*2000) conclude that a company's size is more important when buying high-risk products like airline tickets than low-risk product like books. One should bear in mind that their sample consisted of MBA students in their early 20s who were frequent users of the Internet, and therefore should be careful while generalizing this finding to other customer segments.

Fogg and Tseng (1999) investigate this subject more analytically by discussing the interrelations between computer credibility, expertise and trustworthiness. They put forward a more holistic approach as they argue that the user's evaluation of trustworthiness and credibility is determined by both interface

design features and psychological factors represented the entity behind the system. Fogg et al. (2001) present a result from an online survey about what design features are likely to increase the credibility of trustworthiness. According to their findings, the website should convey a real-world presence, by showing the physical address or showing the photographs of the staff. In addition, professional design, frequent updates and ease of use all contribute to a site's credibility. On the other hand, small typographical errors and long download time can reduce the credibility of a website. It should be noted that this study used self-selected sample from only two countries (US and Finland) and that attitude not actual behaviour is measured. The same group from Stanford University (Fogg *et al.,* 2001) suggests that credibility and trust are similar, but not identical constructs. Their research framework stipulates that perceived trustworthiness and perceived expertise result in perceived credibility. A large quantitative survey by Fogg *et al.* (2001) using questionnaire identified five main factors that increase the credibility of a website: real-world feel, ease of use, expertise, trustworthiness, and tailoring. On the other hand, commercial implications (e.g. advertisements) are found to significantly decrease the credibility of a website. In addition to the academic studies, it is important to also consider commercially-reported reports on the topic of trust as they tend to be more reactive and concrete with respect to consumer behaviour and web design.

3.4.4 Factors influencing online trust: Industry reports

One of the early industry reports on trust in e-commerce was produced by Cheskin Research (1999). Although trust develops over time, the authors argue the trustworthiness can be communicated at the very outset of the interaction. Through questionnaire survey, site reviews, and interview with experts, the authors identified six major factors which communicate trustworthiness, namely: brand, navigation, fulfillment, presentation, technology, as well as seals of approval. Brand refers to the importance of a company's reputation in the choice to do business with. Navigation refers to the ease of finding information needed. Fulfillment refers to the process customer experience from the initial visit throughout the transaction. Presentation refers to the way in which the appearance and behaviour of the website communicate meaningful information. Technology refers to the way in which the site functions. Seals of approval refer to the symbols that present the companies specializing in assuring the safety of online sites. This report suggested that combining effective navigation and strong brand is the best way of communicating trustworthiness. Branding is to the product or company as reputation is to the person. It would, however, be inaccurate to restrict branding to a company's visual identify, such as its logo and colour scheme. Rather, one should think of branding as affecting factor at all touching point between a customer and a company, no matter on- or offline. It is therefore important to project an image that is consistent across different media. Creating brand awareness means making the company and its name known to customers in a way that differentiates them from competitors. For

example, TV ads and online banners are often used for indirect message. Knowing about a brand is certainly not as powerful as experiencing it, and therefore it is important that direct experience is employed to create an emotional association with a brand, by creating a memorable, enjoyable shopping experience.

As for a new company with no existing brand, the report suggested that strong navigation, effective fulfillment can lead to satisfaction which contributes to communicating trustworthiness. This report also suggested that US respondents indicated that web-based seal of approval contribute to trustworthiness. In addition, it was found that that most trusted websites are well-known classical brands. This can be explained by the reputation of, and experience with, these brands offline. On the other hand, the least trusted websites are web-only business. It is noted that web-only privacy and security seals are perceived trustworthy only by people who know them. In other word, customers should trust the third party and its seals in the first place. Strangely enough, familiar brand of credit card companies, such as Visa and MasterCard, are less of indicator of trustworthiness than web-only third party like VeriSign. Given that the participants in this report are all Americans, it is unlikely that the same applies in other parts of the world.

The international validity of these results were later investigated in a report by Cheskin Research (2000) entitled "Trust in a wired America". The result indicates that the VISA brand was most trusted in Latin America while TRUSTe was most trusted in the US. The authors suggest that cultural difference requires different strategies to minimize risk and increase trust. Interestingly, US consumers and Brazilians were found to be more cynical about the ability of government and hackers to get hold of the personal information than Spanish-speaking Latin Americans.

In 2000, the Nielsen Norman Group also published a report on trust as part of their E-Commerce user experience series. The definition of trust they used was "the person's willingness to invest time, money, and personal data in an e-commerce site in return for goods and services that meets their certain expectations". In their user trials, they tested 64 users (Americans and Europeans) on 20 e-commerce sites. The findings suggest that consumers want to have very detail information about the company and the products they offer, if possible, with objectives reviews. Privacy and return policy written clearly were greatly appreciated by the participants. In addition, website design was also found to be important in terms of increasing trust. Spelling mistakes, long download time and error message are indicated to lead to dissatisfaction. As far as ordering is concerned, consumers demand a secure connection or alternative means of ordering. The report also suggested that the users consider it is important to have easy access to company representatives.

In conclusion, this section reviews trust-related literature and reports showing how initial trust is generated and what factors influencing it as well as how web site can be designed accordingly. The content of this section can be considered in conjunction with the website features discussed in section 2.5 to better understand the relative significance of website attributes in terms of building online trust for purchasing travel products in particular. The focus of the study now moves to the influence of culture, which is argued to fundamentally influence attitudes and behaviour of individual in any specific society. More specifically, culture affects consumer behaviour, ways of purchasing and feeling towards e-commerce. The role of culture and its implications on purchasing intention will be examined in the following section.

3.5 THE INFLUENCE OF CULTURE ON ONLINE PURCHASING INTENTION

3.5.1 The role of culture

Culture, the accumulation of shared meanings, norms and traditions among members of an ongoing society, is the collective programming of the mind which distinguishes members of one group or society from those of another (Solomon,1996). Kluckhohn (1954) has described culture as a society's historically driven "patterned ways of thinking, feeling, and reacting", while Hofstede (2001) has noted that culture is to a human collectivity what personality is to an individual. Although such cultural stereotypes are doubted

by some researchers (e.g., Dann,1993), who questioned whether any national stereotype can be meaningful given increased telecommunications and interactions influencing the convergence of cultural values, many studies support culture as one of the many forces influencing consumer decision making (Pizam and Sussman, 1995; You *et al.*, 2000; Mykletun *et al.*, 2001).

Culture has been used as a general theory (Clark, 2002) to explain differences in marketing management decision-making (Tse *et al.*, 1988), global brand image strategies (Roth, 1995), and effectiveness of emotional appealing in advertising (Aaker and Williams, 1998). It has also been shown to influence consumer innovativeness (Steenkamp *et al.*, 1999), new product development activity (Nakata and Sivakumar, 1996), word-of-mouth behaviour in industrial services (Money *et al.,* 1998), and consumer behaviour in tourism (Pizam and Reichel, 1996).

Despite the importance of the topic and increasingly international nature of tourism, very little research has studied how national culture influences the information search process as well as purchasing intention (Gursoy and Chen, 2000; Litvin et al., 2004; Webster,1992). It is imperative to know if national culture traits influence the search process and if consumers in certain countries have different approaches on their search behaviour and, subsequently, their eventual decisions and purchase. Besides, given the important role of the Internet, it is important to investigating if people in different cultures behave

differently in terms of the perceptions of online shopping.

3.5.2 The culture model

Philosophers and psychologists have tried to measure and compare cultures by creating models that consist of a number of cultural dimensions. The most widely-utilized dimensions of culture are the one proposed by Hofstede (1980), whose landmark study has proved to be the most robust and useful and has served as the base from which other dimensional approaches evolved (example for such framework see Schwartz, 1994). He introduced a three-level pyramid of human mental programming, with "common human nature" at the bottom being inherited, "culture" in the middle being learned, and "individual characteristics" in the top being inherited/learned. This was followed by his earlier interviews with IBM employees across 53 different countries during 1967-1973. Hofstede identified four dimensions of basic cultural values, and a fifth was added sometime later to more fully account for Asian cultural differences (Hofstede, 1991). These dimensions are as follows:

1. Power distance: power distance refers to the degree to which members of a society automatically accept a hierarchical or unequal of power in organization and the society. Societies high in power distance, such as Mexico and India, accept differences in power and wealth more readily than societies low in power distance. In low power distance societies such as Canada and the U.S, there is a tendency to maintain a philosophy of equal rights for all, without acquiescence to those in power (Hofstede, 1991).

2. Individualism vs. collectivism: In individualist societies, such as Great Britain, the U.S. and Canada, individuals are expected to consider personal interests over interests of the group and individual decision-making is valued. On the other hand, collectivist societies, such as Japan and Taiwan, hold group values and beliefs and seek collective interest (Hofstede, 1991).

3. Masculinity vs. Femininity: This dimension refers to gender role within a culture. A culture is masculine when roles are distinctive and such qualities as assertiveness, toughness, and materialism are the dominant qualities. Some societies believe to be high in masculinity are Italy and Germany. As opposed to the feminine cultures where the roles are overlapping, and qualities such as modesty, softness, and family orientation are dominant (e.g. Sweden and Spain).

4. Uncertainty avoidance: uncertainty avoidance refers to the degree to which members of a given society deal with the uncertainty and risk of everyday life and prefer to work with long-term acquaintances and friends rather than strangers. Societies low on this dimension work to meet basic needs, are tolerant of various behaviours, and feel relatively secure. Examples include the US and Canada. In contrast, societies anxious over the future, actively avoid risk and devise means, such as technologies, laws, and social plans, to create a sense of control have high uncertainty avoidance. Some countries with high uncertainty avoidance are Greece and Portugal (Hofstede, 1991).

5. Short-term vs. long-term orientation: This dimension weighs the influence of tradition against progress. In some Asian cultures, government and business are modeled based on family values and hierarchies. Also, other elements, such as religion may be crucial factors. (Hofstede, 1991).

According to findings from previous studies, Asian societies, for example, tend to score high in collectivism and power distance and maintain a long-term orientation, but are mixed in terms of masculinity and uncertainty avoidance. Conversely, Western cultures tend to score low on uncertainty avoidance and power distance and generally individualistic and short-term oriented, with mixed score for masculinity.

3.5.3 Cultural impacts on information search and purchase intention

As mentioned earlier, the influence of culture on information searching behaviour has received limited attention with most work conducted in using traditional channels, not online channels, as information search mediums. As far as travel and tourism literature is concerned, very little study was found regarding how certain cultural dimension affected travellers' decision in choosing the Internet as information search tool (Gursoy and Chen, 2000' Chen and Gursoy, 2000). Whether national culture traits influence the search process or consumers in certain countries have different approaches on their search preferences and, subsequently, their eventual decisions and purchases is also under researched.

The specific dimensions of culture examined in this study are individualism versus collectivism and uncertainty avoidance. It is argued that these two dimensions are shown to influence information search behaviour in general (Milner *et al.,* 1993; Dawar *et al.*, 1996) and fit the purpose of this study in particular.

Individualism versus collectivism

According to Milner *et al.* (1993), members of individualist cultures behave differently as consumers from those in collectivist cultures, exhibiting different thought processes, value systems and behaviours throughout the purchase decision process. This cultural dimension has been shown to be salient in consumer search behavior, especially the information sources they rely on. Chen (2000) examined the unique preferences for external information resources used by Japanese, South Korean and Australian visitors to the US. The findings indicated that visitors from highly collectivistic Japanese and Korean societies relied heavily on tour companies, travel guides and advice from friends and family members; while visitors from the individualistic Australian society preferred gaining information directly from the airlines and US state/city travel offices.

Another notable difference between individualism and collectivism is the degree of interdependence a society maintains among individuals. As mentioned earlier, individualism reflects a preference for a loosely-knit social framework in

society where individuals are expected to have a primary focus on the care of self and one's immediate family. Conversely, collectivists have a preference for a tightly knit social framework in which members in exchange for trust and loyalty. More specially, people in collectivist society tend to participant in more in-group activities, are more concerned with in-group interests and feel compelled to conform to in-group opinions (Hui and Triandis, 1986). It is, therefore, reasonable to argue that reference group plays a vital role in the information search and decision making of collectivist society where people are adhere more to social norms, and their closely knit family structure and ties have significant influence on their decision.

Reference groups are defined as social groups that are important to people and against which he or she compares him or herself in forming attitudes and behaviour (Escalas and Bettman, 2003). Reference groups are found to be a major source of personal norms, attitudes, and values through direct interactions (Kemper, 1968; Park and Lessig, 1977), which was empirically confirmed and supported by numerous studies in marketing, psychology, and sociology (Lessig and Park, 1978; Childers and Rao, 1992; Leigh and Gabel, 1992; Mehta *et al.,* 2001). For example, reference groups with high credibility, such as those having presumed experience (e.g., travel agents), often serve as sources of information-based influence for uncertain and uninformed consumers (Childers and Rao, 1992), whereas family and peers tend to be sources for value-expressive products, such as hand bags (Johar and Sirgy,

1991). Mehta *et al.* (2001) investigated the relationship between consumers' susceptibility to reference group influence and the perceived risk of services on consumer behaviour for four service categories (i.e. fine dining, beauty care service services, haircut, and dental care services). Findings of the study suggested family has significant influence on purchase decision, and concluded that the findings are especially common in Asian societies, where consumers are less individualistic and adhere more to social norms, and where their close-knit family structure and ties play crucial role on their decision-making process.

Uncertainty avoidance

Another cultural dimension employed in this study is Hofstede's uncertainty avoidance. Hofstede (1980) suggests that some cultural dimensions are more influential than others in specific situation. In particular, he noted that uncertainty avoidance is potentially the most significant cultural dimensions in international settings due to its relationship to tolerances for risk, a major concern for international travellers (Yavas, 1990). Indeed, uncertainty avoidance has been shown to influence differences among cultures in external search behaviour (Dawar *et al.*, 1996).

Uncertainty avoidance reflects the degree of comfort members of a cultural feel in unfamiliar or unstructured situations and the extent to which a society try to control the uncontrollable (Hofstede, 2001). Specifically, societies high in

uncertainty avoidance are not comfortable with unstructured situations. They prize structure; they feel threatened by the unknown and the ambiguous. On the other hand, low uncertainty avoidance cultures are likely to take more risk than high uncertainty cultures.

The relationship between uncertainty avoidance and purchasing intention can be explained in terms of two perspectives – risk aversion and planning. Consumers engage in search behaviour to minimize the five types of risk in related to purchase decision: monetary (losing or wasting money), functional (does not meet the need), physical (personal illness or injury), social (is unfashionable or lowers status) and psychological (damage self-esteem) (Solomon, 1999). The findings from Dawar *et al.* (1996) suggested that uncertainty avoidance has been shown to influence consumer external search behavior, and can be used to explain their intention to minimize the risk involved.

As far as the travel and tourism literature is concerned, very few studies investigated the influence of uncertainty avoidance in decision making process. Money (2000) suggests that the Japanese firms (a high uncertainty avoidance culture) use more word-of-mouth search in sourcing their corporate travel services when compared to American firms. This may be explained by the influence of social ties in group decision-making (Brown and Reingen, 1987). It is also reasonable to argue that individual in high uncertainty avoidance

cultures tend to plan their trips longer in advance and make reservations (specifically, airlines) earlier than consumers in medium uncertainty culture in order to minimize risk associated with future travel. It seems that the influence of reference group (family, friends, peers) has again proven to be important in terms of uncertain avoidance, especially in high uncertainty avoidance culture such as Japan where social ties is argued to have great influence in individual decision making. After reviewing the dimensions of cultural model associated with online information search and purchasing, the relationship between culture and website design will be examined.

3.5.4 Culture and website design

Effective website design engages and attracts online customers (Hoffman and Novak, 1996; Agarwal and Venkatesh, 2002; Fogg *et al.,* 2002). Design elements often considered include architecture of the information, familiarity of metaphors, transparency of terminology, ease of access, and level to which the site is customer-centric (Egger, 2001).

According to Gommans *et al* (2001:.51), "*A website has to be designed for a targeted customer segment…local adaptation should be based on a complete understanding of a consumer's culture*". Barber and Badre (2001) refer to the meaning of culture as "culturability", when culture elements are considered in website design and are expected to directly affect the way a user interacts with the site. Singh *et al* (2003) conduct content analysis of 40 American-based

companies to compare their domestic and Chinese websites. Significant differences in cultural characteristics were found for all major categories tested. The author concluded that the web is not a culturally neutral medium.

Some research in which design characteristics such as colour and screen images were considered across cultures did find different user preferences (Del Galdo and Nielsen, 1996; Marcus and Gould, 2000). In other research, results have been mixed with no systematic design preferences determined across cultures (Barber and Badre, 2001). They tested Italian participants using Italian design and found preferences for navigation, but not colour. In the same study, there were no significant differences uncovered as a result of varying cultural characteristics for Americans. In contrast, Cyr and Trevor-Smith (2004) examine design elements using 30 municipal websites in Germany, Japan, and the US Design elements considered were use of symbols and graphics, colour preferences, site features (links, maps, search functions, page layout), language and content. Significant differences were found in each of the listed categories, and suggest distinctive design preferences across cultures.

Understanding the influence of culture in a specific target market should allow marketers to position their travel products more effectively, as cultural trait plays a significant role in consumers' information search and purchasing intention. Therefore, travel and tourism-related study should be considered within a cultural context as suggested by Crotts and Erdmann (2000).

3.6 SUMMARY

This chapter focused on the demand-side issues, including benefits and barriers of using the Internet for purchasing online travel products and factors influencing online travel purchasing intention, with special focus on the impacts of trust and culture as far as this study is concerned. Previous research mainly addresses topics related to the security, privacy, and payment element of increasing online trust. Although these technical issues represent critical factors for increasing online trust, often they lack the examination of social aspects in the topic. As social psychological element, trust depends strongly on individual and cultural factors. Although some studies have examined the websites features influencing online trust, few have linked to social aspects. More specifically, design preferences contributing to the perception of trust from individual and cultural perspectives. Understanding the influence of trust and culture on purchasing intention should allow marketers to better design online travel websites in order to meet customers' need and eventually increase online travel sales.

The next chapter presents the conceptual framework employed in the study, based on the significant factors drawn from both demand and supply side. The rational of the factors included is examined and the relationship between factors is discussed.

CHAPTER FOUR

THE DEVELOPMENT OF A CONCEPTUAL FRAMEWORK

CHAPTER FOUR: THE DEVELOPMENT OF A CONCEPTUAL FRAMEWORK

4.1 INTRODUCTION

Based on a review of the literature, this chapter presents a theoretical framework, referred to as the online travel purchase intention model. Following the application of TRA to online shopping context, the variables from both supply/demand side are posited as key factors influencing online travel purchase intention. Under the concept of SET, the proposed framework integrates additional key factors influencing online travel purchase intention, such as benefit and trust. All key factors are explained and discussed, and their relationship with online travel purchase intention is proposed.

4.2 THEORETICAL BACKGROUND OF CONCEPTUAL FRAMEWORK

The proposed framework is determined by a variety of factors that may affect online trust which, in turn, influences purchase intention and behaviour. Figure 4.1 shows the basic theoretical framework of this study.

Figure4.1 The basic theoretical framework employed in this study
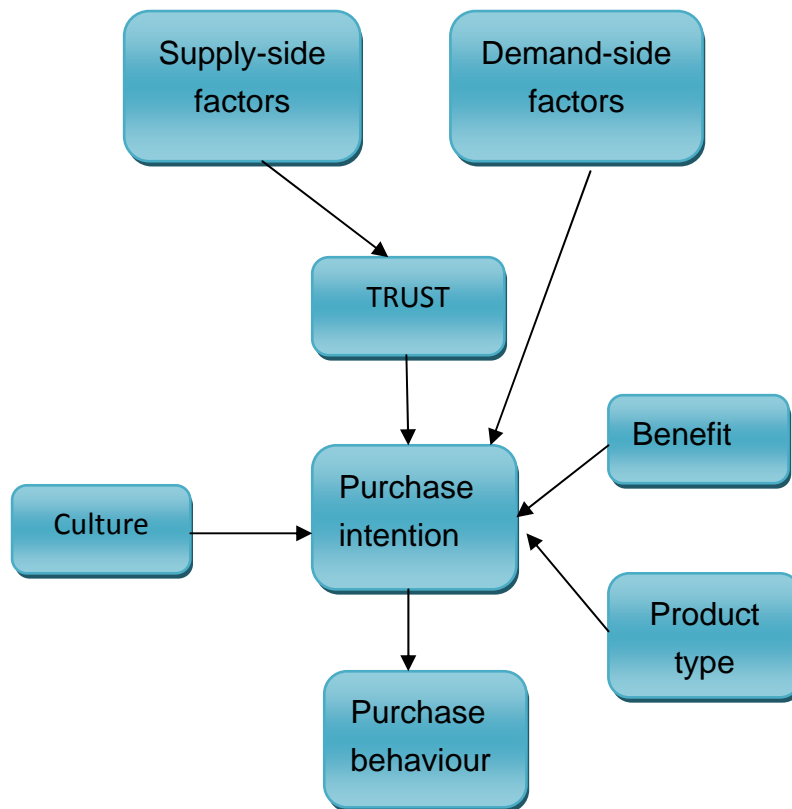
This framework is supported by TRA (Fishbien and Ajzen, 1980), which holds that an individual's behaviour is predicted by his/her behavioural intention. The relationship between intention and behaviour is based on the assumption that individual's attempt to make rational decisions is based on the information available to them. Thus, an individual's behavioural intention to perform (or not to perform) a behaviour is the immediate determinant of that individual's actual

behaviour (Fishbein and Ajzen, 1980). This intention-behaviour relationship is supported by a wide variety of literature (Hasen *et al.,* 2004; Shih, 2004; Vijayasarathy, 2004; Westaby, 2005).

This framework emphasizes the role of trust, arguably a crucial factor in many of the economic activities that can involve undesirable opportunistic behavior (Luhmann, 1979; Williamson, 1987; Fukuyama, 1995). This is even more the case with online purchase because the limited web interface does not allow consumers to judge whether an online company is trustworthy as in a typical, face-to-face interaction (Reichheld and Schefter, 2000). The prominence of trust in this relationship can be explained through SET (Homans, 1961; Kelley and Thibaut, 1978; Kelley, 1979). In essence, SET views interactions in a similar manner to economic exchange: being composed of costs paid and rewards received. As in an economic exchange, individuals take part in an activity only if the outcome from it is satisfactory, i.e., if their perceived subjective expected rewards exceed their subjective costs (Homans, 1960; Blau, 1964) or at least satisfy their expectations and exceed their alternative investments (Thibaut and Kelley, 1959). Unlike an economic exchange, however, a social exchange deals with situations where there is no explicit or detailed contract binding the party or when the contract is insufficient to provide a complete legal protection to all of the parties involved. Thus, because rewards cannot be guaranteed in a social exchange, trust is essential and determines individual's expectation from the relationship (Blau, 1964; Luhmann, 1979;

Lewis and Weigert, 1985). Trust increases the perceived certainty concerning other individuals' expected behaviour (Luhmann, 1979) and reduces the fear of being exploited (Zard, 1972), especially when the social exchange involves costs invested in exchange for expected future unguaranteed rewards (Kelley, 1979), as in the case of online purchase.

4.3 COMPONENTS OF THE CONCEPTUAL FRAMEWORK

This framework is not all-embracing in that it does not attempt to capture every possible factor influencing online travel purchase intention. It is, however, focused on capturing the most significant factors, derived from different lines of previous research, and presenting them as an integrated framework that can provide direction for empirical testing. Since all of the key factors have been extensively discussed in literature review, it is therefore not the purpose of this section to further discuss the significance of each factor, but instead to evaluate the rationale of inclusion of those factors. A comprehensive examination of the literature leads to several relatively exclusive factors as follows:

4.3.1 Supply-side factors

- **Website quality**

  The website is an ambassador for a company on the Internet, and the first impression of the website will be the first impression of the company conducting business on the Internet (Winter *et al.*, 2003; Linggaardet *et al.*,

2006). Previous research has shown a website can convey a sense of a company's trustworthiness to customers (Rhodes, 1998; Egger, 2001), which may in turn help customers to decide whether to make purchase or not (Van der Merne and Bekker, 2003). Because website quality is argued to be crucial to the success of the business (Jeong *et al.,* 2003), many researchers have suggested a variety of features essential to a website. These features can be classified into three categories: website design, functionality and usability. **Website design** is related to the visual appearance of web page. This includes features such as colour, text, layout and pictures. Rhodes (1998) suggested that people tend to trust website that are well-designed. Similarly, Egger (2001) argued attractiveness of a website is one of the main determinants of trust. **Functionality** generally refers to whether the website provides sufficient information about the products and services being promoted (Ghosh, 1997; Huizingh, 2000). Providing information is the fundamental goal of a website (Huizingh, 2000), and is very important factor influencing consumers' purchase intention (Van der Merne and Bekker, 2003). The information provided on the website should be not only sufficient, but also accurate and relevant, as the information quality is argued to be positively associated with consumers' perception towards the website (Jeong and Lambert, 2001; Luo, 2002; Rieh, 2002) and purchase intentions (Reibstein,2002; Park and Kim,2003). **Usability** refers to the ease with which a website can be used, learned and provides satisfaction to its users (Benhanan-Fitch, 2001). In other word, the

ease with which a user can comprehend the required tasks determines the usability of the website (Nielsen, 1993). Previous studies (Oh *et al.,* 2003; Kim and Kim, 2004) showed that the usability of hotel website perceived by first-time visitors significantly affected purchase intention and overall website quality perceptions. Additionally, Flavian et al. (2005) argue that the degree of perceived website usability by the consumers influence the degree of trust on that website. It is therefore can be argued that when the initial look of the website encourages a visit, the usability level of the website makes the visitors stay. The more usable the website, the more user satisfaction and hence trust develops. Based on the arguments above, it is suggested that:

Theme 1A: The relationship between website quality and consumer trust.

- **Website Reputation**

   Reputation is understood as the second-hand rumor that one has positive general traits (McKnight and Cherrany, 2001) or as signaling the experiences of third parties with a potential exchange partner (Picot *et al.,* 2001). The role of reputation to engender trust has been empirically shown in e-commerce (Jarvenpaa and Tractinsky, 1999; Walceuch *et al.,* 2001) as well as B2B marketing (Ganesan, 1994; Doney and Cannon,1997). Additionally, in the economic literature the role of reputation to enhance trust is strongly emphasized (e.g., Williamson,1985).

In online shopping context, reputation has great potential to enhance trust in company selling on the Internet is supported by the observation that customers do not necessarily choose the cheapest offers, but rather make purchase from branded or well-known websites even when these do not offer the lowest price (Smith et al., 2000). The arguments above suggest:

Theme 1B: The relationship between vendor reputation and consumer trust.

4.3.2 Demand-side factors

Apart from supply-side factors, demand-side factors such as individual characteristics and disposition to trust are argued to be crucial factors influencing customers' purchase intention.

- **Individual characteristics** include demographic characteristics, such as age, gender and education, are argued to be associated with consumers' intention toward online purchase (Ratchford *et al.*, 2001; Burke, 2002; Wood, 2002). Internet experience/skill, not surprisingly, has effect on online purchase intention. The more Internet experience consumers gain, the more likely they will adopt online shopping (Bellman *et al.*, 1999; Ratchfore and Talukdar, 2001; Beldona *et al.,* 2003). For example, findings indicate that the greater the number of hours/months/years the users spent online combined with high frequency of Internet usage, the greater is the likelihood of online purchase (Bellman *et al.*, 1999; Weber and Roehl, 1999;

Beldona *et al.*, 2003). Additionally, previous online shopping experience is shown to be positively associated with Internet purchase intentions (Eastlick and Lotz, 1999; Weber and Roehl, 1999). In other word, if previous experience resulted in satisfactory outcomes that were evaluated positively, consumers would therefore be more likely to continue to make purchase online in the future (Shim *et al.*, 2001). Thus, it is suggested that:

Theme 2A: The relationship between individual characteristics and consumer tryst.

- **Disposition to trust**, or trust propensity, refers to a consumer's individual trait that leads to expectations about trustworthiness. An individual's trust propensity is a general inclination to display faith in humanity and to adopt a trusting stance toward others (Gefen, 2000). Hofstede (1980) argue that this trait is dependent on cultural background, personality type, and developmental experiences. Since individuals have different cultural background, personality type, and developmental experiences, they differ in their trust propensity. Disposition to trust is based not upon experience with or knowledge of a specific party, but is instead the result of ongoing lifelong experiences and socialization (Fukuyama, 1995; McKnight *et al.,* 1998). In other word, trust propensity is a personality trait that may be embodied in culture (Hofstede, 1980). Such a disposition is especially important in the initial stage of trust formation (Mayer *et al.*, 1995; McKnight *et al.,* 1998). Later, as individuals interact with the trusted party, this

disposition become of lesser importance as people may be influential by the nature of interaction itself (McKnight *et al.,* 1998). Arguably, trust propensity should be especially important for inexperienced online consumers, since, in the absence of social cues and experience with an online vender (Gefen, 2000; Reichheld and Schefter, 2000), new consumers are likely to base their trust primarily on their socialized disposition to trust (Gefen, 2000). Research suggests, however, that among experienced consumers, this disposition is immaterial (McKnight *et al.*, 2000). According to Mayer (1995), trust propensity moderates the effect of trust attributes on the formation of trust. When deciding whether and how much to trust, consumers look for cues (e.g., trust attributes). Trust propensity magnifies or reduces the signals the cues provide. This moderating effect acts positively in the sense that the higher level of trust propensity, the greater the trust attributes on the formation of trust. Based on the arguments above, it is proposed that:

Theme 2B: The relationship between individual's disposition to trust and consumer trust.

4.3.3 BENEFIT

Benefit generally refers to a consumer's belief about the extent to which he/she will become better off from the online transaction with a specific website. In the online contexts, several benefits are argued to be contributing to online travel purchase intention, such as provision of wider variety of information,

convenience and lower price (Rohmand and Swaminathan, 2004). The Internet has played a crucial role as a source of enormous information. Online users are able to find almost unlimited information, and make purchase conveniently 24hours/7 days a week. In the travel context, websites such as Travelocity and Expedia provide aggregated services (e.g., flight, accommodation and car rental) that are aimed at being an one-stop shopping built around convenience. Apart from provision of information and convenience, lower price is argued to be a critical factor influencing consumer's intention to make purchase online (O'Connor, 2002; Santama and O'Connor, 2006). Transparency available on the Internet concerning pricing would increase the importance of price in consumer's decision-making process (Alba et al., 1997; Bakos, 1998). This is evidenced by the fact that consumers often use multiple websites to research and compare prices before making travel bookings (Law and Huang, 2006). Based on the arguments above, it is suggested that:

Theme 3: The relationship between of benefit and consumer's purchase intention.

4.3.4 PRODUCT TYPE

Previous studies have indicated that the major purpose of information search is to support decision-making (i.e., reduce risk and uncertainty) and product choice in which the information search behaviour strengths the decision-making and choice behaviour (Bettman,1979; Bloch *et al.,* 1986; Moorthy *et al.,* 1997). To reduce risk and uncertainty, many travellers value information acquired

during travel planning (McCleary and Whitney, 1994). Consumers vary in their knowledge of product categories and necessary knowledge is in turn related to product complexity. In other word, consumers with different experiences may perceive different level of product complexity in terms of the same travel purchase. According to findings from previous studies, online travellers tend to purchase airline ticket first, followed by accommodation and car rental, with package tours being purchased the least (Morrison *et al.*, 2001; Card *et al.*, 2003). Morrison *et al.* (2003) noted that flight and accommodation were perceived as low-risk travel products and packaged tours are perceived as high-risk products, and thus consumers feel more comfortable purchasing low-risk travel products online (Card *et al.*, 2003). It is therefore can be argued that the higher the product complexity, the more uncertainty and risk involved in transaction, and thus the less suitable the product is for consumers to purchase online (Werenner and Klein, 1999), as with the case of online travel purchase. The above arguments suggest:

Theme 4: The relationship between product type and consumer's purchase intention.

4.3.5 CULTURE

Culture is an umbrella concept that includes elements such as shared values, beliefs, and norms that collectively distinguishes a particular group of people from others (Pizam et al., 1997; Ball and McCulloch, 1999). These widely shared values are programmed into individuals in subtle ways from quite an

early age (Otaki et al., 1986), are resistant to change (Hofstede,1997), and remain evident when at home or travelling abroad (Pizam and Sussmann, 1995; Pizam and Reichel, 1996). The foundation of cultural research is the pioneering work of Geert Hofstede (1980) who in his landmark cultural model identified five value dimensions that distinguish people from various nations: individualism (the degree to which cultures encourage individuals concerns as opposed to collectivist concerns), masculinity (the extent to which gender roles are clearly distinct – i.e., in masculine societies men are supposed to be assertive, tough, and focused on material success while in feminine societies social gender roles overlap), uncertainty avoidance (the extent to which the members of a culture feel threatened by unknown or uncertain situations and try to avoid them), power distance (the extent to which the less powerful members of organizations within a society expect and accept that power is distributed unequally), and long-term/short-term orientation (the degree to which members of a society are programmed to accept delayed gratification of their needs) (Hofstede, 1980 and 2001).

Although the five dimensions of Hofstede's cultural model all have influence on individual behaviour, two specific dimensions, **collectivism** and **uncertainty avoidance**, are selected for this study because they represent cultural traits that have a direct bearing on how information sources are used in different cultures which, in turn, may be reflected in consumer purchase decision process (Miler *et al.*, 1993; Dawer *et al.*, 1996; Li,1997; Chen,2000). According

to Miler *et al.* (1993), members of individualist cultures behave differently as consumers from those in collectivist cultures, exhibiting different thought process, value systems and behaviour throughout the purchase decision-making process. This cultural dimension has been shown to be salient in information search behavior, especially the information source people rely on. For example, Lee and Green (1991) indicated that reference group such as extended family and friends have greater influence on purchase decision for Korean customers (collectivist culture) than for American customers (individualist culture). Additionally, collectivist culture tends to focus on strong relationship among family members and within a kinship system (Chung and Pysarchik, 2000), which is reflected in the fact that individuals in collectivist cultures tend to participate in more in-group activities (e.g., travel within groups), be more concerned with in-group interests and feel more compelled to conform to in-group opinions (Hui and Triandri,1986). Another cultural dimension employed in this model is uncertainty avoidance, argued to have been an effective predicator of travel consumers' external travel information search and their travel patterns once the purchase decisions had been made (Money and Crotty, 2003). The authors found that travellers from high-uncertainty-avoidance culture (e.g., Japan) stayed three times shorter, visited two times fewer destinations, travelled alone significantly less often, and travel more with business associates and friends in organized groups than those from medium-uncertainty-avoidance cultures (e.g., German), to minimize travel-related risk. Additionally, Soloman (1999) argued that consumers

engage in information search behavior to minimize five types of risks in purchase decision: monetary risk, functional risk, social risk, physical risk, and psychological risk. This notion is supported by Dawer et al. (1996), who argues that uncertainty avoidance has been shown to influence differences among cultures in external information search behavior. This dimension is to be appropriate and therefore included in the framework concerning online travel purchase intention. Based on the arguments above, it is proposed that:

Theme 5: The relationship between cultural dimensions, particularly collectivism and uncertainty avoidance, and consumer's purchase intention.

After examining all the key factors influencing online travel purchase intention, a comprehensive framework is presented in figure 4.2.

Figure 4.2: A comprehensive framework employed in this study

Supply-side factors
(institution-based trust)
A. Website quality
   a. website design
   b. functionality
   c. usability
B. Reputation
(cognition-based trust)

Demand-side factors
A. Individual
   characteristics
   a. demographic characteristics
   b. Internet experience
   c. previous online shopping
      experience
(knowledge-based trust)

Disposition to trust
(personality-based trust)

TRUST

CULTURE
A. Collectivism
B. Uncertainty
   avoidance

PURCHASE
INTENTION

BENEFIT
(calculative-based trust)
A. Wider variety of
   information
B. Convenience
C. Lower price

Product type
Low versus high
product complexity

PURCHASE
BEHAVIOUR

4.4 SUMMARY

This chapter presents a theoretical framework for investigating the significant factors influencing consumers' purchase intention for online travel products. This model provides a holistic view of an online consumer's purchase decision-making process, incorporating the effects of consumer trust and culture, as well as a range of subconstructs from supply/demand side factors, and assessing the influences of these factors on online travel purchase intention. This comprehensive framework contributes to a better understanding of trust perception associated with online travel purchase. This framework suggests that there is a strong relationship between trust and purchase intention, and that travel decision making should include an analysis of cultural factor, as well as effects from supply/demand side issues. Based on the research framework, a set of question is formulated that provides a foundation for future empirical testing.

CHAPTER FIVE

RESEARCH APPROACH

CHAPTER FIVE: RESEARCH APPROACH

5.1 INTRODUCTION

This chapter starts by reviewing the role of qualitative and quantitative research in the social sciences and provides justification of adopting a qualitative approach appropriate for addressing the aim and objectives of the research. It presents the epistemological and theoretical perspective adopted by the research, which in turn forms the foundation of the justification for choosing the relevant research methodology and methods.

5.2 QUANTITATIVE VERSUS QUALITATIVE RESEARCH

In the social sciences, the two paradigms that have been historically oriented social research since its inception have been "positivism" and "interpretivism". The positivist paradigm started to take root in social science in the second half of nineteenth century, due to the great success achieved by the natural sciences. Positivism applied to social research maintained that social reality should be studied through the same investigative logic and the same methods of the natural sciences, which forms the body of so-called "quantitative research." According to interpretivism, on the contrary, there exists a fundamental "epistemological" difference between social and natural sciences. This perspective holds that social reality cannot simply be observed, but rather needs to be "interpreted". These fundamental differences inevitably imply

different research techniques and procedures. From the Interpretivists' point of view social reality is constructed and interpreted by people and therefore has developed its own observation techniques and its own ways of analyzing empirical reality, which form the body of so-called "qualitative research". (Denscombe, 2004; Neuman, 2006; Punch, 2005)

Social researchers are familiar with the concept of quantitative and qualitative research; both approaches are regarded as useful and legitimate. However, since a scientific (or quantitative) approach has dominated the social research field since 1950s, the main role of qualitative research was typically reduced to helping create hypotheses which can then be tested and refined using scientific and/or statistical research methods and models.

There is no exception in the tourism context as Lewis *et al.* (1995:17) observe that purpose of qualitative research is usually "*to provide information for developing further quantitative research*". Evidence suggests that past tourism research has been largely dominated by quantitative approach (Dann *et al.*, 1988), an approach that employs scientific method as a process through which "*the phenomenon under investigation must be empirically verifiable and observable by both the researcher and larger scientific community.,*" (Walle, 1997:525) This view is argued only in the light of positivist methodologies. Walle (1997) finds it difficult to accept interpretative epistemological paradigms as social science and refers to them as merely artistic investigation, which

employs less rigour, but more flexible, tools of investigation (Walle, 1997). However, his conclusions are important because he argues that, while tourism research involves a series of trade-offs between positivism and interpretivism, with more emphasis on the former, the field of tourism needs to embrace a general recognition of the legitimacy of a variety of research strategies in order to enhance the quest for human understanding.

In contrast to Walle (1997), Jamal and Hollinshead (2001) favour more qualitative research. They question how the dominance of positivism can be overcome, making a plea that tourism research must undertake more qualitative inquiry because the tools of positivism are not equipped to deal effectively with tourism dynamics. They maintain that qualitative research still struggles to gain legitimacy in several academic disciplines that are oriented towards human social phenomena and that is largely due to the historical burden of debates and meanings attached to "subjective" and "objective" approaches. They assert that:

> *…since objective research is a requirement for validity in the natural science and those social science domains that pursue the positivist model, interpretive approaches tend to be banishes as "merely subjective (Jamal and Hollinshead, 2001:69).*

Arguably, the choice between these two approaches must be determined by the situation in which research take place, not some misguided search for rigor simply for its own sake. In other words, social research should adopt whatever approach suits the circumstances. This is a stance that has been consolidated in recent years. In support of this view, Bryman (1988) states explicitly that:

> *the distinction between quantitative and qualitative research is really a technical matter whereby the choice between them has to do with their suitability in answering particular research questions…(not unlike other technical decisions) such as when it is appropriate to use a postal questionnaire or to construct a stratified random samples" (Bryman, 1988:109).*

The same viewpoint is expressed in the manual of qualitative research entitled *Two Styles of Research, One Logic of Inference*, in which authors claim that *"the same underlying logic provides the framework for each research approach…the differences between the quantitative and qualitative traditions are only stylistic and are methodologically and substantively unimportant"* (King *et al.*, 1994:3).

It is argued that these two ways of conducting research do not differ merely in terms of procedures, as Bryman (1988) claims. Rather, they are the logically consequential expressions of two different epistemological visions, the methodological manifestations of two different paradigms which imply alternative conceptions of social reality, research objectives, the role of

researcher and technological instruments. Even the two approaches are different, this does not necessarily mean that one is right and one is wrong. This viewpoint is supported by Hammersley (1992), who asserts:

> *We are not faced, then, with a stark choice between words and numbers, or even between precise and imprecise data; but rather with a range from more to less precise data. Furthermore, our decision about what level of precision is appropriate in relation to any particular claim should depend on the nature of what we are trying to describe, on the likely accuracy of our descriptions, on our purposes, and on the resources available to us; not on ideological commitment to one methodological paradigm or another* (Hammersley, 1992:163).

Since this study is focused on online travel purchasing behaviour, there is no doubt that a qualitative approach is by far the most appropriate and applicable. Arguably, the use of a particular approach should be justified on the basis that it is best suited to address specific research questions. In terms of research aim and objectives, the qualitative approach enables rich and in-depth data to be achieved to in order to understand the perspectives of Taiwanese consumers' online purchasing intention and particularly the impact of travel website features on their perceptions.

5.3 QUALITATIVE APPROACH

Qualitative research has gained acceptance in many field since early years, such as education (Guba, 1987; Lincoln and Guba, 1985; Lincoln, 1985), sociology (Blumer, 1969; Denzin, 1989,1993, 1995), anthropology (Clifford, 1988; Marcus and Fisher, 1986; Rosaldo, 1989), and consumer behavior (Anderson, 1983, 1986; Deshpande, 1983; Hirschman and Holbrook, 1992; Peter and Olson, 1989). Researchers in these disciplines have challenged the "master paradigm" of positivism, providing new dimensions to the body of knowledge in their respective fields.

As far as tourism is concerned, much of the seminal work was initiated through qualitative research (Boorstin, 1964; Cohen 1979; Graburn, 1976,1983; MacCannell, 1976, Smith, 1977). It is noted that those early works tended to be published in non-tourism journals, investigating primarily from an anthropological or sociological perspective. In contrast, the research that was published in tourism journals during this period was mainly focused on the phenomenon of temporary migration or revenue generated. In a review of quantitative techniques, Reid and Andereck (1989) reported an increasing sophistication between 1978 and 1987. They suggest that statistical sophistication was a necessary and sufficient condition for progress in the field of tourism research.

More recently, researchers have questioned quantitative research because it cannot fully address questions of understanding and meanings (Henderson and Bedini, 1995; Hollinshead, 1996; Riley, 1996), and they have begun to explore paradigms beyond positivism (Dann, 1996; Hollinshead, 1996). Such concerns have resulted in a willingness on the part of some scholars and practitioners to broaden the list of legitimate research techniques in order to better pursue important research questions. Consumer behavioursts, for example, are increasing embracing qualitative techniques and models in order to deal with relevant topics in meaningful and pragmatic ways. Such an expansion of the methodological toolkit of legitimate research can, and should, be applied to tourism scholarship because disciplines close to tourism such as marketing, the most active and important discipline within tourism scholarship (Ritchie and Goeldner, 1989), have had to deal with similar issues.

Denzin and Lincoln's description (1994:3) of qualitative research encompasses many of the key characteristics that are entirely relevant here. They highlight that qualitative research is:

> *…multi-method in focus, involving an interpretive, naturalistic approach to its subject matter. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret phenomena in terms of the meanings people bring to them. Qualitative research involves the studied used and collection of a variety of empirical materials – case study, personal experience, introspective, life story, interview, observations, historical, interactional, and visual texts- that describe*

routine and problematic moments and meanings in individuals' lives. Accordingly, qualitative researchers deploy a wide range of interconnected methods, hoping always to get a better fix on the subject matter at hand.

Some of the key defining qualities highlighted by Denzin and Lincoln (1994:3) are supported in other definitions. In particular, it is recognized that a qualitative approach is concerned with understanding the meanings which people attach to phenomena (actions, decisions, beliefs, values etc.) within their social world:

The way in which people being studied understand and interpret their social reality is one of the central motifs of qualitative research (Bryman, 1988:8).

According to Denzin and Lincoln (1994), qualitative research provides a crucial perspective that help researchers *understand* phenomena in a different way from a positivist perspective alone. Lincoln and Guba (1985) outline a number of characteristics that distinguish naturalistic inquiry (one example of qualitative research) from positivist inquiry. They suggest that naturalistic inquiry was signified by the following qualities: natural settings; investigator(s)-as-instrument; qualitative methods; purposive sampling; inductive data analysis; emerge design; negotiated outcomes; case study reporting mode; focus-determined boundaries, and special criteria for trustworthiness. For qualitative research, the context and the associated interactions of natural surroundings are crucial because they shape the entity being studied. Equally crucial is the investigator(s)-as-instrument because only

the human can grasp the interactions of context and the multiple realities that are known through tacit understanding. Inductive analysis is employed to grasp these multiple realities as they are discovered; therefore, the research design emerges to accommodate realities that cannot be predicted. Finally, outcomes are negotiated with the entity(ies) because various situations are interpreted as reality in different ways and will have different consequences (Lincoln and Guba, 1985).

As pointed out by Lincoln and Guba (1985:39), one of the main themes in qualitative design is "naturalistic inquiry". Guba (1978:43) defines this term as "discovery-oriented" approach that "*minimize investigator manipulation of the study setting and places no prior constraints on what the outcomes of the research will be*" (Patton, 2002:39). Naturalistic inquiry contrasts with controlled experiment design (research technique associated with positivistic research), where arguments of cause and effect are clearly articulated, enabling hypothesis and data collection to be clearly planned and formulated prior to the commencement of the research. In terms of data collection methods, open-ended, conversation-like interview as a form of naturalistic inquiry also contrast with questionnaire that have predetermined response categories. Having reviewing the role and characteristics of qualitative research, the research process adopted in this study will be detailed in next section.

5.4 THE RESEARCH PROCESS

The research process usually starts with a problem that needs to be emphasized. Accordingly, several questions are identified to clarify the problem, which in turn necessitates the formulation of aim and objectives to address the problem and thus the methodology and methods to be used to achieve these aims and objectives (Crotty, 2003). In addition, Crotty (2003) proposes a framework highlights the process capable of fulfilling research aim and objectives and answering research questions while conducting social research (Figure 5.1). Within the framework, four key elements are identified: epistemology, theoretical perspective, methodology and methods. He then briefly defines the terms (Crotty, 2003:4):

Methods: the techniques or procedures used to gather and analyze data related to some research questions or hypothesis.

Methodology: the strategy, plan of action, processor design lying behind the choice and use of particular methods and linking the choice and use of methods to the desired outcomes.

Theoretical perspective: the philosophical stance informing the methodology and thus providing a context for the process and grounding its logic and criteria.

Epistemology: the theory of knowledge embedded in the theoretical perspective and thereby in the methodology.

Figure 5.1: Four key elements in research process (adopted from Crotty, 2003:4)
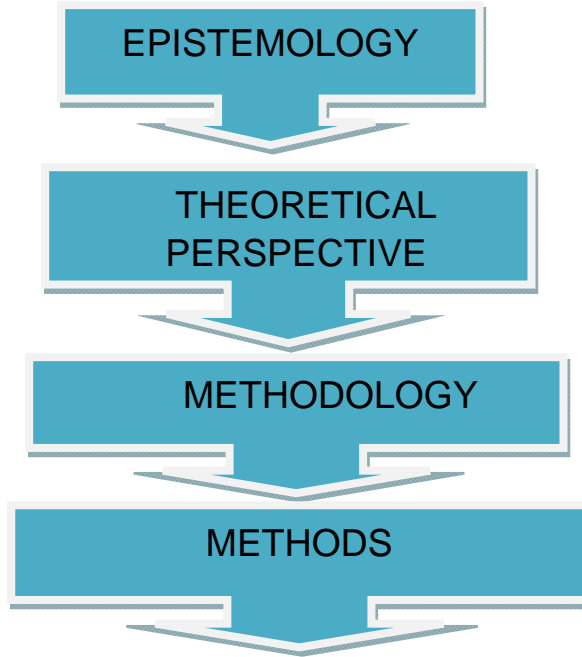
Crotty (2003) notes that these four key elements can help to ensure the soundness of research and make outcomes convincing, and to justify the choice of methodology and methods. He further argues that setting out the research process in terms of these four key elements would in turn constitute a critical analysis of the process and thus determine the status of the findings.

5.5 THESIS EPISTEMOLOGY AND THEORETICAL PERSPECTIVE

According to interpretivism (a paradigm associated with qualitative research), there exists a fundamental "epistemological" differences between natural and social science, which imply different techniques and research procedures. Epistemology is concerned with the ways of knowing and learning about the social world and focuses on questions such as: how can we know about the reality and what is the basis of our knowledge?

5.5.1 EPISTEMOLOGY

According to Maynard (1994:10):

> *Epistemology is concerned with providing a philosophical grounding for deciding what kind of knowledge is possible, and how we can ensure they are both adequate and legitimate.*

Crotty (1998) claims epistemology as the theory of knowledge embedded in the theoretical perspective and consequently the methodology. Epistemology is therefore arguably the basis of the research process as it in turn informs the theoretical perspective that in turn informs the methology. Crotty (1998) also provides a three-fold classification of epistemologies into: objectivism, subjectivism, and constructionism. *Objectivism* "holds that meaning, and therefore meaningful reality exists as such apart from the operation of any consciousness" (Crotty, 1998:8) while *subjectivism* "meaning does not come out of an interplay between subject and object but is imposed on the object by

the subject" (Crotty, 1998:9). In *constructionism "meaning is not discovered, but constructed"* (Crotty: 1998:9). According to this view, *"different people may construct meaning in different ways, even in relation to the same phenomenon"* (Crotty, 1998:9).

Since this study is aimed at exploring factors influencing consumer online travel purchasing intention, constructionism is adopted to better reflect the exploratory and explanatory nature of the study. Generally speaking, constructionism holds the view of understanding the complex world of lived experience from the point of view of those who live it. The constructionists believe that to understand the world of meaning one must interpret it. To prepare an interpretation is itself to construct a reading of these meanings. In the constructionists' view, "*meanings are constructed by human beings as they engage with the world they are interpreting*" (Crotty, 2003:43). And therefore, constructionists "*study the multiple realities constructed by people and the implications of those constructions for their lives and interactions with others"* (Patton, 2002:96). To offer a comprehensive view in relation to constructionism, Crotty (1998:54-55) asserts:

> *It is not just our thoughts that are constructed for us. We have to reckon with the social constructions of emotions. Moreover, constructionism embraces the whole gamut of meaningful reality. All reality, as meaningful reality, is socially constructed. There is no exception. …The chair may exist as a phenomenal object regardless of whether any consciousness is aware of its existence.*

It exists as a chair, however, only if conscious beings construct it as a chair. As a chair, it too "is constructed, sustained and reproduced through social life".

Central to the notion of constructionism is the concept of *meaning*. From the constructionists' viewpoint, meaning cannot be described simply as "subjective" or "objective" as Guba and Lincoln (1989:44) asserts that "*they cannot be an objective assessment of any proposition.*" In line with constructionism, the term of social constructionism emphasize the idea that "society is actively and creatively produced by human beings", social worlds being "interpretive nets woven by individuals and groups" (Marshall, 1994:484). The social dimension of meaning is at the centre stage of this term.

It is also important to distinguish between constructionism and constructivism because these two terms are easy to confuse. Crotty (1998:58) asserts:

Whatever the terminology, the distinction itself is important one. Constructivism taken in this sense points out the unique experience of each of us. It suggests that each one's way of making sense of the world is as valid and worthy as any other, thereby tending to scotch any hint of a critical spirit. On the other hand, constructionism emphasizes the hold of our culture has on us; it shapes the way in which we see things (even in the ways we feel things!) and gives us a quite definite view of the world"

5.5.2 THEORETICAL PERSPECTIVE

According to Crotty (1998: 2), theoretical perspective can be defined as "*an approach to understand and explaining society and the human world and grounds a set of assumptions that …researchers typically bring to their methodology of choice".* In other words, theoretical perspective can be seen as the philosophical stance that underpins the methodology. There are several types of theoretical perspectives, such as positivism, interpretivism, critical inquiry, feminism and postmodernism. Gray (2004) argues that positivism and interpretivism are the most influential among those.

The core argument forming the basis of positivism is that knowledge of the world is obtained through applying the scientific methods to experiences and to the empirical world. According to the basic claim of positivism, research produces facts and accounts that correspond to an independent reality, is value free and prioritizes observation. Positivists believe in empiricism: the idea that observation and measurement are the essence of scientific endeavour. The key approach of the scientific method is the experience in which the operationalization of issues that are studied is the prevailing idea: only things that are measurable can be dealt with. On the other hand, interpretivism is seen as being anti-positivism as observed below:

A positivist approach would follow the methods of natural science and, by way of allegedly value-free, detached observation, seek to identify universal features of humanhood, society and history that offer explanation and hence control and predictability. The interpretivist approach, to the contrary, looks for culturally derived and historically situated interpretations of the social life-world. (Crotty, 1998:67)

Since this study is aimed at exploring factors influencing consumer online travel purchasing intention, interpretivism is adopted to better reflect the exploratory and explanatory nature of the study. It can be argued that interpretivism is linked with constructionism as it emphasizes the interaction between the research and the social world, such that research constitutes the social world by engaging with it (Crotty, 2004). According to Neuman (2000:71), Interpretivism is:

the systematic analysis of socially meaningful action through the direct observation of people in natural setting in order to arrive at understanding and interpretations of how people create and maintain their social world.

Interpretivism stresses the importance of interpretation as well as observation in understanding the social world. This has been seen as integral to the qualitative research. The interrelatedness of different aspects of people's lives is a very important focus on qualitative research and psychological, social, historical and cultural factors are all recognized as playing a crucial part in shaping people's understanding of their world. In response to this, qualitative research with

interpretive orientation uses a variety of methods which attempt to provide a holistic understanding of research participants' views and actions in the context of their lives overall. Having discussing the epistemology and theoretical perspective adopted in this study, the next section is concerned with research methodology employed in this research.

5.6 RESEARCH METHODOLOGY

According to Crotty (1998:7), the epistemology and theoretical perspective provides "the philosophical stances that lies behind chosen methodology." In support of this view, Denzin and Lincoln (1998) also note that methodology connect the researcher's philosophical stance to specific methods of collecting and analyzing data. Crotty (2003:7) defines methodology as "t*he research design that shapes our choice and use of particular methods and links them to the desired outcomes."*

This study employs a *case study* methodology, a research strategy strongly associated with qualitative research. Case study has been regarded as research method rather than research strategy. In opposition to such view, Denscombe (2006:31) argues that "case study is a matter of research strategy, not research method". Yin (2003:14) supports this view and argues that:

The case study as a research strategy comprises an all-encompassing methods – covering the logic of design, data collection, techniques and specific approach to data analysis. In this sense, the case study is not either a data collection tactic or merely a design feature alone but a comprehensive research strategy.

As a form of research strategy, case study can be seen as a logical sequence that connects the empirical data to a study's initial research questions and, ultimately, to its conclusions (Yin, 2003). Similarly, case study research design is a blueprint that outlines the overall research procedures and guides the researcher in collecting, analyzing, and interpreting observation (Kerlinger, 1986; Yin, 1994). Or more simply, it is an action plan from getting here to there, where "here" may be defined as the initial set of questions, and "there" is some set of conclusions (answers) about these questions. As far as definition is concerned, Yin (2003:13) notes that case study strategy can be regarded as:

… an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used.

It can be argued that one of the primary defining features of a case study research strategy is that it provides a multiplicity of perspectives which are rooted in a specific context (or in a number of specific context if the study involves more than one case). Those multiple perspectives may come from

multiple data collection methods, or they may derive from multiple accounts – collected using a single method from people with different perspectives on what is being observed. The integration of different perspectives on the context or interaction means that case study research design can build up very detailed in-depth understanding. They are used when no single perspective can provide a full account of the research issues, and where understanding needs to be holistic, comprehensive and contextualized.

The rationale of choosing case study research strategy was guided by the following methodological facts:

1. Case studies are the preferred strategy "*when "how" or "why" questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context*" (Finn *et al.*, 2000:81).

   Considering the research aim, which is "to explore factors influencing consumer purchasing intention for online travel products", it is evident that case study is suitable to fulfill this specific aim. This research seeks to answer questions such as: does trust have a significance influence on consumer purchasing intention for online travel products? The research with "how" and "why" questions are more exploratory in nature and likely to lead to the use of case study. Case study is also preferred in examining

contemporary events, in which the relevant behavior cannot be manipulated. Denscombe (1998:40) argues that case study is *"concerned with investigating phenomenon as they naturally occur, there is no pressure on the researcher to impose controls or to change circumstances"*. In the context of this research, consumer purchasing intention (process) can be argued as a phenomenon that the researcher has no control over, and therefore cannot apply any of the methodologies that require controlling some variables to test others (e.g. experiments).

2. The decision to use a case study strategy is "*a strategic decision that relates to the scale and scope of an investigation, and it does not, at least in principle, dictate which method or methods must be used. Indeed, the strength of the case study approach is just this – that is "allows for the use of a variety of methods depending on the circumstances, and the specific needs of the situation."* (Denscombe, 2004:32).

There is no doubt that making an online travel purchasing decision is a complicated process, thus it needs a methodology that is capable of integrating a variety of research methods (e.g. participant observation, interviews, questionnaire survey) in order to capture the complex variables under scrutiny. In the context of this research, a number of research methods are employed to explore the complex phenomenon of online travel purchasing decision making. For example, semi-structured interviews are

used to explore the purchasing experience for online travel products while participant observation enables researcher to identify website features which has significant impacts on consumers' perception toward the website.

The rationale to use case study as the research methodology is also compatible with the interpretative theoretical perspective which adopted in this research. Case study draws in multiple perspectives (whether through single or multiple data collection methods) and is rooted in a specific context which is seen as critical to understanding the research phenomenon. The focus of a case study is on participants' perceptions and experiences, and the way they make sense of their lives (Fraenkel and Wallen, 1990). It can be characterized as an inductive-oriented methodology, which means findings emerge out of the data, through the researcher's interaction with the participants, in contrast to deductive-oriented methodology where the data are analyzed according to an existing framework. More specific, inductive design begins with specific observation and builds toward general patterns. This contrasts to hypothetical- deductive approach of experimental design that requires the specification of main variables and the statement of specific research hypotheses before data collection begins. It is therefore, as some authors argue (Lincoln and Guba, 1985; Denscombe, 2006) that case study methodology tends to be inductive and theory-building methodology rather than deductive methodology, which is compatible with the interpretative theoretical perspective adopted in this research.

In the context of this research, a holistic, multiple case study methodology is adopted. This involves studying of several cases, where each case in investigated as a whole unified unit. In other word, each case can serve a specific purpose within the overall inquiry. Yin (2003:46) argues that *"the evidence from multiple-case study is often considered more compelling, and the overall study is therefore regarded as being more robust."* As mentioned earlier, as a form of research strategy, case study can be seen as a logical sequence that connects the empirical data to a study's initial research questions and, ultimately, to its conclusions (Yin, 2003).

5.7 RESEARCH METHODS

According to Crotty (2003:3), methods are "techniques or procedures used to gather and analyze data related to some research question or hypothesis." In order to select appropriate methods to answer research questions, a number of criteria should be considered. For example, whether the method is able to elicit data appropriate to addressing research questions. Given the exploratory and explanatory nature of this study, the selected methods should be capable of answering research questions such as "Which factors significantly influence consumer trust and online travel purchasing intention?" or "which travel website features significantly influence consumer perception and trust?" To answer this kind of "how" and "what" questions, a variety of research methods are employed in this study to better suits the research needs.

Case study is a research strategy that usually combines quantitative and qualitative data. One of the main advantages of using multi methods is that it enables triangulation to take place. **Triangulation** involves the use of more than one research approach in a single study to gain a broader or more complete understanding of the issues being investigated. The methods used are often complementary in that the weaknesses of one approach are complemented by the strength of another. According to Denzin and Lincoln (1994: 2), "triangulation is not a tool or a strategy of validation, but an alternative to validation." In other word, triangulation is not used to "correct any bias or to improve validity" (Blaikie, 1991: 115). Triangulation is used because "*no single method ever adequately solves the problem of rival casual factors…because each method reveals different aspects of empirical reality, multiple methods of observations must be used*" (Denzin, 1978: 28). Denzin also identifies four types of triangulation:

- Data triangulation

- Investigator triangulation

- Theory triangulation

- Methodological triangulation

Researchers concerned with data triangulation draw on various sources of data in the research process; investigator triangulation refers to the employment of several researchers or evaluations in a study; theory triangulation involves researchers using several theories or perspectives to analyze data;

methodological triangulation involves researcher using several methods to gather data relevant to the study.

As far as this study is concerned, methodological triangulation is used to address different research questions, or even different aspects of the research questions. For example, in-depth semi-structured interviews are employed to grasp a picture of the important issues Taiwanese consumers are likely to encounter while searching/purchasing travel products on the Internet; participant observation is employed to identify website features contributing to consumers' perception towards travel websites; questionnaire survey is employed to investigate and compare the attitudes of different consumers: by gender, age, and internet skill; projective techniques interviews are employed to explore relationship of various significant factors identified in questionnaire survey. Figure 5.2 illustrates the multiple data collection techniques employed in this study. It should be noted that sine this study focuses on the behaviour of Taiwanese consumers, who are defined as individuals can communicate fairly well in Chinese, a national language used of Taiwan. Since the survey were conducted by the research, it would not be difficult to observe which individuals are qualified for participate in various forms of data collection instruments.

Figure 5.2: multiple data collection techniques employed in this study
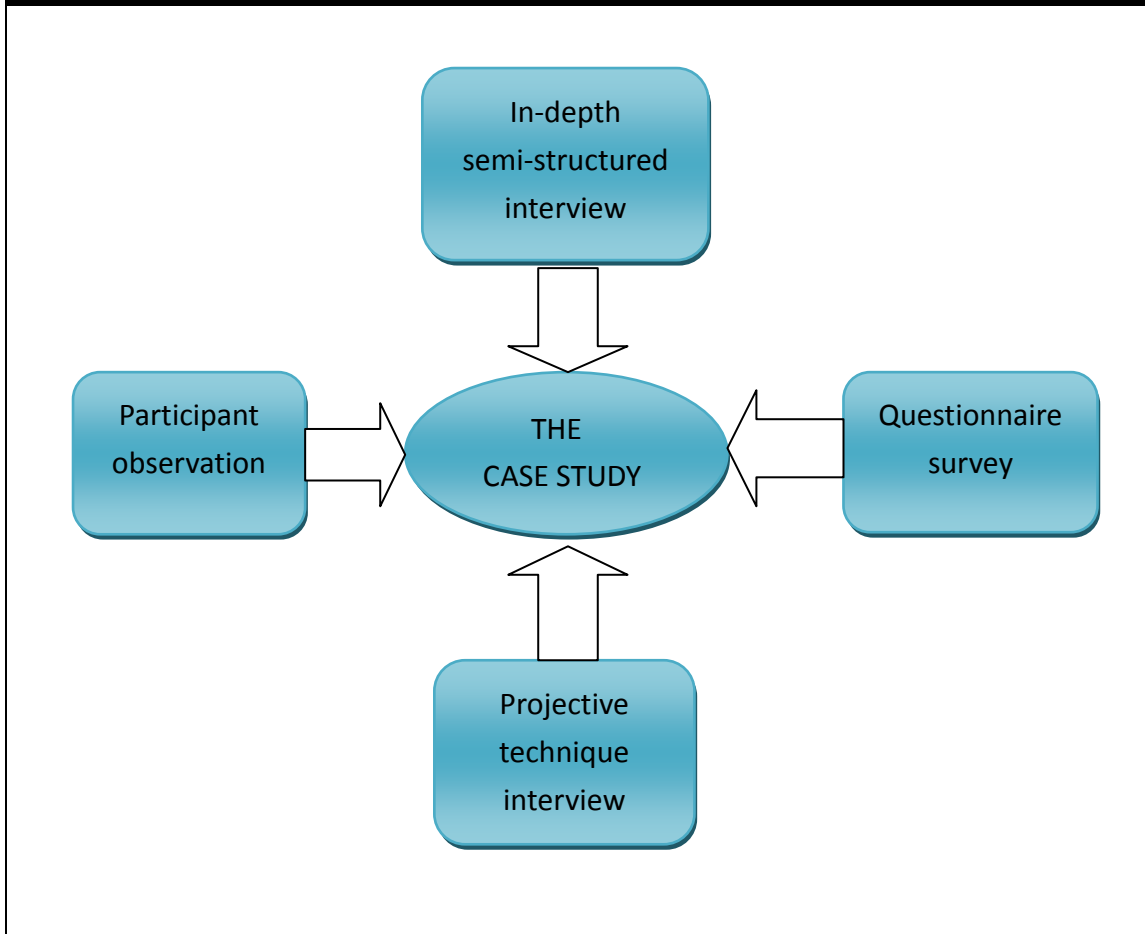
5.7.1 In-depth interviews

The qualitative interview is often described as a form of conversation (Bargess, 1984; Lofland and Lofland, 1995). However, it is more than an ordinary conversation as Webb and Webb (1932:130) argue that qualitative interview is "conversation with a purpose." The purpose of the interview is, as Patton (2002:348) suggests:

…to capture those being interviewed view their world, to learn their terminology and judgments, and to capture the complexities of their individual perceptions and experiences…The fundamental principle of qualitative interview is to provide a framework within which respondents can express their own understanding in their own terms."

It can be argued that the qualitative interview does not simply involve asking questions and recording answers, it can be seen as a process of social interaction between two individuals. In other word, in order to produce knowledge, the interview must be the product of that particular social interaction between the interviewer and interviewee which is unique to each case. From this point of view, the interview is not simply seen as a means of collecting data by recording the respondents' opinion; rather it is a dynamic relationship in which the interview is "constructed" by the interviewer and the respondent. This view is in line with the interpretivism paradigm, aiming at developing an understanding of social life and discovering how people construct meaning in natural setting. In other word, the goal of interpretive research is to learn what is important or relevant to the people being studies. The research does this by getting to know a particular social setting and seeing from the point of view of those in it. The rationale of using interview also in accordance with the constructionist orientation of this study which assumes the belief and meaning people create and use fundamentally shape what reality is for them.

Having justified the rationale of using interview as one of research methods, the type of interview suitable for this study will be discussed. The qualitative interviews differ in terms of their degree of standardization, which means the varying degree of freedom/constraints placed on the two participants, the interviewer and the interviewee. Three basic types of interview can be distinguished: structured, semi-structured and unstructured (Minichiello *et al.,* 1990; Fielding, 1996).

● **Structured interview**

In structured interviews, all interviewees are asked the same questions with the same wording and in the same sequence. This type of pre-established questions place limitations on the objectivity of flexibility and adaptability to the specific situation analyzed, which is one of the weakness of structured interview. As Patton (2002:347) argues the weakness of the structured interview is that "*it does not permit the interview to pursue topics or issues that were not anticipated… reduces the extent to which individual differences and circumstances can be achieved.*"

● **Unstructured interview**

Unlike structured interviews, the content and the form of an unstructured interview is not pre-determined in unstructured interview. The characteristic feature of an unstructured interview lies in the individual nature of both the issues discussed and the dynamics of the interview. The unstructured interview

offers maximum flexibility to pursue information in whatever direction appears to be appropriate. This approach works particularly well where the researcher can stay in the setting for some period of time so as not to be dependent entirely on the result form a single interview. This is, however, one of the weaknesses of the unstructured interview because it require a great amount of time to collect systematic information through several interviews with different people, and thus may not be suitable for the study with time constraints (Minichiello *et al.*, 1990).

● **Semi-structured interview**

Semi-structured interview falls between the structured and unstructured interviews, but is more similar to the latter in terms of flexibility it provides. When conducting a semi-structured interview, the interviewer makes reference to an outline of the questions or topics to be explored during the course of the interview. The outline provides subject areas within which the interview is free to explore, probe and ask questions in regardless of the order and the wording of the questions. This way of conducting the interview gives both the interviewer and the interviewee ample freedom, while at the same time ensuring that all the relevant topics are covered and all the necessary information collected. In particular, semi-structured interviews allows interviewer to develop any themes arising during the course of the interview which deserve further investigation.

According to the distinction made by Kahn and Cannel (1967), two types of questions were used in the interview: primary and secondary questions. Primary questions refer to any questions which introduce a new topic or ask for new content. Secondary questions, by contrast, are intended to elicit more fully the information already asked by a primary question. More specifically, using the classification drawn up by Spradley (1979), three types of primary questions can be distinguished: descriptive, structural and contrast questions. For example, descriptive question refers to "How many hours do you normally spend on the Internet daily?" Structural question aims at discovering how the interviewee structure his knowledge and perceive social reality, e.g. "How do you normally start while searching for online travel products?" And contrast question is asked based on comparison, e.g. "What's the difference between purchasing travel products on the Internet and on the traditional travel agent?" In addition, the interview also makes use of "probe" question. Patton (2003:372) notes that *"Probes are used to deepen the responses to a question, increase the richness and depth of response, and give clues to the interviewee about the level of response that is desired"*, e.g. *"Tell me more about factors which you think would have great influence on your purchase intention towards a particular travel website?"*

The objective of in-depth semi-structured interview is to shape initial understanding of the behaviour associated with online travel purchase experiences. To commence the exploratory phase of this study, a series of

in-depth interviews were conducted. A purposive sampling of informants were recruited through an informant-controlled card system, whereby pre-printed postcards requesting the informant's preferred contact detail and a return address were distributed through the researcher's social network; upon receipt, a mutually convenient interview was arranged.

A total of twelve interviews were conducted in Taipei, Taiwan, for two- month time period in the summer of 2004. The decision of choosing to conduct twelve interviews was partially due to time constraints. In addition, the data gathered was saturated at the point after twelve interviews were conducted. In the beginning of each interview, interviewees were asked a few demographic questions which were meant to provide the researcher with their personal data to form a profile of each informant. In particular, the informants were asked about the previous online purchase experiences with both general retail products and travel-related products. As for previous online purchase experience, nine out of twelve had previously purchased products on the Internet. In particular, eight out of twelve had previously purchased travel products on the Internet. The demographic profile of interviewees was shown in table 5.1.

TABLE 5.1: DEMOGRAPHIC PROFILE OF THE INTERVIEWEES (IN-DEPTH SEMI-STRUCTURED INTERVIEW)					
Number	Name	Age	Gender	Once purchased products online	Once purchased travel products online
1	Justin	29	Male	Yes	No
2	Marc	28	Male	Yes	Yes
3	Jack	34	Male	No	No
4	James	44	Male	No	No
5	Martino	33	Male	Yes	Yes
6	Jessica	26	Female	Yes	Yes
7	Anita	23	Female	Yes	Yes
8	Evonne	32	Female	Yes	Yes
9	Michelle	31	Female	Yes	Yes
10	Debbie	32	Female	Yes	Yes
11	Eva	24	Female	No	No
12	Veronica	32	Female	Yes	Yes

As far as the types of online travel products is concerned, flight tickets and hotel rooms were the most frequently purchased items, while other travel products such as package tours, were also purchased by minority of interviewees (see table 5.2).

TABLE 5.2: TYPES OF TRAVEL PRODUCTS PURCHASED ONLINE			
Flight tickets Only	Hotel rooms only	Flight and hotel	Other products (including flight and hotel)
2	1	3	2

The interviewees were also asked to point out the benefits and barriers relates to online travel purchase. In addition, they were asked to identify major factors contributing to online travel purchase decision. Chinese was used during the interview as this is the national language of Taiwan and a language in which all the interviewees can communicate fairly well. All interviews were tape recorded for an accurate transcription and capture of the interviewees' exact vocabulary and phrasing. It is noted that some interviewees spontaneously followed up interviews with e-mails, stressing additional points stimulated by the interview process. The interviews were transcribed and each interview was coded. The in-depth semi-structured interviews yielded rich information as far as online travel purchasing experienced is concerned. Interviewees ranged from novice to expert, with reported online travel purchasing experience ranging from one to ten in the last twelve months prior to the interview was conducted. Results of these interviews are discussed in the following chapter.

5.7.2 Participant observation

Although interviews are one research method by which the social world can be explored, what people claim to think may not necessarily in accordance with their actions. In other word, the interview gets at what people say rather than what they do. To fill in this gap, participant observation was used to explore what people actually do/behave while searching/purchasing travel products online.

Participant observation has a long tradition in the social sciences, and is the central ethnographic data collection technique. It differs from direct or non-participant observation mainly in terms of the role of researcher, emphasizing the researcher's direct involvement with the subject studied. Atkinson and Hammersley (1994:249) argue that participant observation is more than a research method:

> *In a sense, all social research is a form of participant observation, because we cannot study the social world without being part of it. From this point of view, participant observation is not a particular research technique but a mode of being-in-the-world characteristics of research.*

It can be argued that a fundamental difference which differentiates participant observation from other methods in social sciences is that the researcher not only observes the life of subject being studied, but also participant in it. In other word, in interview or document analysis, the researcher does not become part

of the social phenomenon studied. In participant observation, however, the researcher "steps into the field" and immerse herself in the social/cultural context under investigation. This view is in line with the interpretive approach adopted in this study because this approach is "*the systematic analysis of socially meaningful action through the direct detailed observation of people in natural setting in order to arrive at understanding and interpretation of how people create and maintain their social world.*" (Neuman 2006:88).

As far as research process is concerned, participant observation can be used to validate and cross-check findings from other data collection techniques and from different informants. It can also be used to explore the underlying meanings behind attitudes (identified as a result of questionnaire or interviews) of informants. In participant observation, the process of recording observation is of fundamental importance. The art of recording observation can be classified by dividing into three parts: "how" to record, "when" to record, and "what" to record. (Spradley, 1980; Hammersley and Atkinson,1995) The possibilities for recording observation data range from the use of field notes to video and audiovisual equipment. These different recording methods each have their strengths and limitations. The selection of recording methods depends on the purpose and context of the research (Foster, 1996). When it comes to "when" to record, it is suggested the field notes should be taken at the event occur otherwise the vividness of the event will tend to fade (Hammersley and Atkenson,1995). In terms of "what" to record, Spradley (1980) notes that the

field notes should consist of three basic components: the description of facts, events, places and persons; the researcher's interpretation; and the interpretation of the subjects studied. For example, the description of events must be detailed and contain all relevant aspects. Especially in beginning of the research, description should be extensive and cover as much as possible of the situation observed. This is because as the study progresses, the nature of the observation may be changed, typically shaping in focus, leading to ever clear research questions that required more selected observation. It is therefore reasonable to keep the field of observation as broad as possible in the earlier stage of the research.

In terms of how to conduct an observational research, Silverman (1993) suggests five stages: beginning the research (where a set of very general questions is proposed), writing field notes (usually beginning with broad descriptive categories, but later developing more focused codes and categories), looking as well as listening, testing hypotheses and making broader links.   The observational data gathering continues until theory saturation is reached (Alder and Alder, 1994).

It should be noted that analysis of the data gathered through participant observation is a continuous process, and is partially carried out during the course of the observation itself. In other word, the recording and analysis is, in fact, indispensable. It is argued that collecting large amounts of data without

pausing to reflect is likely to produce messy material that is difficult to deal with later. By contrast, analyzing data as they are collected can help to identify preferential themes of observation, and thus focus more closely on specific objects and process.

The main rationale for using participant observation is that this method enables a deeper understanding into the behaviour, motivation and attitudes of the people under study. By observing consumers, the patterns of online searching/purchasing behavior can be identified. For example, in which way people typically start searching online travel products? If they start by entering keyword, how many result pages do they typically view? What do they react while encountering link errors? Moreover, by observing searching/purchasing process of consumers, the website design contributing to positive perception can be explored. For example, whether colour play important role in terms of increasing positive perception? If the answer is yes, which colour is preferred? As for functionality, the features/services preferred by the consumers can be identified by observing and listening to the comments of respondents.

The sample for participant observation were recruited from in-depth interviews, which all twelve interviewees were inspired and agreed to participant in later fieldwork (participant observation). It is argued that large sample sizes are not required because testing with a few groups of users (from 3 to 5) representative of the targeted population can reveal up to 80% of all the usability problems of

each website (Virzi, 1992). The studies of Bonn *et al.* (1999) and Weber *et al.* (1999) profiled the online purchasers of travel products as college educated, hold postgraduate degrees, have been online for at least one year. It is noted that the participants of this fieldwork are all fall into this category. Statistics and research on the Taiwanese travel market confirm that among tourists who took international trips, nearly 80 percent visited other Asian destination (the only other major destination was the USA, with around half million of Taiwanese visitors). Based on this, a task was formulated that required each participant to search for a one-week (or less) international trip in other Asian countries with a budget of NTD 30000 (appropriately 550 GBP). As empirical evidence from previous research (Mannimg, 1998; Reibstein, 2002) indicated that the first-visit negative experience significantly influences the intention of repeat visits on commercial websites, participants were asked not to visit websites they had used previously. In this way, the effects of website design on acquiring and retaining potential consumers can be measured effectively. One pilot test was conducted with one of the participants in order to refine the test procedure. The task execution matched the time allocated for the test and debriefing (one hour). However, the participant asked questions which reflect the incomprehension of some of the instructions given, such as: how many websites do I need to search? If there is a need to purchase all-inclusive package holiday or to purchase flight and hotel separately? Since the focus of the task in on the process of searching and purchasing process, there is no particular restriction on these aspects. Therefore, in the actual tests participants were informed that they can search as

many websites as possible (within the time limit) until satisfactory travel products were found. In addition, no restriction was given as to the type of travel products as long as the products met the requirement of travel duration and budget. A total of twelve participant observations were conducted in Taipei, Taiwan, for two- month time period in the summer of 2004. Upon arriving at the test room, each participant was given the task sheet and oral instructions on how to carry out the task. The oral instructions drew the participant's attention to the computer and note pad provided. The session continued until the participant reached the final steps of requesting to enter their credit card details. Results of participant observation are discussed in the following chapter.

5.7.3 Questionnaire survey

As mentioned in previous section, multiple methods are employed in this study to gain fuller insights into the study phenomenon. Mason (2006) provides a compelling rationale for using mixed methods in order to access multiple perspectives and dimensions: she argues that "*social experiences and lived reality are multi-dimensional and …our understandings are impoverished and may be inadequate if we view these phenomenon only along a single continuum.*"

It is not uncommon to combine both qualitative and quantitative methods within one study. One common rational for mixing methods relates to the development of research "tools" and usually involves using qualitative methods for the initial

exploratory phase. More specifically, using qualitative methods to inform development of a questionnaire survey instrument, which is probably the most common approach to mixed methods. Mixed methods are also often used to compensate for the perceived weakness of stand-alone methods, with the aim of either providing a more complete picture or enhancing coverage. As far as this study is concerned, questionnaire survey is employed followed the qualitative research method (in-depth semi-structured interviews and participant observation) to flourish a sampling pool for in-depth qualitative approach (project technique interviews). It is argued that focused qualitative method followed questionnaire survey can make valuable contribution in providing an explanation for some of the surprising results, if any, of quantitative work.

The questionnaire is one of the most widely-used survey data collection techniques because each respondent is asked to respond to the same set of questions, and thus provides an efficient way of collecting data from a large sample prior to quantitative analysis (Dillman, 2000). Saunders *et al.* (2007) claim that researchers can collect different types of data using questionnaire, as follows:

- Opinions: the questionnaire can be used to ask how respondents feel about something or what they think or believe is true or false – for example. "to what extent do you agree with the statement that security labels provided on travel websites is important?"

- Behaviours and attitudes: the questionnaire can be used to ask what respondents do or what their intentions are - for example, "how many times have you purchased travel products on the Internet in the last six months?"

- Attributes: the questionnaire can be sued to ask the respondent's characteristics, such as gender, age and occupation- for example, "what is your education background?"

In terms of the form of conducting questionnaire survey, it can be categorized as two types: interviewer-completed or respondent-completed. Respondent completion can be cheaper and quicker but often results in low response rate, which may introduce bias in the results because those who choose not to respond or are unable to respond perhaps due to language or literacy difficulties, may differ from those who do respond. Interviewer completion, on the other hand, is relatively expensive in terms of interviewer's time (which usually has to be paid for in some cases) but the use of interviewer is likely to ensure a more accurate and complete response. The combination of both forms was used in this study to increase response rate while reducing confusion caused by wordings of the content, if any. It is also used for the researcher to recruit respondents for further qualitative work (project technique interview): the respondents were asked if they are interested in participating in project technique interviews, in which they would be able to express opinions concerning online travel purchasing experiences in detail.

A questionnaire was developed based on a comprehensive review of the travel and information technology literature. For example, online information search behaviour (Chen *et al.*, 2000; Jang, 2004), online travel purchasing behaviour (Beldona et al., 2005; Card *et al,* 2003; Heung, C. 2003; Kim and Kim, 2004; Morrison *et al.*, 2001; weber and Roehl, 1999), Website characteristics (Ho and Lee, 2007; Kim *et al.*, 2007; Law and Ngai, 2005; Morosan and Jeong, 2008; Morrison *et al.*, 2004; Yeung and Law, 2006), online trust (Chen and Saeedi, 2006; McKnight *et al.,* 2002) and the relationship between cultural factors and Internet–related variables, such as website design preference, online purchasing behavior (Litvin *et al.*, 2004; Sigala and Odysseas, 2004; Tsikriktsis, 2002).

The questionnaire instrument consisted of six sections. The first section was designed to gather information concerning previous online purchasing experience because it is argued that previous purchase experience via the Internet was one of the most important factors in predicting Internet purchase intention (Shim *et al.*, 2001). The respondents were asked to indicate whether they have ever made any purchase on the Internet. If the answer is yes, they were asked to indicate the frequency and types of products purchased. If no, they were asked to indicate the reasons for not making purchase online. The second section was designed to investigate online travel information search behavior. The respondents were asked to indicate what types of channel they commonly used for gathering travel information? If the answer includes the

Internet, they were also asked to point out what types of websites they commonly visited for gather travel information? The third section was designed to investigate online travel purchase experience. The respondents were asked to indicate the frequency and types of travel products they have purchased on the Internet. They were also asked to identify the major reasons of purchasing travel products online in general, and from a certain website in particular. In addition, they were also asked to indicate the preferred method of making payment. The fourth section was designed to measure the importance of travel website dimensions and attributes on a 5-point Likert-type scale, ranging from 1 (very important) to 5 (very unimportant). The respondents were asked to rate the importance of seven dimensions based on their preferences, including presentation and design, ease of use, information quality, provision of contact information, interactivity, security and privacy information and financial incentives. The fifth section measured the relationship between cultural factors and online travel purchase intention. The respondents were asked to indicate the degree of agreement on each statement, ranging from 1 (strongly agree) to 5 (strongly disagree). The last section dealt with the demographic background and behavior characteristics of the respondents, such as gender, age, education level, number of years of Internet use, and browse use per day. It should be noted that the questionnaire was developed in English and then translated into Chinese by the researcher. To ensure the reliability of questionnaire survey, both version of questionnaire were double-check by independent translator to ensure the questionnaire in the two versions had the

same meaning. To ensure the content validity of questionnaire, the questionnaire was pre-tested by twenty respondents. Based on their feedback, jargon words were clarified, redundant questions were removed, and some sentences were reworded.

The survey was conducted outside the shop of one of the major online travel agent in Taipei, Taiwan, for two-month time period in the Summer of 2008. Due to the practical difficulties of employing random sampling technique, the convenience sampling techniques was used in this study. The respondents were interviewed after they came out from the shop at various times of the day. Every effort was made to achieve a representative sample. Respondents were approached and informed about the purpose of the study in advance of being given the questionnaire. Due to time constraints, around 400 respondents were approached during survey period, of which 268 responded and completed the questionnaires. Of the 268 returned questionnaires, 23 were discarded because they were not fully completed and 245 questionnaires were retained for further data analysis. The collected data were analyzed using Statistical Package for Social Science (SPSS) version 10.0. Descriptive statistics was used to analyze the data concerning online travel purchase experience. Chi-square tests were used to identify the differences between online travel purchaser and browser on their demographic background and bahavioural characteristics. In addition, *t-tests* were used to examine the differences between the two groups' perception on website dimensions and attributes,

influence of information source and cultural factor. Results of questionnaire survey are discussed in the following chapter.

5.7.4 Projective technique interview

Projective technique interview originated in the field of clinical psychology in the early twentieth century (Catterall *et al.,* 2000), and later increasingly used in consumer research and marketing (Chang, 2001). Through a range of strategies that are designed to facilitate discussion and communication, projective technique is used to aid expression and refinement of views (Arthur and Nazroo, 2003). Projective techniques are defined as an "unstructured, indirect form of questioning that encourages respondents to project their underlying motivations, beliefs, attitudes or feelings regarding the issue of concern" (Lilienfeld *et al,* 2000). When using projective techniques, respondents are asked to interpret the behavior of others rather than describe their own behaviour. In interpreting the behaviour of others, respondents indirectly project their own motivations, beliefs, attitudes or feelings into the situation. Thus, respondents' attitudes are uncovered by analyzing their responses to scenarios that are deliberately unstructured, vague and ambiguous.

Based on responses evoked by the respondents, Lilienfield *et al.* (2000) identify five categories of projective techniques: association, completion, construction, choice-ordering and expression. In the associative techniques, respondents

are presented with a stimulus and asked to respond with the first thing comes to mind. The underlying assumption of this technique is that association allows respondents to reveal their inner feelings about the topic of interest. In the completion, respondents are asked to complete an incomplete stimulus situation (e.g., sentence or story) using their own integration and creativity. In the construction technique, respondents are asked to construct a response in the form of a story, dialogue or description. This technique is closely related to completion technique but provides less initial structure to the respondents than in a completion technique. In the choice-ordering technique, respondents are asked to group materials or pictures into categories that are meaningful to them. Finally, in the expressive technique, respondents are presented with a verbal or visual stimulus and asked to relate the feelings and attitudes of other people to the situation. The two main expressive techniques are role-playing and third-person technique. Lindzey (1961 cited Hassay and Smith, 1996) claims that the construction techniques are the most appropriate to evoke a profusion of respondents' unconscious factors (e.g., the Taiwanese consumers' unawareness of the relative significance of factors influencing online travel purchase intention).

The main rationale for using projective techniques in this study is that this technique enables the researcher to motivate the respondents, enhance collection of in-depth data and to minimize researcher's bias. For example, the use of assumption cards helped maintain the respondents' interests in the

interview process and the process of selection the cards engaged the respondents accordingly. Through these processes the respondents are gradually developed emotional involvement therefore are likely to yield more in-depth qualitative data. Since the assumption cards are randomly selected by the respondents, the interviewer bias is argued to be relatively minimized thus enhancing the reliability of the research.

The samples of projective technique interview were recruited from the questionnaire survey. Among 268 respondents who completed the questionnaire, 20 agreed to participant in projective technique interview because they were interested in the research subject. The respondents were then contacted to arrange for mutually convenient time. A total of twelve projective technique interviews were conducted in Taipei, Taiwan, for two-month time period in the summer of 2008. The interviews were conducted one-by-one each lasting approximately 1.5 hour. The demographic profile on interviewees was shown in table 5.3.

TABLE 5.3: DEMOGRAPHIC PROFILE OF THE INTERVIEWEES (PROJECTIVE TECHNIQUE INTERVIEW)					
Number	Name	Age	Gender	Once purchased products online	Once purchased travel products online
1	Joe	28	Male	Yes	Yes
2	Max	32	Male	No	No
3	Yves	42	Male	No	No
4	David	36	Male	Yes	Yes
5	Sam	34	Male	Yes	Yes
6	Emily	33	Female	Yes	Yes
7	Angela	24	Female	Yes	Yes
8	Linda	31	Female	Yes	Yes
9	Emma	41	Female	Yes	No
10	Gina	32	Female	Yes	Yes
11	Annie	26	Female	Yes	Yes
12	Alice	28	Female	Yes	Yes

The projective technique interview employed in this study can be categorized as construction and choice-ordering. The interviewees were presented with assumption cards comprising various major factors influencing online travel purchase intention, identified in the questionnaire survey, and sought to be addressed in the interview, including lower price, reputation, recommendation

from family and friends, and website design (See Appendix). Without revealing the cards, the interviewee was asked to randomly select a card at time and to discuss it accordingly. After all the cards had been selected and discussed in detail, the interviewee was asked to arrange the cards in an order based on the relative significance. They were further encouraged to propose any other factors that they felt had been omitted. The interviewee was also asked to give a detailed explanation for the card arrangement. The data gathered in projective technique interviews were invaluable because it provides detailed information as to the various reasons influencing online travel purchase intention as well as the relationship between them - For example, what would you perceive if the product has lower price with less-known brand?

5.8 SUMMARY

This chapter has presented the epistemological and theoretical perspective adopted by the research, focusing on constructionism as the epistemology and interpretivism as the theoretical perspective. They are considerd appropriate for the research because they both emphasize that "meanings are constructed by human beings as they engage with the world they are interpreting" (Crotty, 2003:43) This view provides a solid theoretical foundation for better understanding of consumer perceptions and intentions of purchasing online travel products. This chapter has detailed the theoretical background of the case study as research methodology for investigating the dynamics of

consumer online travel purchasing intention. Finally, this chapter has presented the research methods utilized in this research: in-depth semi-structured interviews and participant observation were used to explore the consumers' purchasing experience for online travel products and preferences for travel website features while questionnaire survey and projective technique interview were used to investigate consumers' attitudes towards online travel purchase and examine the major reasons contributing to online travel purchase intention. The results of the case study are detailed in the following chapter.

CHAPTER SIX

RESULTS OF THE FIELDWORK-

SEMI-STRUCTURED INTERVIEWS

CHAPTER SIX: RESULTS OF THE FIELDWORK - SEMI-STRUCTURED INTERVIEWS

6.1 INTRODUCTION

This chapter presents results of the semi-structured interviews. It was designed to explore Taiwanese consumer perceptions of purchasing travel products on the Internet. The level of usage of the Internet as a travel information source and travel product purchasing channel was assessed, the benefits and barriers explored, and the major factors influencing online travel purchasing intentions identified, with particular focus on trust and culture. Figure 6.1 illustrates the aspects highlighted in this chapter (in orange).

Figure 6.1: Aspects highlighted in semi-structured interviews
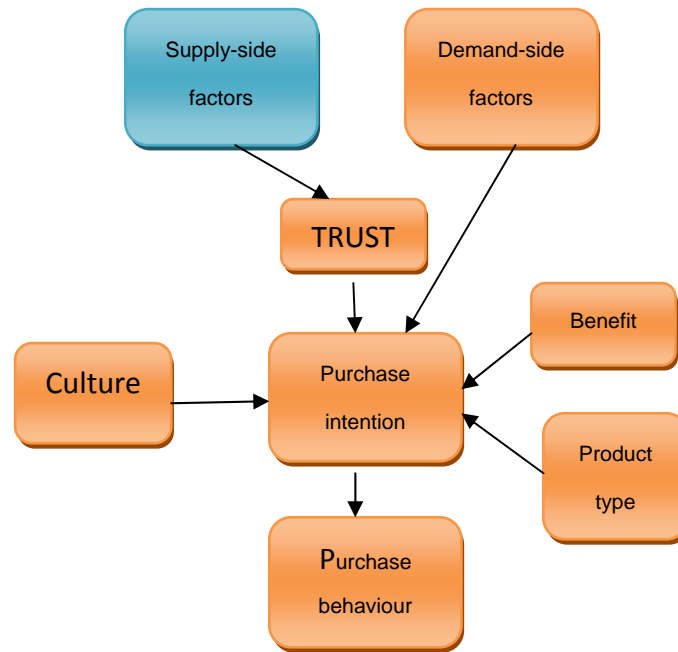
6.2 THE LEVEL OF USAGE OF THE INTERNET AS A TRAVEL INFORMATION SCOURCE AND TRAVEL PRODUCT PURCHASING CHANNEL

Some researchers suggested that many people are attracted to using the Internet as a travel information-gathering tool in comparison with other media (Beldona et al. 2005; Cai et al. 2004; Chen and Gursoy, 2000; Lehto et al., 2005; Jasen et al., 2008; Kah et al., 2008). There is no doubt that one of the key features of the Internet lies in its role of facilitating information search for consumers. The product acquisition process is enhanced by enabling

consumers to access a greater amount of detailed information with regards to product attributes, comparative pricing and availability. The ease of description and commodity-like nature of many travel products (i.e. airline tickets or hotel rooms) are particularly suits to online selling (Lewis and Semejin, 1998).

When asked about level of usage of the Internet as the travel information source, all interviewees confirmed that the Internet is the major information source when planning trips. In particular, six out of twelve interviewees expressed great interest on searching travel information online even while not planning specific trip:

> *I enjoy searching travel information online. This increases my knowledge of travel-related products, such as the price of certain products. I can sometimes find special offers (Anita, 23).*

> *I travel abroad two or three times a year, and therefore I tend to look for information anytime when I am free to help trip planning. I very much enjoy the searching process. I thought it is part of travelling experience (Veronica, 32).*

When it comes to gender, It is noted that majority of females (six out of seven) had previously purchased products on the Internet. The interviewees indicated there is a variety of choice available on the Internet:

> *I enjoy TV shopping and category shopping. I am not a stranger to Internet shopping as well. Clothes and skin care products are something I frequently buy from the Internet (Jessica, 26).*

> *I am a writer and work at home most of the time. I do not go out very often. I used to buy things from TV before, now my focus has changed to the Internet. The Internet is a convenient way of shopping to me. I bought different kinds of products on the Internet, ranging from CD and books to duvet sets and tableware. Actually it has become a habit of buying things from the Internet (Michelle, 31).*

It is noted that previous online purchasing experience seemed to have great influence on consumers' intention of purchasing online travel products as it boosts confidence for further purchases:

> *I am quite familiar with online shopping for different kinds of products. Buying travel products is no different from buying other products as far as shopping experience is concerned (Veronica, 32).*

> *Previous online shopping experience certainly boosts my confidence of buying more products on the Internet. Buying travel online is no exception. I have tried so many times and it all goes very well (Evonne, 32).*

As far as travel products purchased is concerned, some interviewees indicated low-complexity travel products (e.g., flight ticket and hotel rooms) are commonly- purchased items which required minimum efforts:

> *Buying flight ticket online is the thing I do quite often. It does not take too much time to look for the products suits my need. I have no preference for particular airlines. I normally go to some websites to get price quotes for the flight I intend to buy. As long as the price seems low, I will go for it (Marc, 28).*

> *Buying flight ticket is like buying normal goods such as veg and fruit. You do not need special skill to do that. Just choose the ones you used to buy. The only difference is you are buying it from the Internet, not the shop you can go around and check (Debbie, 32).*

Although it seems relatively easy to purchase low-complexity travel products, some interviewees tended to search for multiple websites before making decision:

> *Hotel rooms are the travel products I had bought very often. I go for the hotel I am familiar with. I compare the price on several websites for the same products and then choose the lowest one (Jessica, 26).*

The above quotes support the claim by Carroll (2004) that 69% of online travel consumers shopped two or more websites for hotel rooms in 2004. It may be explained by consumers who increasing view low-complexity travel products

as homogeneous within given segments, with a room from one brand serving as a near-perfect substitute for a room from another. This indifference, when it exists, may result in consumers choosing their hotels based on the lowest price available and facilitated by searching among the various distribution channels. Not surprisingly, online travel companies, such as Expedia and Travelocity, have become extremely popular mainly due to their ability to facilitate the consumers with a low-cost search.

While some interviews mainly had experience of purchasing low-complexity travel products, other interviewees had experience of purchasing high-complexity travel products and felt there was no difference between purchasing these two types of travel products:

> *I am happy to buy all kinds of travel products online. To me buying a package tour is similar to buying other travel products. The major difference is it takes more time to search relevant information. But I enjoy it anyway (Michelle, 31).*

> *I have plenty of experience buying flight tickets and hotel rooms online. It gives me confidence of buying more complex travel products (e.g., package tour) which involves large amount of money. Since I am confident doing online transaction, the types of products and amount of money does not make any difference to me (Veronica, 32).*

The above quotes are in line with previous research findings that prior online shopping experiences have a direct impact on Internet shopping experiences (Weber and Roehl, 1999; Morrison et al., 2001). As far as travel products are concerned, if consumers have a positive experience purchasing low-complexity travel products, they are likely to feel confident on their ability and continue to make other travel purchases in the future.

6.3 THE BENEFITS AND BARRIERS TO USING THE INTERNET AS A TRAVEL INFORMATION SOURCE AND TRAVEL PRODUCT PURCHASING CHANNEL

As a new channel for marketing, the Internet is capable of accommodating different kinds of products and services. There is little doubt that the Internet provides significant potential benefits to consumers worldwide. A number of benefits are perceived by potential consumers in relation to the use of the Internet as a travel information source and travel product purchasing channel.

Convenience

Convenience is the main reason why consumers use the Internet for the purpose of purchasing (Jarvenppa and Todd, 1997; Burke, 1998). Childers *et al.* (2001) argue that positive perception of convenience are likely to lead to a view that this new medium is both "useful" and "easy to use". The convenience brought by the Internet mainly related to time saving on transportation. Some

interviewees appreciate the benefits brought by the Internet for time saving:

> *Searching travel information online is certainly saving time as there is no need to visit traditional travel agents. I can search travel information anytime when I am free, at work or at home (Michelle, 31).*

> *I used to go to traditional travel agents to pick up brochures or buying travel products. But nowadays I can just sit at home searching for the information any time I want. Distance is no longer an issue when it comes to Internet shopping. This is so convenient (Martino, 33).*

The above quotes support the claim of some researchers (Beldona et al., 2005; Cazier et al., 2009; Card et al., 2003) who indicate that convenience is a major factor contributing to consumer satisfaction in Internet shopping - Online purchasers can save time on trips to retail shops when they place orders online.

Wider variety of travel information

The Internet is becoming a crucial medium for information delivery and acquisition. Online consumers search for information on destination, transportation, accommodation and entertainment in making travel decision. The information search online consumers undertake has significant implications for the purchase they eventually make (Jun et al., 2007; Lehto et al., 2005; Luo et al., 2004; Money and Crotts, 2003):

When I need travel information, I used to go to traditional travel agents to pick up brochures or go to book shops to buy guide books. Nowadays it seems no need to do that anymore. I can find all kinds of travel information on the Internet and make decision based on that (Jessica, 26).

I use the Internet for travel information gathering. The more information I have, the more easier I feel when it comes to decision making. I can find literally all kind of information I want online. For example, where to stay, where to visit, and where to eat (Anita, 23).

The travel information provided on the Internet helps my decision making. I need about the place I want to visit, the hotel I can stay, and the fight ticket with best deal. All kind of information helps me to reduce risk if there is any (Veronica, 32).

The above quote supports the notion of Beldona *et al.* (2003), who claim that the Internet has become one of the most important information sources for travel information acquisition. In particular, McCleany and Whitney (1994) indicated that many travellers value information acquired during vacation planning in the hope of supporting decision making (i.e., reduce risk and uncertainty).

Unlike traditional communication media, multimedia used by the Internet provides a richer picture of the products and service promoted compared to traditional way of travel information provision (e.g., travel brochure). Multimedia is the integration of two or more types of media such as text, graphics, sound,

video, or animation into a computer-based application (Laudon and Laudon, 1998). The use of multimedia was appreciated by some interviewees:

> *I am amazed by the travel information provided on the Internet. I can find everything about the destination before I visit. I can even find some websites providing web cam with images of current state of destination I want to visit (Jack, 34).*

> *I find videos posed on travel websites. It is like watching travel shows. I can imagine I was there. This is different experience compares to browsing travel brochures. I enjoy this experience and it helps my travel decision as well (Evonne, 32).*

The above quotes are consistent with the notion of Klein (1998), who argues that interactive multimedia has the capacity to transform experience attributes into search attributes. It is therefore believed that use of multimedia (e.g., video) can stimulate consumers' potential online purchase behaviour by making them enrich virtual product experience (Klein, 2003).

Lower price

Lower price has been frequently-mentioned as a key factor influencing the use of the Internet for product purchase. Alba et al. (1997) and Bakos (1998) suggest that the transparency available on the Internet on product features and pricing would increase the importance of cost saving in consumer decision-making process. Ten out of twelve interviewees claimed that lower

price was the motivating reason for purchasing travel products online:

> *Lower price is very important when it comes to buying online travel products. I believe the price offered online is lower than that on traditional travel agents. This is the reason why I am buying travel online (Justin, 29).*

> *Lower price certainly draw my attention in the first place. If I find some good deals in one website, I will keep on looking for the similar deals in others websites. I believe there is always good deal out there. The thing is you've got to take time to find them (Eva, 34).*

The above quotes support the notion of Degeratu *et al.* (2000), who point out that price sensitivity is higher in online environment than in traditional marketplace. This may be due to the availability of price comparison on the Internet. Since many travel websites provide price comparison services, consumers now can easily compare price with the various service providers. It is argued that consumers are most likely to choose a product or service because it reflects their perception of receiving value for the time and cost involved (Evans and Lindsay, 1999).

Although the majority of interviewees emphasized the importance of lower price as a major factors influencing online purchasing intention, some pointed out that they also took into account other factors such as the quality of products while purchasing travel products online:

Of course you wish to pay lower price for what you want. But you also think about the quality. Sometimes it worth paying a little bit extra for something good. For example, you do not want to save money to stay in a nasty hotel which may ruin the whole trip (James, 44).

Price can only help choose simple travel products such as flight ticket and hotel room. But when it comes to more complex products such as package tour involving transportation, accommodation even the expertise of tour guides, price alone cannot influence my decision (Michelle, 31).

It seemed the interviewees have no doubt concerning the benefits provided by the Internet in terms of offering a wider variety of information as well as lower price. However, according to the findings from some studies (Anckar and Walden, 2006; Klein et al., 2004), consumers surprisingly have the potential to experience more barriers than benefits by using online travel services. When asked about *barriers* to using the Internet for information searching and product purchasing, they expressed concerns such as information overload, price dispersion and time consumption:

Information overload

Consumers collect travel information prior to taking trips, which can be considered as a way to minimize the risk and uncertainty of the decision on travel to certain destination and to maximize the perceived quality of travel experiences (Lehto et al., 2005; Money and Crotts, 2003). Although the Internet

offers a wider variety of travel information, there is the possibility that an increase in choice can lead to confusion, which make the purchasing process more complex. Information overload is argued to adversely impact consumers' costs associated with processing this information both cognitively and physically (Peterson and Merino, 2003) as some interviewees commented:

> *It is a daunting task to find the information I really need. Although lots of information out there, they are not organized in a way which make sense. For example, the information is randomly shown instead of organizing according to relevancy. I simply have no idea where to start the search (Justin, 29).*

> *There is a list of information come out while keying in a keyword. It is good to have so many choices available. But I cannot tell exactly which is best suits my needs (Eva, 34).*

Consumers' online searching process usually involves multiple selections of suppliers, comparison of facilities, prices, and availability. In most cases, the search yields divergent results, especially when complex travel products are considered. It is noted that consumers' sense of uncertainty can actually increase as they gain more information. "Information overload" occurs when they learn more about the alternatives available, and the search becomes "psychologically costly" (Wilkie, 1994). When individuals cannot plot or track the totality of information, they deliberately simplify the problems – one of the

strategies employed is "brand loyalty" and all that is related to the development of a brand – identify, reliability, trust.

Price dispersion

The advent of the Internet was suggested to promote higher transparency of products and price information eventually leading to lower price (Bakos, 1997). However, some researchers (Clay *et al.*, 2001; Koch and Cebula, 2002) found variation in price for airline tickets offered by online travel agents ranging from 18% to 59%. Some interviewees were confused by price differences provided on various websites for the same product:

> *I am confused by the price offered on various websites for the same hotel room on the same day. Sometimes the price difference can up to 50 %. This is a huge difference. It happens so many times, and I have no idea how this happens really (Debbie, 32).*

> *Price for domestic flight is normally similar between different websites, but price for international flight is far more complex. For example, there are more than ten different prices offered on flight to London, which simply confused me. I know some cheaper deals come with terms and conditions, but this information is not clearly listed (Marc, 28).*

The above quotes support the notion of some researchers (Ancarani and Shankar, 2004; Pan *et al.*, 2003), who claim the increased access to online information implies that consumers may find greater price dispersion in online market than offline market. Price dispersion is obvious in the travel industry due to the nature of travel products (Low-fare booking strategies, rules and restrictions, etc). For example, some special offers with restrictions may have significant price differences compared to non-sale products. A potential consumer with limited knowledge of the travel industry may experience difficulties getting the best deals online (Keizer, 2000). Some researchers argue that travel companies should provide appropriate information and explaining for these differences (Wirtz et al., 2003; Xia *et al.*, 2004). Yet before appropriate pricing strategies can be employed, it can be expected that the greater the price dispersion, the more likely that consumers will spend more time searching for better deals (Biswas, 2004).

Time consumption

The barrier of time consumption mirrors the issue of information overload as it often takes a long time, in some cases, for consumers to locate information which they look for (Murray, 1996):

> *Since I am busy on my work, I can hardly find time to look*
> *for the information online. Even sometimes I manage to*
> *look around for online for travel information, I am amazed*
> *by how much time I have to spend to find the good deal*
> *simply for a hotel room (Jack, 34).*

It takes me quite a while to find information for even a simple travel product like hotel room, especially if I intend to find the best deal. There is simply too much information out there. Sometimes I do give up halfway (Martino, 33).

The above quotes support the notion of some researchers (Clay *et al.,* 2001; Koch and Cebula, 2002; Suri *et al.*, 2004), who claim that when facing the case of time consumption, some online consumers may give up search, opting to save time rather than save money.

Although some interviewees considered time consumption as a barrier to using the Internet for searching for travel information, others seemed to enjoy the searching process without too many concerns about the time spent:

I do not mind spending time searching travel information on the Internet and doing price comparisons. I think the search process is as part of my travelling experience, and I enjoy it (Veronica, 32)

I search the travel information online whenever I can. The information I gather benefits my future trip. I can sometime find tips provided by other experienced travellers during the information searching process. I very much enjoy the searching process itself (Jessica, 26).

It can be argued that consumers possess different shopping orientations and these will affect their purchase behaviour in relation to Internet shopping. Among various motivations, Childer *et al.* (2001) suggests that "enjoyment" is a consistent and strong predictor of attitude toward online shopping. For some individuals, "enjoyment" results from the fun and playfulness of the online shopping experience, rather than from shopping task completion. This may explain why some consumers have little concerns as to the time spend on search for information need.

Security

According to Law and Leung (2002), security of payment has a great effect on perception of the overall quality of a travel website. Due to the lack of a physical entity and interpersonal contact while purchasing online, consumers are especially concerned with the safety of online transaction. For example, consumers are likely to worry about their personal and financial information may be accessed or used over the Internet by third parties. Security has been perceived as being a critical dimension in terms of service quality or satisfaction (Szymanski and Hise, 2000; Yoo and Donthu, 2001).

Although security has been argued to be major issues concerning online purchase, some interviewees felt they are happy to pay online by credit card if they know that other people are doing likewise:

I normally buy from websites recommended by family and friends. In this case, paying online by credit cards should be no problem. Knowing other people have the similar experience buying from the same website gives me a peace of mind (Anita, 23).

I used to worry about paying online by credit card as I learn something terrible about Internet fraud. But as long as I buy from websites recommended by family and friends, I feel worry free (Evonne, 32).

The above quotes should not be explained by that interviewees have no worry about security issues associated with online travel purchase. Rather, it seems to be the influence of the reference group, which is argued to significantly reduce uncertainty and risk related to travel purchases (Beiger and Laesser, 2004). As far as Taiwanese consumers are concerned, the security concerns associated with online payment seemed to be reduced by following the recommendation from family and friends, which provides a peace of mind.

It is interesting to note that although the interviewees are relatively comfortable with making payment online by credit card, they tend to make phone call before deciding whether to pay online or not if large amount of money is involved (e.g., paying for package tour). It seemed if they have positive interaction with customer service people, they are more likely to make payment online:

I feel comfortable making payment online by credit card after talking with customer service staff. If the person I was talking to seems caring and responsive, I would be more willing to pay online (Jessica, 26).

I make phone calls to ask about payment procedure when I feel confused on the information provided on the Internet. I want to make sure everything about price before deciding whether it is ok to pay online or not. I expect professional advice from the person who I talk to. If I was happy with the assistance provided, I am happy to pay online as it is a very convenient way (Marc, 28).

The above quotes highlight the significance of assistance provided by professional and caring customer service personnel. If the consumers perceive competence and benevolence of the service provided, they tend to have positive perception toward the company behind, and thus are more likely to make purchase.

Surprisingly, no interviewees mentioned security labels provided on travel websites as important mechanism for protection, which contradicts the findings from previous research (Law and Leung, 2002; Law and Wong, 2003). The financial risk caused by revealing personal detail online has been frequently mentioned as one of major barriers perceived by potential consumers in western countries, yet the Taiwanese consumers seemed to pay little attention to this aspect due to low awareness:

I normally do not pay attention to see if any security labels are posed on the website. I do not bother to search where they are as well (James, 44).

I know some websites tend to post security labels, especially some websites with big company behind. I do not think it is necessary to look for security labels. I have no idea how they work and whether they work well as they should be (Marc, 28).

While some interviewees pay little attention to security labels, others felt that security labels posted on the websites are likely to boost their confidence to pay online by credit card:

I feel happy to pay online when seeing security labels posted on the websites. I suppose this means my purchase in this website is protected by law and regulations (Jack, 34).

Security labels should be provided on travel websites. It gives me a peace of mind when it comes to paying online by credit card. I do not feel comfortable to buy from websites without security labels posted (Evonne, 32).

As in the case of security labels, the majority of the interviewees did not emphasize the importance of privacy statement as a major mechanism concerning personal data protection. It seemed, as far as the sample in this study is concerned, that Taiwanese consumers did not particularly pay attention to security labels/privacy statements while searching travel information on the

websites. This may be explained by that some Taiwanese consumers have low, or no, awareness of what those security mechanism stand for. On the other hand, the influence of positive interaction with customer service personnel seemed to play a more important role in terms of boosting confidence of paying online than the presence of security labels/statements – Taiwanese consumers seem more likely to pay online by credit cards as long as they perceive competence and benevolence of online travel companies through interaction with consumer service personnel. In other word, the expertise and attitude of customer service personnel plays an important role in influencing consumers' perception towards the online travel company in general and online travel purchase intention in particular.

6.4 THE MAJOR FACTORS INFLUENCING ONLINE TRAVEL PURCHASING INTENTIONS

As the Internet continues to gain widespread acceptance as a communication medium, information source, and even transaction channel, it is imperative to examine the factors influencing online travel purchasing intention, with special focus on trust and culture as far as this study is concerned. Some major findings from in-depth semi-structured interviews are presented below:

Trust

While facing unfamiliar web vendors, trust is a critical factor influencing purchasing intention in the first place (Fogg *et al.,* 2002). Reputation is perceived as one of the criteria used to identify the trustworthiness of the website. The role of reputation to engender trust has been empirically shown in e-commerce (Jarvenpaa and Tractinsky, 1999) and B2C marketing (Doney and Cannon, 1997). Furthermore, in the economic literature, the role of reputation to enhance trust is strongly emphasized (Williamson, 1985). The majority of interviewees mentioned that they tend to put more trust in well-known websites, and some mentioned they would not consider purchasing from less-known websites. Well-known websites or websites with big companies behind are perceived as more reputable by some interviewees:

> *I normally start searching information from well-known websites as I feel they are trustworthy. If I am happy with their products and services, I tend to buy from them as well (Justin 29).*

> *I feel more comfortable buying from well-known websites. They are supposed to have more products available because they are normally big companies. Should something go wrong, they are likely to be more responsible when compared to the less-known websites. As big companies, they simply cannot afford to damage their reputation (Evonne, 32).*

It is noted that the importance of reputation as a determinant of trust especially for inexperienced consumers (Betty and Smith, 1987). Interviewees who had very little online shopping experience showed strong interest on purchasing from well-known websites:

> *I just tried to buy a flight ticket online from a well-known travel website. Since I never buy travel products online before, I feel less risk and uncertainty involved to buy from well-known websites as they are normally big companies which cannot afford to damage their reputation (Marc, 28).*

> *I have very little experience buying travel online. In this case, I only feel comfortable to buy from well-known websites as I assume they have more experiences when it comes to problem solving (Debbie, 32).*

Culture

Some literature suggests that culture is a critical factor influencing traveller's information search behaviour (Chen and Gousoy, 2000; Gursoy and Chen, 2000). Specifically, culture is a key factor that gives a clue to common communication instruments and the pattern of purchasing decisions in the international travel market. Two specific dimensions of Hofstede's cultural model (1981), individualism vs. collectivism and uncertainty avoidance, are employed in this study, which was shown to have influence on individual behaviour in general and argued to be associated with online information search and purchasing intention in particular (Li, 1997; Chen, 2000).

Collectivism is argued to be common in some Asian countries, including Taiwan (Hofstede, 1980). In a collectivistic society, individuals adhere more to social norms, and their closely knit family has great influence on their decision-making process (Mehta *et al.*, 2001). The majority of interviewees expressed that they tend to visit the travel websites recommended by their family and friends and feel more comfortable making purchase with the websites which their family and friends also make purchase from:

> *I feel comfortable buying from the website recommended by friends. If the websites I prefer are not recommended ones, I tend to ask more people to see if I can find someone who has the same experience as me (Jessica, 26).*

> *I always buy from the travel websites recommended by my family or friends. This gives me a peace of mind. Their positive experiences encourage me to buy from the same travel websites (Evonne, 33).*

In addition, uncertainty avoidance, a measurement of tolerance for risk, has been shown to influence information search behavior (Dawar et al., 1996). As far as risk aversion is concerned, individuals in high uncertainty avoidance societies tend to spend more time planning trips compared to that in low uncertainty avoidance societies:

> *It is better to plan the trip as early as I can. By doing so, I have more time to find detailed information. I also have time to sort the problems should something goes wrong during the planning process (Anita, 23).*

In addition, interviewees expressed the significance of recommendations from family/friends as a way to avoid risk and uncertainty, which mirrors the influence of reference group on purchase intentions:

> *I always seek advice while searching for travel information. Sometimes I also follow their advice while making travel decisions. This is a good way to avoid making mistakes and therefore reducing risk on travel purchase (Michelle, 31).*

> *I am not sure if the information on travel websites is trustworthy and I worry about the risk of paying online. But if I follow the advice from family and friends, I feel less worried as they can give me good idea on where and how to find the best deal (Debbie, 32).*

6. 5 DISCUSSION

Semi-structured interviews were employed to explore consumers' perception towards purchasing travel products on the Internet. The results help to understand the drivers of consumers' attitude and intention to make travel purchase on the Internet. Firstly, it is noted that previous online shopping experiences plays a significant role influencing consumers' intention to make travel purchase online. Due to the concerns of financial risk, consumers

typically start making online purchase with products and services which involve low amount of money (e.g., books and CD). In case previous online shopping experience resulted in satisfactory outcomes and were evaluated positively, this leads to continue to shop on the Internet in the future (Shim *et al.,* 2001). It is argued that such positive experience decreases consumers' perceived risk associated with online travel purchase, and thus increases intention for further purchase.

There is little doubt that the Internet provides significant potential benefits for consumers who wish to make purchase in a more convenient way. Karayanni (2003) found that Internet consumers tend to value time efficiency and availability of shopping on a 24/7 basis. More choices, lower prices and the latest products have become available online for consumers who are physically away from the traditional stores. It is recognized that the Internet offers time saving, an information-rich environment and making purchase easy, and thus providing a clear indication of areas where consumers may respond to added value propositions.

The Internet lies in its role of facilitating information searching for potential consumers and many consumers are attracted to using the Internet as travel information gathering tool. Information is particularly important due to intangible nature of travel products and service which typically associated with higher risk. The results indicated that the use of multimedia is perceived as one of major

advantages provided by the Internet which enrich online travel searching experiences. Through the use of different multimedia techniques, a richer and more vivid picture can be provided (Cho and Fesenmaier, 2000). For example, slide shows and videos of hotel products can help to visualize information about typical experience attributes. This gives potential consumers a more correct impression of the product in question and thus helps the consumers in evaluating the product.

Although a number of benefits provided by the Internet were recognized, consumers have also experienced barriers of using the Internet for travel information searching and product purchasing. The results indicated that one of the notable barriers is information overload, arguing to adversely impact consumers' costs associated with processing online travel information both cognitively and physically. While the Internet offers a variety of travel information, it also has a possibility that an increase in choices is psychologically costly for consumers, and thus making the searching and purchasing process more complex. This may be explained why some price comparison website have been established to cater the consumers' expectation need of simplying the searching and purchasing process. The barrier of time consumption mirrors the issue of information overload. It often takes a long time, in some cases, for consumers to locate information which they look for, particularly for those who tend to spend large amount of time searching for bargain price. During the searching process, consumers are easily to

experience price dispersion, which is also considered as one of the barriers concerning online travel searching and product purchasing. Price dispersion is not uncommon in travel industry due to dynamic differential pricing (e.g., yield management employed by hotel). This leads to confusion and frustration as consumers may find it difficult to decide when to stop search. It is noted that inexperienced consumers are more likely to suffer as a result of wider price dispersion.

Security issues have been, and still are, major barrier associated with online travel purchase. The security issue has been argued to be a critical reason for consumers choosing to make online purchase (Law and Leung, 2000; Law and Wong, 2003). However, security issue does not seem to be a major concern as far as the interviewees are concerned. They felt relatively comfortable of making payment online by credit cards as long as the websites are recommended by family and friends. They would also more willing to make payment online given they are satisfied with the assistance provided. More specifically, the professional and caring customer service may be perceived as competence and benevolence, and thus result in positive perception towards the company behind.

Trust is argued to be a crucial factor influencing consumers' purchase intention of travel product. The results indicated that that reputation is perceived as one of the critical criteria used to identify the trustworthiness of the company.

Well-known websites or websites with big companies are perceived as more reputable which consumers felt more comfortable to purchase from. Reputation is considered as particularly important for inexperienced consumers as they felt less risk and uncertainty involved to purchase from well-known websites. Cultural factor is also argued to be a critical factor influencing consumers' purchase intention. The results indicated that the interviewees tend to visit the websites recommended by their family and friends as well as make purchase from the websites which their family and friends also make purchase from. This may be due to the influence of collectivism, argued to be common in some Asian countries including Taiwan, where close family has significant impact on individual' decision-making process. Recommendation from family and friends were also considered to be useful in terms of reducing risk and uncertainty associated with online travel purchase.

6.6 SUMMARY

This chapter presents the results of semi-structured interviews. The interviews covered various issues relating to the usage of the Internet as a travel information source and travel product purchasing channel from the perspective of Taiwanese online consumers. These interviews did not only highlight the current usage of the Internet as information and transaction channel in Taiwan, but also explored the benefits and barriers perceived by online consumers while using the Internet. These interviews further identified the major factors influencing online travel purchasing intention with special focus on the influence

of trust and culture. The next chapter will present the results of participant observation, with the aim of evaluating the significance of website design on consumers' overall perception, as well as the website attributes influencing online travel purchase intentions.

CHAPTER SEVEN

RESULTS OF THE FIELDWORK-

PARTICIPANT OBSERVATION

CHAPTER SEVEN: RESULTS OF THE FIELDWORK - PARTICIPANT OBSERVATION

7.1 INTRODUCTION

This chapter presents results of the participant observation. It was designed to explore the influence of travel websites on consumers' perception and online travel purchasing intention. The overall perception of travel website was explored, the website features contributing to positive perception identified, and the website attributes influencing travel purchasing intention explored. Figure 7.1 illustrates the aspects highlighted in this chapter (in orange).

Figure 7.1: Aspects highlighted in participant observation
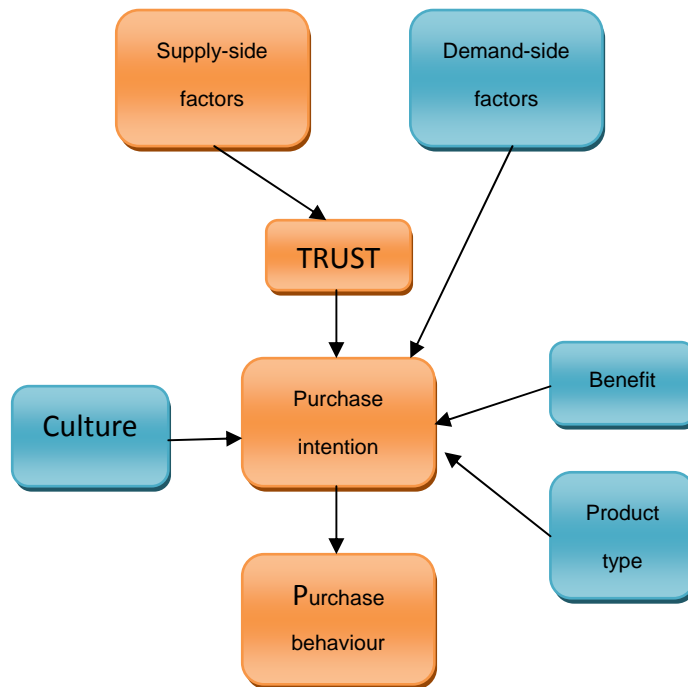
7.2 OVERALL PERCEPTIONS OF TRAVEL WEBSITE DESIGN

Website design is widely accepted as a crucial factor influencing consumer's selection, use, and purchase behaviour in online shopping (Liang and Lai, 2002). Previous studies have shown that the design of online stores plays the same role as the layout and atmospheric qualities of traditional stores (Eroglu *et al.,* 2001; Liang and Lai, 2002; Monon and Kahn, 2002). More importantly, website design has played a significant role in how consumer judge website quality (Lociacono *et al.,* 2002; Wolfingarger and Gilly, 2002). In addition, Egger

(2001) argued that the website design is one of the determinants of online trust.

Website design can be seen as the visual appearance of a website. This includes factors such a colour, text, layout and pictures. According to Eroglu *et al.* (2001), low task-relevant cues such as colours and fonts do not directly affect the completion of the task, but they can create an atmosphere that has the potential to make shopping experience more pleasurable, trigger memories of shopping in a traditional store counterpart, or provide confidence in shopping with unknown retailers. This is supported by some studies (Monon and Kahn, 2002; Huang, 2003) which suggested that sensory website design such as stimulating colours affect consumer online behaviours and experiences by creating induced arousal and pleasure. Several features associated with website design were explored and the results are presented below:

Colour Contrast

Colour contrast refers to the use of background colour, base font colour, colour difference, and colour brightness. Colour contrast influence the readability of a website, and the combination of text colour and background colour can either persuade or discourage visitor to use the website (Lindsay, 1999). An example of low contrast between text and background presented on a travel website is illustrated in Figure 7.2.

Figure 7.2: An example of colour contrast

Some interviewees confirmed the influence of colour on their intention to browse the websites:

> *This web page is dark background with tiny white printings.*
> *I feel it is very difficult to read. Even lots of information are*
> *provided here, I just don't feel like reading it (Evonne, 32).*

This result echoes the finding of the survey conducted by Park and Noh (2002), who stress that the website should use a light background colour as dark backgrounds make customers feel uneasy.

Interestingly, one interviewee pointed out that certain colour schemes may cause a negative perception of the travel website:

> *Yellow is not the right colour to be used on travel website. It conveys an image of low quality. It does not match the image of travel, which is supposed to be relaxing (Marc, 28).*

Another interviewee expressed a similar opinion:

> *Grey is not suitable for travel websites. It just doesn't match the image of travel products. I like to see light blue being used on white background as it gives me a feeling of calm (Jessica, 26).*

In particular, one interviewee stressed the importance of a combination of text colour. An example of a mix of text colour presented on a travel website is illustrated in Figure 7.3.

Figure 7.3: An example of a mix of text colour
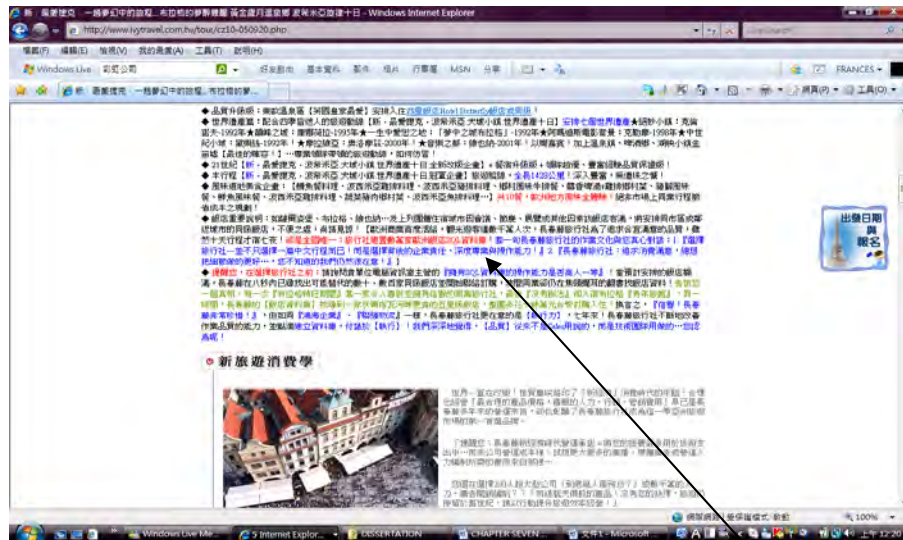
One interviewee felt the colour of text should be kept simple to convey a professional image of travel website:

> *I have no idea why so many colors are used in this text .It just looks terrible! I think it should be less than two different colours mixed on one paragragh in order to keep it looks simple and professional (Michelle, 31).*

There are strong indications that appropriate colour and contrast between the text and background on a web page is crucial to make the information readable to online consumers. The readability of information provided is important as it

influences the intention of online consumers to continue using the website for purchase, thus attention should be paid on colour contrast while designing the website.

Use of text

Text refers to the font size and style used on the website. Like colour, the style and size of font can affect the readability of a web page. The font size also affects the text on the page. Specifically, Ivory and Hearst (2002) suggest that the average font size should be between 8 and 12 when the text is describing the content. An example of small font size on a travel website is illustrated in Figure 7.4.

Figure 7.4: An example of small font size.

Interviewees confirmed the significance of font size as they contribute to the degree of readability:

> *I cannot read the description if the font is too small. It is good for the website to provide detailed information, but the companies have to make sure the information is easy to read otherwise it is of no use (Veronica, 32).*

As far as font style is concerned, an example of cartoon-like font style on a travel website is illustrated in Figure 7.5.

Figure 7.5: An example of cartoon-like font style.

One interviewee pointed out that a cartoon-like font style has a negative impact on perception of professionalism:

> *The use of cartoon-like font style gives me a feeling of low quality. The mix of different font style and colour looks like a mess. In this case, I don't think the website is professional and credible (Jack, 34).*

These views coincides with Schraff *et al.* (2002), who stress that the careful selection of a font style and size is important in website design, and that different styles of application need different styles of font. It should be noted that the main function of a travel website is presumably to provide information rather than to entertain. While an entertainment-oriented website would use a wider variety of font sizes and style, this is not suitable for travel websites as the main purpose is making visitor to browse the web page comfortably. Therefore, a wider variety and constant changes in font styles (size,colour) would not match this purpose. The travel website needs to pay attention to the choice of font size and style in order to convey professional image of the website.

Layout

Layout refers to how elements are visually presented on the web page. As far as presentation is concerned, the web page should be of an appropriate length, uncluttered and clearly laid out. Page format has been pointed as major issue in website structure (Ivory and Hearst, 2002), having a potential major impact on user satisfaction. Black (1997) suggested that a well-designed web page should not require any scrolling. One interviewee mentioned the lengthy time needs to scroll pages may cause dissatisfaction:

> *I do not like to spend time on scrolling pages. The length within three pages is ok, but anything more than that is too long. If this happen in every pages of this website, I may just click away (Eva, 34).*

Apart from page length, a simple look and feel should be consistent throughout the entire website (Koyani and Nall, 1999). However, inconsistency of quality on different web pages of some travel websites was observed. Some interviewees felt that inconsistency of website quality indicated lack of care, which led to feeling of annoyance:

> *There are differences between the quality of web pages in this website, which annoyed me very much. It feels like the company doesn't pay too much attention to the information displayed. In this case, how can I trust the information they provided (Debbie, 32).*

> *If the travel website does not pay attention on presentation of their products, I do not think I can trust the information they provided, not to mention buying from this website (Justin, 29).*

The above views support the claim that there is a direct relationship between the website design and the perceptions of consumers toward the company (Kim and Moon, 1998). Aesthetic features of travel website (i.e., colour combination, text style) are argued to be the main clue of website credibility (Fogg *et al.*, 2000). Therefore, the travel website should pay attention to images which the company is being projected online and the images should be constantly maintained throughout the entire web pages to build trust of website.

Use of pictures

Use of pictures on the websites is one of the strategies than can be employed to overcome disadvantages associated with the intangibility of the travel products and services in the pre-purchase stage of the customer decision making process (Koernig, 2003). Moreover, pictures are more memorable and easier than text for creating an image about products and service in the customer's mind (Jeong *et al.*, 1996). An example of use of pictures on a travel website is illustrated in figure 7.6.

Figure 7.6: An example of use of pictures.

Interviewees confirmed the significance of pictures and indicated that quality of picture is particularly important as far as drawing attention is concerned:

It is more appealing to me if several pictures associated with destination are shown along with text. Pictures are very important when it comes to selling travel products. The travel websites should provide not only pictures, but good quality ones, in order to draw attention of the online customers (Veronica, 32).

Comparing two websites providing with and without photos on the holiday products, I would be more interested in browsing the ones with pictures, particularly the pictures with good quality. Pictures make the travel products looks more attractive and appealing (Martino, 33).

Another interviewee indicated that pictures can create mental image associated with travel destination and lead to anticipation - two very important features in the travel decision making process:

Using pictures definitely make the products more attractive. When I see the pictures of destination I want to visit, I certainly can imagine I was there.

These views correspond with Koernig (2003), who suggested that the provision of pictures can increase tangible cues and provide vivid images and conditions of travel products. He also indicated that increasing the tangibility of intangible service should result in a more positive response and more positive evaluation

of the website (Koernig, 2003).

In particular, one interviewee pointed out the misuse of pictures on one travel website and how it eroded trust of consumers:

> *This is ridiculous. The photo used to introduce destination A is actually the image of destination B. This happened for so many times in this website. This indicates the careless of the company as far as providing information is concerned. In this case, I just do not feel I can trust the information provided on this website at all (Veronica, 32).*

It is interesting to note that using pictures is not only applied to travel products, but to the employees of the travel website itself. Steinbrueck et al. (2002) found that a picture of employee on the homepage of an online bank significantly increased user trust. Among the travel websites interviewees visited, only a few provide pictures of employees (normally tour guide of package holiday). An example of picture of employee used on a travel website is illustrated in figure 7.7.

Figure 7.7: An example of use of pictures of employees.

Interviewees have mixed opinions on this aspect with some felt interpersonal cues are needed in virtual environment such as the Internet:

The image of people provides on travel websites gives me interpersonal cues. This is important in the online environment where face-to-face interaction is lacking (Evonne, 32).

Similarly, another interviewee felt the image of employees used on travel websites helped to create a real-world feel as purchasing from traditional travel agents:

> *I like to see pictures of someone put on the website. It gives me a real-world feel. Just like the staffs I see on the traditional travel agent, the photo of employee gives me the same feeling (Jessica, 26).*

Although some interviewees confirmed the positive influence of the pictures of employees, one interviewee was wary of the pictures of employees presented on the travel websites and commented that those are impersonal and did not indicate efficiency or knowledge of individual concerned:

> *I am not sure if the pictures of employees shown on the travel website can increase my trust on the website. It is just pictures of somebody. I have no idea if he/she is caring or capable of doing the job (James, 44).*

Another interview felt pictures of employees used is simply marketing strategy which employed to enhance sales volume and thus has reservation of how trustworthy it is:

> *I do not think the pictures of employees help in terms of increasing trust on the travel websites. If they say something good about their products, that's their way of doing business. I do not particularly trust what they say (Eva, 34).*

Usually graphics are provided on a website in order to increase tangibility of service provided. Graphics such as pictures can present much more detailed features than simple text (Beldonaet al., 2005). It should be borne in mind that as the online consumers are becoming more sophisticated, the quality of pictures should be carefully selected to convey a professional image of the travel website. In addition, the pictures presented should correctly match the travel products to avoid causing negative perceptions towards travel websites.

7.3 WEBSITE FEATURES CONTRIBUTING TO POSITIVE PERCEPTION OF TRAVEL WEBSITES

Given the perishability of travel products, the highly competitive market, and the fact that many products differ little in terms of their functional capacity, it can be argued that the website features are increasingly becoming the decisive factor, significantly influencing customer's perception and satisfaction with a particular website. In addition, whether or not customers finally make purchases on a website mainly depends on their perception and attitude towards that particular website (Lee, 2002).

According to the framework proposed by Lu and Yeung (1998), functionality (content richness) and usability (ease of use) can contribute to success of a commercial website. Functionality involves the provision of sufficient information on the website about products and services. Moreover, the success

of a website also depends on its ease of use. In other words, in addition to being able to find sufficient information on a travel website, online consumers should also find the site efficient and enjoyable to use. Some discussions concerning these two important website features are presented below.

Functionality

Functionality refers to whether the website provides sufficient information about the products and services promoted. Information content is the essence of the website (Lederer *et al.*, 2000) and is likely to influence the online consumers' potential purchasing behaviour (Chu, 2001; Jeong and Lambert, 2001; Standing, 2001). Information content can be grouped into information completeness and information usefulness.

Information completeness can be measured according to accuracy of information, currency of information, and uniqueness of information. The information provided should reflect the nature of travel products offered. For example, the information for the latest price, the availability, the amenities, the map of surroundings area should be provided in related to hotel products. Some interviewees pointed out that the provision of relevant information has significant impacts on their intention to continue use as well as purchase from particular travel websites:

I want travel website to provide relevant information about the hotel.   For example, I want to know how to get to the hotel or if there is any restaurant nearby. The more information they provide, the more likely I will continue to browse, and perhaps buy something from this website (Justin, 29).

Detailed information helps me to make the purchase decision. If travel websites want to make profit, they should provide as much information as they can (Anita, 23).

Apart from information concerning travel products and services, some interviewees mentioned that price–related information should be explicitly presented. For example, the terms and conditions of making purchases should be clearly displayed, and no hidden costs (e.g. airport tax) should be included. One interviewee indicated that hidden cost may lead to trust erosion as it implies the companies is involved in opportunistic behaviour (i.e., being dishonest)

I do not like the website that does not reveal all the costs till the final stage of making purchase. If that is the case, I feel like being cheated and not to mention buying from this website (Michelle, 31).

By displaying and revealing all the costs involved, the companies show how much trustworthy they are. This means they are not trying to make extra money from consumers. Sometimes a little money goes a long way. As by doing so, I would be more likely to trust them for sure (Martino, 33).

These comments echo the findings of Standing (2000), who stated that travel websites are highly dependent on accurate and current information, which draws potential consumers to visit the websites. If consumers are not satisfied with the web service at the early stage of the information search due to the low quality of information content (e.g., hidden costs), they are not likely to make purchase (Jeong and Lambert, 2001; Yang and Jun, 2002; Wang and Law, 2005). Therefore, travel websites should keep on improving the quality of information presented on the websites in order to increase consumer satisfaction, which in turn may increase consumer trust.

Apart from information completeness, the issue of *Information usefulness* can be measured by the following criteria such as variety of discount offering and variety of product offering. It seems lower price is considered as useful information by consumers and can be used to draw attention in the first place:

> *Cheaper products always draw my attention. It will certainly appeal to me if the travel websites have a variety of lower price offered (Jessica, 26).*

> *I like to search for lower price possible. I think that is the benefits I get from buying travel online. I believe the price offered online is normally lower than that in traditional travel agent and that that is why I want to buy travel online (Justin 29).*

These views echo the findings of Reibstein (2002), who stressed that lower price is one of the key benefits associated with online travel purchase. The transparency available on the Internet on product features and pricing increases the importance of price in consumers' travel decision-making process. This suggests a need for online travel websites to provide a variety of travel product, particularly lower price offer, so as to draw consumers' attention in the first place.

In addition, having a wider variety of product offerings is also considered by some interviewees as important information criteria. One interviewee indicated that a wider variety of products has a significant impact on intention to use the travel websites:

> *If I visit a website and cannot find the products I want, it is no help how well-design the website is. The more products the website offers, the more likely I would spend time browsing time on this website. I want to see more choices available (Debbie, 32).*

Another interviewee felt that product comparison is needed, which may lead to better decision based on alternatives available:

> *I expect a wide variety of products offered on the travel websites. Lower price alone is not enough. I like to compare several choices on the same products in order to make final decision (Veronica, 32).*

The views support the findings that information usefulness affects the consumers' real usage of a website (Adams et al., 1992; De Ruyter *et al.*, 2001; Hwang, 2005; Jang, 2004; Jeong and Lambert, 2001). If online consumers perceived a particular website to be useful, they would be more satisfied and have a positive attitude (Adams et al., 1992; Bhattacherjee, 2001; Jeong and Lambert, 2001). More importantly, when consumers perceive a travel website useful, they are likely to recommend the websites to others and keep using the website (Jeong and Lambert, 2001).

In addition to being able to find sufficient information on a travel website, users should also find the site easy to use. According to Lu and Yeung (1998), functionality and usability are the crucial elements contributing to the success of a website. Having examined the importance of functionality, the significance of usability will be discussed next.

Usability

Usability refers to how easier a user can interact with an information system or a website to accomplish his/her task with the least time and cognitive efforts possible (Benbunan-Fich, 2001). Flavian et al. (2005) suggested that the degree of perceived website usability by the consumers influences the degree of trust on the website. According to surveys conducted by Kim and Kim (2004) and Oh *et al.* (2003), the usability of hotel websites by first-time visitors significantly affects purchasing intention and overall website quality perception.

Ease of use is frequently used to describe usability, which influences the initial decision to use a certain website (Adams *et al.*, 1992; Au Yeung and Law, 2006; Law and Ngai, 2005; Madu and Madu, 2002). Ease of use relates to website structure, which means making information ready in such a way that can be assessed efficiently and easily (Gloor, 2000). For example, a "three-click" rule was recommended, suggesting customers should be able to access any website features or piece of information within three clicks of the mouse, otherwise they are likely to be dissatisfied (Nielsen, 2002). One interviewee felt that user-friendly design, such as appropriate page length, may increase the intention to use particular travel websites:

> *It is important if the information can be found within a few*
> *clicks.   If the website is user-friendly, I would more likely*
> *to spend time browsing this website (James, 44).*

More specifically, ease of use can be measured by navigation and downloading time. Navigation involves having consistent menus that leads to key pages on a site. A clear navigation aid allows online consumers to know where they are on a site and provides the ability to find their way back to previous menu screen. Some interviewees felt easy navigation is one of the important features contributing to time saving on searching process:

> *I do not think I am an experienced customer when it comes to buying online travel products. Therefore, easy navigation is important to help me save time on finding information. I would spend more time on this website if it is easy to use (Justin 29).*

Another interviewee mentioned that ease of use may lead to positive first impression toward the website:

> *I like to explore more about the website if I find it is easy to use. It is important that the website is arranged in a way that makes sense to me. This would help save time on searching process and contributing to positive perception towards the websites (Michelle, 31).*

Apart from navigation, *downloading time* is also considered as a feature which influences ease of use. Some interviewees revealed that downloading time influence their perception of a particular website:

> *I do not think I want to wait more than ten seconds for a page to come out. If that happens, I would just click away for other choices. There are simply too many choices out there (Jack, 34).*

It is interesting to note that some interviewees complained about the lengthy time needed to download the pages with lots of graphical images:

A fancy design of a travel website does not necessarily appeal to me. Conversely, it may lower the speed of downloading and does not help on the quality of information presented at all (Veronica, 32).

It is evident that large or complex graphics are discouraged as they decrease download time (Bouch, 2000). Although catchy images aim to make websites more attractive and draw the customers' interest, too many graphical images appeared to have an opposite effect. Therefore, travel websites should not make excess use of large graphical images, animations, or flash.

7.4 WEBSITE ATTRIBUTES INFLUENCING ONLINE TRAVEL PURCHASING INTENTION

According to Nault and Dexter (1995), the main impact of technology on consumer value is convenience and control. Therefore, adding consumer value on the Internet should focus on website attributes adding convenience and control to the consumers . Convenience relates to actions which help reduce the consumers' time cost, search cost, and efforts to do business with the firm (Lemon et al., 2001). Control involves services which reduce the problem of delegating the purchasing process to consumers. To increase the likelihood of consumers being satisfied with the services provided on the websites during the search and purchase process and therefore increase the likelihood of the customers actually purchasing the products, the travel companies should

understand which attributes are considered important by consumers and include as many of them as possible in their websites.

The website attributes discussed below are based on online service discussed among other researchers and they are believed to be a good representation of attributes which should be available on travel websites in order to add consumer value by increasing convenience and control (Rachman and Richins, 1997; Procaccino and Miller, 1999; Weeks and Crouch, 1999; Nysveen and Lexhagen, 2001).

Contact information

Contact information refers to information regarding a travel agent's physical address, information about telephone and fax, and email address (Nysveen and Lexhagen 2001). The provision of contact information was confirmed by some interviewees as an influencing attribute contributing to positive perception of travel websites. An example of contact information provided on a travel website is illustrated in figure 7.8.

Figure 7.8: An example of contact information.

Interviewees confirmed the significance of contact information and the need for reassurance of physical contact:

> *I want to talk to customer service person if I have questions about the information presented on the website. Their phone number of the companies should be shown on the homepage in case if needed (Anita, 23).*
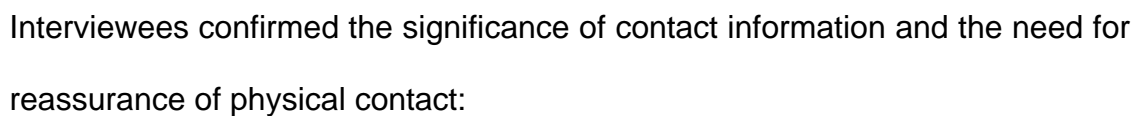
> *The customer service information should be easy to find. It should not be hidden on lower level pages. It should be clearly shown on homepage. This information gives me a peace of mind (Evonne, 32).*

More importantly, interviewees pointed out that positive interaction with customer service personnel may contribute to the increase of purchase intention:

> *I tend to make phone call when I have question about the information provided. If I feel the customer service person is responsive and caring, I would be more willing to make a purchase (Jessica, 26).*

Interviewees also revealed that contact information can be used to confirm the reservation as soon as the booking is made. In particular, they want to make telephone call if a large amount of money is involved (e.g., purchasing packaged holidays) for a peace of mind:

> *I want to make phone call to see if the payment is ok. This gives me a peace of mind. Confirmation by email is enough for a small amount of money (e.g. flight ticket), but it would be necessary to make a phone call when large amount of money is paid (Michelle, 31).*

As far as physical address is concerned, one interviewee indicated that physical address is used as a strong indicator to decide whether to purchase from a particular website:

> *Physical address gives me a real-world feel. It makes me feel that the travel company does not only exist in the virtual world of Internet. If I cannot find customer service information, particularly address, of the companies, I would more likely to be wary of buying from them (Martino, 33).*

It is interesting to note that one interviewee revealed that making payment in person is one of the options if the physical address of the companies is provided:

> *I want to make payment in person given if distance is not an issue. In this case, it is important that the company provides the physical address. I want to see the company behind the website, especially the one without high-street presence (Anita, 23).*

As to the email address, compared to telephone number or physical address, it is not considered as an effective way of communication by some interviewees as they indicated their questions may not be answered in a timely manner:

> *It may take a while for my questions to be answered by email request. It does happen as I once made email request about the alternative payment methods. It takes a few days for the question to be answered. I just don't think it's a good way for communication (Veronica, 32).*

This result suggests that consumers would prefer instant and direct contact with customer service people when assistance is needed. Although email addresses are not considered as an effective communication tool, they should be provided for consumers who may prefer to use email for making request if the case is not urgent.

Search engines

To simplify the information search process, the search engines should be provided to make it easier for customers to find relevant information. By using search engines, customers can reduce the search costs associated with finding the relevant information, and generate higher evaluation and satisfaction. It is suggested that one of most important factors creating satisfaction is the availability of alternatives (Mouthino, 1987). An example of search engine provided on a travel website is illustrated in figure 7.9

Figure 7.9: An example of search engine.

One interviewee appreciated the time saving provided by search engine:

> *Search engine is very useful. It helps me find information in a very quick way. It is a good way to save time needed in travel information search (Jack, 34).*

Search engines are particularly useful for users who have limited knowledge about online travel products searching and purchasing:

> *I am not familiar with buying travel online. I sometimes have no idea how to find the information I want. If search engine is provided, it will help solve this problem (Justin, 29).*

Although it is considered as important service, search engine was not provided by some of the Taiwanese travel websites which the interviewees visited, especially some small-scale travel websites. This can be explained because small travel websites normally have limited variety of products, and therefore search engines are not considered as necessary service in this type of travel websites.

Links

Links provide the consumers with easy access to relevant information and other services available on other websites. Interviewees revealed that it would be better if travel websites provided links to relevant websites for more detailed information about the travel products they intend to purchase. An example of useful links provided on a travel website is illustrated in figure 7.10.

Figure 7.10: An example of relevant links.

Interviewees confirmed the significance of relevant links provided and indicated that detailed information helped to increase knowledge on the travel products they intend to purchase, which also lead to the increase of purchase intention:

> *The more detailed the information, the more helpful it will be. The travel websites should provide relevant links about products they sell. For example, links to the hotel websites. By this way, I can see more pictures on rooms, amenities, and location of the hotel. This information helps me make purchase decision (Debbie, 32).*

In particular, one interviewee stressed the provision of relevant links may increase consumer satisfaction towards the travel website:

> *As far as holiday package product is concerned, the links to official tourist website of destination would be very helpful. This can help me know about the local culture, attractions, and event on destination I intend to visit. This service increases my satisfaction about the travel website as I think the companies pay attention to the need of consumers (Jack, 34).*

It is evident that links to other websites which can provide complementary information will therefore give an added value for the consumers and increase consumers' satisfaction, which may lead to trust perception towards the travel websites.

However, the links should be inspected regularly by the web managers to avoid invalid links which may, on the other hand, cause negative perceptions of the travel website itself:

> *Travel websites should add links in order to provide detailed information. But the thing is I sometimes find the links they provided are invalid or not very relevant to the products. This really is an issue they should pay attention to (Michelle, 31).*

In particular, one interviewee pointed out that lack of attention on updating links may have significant impacts on trust perception towards the website as well as the company:

> *I find some links provided by the travel websites were no longer in use. If this happened very often, I would doubt if attention was ever being paid to updating the other content of information provided on the website. In this case, I do not feel the information provided is trustworthy, so as the company itself (Evonne, 32).*

Travel community

The travel community is regarded as one of the most effective business models in the information age and the rise of virtual communities in online networks has provided great opportunities for both business organization and their customers (Armstrong and Hagel, 1996; Litvin et al., 2007; Smith et al., 2005; Yoo and Gretzel, 2008). As far as the travel industry is concerned, the Internet has become a "travel square" as more and more people turn to online travel communities to fulfill their travel-related task, ranging from seeking travel information and tips, fostering relationships with people far away, making travel transaction, or finding travel companies. At the same time, the travel websites are beginning to realize the importance of utilizing the power of the virtual community in their marketing strategy.

The travel community enables people with similar experiences the opportunity to come together – free from the constraints of time and space, and form meaningful relationship. People with strong interests in certain kinds of products and services can gather to exchange information and experiences regarding purchasing. An example of a travel community provided on a travel website is presented in figure 7.11.

Figure 7.11: An example of travel community.
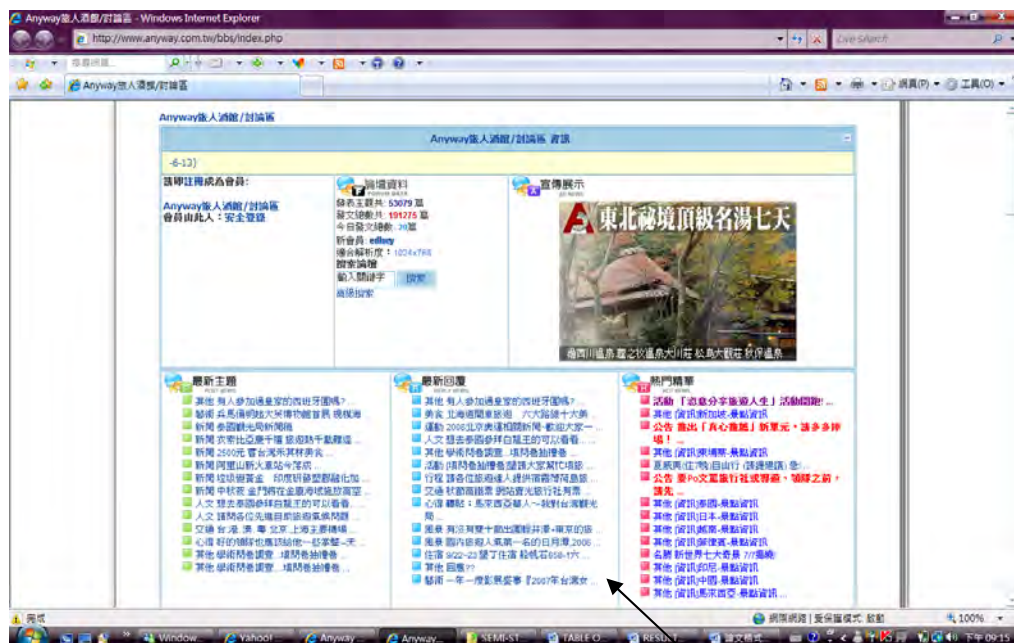
One interviewee felt safe to purchase from the websites recommended by other online members:

> *I want to meet people with the experience of buying from this website. This gives me a peace of mind. Their opinions can help me make decision about whether or not to buy from this website (Jessica, 26).*

Another interviewee pointed out the opinions provided by other online members seemed neutral, and hence are likely to have impacts on purchase intention:

> *I like to browse the travel community websites to get advice from experienced travellers about traveling to a certain destination as well as buying from a particular website. Their opinion is neutral, unlike commercial I see on brochures. Their opinions has great influence on my purchasing decision making process (Justin 29)..*

The results were consistent with the survey conducted by Gretzel et al. (2005), who suggested that the neutral information provided on travel community can help consumers make decision. In other words, Information from other users (WOM) is often perceived as more neutral and trustworthy than information presented by the travel websites in advertising campaigns or on their web pages.

7.5 DISCUSSION

Participant observation was employed to explore the influence of travel website on consumer perceptions and purchasing intentions. Previous studies have shown that there is a direct relationship between the design of a website and the perception of consumers towards the company. In particular, Egger (2001) argued that the website design is one of the determinants of online trust. The results indicated that the visual appearance of a website (e.g., colour combination, text, layout) all have impacts on consumers' perception towards the website. For example, the colour of text should be kept simple to convey professional image of travel website. It is noted that inconsistency of quality on different pages of some travel websites were observed, which result in low trust towards the information provided on the website. Use of pictures was confirmed to be significant factor influencing consumers' perception, particularly the quality of pictures. Interviewees indicated that pictures make the travel products looks more attractive and appealing. As a result, the travel companies should pay more attention on pictures as it can increase the tangibility of intangible products such as travel products, and thus result in a more positive evaluation towards the website.

Apart from visual appearance, functionality and usability also contribute to the success of travel website. The results indicated that information completeness (e.g., accuracy and currency) has significant impacts on consumers' intention to continue to use as well as purchase from a particular websites. In particular,

provision of information is used to judge integrity of the travel company. For example, hidden cost is perceived as the company is involved in opportunistic behavior, and thus may have potential to significantly erode trust. Ease of use is typically used to describe usability, which is argued to influence the initial decision to use the website. Easy navigation and shorter download time were perceived to save time spend on searching for the information and thus increase consumer satisfaction towards the website.

As far as the website features is concerned, provision of contact information was perceived as the most important dimensions by respondents. The reason may be that, as the influence of collectivist society, Taiwanese consumers tend to travel within groups and thus have a tendency to purchase all-inclusive package holiday that were considered as high-risk travel products compared to flight ticket (low-risk travel products). Due to the complexity of products, a higher level of communication is therefore required between consumers and travel companies in order to reduce perceived risks associated with online travel purchase. It may also be explained by cultural influence of uncertainty avoidance. Travel consumers typically engage in extensive external information search behavior to minimize several types of risk incumbent in their travel purchase decision. Consumers in medium to high uncertainty avoidance societies (e.g., Japan and Taiwan) are more likely to gather information from one of the higher credibility sources (e.g., personal or channel sources) rather than market-dominated sources. The results indicated that Taiwanese

consumers tend to contact travel companies before making purchase, particularly for travel products which involved large amount of money (e.g., all-inclusive package holiday). The results also indicated that the response consumers received during the communication process would likely to determine whether they perceive the travel company is trustworthy. In other words, the process of communication is used to judge competence and benevolence of the travel companies.

7.6 SUMMARY

This chapter presents results of participant observation with twelve interviewees. This observation covered various issues related to the influence of travel websites on customers' perception and purchasing intention for online travel products. The results emphasized the significance of website design on customers' overall perception towards the travel website. The website features contributing to positive perception were examined. In addition, website attributes influencing online travel purchase intentions were investigated in the hope of understanding the preferences of Taiwanese consumers. The next chapter will present the results of questionnaire survey, with aim of quantitatively examine the usage of Internet for travel information search and travel product purchasing. The influence of travel website dimensions/attributes on consumers' perception and purchase intention is also examined.

CHAPTER EIGHT

RESULTS OF THE FIELDWORK-
QUESTIONNAIRE SURVEY

CHAPTER EIGHT: RESULTS OF THE FIELDWORK -

QUESTIONNAIRE SURVEY

8.1 INTRODUCTION

This chapter presents results of the questionnaire survey. It was designed to explore Internet usage of Taiwanese consumers for information searching and product purchasing of online travel products and the influence of travel websites on consumers' perceptions and purchasing intentions. In particular, to explore if there are significant differences between online travel purchasers and browsers. Figure 8.1 illustrates the aspects highlighted in this chapter (in orange).

Figure 8.1: Aspects highlighted in questionnaire survey
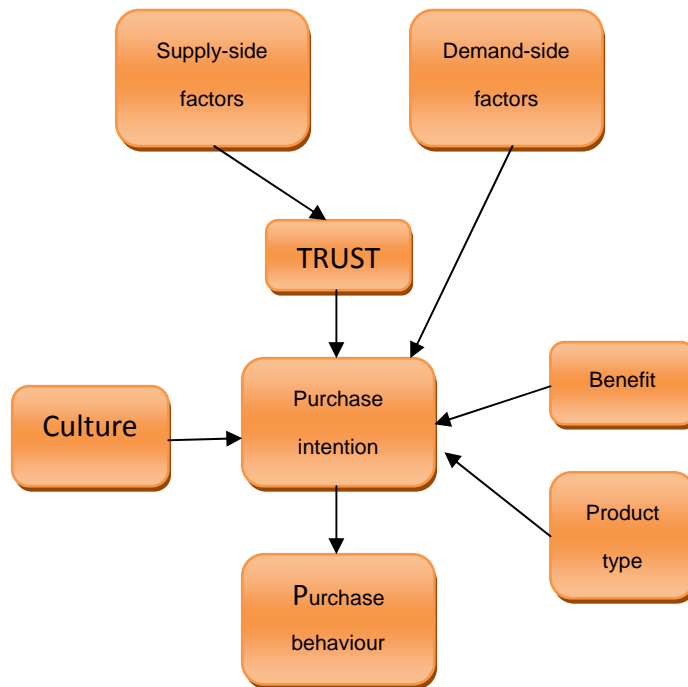
8.2   DEMOGRAPHIC   CHARACTERISTICS   OF   THE RESPONDENTS

The main characteristics of the 245 respondents are presented in table 8.1. Respondents were mainly female (58.7%). Most of them were 26-35 (50.2%) of age, had completed college or university studies (63.6%). In general, these respondents can be considered young and well-educated Internet users.

Table 8.1 Demographic profile of the respondents		
Variable	**Frequency**	**Percentage**
Gender (n=245)		
Male	100	40.8
Female	145	59.2
Age (n=245)		
18-25	49	20.0
26-35	124	50.6
36-45	47	19.2
46-55	22	9.0
55 or over	3	1.2
Education level (n=245)		
Less than secondary/high school	0	0.0
Completed secondary/high school	19	7.8
Completed college/university degree	157	64.1
Completed postgraduate degree	69	28.1
Years of Internet use (n=245)		
1-3 years	12	4.9
4-6 years	30	12.2
7-9 years	74	30.2
10 years or over	129	52.7
Browser use per day (n=245)		
1-3 hours	78	31.8
4-6 hours	77	31.4
7-9 hours	52	21.2
10 hours or over	38	15.6

8.3 PREVIOUS ONLINE PURCHASE EXPERIENCE

Table 8.2 shows the previous online purchasing experiences of the respondents. Among the 245 respondents, the majority (86.5%) indicated they had previously purchased retail products on the Internet. Out of the 212 respondents who had previously purchased online, 1.9% had not purchased any retail products during the last 12 months, while 23.6% had purchased retail products more than 7 times during the same time period. The most frequently purchased products were books and CDs, clothing and electrical goods. (See table 8.2)

Table 8.2 Previous online purchase experience of the respondents		
Previous online purchase experience (n=245)	**Frequency**	**Percentage**
Yes	212	86.5
No	33	13.5
Number of online purchases in last 12 months (n=212)		
Never	4	1.9
1-2	66	31.1
3-4	60	28.3
5-6	32	15.1
7 or over	50	23.6
Most frequently purchased products		
Books/CDs	118	55.7
Clothing	114	53.8
Electrical goods	92	43.4
Skincare/cosmetics	74	34.9
Travel-related products	72	34.0
Grocery	35	16.5
Note: Total is not equal to 245 due to multiple-response options.		

It is noted that among the 245 respondents, 13.5% reported they had not previously purchased retail products on the Internet, indicating a range of reasons for not purchasing online including "worry about Internet fraud", "prefer to physically experience products", and "not familiar with the online purchase procedures". The results are presented in table 8.3

Table 8.3 Reasons of not making purchase online		
Reasons of not making purchase online (n=33)	Frequency	Percentage
Worry about Internet fraud	24	72.7
Prefer to physically experience products	23	69.7
Not familiar with online purchase procedures	18	54.5
Easier to refund if buying from retail stores	13	39.4
Note: Total is not equal to 33 due to the multiple-response options.		

This finding is in line with the work of Shim *et al*. (2001) and Jeong and Lambert (2001), who suggested that online retails need to build secure website since Internet users hesitate to purchase products or services online mainly due to security concerns.

8.4 TRAVEL INFORMATION SEARCH BEHAVIOUR

Information searches are undertaken at various stages of the travel decision-making process, and the gathered information contributed to both the development of destination images (Kokolosalakis *et al.*, 2006) and special decisions, such as accommodation and activity choice (Prentice, 2006). It is necessary to point out that these response categories are not mutually exclusive; that is, respondents generally used more than one information source during their travel information search process (Fodness and Murray, 1998; Jang et al. 2004; Kah et al. 2008).

As indicated in Table 8.4, the most commonly-used travel information sources are the Internet, recommendation from family/friends and magazines/books/newspapers. This result implies potential customers combined new form of communication (the Internet) and traditional information channel (e.g., magazines) as well as interpersonal information source (recommendation from family and friends) in the hope of reducing uncertainty and risk related to travel purchase.

Table 8.4 The most commonly-used travel information source		
Commonly used travel information sources (n=245)	Frequency	Percentage
The Internet	216	88.2
Recommendation from family/friends	155	63.3
Magazines/books/newspapers	130	53.1
TV/radio	57	23.3
Travel agent brochures	39	15.9
Note: Total is not equal to 245 due to the multiple-response options.		

Those who selected the Internet as a travel information source were asked to indicate the types of travel websites they commonly used. Table 8.5 shows that travel community websites, travel blogs and commercial websites (e.g., airline, hotel websites) were most commonly-used types of website during travel information search.

Table 8.5 Types of website used for travel information search		
Types of websites used (n=245)	Frequency	Percentage
Travel community	145	59.2
Travel blog	112	45.7
Commercial website (i.e., airline, hotel)	90	36.7
Government-funded tourism website	75	30.6
Online information exchange website (e.g. Yahoo knowledge)	63	25.7
User-generated-content website (e.g. Wikipedia)	14	5.7
Note: Total is not equal to 245 due to the multiple-response options.		

8.5 ONLINE TRAVEL PURCHASE EXPERIENCE

Among the 245 respondents, 42% had purchased travel products online, and they are classified here as online travel purchasers. Out of the 103 respondents who had previously purchased travel products online, 74.8% indicated that they had purchased travel products online 1-2 times during the last 12 months. The most frequently purchased travel products are hotel accommodation, flight tickets and flight + hotel. (See table 8.6)

Table 8.6 Previous online travel purchase experience of the respondents		
Previous online travel purchase experiences (n=245)	**Frequency**	**Percentage**
Yes	103	42.0
No	142	58.0
Number of online travel purchase in last 12 months		
Never	2	1.9
1-2	77	74.8
3-4	18	17.5
5-6	4	3.9
Types of travel purchase online		
Hotel accommodation	78	75.7
Flight ticket	55	53.4
Flight + hotel	32	31.1
Package holiday	30	29.1
Vouchers for travel-related products	25	24.3
Car rentals	9	8.7
Note: Total is not equal to 103 due to the multiple-response options		

The most influential factors for using the Internet to purchase travel products online is shown in table 8.7. The top three factors were "The Internet is available 24/7", followed by "saving time to visit high street travel agent ", and "Lower price   offered on the Internet ".

Table 8.7 Reasons for using the Internet for travel purchase		
Reasons of purchasing travel online (n=103)	Frequency	Percentage
The information is available 24/7	82	80.0
Saving time to visit high street travel agent	57	55.3
Lower fares offered on the Internet	56	54.4
Recommended by family/friends	17	16.5
Wider variety of travel information offered online	12	11.7
Able to pay by installments for travel purchase	10	9.7
Note: Total is not equal to 103 due to the multiple-response options.		

It is noted that the influential factors of using the Internet for travel purchase is due to convenience. Convenience related to actions that help reduce the consumers' time cost, search cost, and efforts to do business with the firm (Lemon et al., 2001). One of the major characteristics of the Internet is its accessibility as users are able to use the Internet 24 hours a day and 7 days a week. Moreover, potential customers can save time on trips to high street travel agents by placing order online. In addition, lower price have been found to be a major driver of online purchasing (O'Connor, 2002; PhocusWright Report, 2000; Santoma and O'Connor, 2006). Customers recognize that online distribution channels delivered significant cost savings for travel suppliers and expect that some of these savings could be passed on to customers. In other words, customers expect a lower price online than in the traditional marketplace. It is therefore can be argued that the benefits brought by the Internet contribute to adoption of the Internet as a purchasing channel for online travel products.

When further asked about the reasons for purchasing from particular travel websites, results indicated that "the website offers discounted/cheaper price " was considered to be the major factor influencing purchase intention, followed by "the website is well-known", and "the website is recommended by family/friends" (see table 8.8).

Table 8.8 Reasons for purchasing from a particular travel website		
Reasons of purchasing from travel websites (n=103)	Frequency	Percentage
The website offers lower price	82	80.0
The website is well-known	65	63.1
The website is recommended by family/friends	43	41.7
The website design looks professional	21	20.4
The website is partnered with other well-known websites	18	17.5
Note: Total is not equal to 103 due to the multiple-response options.		

The result is in accordance with the work of Poel and Leunis (1999), who claimed that price significantly relieved perceived risk involved in online shopping, and in turn influence consumers' purchase intention. Price is also a key factor for consumers when purchase travel and tourism products (Law, 2003; Law and Chung, 2003). It is evident that price is a crucial factor in the decision to purchase (Elliot and Fowell, 2000), and expected to become even more important during the current economic downturn.

When asked about the payment methods, table 8.9 shows that paying online by credit card appears to be the most preferred one, followed by making payment by money transfer and providing credit card detail by fax.

Table 8.9 Preferred payment methods for online travel purchase		
Payment methods for online travel purchase (n=95)	Frequency	Percentage
Paying online by credit card	59	62.1
Making payment by money transfer	13	13.7
Providing credit card detail by fax	11	11.6
Making payment in person	10	10.5
Providing credit card detail by phone	2	2.1
Note: Total is not equal to103 (number of online travel purchasers) due to missing values.		

There is no doubt that respondents prefer to make payment online by credit card due to convenience. However, it is noted that some respondents choose to make payment by money transfer as it is a common payment method used in Taiwan, which only cost very little and can be done in cash machines available in every part of the country.

In particular, the questionnaire survey also investigates the perception of respondents who had not previously purchase travel products online, who are classified here as online travel browsers. Among 245 respondents, 142 respondents (58.0%) indicated though they used the Internet for information

gathering, they had not previously purchased travel products online (see table 8.6). When asked about possible purchase intentions, half of the respondents (52.5%) claimed they would consider making travel purchases online in the future while the remaining respondents (47.5%) were still reluctant to make travel purchase online. The determining factors of reluctance to make online travel purchase can be seen in table 8.10.

Table 8.10 Future purchase intention and the reasons of reluctance to purchase travel online		
Intention to make travel purchase in the future (n=139)	Frequency	Percentage
Yes	73	52.5
No	66	47.5
Reasons of not making travel purchase online (n=66)		
Worry about Internet fraud	49	74.2
Prefer face to face communication	41	62.1
Not familiar with online travel purchase procedures	23	34.8
Confusion about price dispersion	19	28.8
Confusion about massive amount of information presented online	17	25.8
Note: Total is not equal to 66 due to the multiple-response options.		

The results support the argument of Yang and Jun (2002), who claimed that Internet browser consider security as their most crucial concern. In other words, those who are reluctant to purchase online are mainly due to the fear of security.

8.6 PERCEPTION OF THE IMPORTANCE OF DIMENSIONS IN TRAVEL WEBSITE

The respondents were asked to rate the perceived importance of various dimensions developed from the review of literature. Table 8.11 represents the data of mean and standard deviation with regards to what respondents deem as important dimensions of travel website.

Table 8.11 Perception of the importance of dimensions in travel website		
Dimension	Mean	Std. Deviation
Security and privacy information	1.4211	0.5877
Contact information	1.6953	0.6561
Ease of use	1.7095	0.5812
Information quality	1.8999	0.4944
Presentation and design	2.0097	0.4908
Financial incentive	2.0591	0.6723
Interactivity	2.2254	0.6599
Note: Importance scale: 1=very important, 2=important, 3=average, 4=not important, 5=not very important		

As shown in table 8.11, half of the dimensions received mean values of less than 2, indicating the respondents perceived security and privacy information, customer service information, ease of use and information quality as very important dimensions in travel website. This finding is in accordance with Law and Leung (2000) and Lang's (2000) studies, which identified security and user-friendly interface as the most crucial factors for customers to choose to purchase on travel websites. Similarly, among all attributes for a successful

travel websites, Law and Wong (2003) identified "secure payment methods" as the most important attribute. In addition, Ranganathan and Gandon (2002) found security and privacy to be the two key elements affecting online sales. It is evident that potential customers would make purchases on a particular websites provided that they are certain their personal and credit card information is secure.

The results also indicated the perceived significance of contact information. Such information should be presented and clearly displayed so that visitors, particularly first-time visitors, would be likely to feel psychologically secured. The results also confirmed the significance of usability (ease of use) and functionality (information quality). Functionality involves the provision of sufficient information on a website about products and services while usability relates to the issue of design, which determines whether the site is efficient and enjoyable to use. The result is consistent with the work of Lu and Yeung's (1999), who claimed that both functionality and usability contribute to the success of a commercial website. According to the study by Jeong and Lambert (2001), consumers perceived quality of information for products and services on the site is one of the most crucial factors for predicting their purchase decision. On other hand, a study conducted by Souza *et al.* (2000) reported that 65% of visitors to retail websites did not make purchase because the sites were difficult to use. Hence, it is evident that both functionality and usability are key determining factors for a successful website.

8.7 PERCEPTION OF THE IMPORTANCE OF ATTRIBUTES IN TRAVEL WEBSITE

After reviewing the results of perceived importance of dimensions, the perception of individual attributes within each dimension are presented and discussed in the following section.

Perception of the importance of attributes in presentation and design of travel website

The dimension of presentation of design is related to visual appeal of travel website. The mean perceived importance scores of the five attributes in this dimension are presented in table 8.12.

Table 8.12 Perception of the importance of presentation and design of travel websites		
Attribute	Mean	Std. Deviation
Provision of pictures related to the context	1.4413	0.6211
Clear layout	1.5466	0.6540
Appropriate colour contrast	2.2186	0.8269
Non pop-up windows	2.3239	1.0670
Large images used solely for visual appeal	2.5182	0.8656
Note: Importance scale: 1=very important, 5=not very important		

Basically, provision of pictures related to the context and clear layout received mean scores of less than 2, indicating the respondents perceived these two attributes as very important. The result is in line with the work of Lightner and Jackson (2001), who claimed that a combination of text and pictures is more effective at selling travel and tourism products than simply using textual description alone. Similarly, information presented online is not only useful but attractive and should be well presented (Hinton,1998). Law and Leung (2000) suggested that a well-designed website provides useful information and extra benefits to customers and in turn enhances sales volume as well the reputation of the company.

Perception of the importance of attributes in ease of use of travel website

The dimension of ease of use was related to usability of travel website, including how easily users search for information within a website and ease of connection as well as speed of download. The mean perceived importance scores of the four attributes in this dimension are presented in table 8.13.

Table 8.13 Perception of importance of ease of use of travel websites		
Attribute	Mean	Std. Deviation
Shorter download time	1.4322	0.6522
Internal links work well	1.4575	0.6905
Site map provided	1.8300	0.8762
Back button provided	2.1174	0.9274
Note: Importance scale: 1=very important, 5=not very important		

As can be seen in table 8.13, the majority of attributes received mean scores of less than 2, indicating the respondents perceived shorter download times, internal links working well and provision of a site map as very important. The result supports the work of Udo and Marquis (2002), who claimed that download time is the most important factor in the effectiveness of a website, which in turn influences the overall satisfaction to purchase the products or services (Venkatesh and Morris, 2000). The result also implies that the respondents viewed broken links as a major hazard, and therefore the company should constantly monitor the effectiveness of links to avoid causing negative perceptions. In addition, the respondents perceived provision of site map as important, which would affect the relevance and efficiency of the outcome of searching (Perdue, 2001).

Perception of the importance of attributes in information quality of travel website

The dimension of information quality is related to whether a website provides useful, complete, and relevant information to meet the needs and expectations of potential customers. The mean perceived importance scores of the seven attributes in this dimension are presented in table 8.14.

Table 8.14 Perception of importance of information quality of travel websites

Attribute	Mean	Std. Deviation
Clear price information	1.3198	0.5764
Information update consistently	1.4089	0.5763
Latest update time provided	1.7935	0.8226
Internal search function provided	1.8259	0.8103
Correct spelling and grammar	2.2510	0.9423
Links to other relevant websites	2.2591	0.9270
Exclusive information provided	2.4413	0.9896
Note: Importance scale: 1=very important, 5=not very important		

As can be seen in table 8.14, more than half of the attributes received mean scores of less than 2, indicating the respondents perceived clear price information, information update consistently, provision of latest update time and provision of internal search function as very important. The quality of the information provided on a website is an important factor in the success of travel and tourism websites (Au Yeung and Law, 2003) and of websites in general (Lin *et al.*, 2001). The result implies that cancellation, refunds, and other price-related information (e.g., tax) should be clearly explained and easily understood by customers. In addition, websites need to be updated regularly to provide current and accurate information to meet the needs and expectations of potential customers. According to the work by Shim *et al.* (2001), provision of useful and relevant information is a crucial factor affecting online consumers' intention to purchase.

Perception of the importance of attributes in contact information of travel website

The dimension of contact information is related to facilitating direct communication between a travel website and its customers. The mean perceived importance scores of the four attributes in this dimension are presented in table 8.15.

Table 8.15 Perception of importance of contact information of travel website		
Attribute	Mean	Std. Deviation
Clear contact detail provided	1.4251	0.9335
Contact detail displayed on home page	1.6640	0.8437
Free phone number for contact	1.6964	0.8464
24/7 customer service provided	1.9960	0.9478
Note: Importance scale: 1=very important, 5=not very important		

As can be seen in table 8.15, all attributes received mean scores of less than 2, indicating that the respondents perceived all attributes as important. The need to contact the travel websites is evident in the result, as is the respondents demand for clear contact detail (e.g., telephone number, address, email address) to be provided and displayed on the home page. The result also suggests that potential customers would prefer instant and direct contact with customer service staff when assistance is required free of charge.

Perception of the importance of attributes in interactivity of travel website

The dimension of interactivity refers to the provision of website features allowing the customers to voice their opinions and communicate with other customers via the travel website. The mean perceived importance scores of the three attributes in this dimension are presented in table 8.16.

Table 8.16 Perception of the importance of interactivity of travel website		
Attribute	Mean	Std. Deviation
Feedback forms provided	2.1336	0.7613
Customer questionnaire provided	2.1417	0.7964
Travel community provided for users to exchange travel experience	2.4008	0.8679
Note: Importance scale: 1=very important, 5=not very important		

As can be seen in table 8.16, all attributes received mean scores of more than 2, indicating the respondents required feedback form, customer questionnaire and travel community to be provided in travel website. However, the mean scores of attributes received in this dimension were rated higher than on other dimensions, indicating that the respondents did not perceive the attributes of interactivity as a priority. It should be noted the result does not imply that respondents has no concern on interactivity function provided on travel websites. Rather, it may be explained that the respondents' view of travel website as a platform to make purchase, not a place to voice their opinion.

Perception of the importance of attributes in security and privacy information of travel website

The dimension of security and privacy information was related to whether secure features are provided to protect customers' information. The mean perceived importance scores of the four attributes in this dimension are presented in table 8.17.

Table 8.17 Perception of the importance of security and privacy information of travel websites		
Attribute	Mean	Std. Deviation
SSL provided	1.3279	0.6261
Security labels provided	1.3401	0.6163
Privacy statement provided	1.5061	0.7149
Statements displayed in home page	1.5101	0.7149
Note: Importance scale: 1=very important, 5=not very important		

As can be seen in table 8.17, all attributes received mean scores of less than 2, with two scores very close to 1, indicating the respondents perceived these attributes as very important. The prevailing concerns regarding security and privacy (Jeong and Lambert, 2001; Law and Wong, 2003; Shim et al., 2001; Yang and Jun, 2002) are clearly manifested in the results, with the respondents required SSL (secure socket layers) to be provided as well as security labels and privacy statements to be displayed on the home page for a peace of mind.

Perception of the importance of attributes in financial incentive of travel website

The dimension of financial incentives is related to whether price-related information is provided on the travel website to stimulate purchase intention. The mean perceived importance scores of the four attributes in this dimension are presented in table 8.18.

Table 8.18 Perception of the importance of financial incentive of travel website s		
Attribute	Mean	Std. Deviation
Price comparison function provided	1.8381	0.8301
Special offer provided	1.8947	0.8295
Paying by installments using credit card	2.0364	0.9683
Offers exclusively for credit card holders	2.0688	0.9323
Membership bonus point collected	2.4575	0.9180
Note: Importance scale: 1=very important, 5=not very important		

As can be seen in table 8.18, two attributes received mean scores of less than 2, indicating the respondents perceived the provision of price comparison and special offer as very important. As discussed earlier, finding lower price is one of the most crucial factors for respondents to purchase travel products from a particular travel website. The perceived significance of a price comparison function and special offers mirror the previous result and indicated finding lower fares on travel websites are major concerns of potential customers.

Perception of the influence of information sources

This dimension was related to perceptions of influence of various information sources in travel information search. In particular, to what extent do respondents trust the information provided by various information source. The respondents' perception of the level of agreement on recommendation from various information sources are presented in table 8.19.

Table 8.19 Perception of influence of reference group		
Statement	Mean	Std. Deviation
I trust the information provided by family/friends	1.8462	0.6821
I trust the information provided by online member (e.g. member of travel community)	2.3765	0.7269
I trust the information provided by online travel websites	2.6275	0.7373
Note: Importance scale: 1=strongly agree, 5=strongly disagree		

As can be seen in table 8.19, one statement received mean score of less than 2, indicating the respondents viewed recommendation from family/friends as most trustworthy. Potential travellers generally reply on marketing-dominated and non-marketing-dominated information sources to search for travel-related information and plan their trips. The former information sources include advertising and commercial in the mass media, and travel brochures; the latter include family, friends and personal experiences (Fodness and Murray,1997). The results support the notion that recommendations from family, friends and

relatives is the most frequently sought information source among potential travellers when preparing for a trip (Bansal and Voyer, 2000; Beiger and Laesser, 2004; Sarigollu and Huang, 2005). In addition, research in tourism often treat the reference group as a homogenous information source and do not distinguish between family and friends and other information sources within reference group. However, the result indicated that there are differences between various reference groups. Given these differences, it may be wise to differentiate between family and friends and other travellers as distinct sources when questioning respondents about their use of information source. This result also implies that the degree of trustworthiness varies in terms of difference information source used.

Perception of the influence of collectivism and uncertainty avoidance

The dimension of collectivism and uncertainty avoidance are related to whether the respondents would seek advice from reference group during travel decision-making process, and whether recommendation from reference group would have impacts on their purchase intention. The respondents' perception of the level of agreement on collectivism and uncertainty avoidance are presented in table 8.20.

Table 8.20 Perception of influence of collectivism and uncertainty avoidance

Statement	Mean	Std. Deviation
My purchase intention is influenced by family/friends	1.9595	0.7314
I seek advice from family/friends during travel decision-making process	2.0081	0.7756
I browse travel websites recommended by family/friends	2.0445	0.7114
My purchase intention is influenced by online member	2.4413	0.7986
I browse travel websites recommended by online member	2.4939	0.7905
I seek advice from online member during travel-decision process	2.5506	0.8721
Note: Importance scale: 1=strongly agree, 5=strong disagree		

As can be seen in table 8.20, one statement received a mean score of less than 2, indicating that the respondents strongly agreed that their purchase intention would be influenced by recommendations from family/friends. Besides, family/friends also have significant influence in terms of providing travel advice as well as which travel websites to browse.

There is no doubt that an important determinant of an individual's decision-making is that of other's influence. Perry and Hamm (1969) noted that the greater the potential risk related to a purchasing decision, the higher the degree of personal influence. According to Beiger and Laesser (2004), patterns of

travel information source reflect the needs of the travellers to reduce uncertainty and risk in their travel purchase. Similarly, Maser and Weiemair (1998) suggested perceived risk associated with travel risks were related to different patterns of information source usage. The result shows the significant influence of family and friends on travel decision-making process as far as Taiwanese consumers is concerned. It is noted in Asian societies, where consumers are less individualistic and adhere more to social norms, the influence of a closely-knit family would be greater. However, it would be interesting to use more diverse nationalities to investigate cultural differences on travel decision-making so as to provide cross-cultural implications.

8.8 DIFFERENCES BETWEEN ONLINE TRAVEL PURCHASERS AND BROWSERS

After reviewing the results of the all respondents, the differences between online travel purchasers and browsers are presented in this section. Among the 245 respondents, 103 (42%) had purchased travel products online, and they are classified here as online travel purchasers, and the remaining are classified as online travel browsers. Table 8.21 provides demographic profiles of these two groups and the results of Chi-square analyses.

Table 8.21 Demographic profiles of online travel purchasers and browsers					
Variable	Previous online travel purchase experience				
	Yes (n=103)		No (n=142)		
	Number	%	Number	%	Chi-square
Gender					
Male	35	34.0	65	45.8	df=1
Female	68	66.0	77	54.2	X^2=2.967
					p=0.085
Age					
18-25	12	11.7	37	26.0	df=4
26-35	55	53.4	69	48.6	X^2=19.770
36-45	30	29.1	17	12.0	p=0.001**
46-55	6	5.8	16	11.3	
56 or over	0	0.0	3	2.1	
Education level					
Less than secondary school	0	0.0	0	0.0	df=3
					X^2=6.945
Secondary school	6	5.8	13	9.2	p=0.031*
Undergraduate degree	59	57.1	98	69.0	
Postgraduate degree	38	36.9	31	21.8	
Years of Internet use					
1-3 years	1	1.0	11	7.7	df=3
4-6 years	10	9.7	20	14.1	X^2=10.101
7-9 years	28	27.2	46	32.4	P=0.018*
10 years or over	64	62.1	65	45.8	
Hours of Internet use					
1-3 hours	28	27.2	50	35.2	df=3
4-6 hours	28	27.2	49	34.5	X^2=8.818
7-9 hours	31	30.1	21	14.8	p=0.032*
10 hours or over	16	15.5	22	15.5	
*$p < .05$, **$p < .01$.*					

As far as online travel purchasers are concerned, the majority of those are female (66%), in the age range of 18-35 years (65.1%). One of the survey regarding Taiwan's online travel services (Insightexplorer Limited, 2003) indicated a similar sample to the present study. The sample population had more female (55%) than male (45%) and had a concentrated distribution in the 20-35 age group. It seems that young women in Taiwan dominated in purchasing travel products online. In addition, one notable demographic characteristic of online travel purchasers was that more than one-third (36.9%) were highly educated (completed postgraduate degree).

Chi-square analyses were conducted to investigate if any significant differences existed in demographic and behavioural characteristics between online travel purchasers and browsers. The results indicated that no significant differences were found between online travel purchasers and browsers in terms of their gender x^2 (1, n=245) =2.967, p=0.085. The result is in line with the work by Bonn *et al.* (1999), which stated that the intention to purchase travel online was unrelated to gender. On the other hand, the respondent's age revealed significant results x^2 (4, n=245)= 19.770, p=0.001, indicating that online travel purchasers and browsers differ according to the respondent's age. In addition, two groups varied in terms of their educational background x^2 (2, n=245) =6.945, p=0.031. This result, however, was contradictory to the study of Law and Wong (2003), which claimed that the intention to purchase online was not significantly influenced by educational background. As far as behavioural characteristics is

concerned, the results indicated significant differences between years of Internet use x^2 (3, n=245) =10.101, p=0.018 and browse use per day x^2 (3, n=245) =8.818, p=0.032.

Table 8.22 shows the differences between online travel purchasers and browsers in terms of the information sources used. It is noted that the Internet is the most common travel information sources for both groups. As far as second most used channel is concerned, magazines/books/newspapers are preferred by online travel purchasers while online travel browsers prefer recommendation from family/friends (Table 8.22). Overall, the preference between the two groups seems to be similar with the Internet, recommendation from family/friends, and magazines/books/newspapers were selected as the most commonly used travel information source.

Table 8.22 Most commonly-used information sources between online travel purchasers and browsers		
Travel information source	Online travel purchasers (n=103)	Online travel browsers (n=142)
Magazines/books/newspapers	64 (62.1)	66 (46.5)
Internet	101 (98.1)	115 (81.0)
TV/radio	17 (16.5)	40 (28.2)
Travel agent brochures	17 (16.5)	22 (15.5)
Recommendation from family/friends	59 (57.3)	96 (67.6)
Note: Total is not equal to number of respondents due to the multiple-response options.		

Those who selected the Internet as travel information source were requested to indicate the types of travel websites they commonly used for travel information search. Table 8.23 shows the results between online travel purchasers and browsers. The preferences between two groups seem to be similar with the travel community, travel blog, and commercial websites were selected as the most commonly-used type of travel website during the travel decision-making process.

Table 8.23 Most commonly-used types of travel websites between online travel purchasers and browsers		
Types of travel websites used	Online travel purchasers (n=103)	Online travel browsers (n=142)
Travel community	70 (68.0)	75 (52.8)
Travel blog	61 (59.2)	51 (35.9)
Government-funded tourism websites	34 (33.0)	41 (28.9)
Commercial travel websites(e.g. online travel agent, hotel, airline)	48 (46.6)	42 (29.6)
Online information exchange websites (e.g. Yahoo knowledge)	26 (25.2)	37 (26.1)
Online UGC (user-generated-content) websites (e.g. Wikipedia)	6 (5.8)	8 (5.6)
Note: Total is not equal to number of respondents due to the multiple-response options.		

Perceptions of online travel purchasers and browsers on the importance of different dimensions

Independent sample *t* tests were used to compare the overall importance mean ratings for online travel purchasers with the corresponding values for online travel browsers for the 7 dimensions of travel websites. table 8.24).

Table 8.24 Perceptions of online travel purchasers and browsers on the importance of different dimensions						
	Purchasers (N=103)		Browsers (N=142)			
Dimension	Mean	SD	Mean	SD	*t*	*p*
Presentation and design	1.9619	0.4978	2.0451	0.4843	-1.319	0.592
Ease of use	1.7432	0.6163	1.6831	0.5546	0.830	0.546
Information quality	1.9102	0.4910	1.8924	0.4984	0.280	0.473
Customer services	1.6405	0.6907	1.7359	0.6286	-1.131	0.999
Interactivity	2.2635	0.6852	2.1972	0.6416	0.780	0.705
Security and privacy information	1.4167	0.5787	1.4243	0.5962	-0.101	0.534
Financial incentive	2.0552	0.6948	2.0620	0.6576	-0.078	0.755
Note: importance scale: 1=very important, 5=not very important						

Among all dimensions, security and privacy information was rated as very important by both online travel purchasers and browsers. However, t-test did not show any significant difference in perception between these two groups.

Perception of online travel purchasers and browsers on the importance of attributes in different dimensions

Independent sample *t* tests were used to compare the overall importance mean ratings for online travel purchasers with the corresponding values for online travel browsers on the importance of attributes in different dimensions.

Table 8.25 Perceptions of online purchasers and browsers on the importance of attributes in presentation and design of travel website						
	Purchasers (N=103)		Browsers (N=142)			
Attribute	Mean	SD	Mean	SD	*t*	*p*
Clear layout	1.5524	0.6648	1.5423	0.6482	0.120	0.967
Provision of pictures related to the context	1.4286	0.6180	1.4507	0.6254	-0.276	0.591
Appropriate colour contrast	2.0952	0.8265	2.3099	0.8181	-2.029	0.353
Non pop-up windows	2.1619	1.0012	2.4437	1.1014	-2.065	0.118
Large images used for visual appeal	2.5714	0.8187	2.4789	0.7964	0.892	0.827
Note: importance scale: 1=very important, 5=not very important						

Among all attributes, "provision of pictures related to the context" was rated as very important by both online travel purchasers and browser. However, t-test did not show any significant difference in perception between these two groups.

Table 8.26 Perceptions of online purchasers and browsers on the importance of attributes in ease of use of travel websites

	Purchasers (N=103)		Browsers (N=142)			
Attribute	Mean	SD	Mean	SD	*t*	*p*
Shorter download time	1.4190	0.6322	1.4437	0.6687	-0.293	0.372
Internal links works well	1.4476	0.7203	1.4648	0.6702	-0.193	0.998
Site map provided	1.9048	1.0050	1.7746	0.7663	1.155	0.010*
Back button provided	2.2095	0.9374	2.0493	0.9173	1.344	0.780
Note: importance scale: 1=very important, 5=not very important.						
* p < .05.						

The result (table 8.26) shows "shorter download time" was rated very important by both online travel purchasers and browsers. The result implies that respondents are reluctant to spend too much time waiting for downloading the web pages. Thus, to speed up response and downloading time, travel websites should not make excessive use of large graphical images or flash. In addition, a t-test shows that there is a significant difference between two groups in terms of provision of a site map. Such difference may be due to the fact that online browsers expect to have a clear path and navigation within the website in order to find relevant information as, compared to online travel purchasers, who

generally have less experiences as far as making online travel purchase is concerned.

Table 8.27 Perceptions of online purchasers and browsers on the importance of attributes in information quality of travel websites						
	Purchasers (N=103)		Browsers (N=142)			
Dimension	Mean	SD	Mean	SD	*t*	*p*
Information update constantly	1.4476	0.5880	1.3803	0.5678	0.907	0.503
Latest update time provided	1.8381	0.7222	1.7606	0.8907	0.732	0.007**
Exclusive information provided	2.5048	0.9418	2.3944	1.0242	0.866	0.305
Internal search function provided	1.8762	0.8737	1.7887	0.7610	0.838	0.148
Clear price information	1.2571	0.5376	1.3662	0.6012	-1.473	0.026*
Correct spelling and grammar	2.2095	0.9061	2.2817	0.9702	-0.594	0.311
Links to other relevant websites provided	2.2381	0.9459	2.2746	0.9159	-0.306	0.834
Note: importance scale: 1=very important, 5=not very important						
* *p* < .05.						
** *p* < .01.						

The result (table 8.27) shows "clear price information" was rated highest by both online travel purchasers and browsers. There is no doubt that online travel purchasers demand clear price information to be provided as such information would be of great help in terms of assisting them to decide whether to purchase from particular websites or not. Apart from general policies, cancellation and refund policy should be clearly explained and displayed in order to improve the credibility and reliability of online transaction. In addition, all relevant costs should be clearly presented (e.g., airport tax, fuel tax) to avoid confusion when placing order. It is interesting that provision of clear price information was also rated highest by online travel browsers who had not previously purchased travel products online. This can be explained by the propensity they showed in terms of making travel purchase in the future. When asked about possible purchase intention, half of the online travel browsers (52.5%) claimed they would consider making travel purchase online in the future (table 8.10). This implies that when it comes to actual travel purchases, clear price information would be their major concern as well.

In addition, t-test results show significant differences between the perception of online travel purchasers and browsers. These attributes are latest update time provided and clear price information. Since online browsers have less experience in terms of Internet use, they are likely to be more demanding of information provided. Moreover, because online travel purchasers are those who make travel purchase eventually, they would unsurprisingly need clear

price information to be provided on travel websites (e.g., refund policy, cancellation policy) to assist them during travel decision-making process.

Table 8.28 Perception of online purchasers and browsers on the importance of attributes in contact information of travel websites						
	Purchasers (N=103)		Browsers (N=142)			
Attribute	Mean	SD	Mean	SD	*t*	*p*
Clear contact detail provided	1.4095	1.2302	1.4366	0.6354	-0.225	0.491
Contact detail displayed on home page	1.6286	0.8465	1.6901	0.8437	-0.566	0.913
Free phone number provided for contact	1.6571	0.8752	1.7254	0.8264	-0.625	0.849
24/7 customer service provided	1.8687	0.9412	2.0915	0.9446	-1.852	0.540
Note: importance scale: 1=very important, 5=not very important						

Among all attributes, "provision of clear contact detail" was rated as very important by both online travel purchasers and browsers. This implies that basic contact information (e.g., telephone number, email address) should be made available on the website for potential customers when assistance is required. However, t-test did not show any significant difference in perception between these two groups.

Table 8.29 Perceptions of online purchasers and browsers on the importance of attributes in interactivity of travel websites						
	Purchasers (N=103)		Browsers (N=142)			
Attribute	Mean	SD	Mean	SD	*t*	*p*
Feedback form provided	2.4381	0.8195	2.3732	0.9040	0.580	0.250
Customer questionnaire provided	2.1905	0.7978	2.0915	0.7333	1.010	0.304
Online forum provided	2.1619	0.8449	2.1268	0.7613	0.342	0.549
Note: importance scale: 1=very important, 5=not very important						

Among all attributes, the provision of online forum was rated highest by online travel purchasers while customer questionnaire was rated highest by online travel browsers. This implies online travel purchasers feel there is a need to exchange opinions with other Inter users on travel-related information in order to reduce uncertainty and risk involved online travel purchase. However, t-test did not show any significant difference in perception between these two groups.

Table 8.30 Perceptions of online purchasers and browsers on the importance of attributes in security and privacy information of travel websites

	Purchasers (N=103)		Browsers (N=142)			
Attribute	Mean	SD	Mean	SD	*t*	*p*
SSL provided	1.5048	0.6951	1.5070	0.7317	-0.025	0.490
Security labels provided	1.3238	0.6123	1.3521	0.6211	-0.356	0.516
Privacy statement provided	1.4857	0.6950	1.5282	0.7312	-0.461	0.391
Statements displayed on home page	1.3524	0.6648	1.3099	0.5977	0.527	0.322
Note: importance scale: 1=very important, 5=not very important						

Among all attributes, "provision of security labels" was rated highest by online travel purchasers while "both security labels and privacy statements displayed on home page" was rated highest by online travel browsers. This implies online travel browsers feel there is a need to have more detailed information related to security and privacy displayed for peace of mind, and that they have concerns on those issues due to their lack of online travel purchasing experience. However, t-test did not show any significant difference in perception between these two groups.

Table 8.31 Perceptions of online purchasers and browsers on the importance of attributes in financial incentive of travel websites						
	Purchasers (N=103)		Browsers (N=142)			
Attribute	Mean	SD	Mean	SD	*t*	*p*
Price comparison	1.8762	0.8737	1.8099	0.7983	0.620	0.896
Membership reward points	2.4667	0.8556	2.4507	0.9645	0.820	0.940
Special offer	1.8190	0.8410	1.9507	0.8193	0.135	0.224
Offers exclusively for credit card holders	2.0190	0.9804	2.1056	0.8969	-0.721	0.909
Paying by installments	2.0952	0.9954	1.9930	0.9490	0.820	0.696
Note: importance scale: 1=very important, 5=not very important						

Among all attributes, "special offer" was rated highest by online travel purchasers while "price comparison" was rated highest by online travel browsers. This implies online travel purchasers expect special offers to be provided. If the offers are considered to be value for money, they are likely to make purchase. On the other hand, due to lack of online travel purchasing experience, travel browsers may expect price comparison function to be provided as guideline for travel decision-making. However, t-test did not show any significant difference in perception between these two groups.

Table 8.32 Perceptions of online purchasers and browsers on the importance of influence of information sources

	Purchasers (N=103)		Browsers (N=142)			
Statement	Mean	SD	Mean	SD	t	p
I trust the information provided by F/F	1.8381	0.6064	1.8521	0.7433	-0.158	0.012*
I trust the information provide by OM	2.3143	0.6977	2.4225	0.7469	-1.158	0.124
I trust the information provided by TW	2.6381	0.7611	2.6197	0.7218	0.193	0.759
Note: importance scale: 1=strongly agree, 5=strongly disagree						
* $p < .05.$						

Among all statements, "I trust the information provided by family/friends" was strongly agreed by both groups. Potential travellers use different combinations of information sources to plan trips, such as traditional media (e.g., magazines), and the Internet. The result implies that not all information sources have equal influence and respondents are likely to perceive information provided by family/friends as most trustworthy. The result also supports the work of Sarigollu and Huang (2005), who claimed WOM from family and friends is the most effective information source for travel decision. However, t-test did not show any significant difference in perception between these two groups.

Table 8.33 Perceptions of online purchasers and browsers on the importance of influence of collectivism and risk-avoidance

	Purchasers (n=103)		Browsers (n=142)			
Statement	Mean	SD	Mean	SD	t	p
I seek advice from OM	2.5429	0.9611	2.5563	0.8036	-0.120	0.025*
I seek advice from F/F	2.1429	0.8254	1.9085	0.7235	2.370	0.184
I browse TW recommended by OM	2.4476	0.8318	2.5282	0.7597	-0.791	0.301
I browse TW recommended by F/F	2.0381	0.7328	2.0493	0.6978	-0.122	0.959
My purchase intention influenced by OM	2.3714	0.7997	2.4930	0.7967	-1.183	0.815
My purchase intention influenced by F/F	1.9143	0.7856	1.9930	0.6893	-0.835	0.150
Note: important scale: 1=strongly agree, 5=strongly disagree						
*p<.05.						

Among all statements, "my purchase intention was influenced by family/friends" was strongly agreed by online travel purchasers while "I seek advice from family/friends" was strongly agreed by online travel browsers. The result supports the study of Chen (2000), who claimed business travellers from highly collectivistic Japanese societies relied heavily on advice from family and friends; while business travellers from individualistic Australian society preferred gaining information directly from airlines or travel agent. As far as this survey is

concerned, online travel purchasers strongly agreed that their purchase intention were influenced by family/friends, arguably as a result of closely-knit family structure in Asian society. Similarly, online travel purchasers are likely to browse travel websites recommended by family/friends in the hope of reducing risks associated with travel purchase. As far as online travel browsers are concerned, though they have not previously purchased travel online, they generally agreed that they would seek advice from family/friends during travel decision-making process and that their purchase intention would be influenced by family/friends even for off-line purchase.

8.9 DISCUSSION

Through a questionnaire survey of Taiwanese consumers on their perceptions associated with online travel purchases, one of the objectives has been achieved. An encouraging finding of the survey was that 42% of the respondents indicated that they had previously purchased travel products online, and more than half (52%) of the remaining respondents claimed they are likely to purchase travel products online in the future. This result implies that travel sales volume is expected to increase in the online travel market in Taiwan, and therefore travel companies should focus on provision of services in accordance with consumers' preferences so as to take advantage of this growing trend. It is noted that for those who had not previously purchased travel products online, the issue of security was their major concern, which has been

demonstrated in previous research. It is therefore critical for travel companies to address the issues associated with security by establishing measures (e.g., secure socket layers) in order to gain confidence of consumers.

The findings indicated that online travel purchasers viewed convenience as a major factors in using the Internet for travel information search and purchase. They also indicated that "lower price offered" was the crucial factor influencing their intention to purchase from a particular travel website. This result implies that there is existing price competition in the current Taiwanese online travel market in Taiwan as potential customers take price factor into account when making online travel purchases. However, that price factor is not the only determinants when it comes to making online travel purchase. It is noted that the majority of online travel purchasers are also concerned about reputation of travel website and their purchase intentions would be influenced by recommendation from family/friends. It is argued that social influence, such as family and friends and the need to justify the decision to others, differentiates travel decision from many other consumer decision (Öörni, 2004) and it is therefore interesting to explore the interrelationship among those crucial factors influencing online travel decision-making in order to better understand the purchase intention of potential customers.

As far as perception of the importance of dimensions in travel websites are concerned, security and privacy information was perceived by respondents as the most important among various dimensions. The prevailing concerns regarding security and privacy were clearly manifested in the results. In addition, provision of contact information was perceived as the second most important attribute by respondents. The reason may due to the fact that Taiwanese consumers have a tendency to purchase all-inclusive package holiday, which were considered as high-risk travel products compared to flight ticket (low-risk travel products). Due to the complexity of products, a higher level of interactivity is therefore required between customers and travel companies in order to reduce perceived risks associated with online travel purchases. In addition, interactivity was perceived as least important dimension to be provided on travel website. This can be explained by the respondents' view of a travel website as a place to make purchase, not a place to voice opinion. To increase the likelihood of consumers being satisfied with the services provided during the search and purchase process and hence increase the likelihood of the consumers actually purchasing the products, travel companies should note which dimensions were deemed important and include as many of them as possible on their websites. This will increase consumer satisfaction, which may in turn increase online sale volume.

In particular, the survey investigated the differences in demographic and behavioural characteristics between online travel purchasers and browsers. In terms of age and educational level, respondents in age group 26-35 and with higher education backgrounds were more likely to purchase travel products online. The results also suggest that online travel purchasers and browsers differed in the years of Internet use and their daily browsers usage. Respondents with previous online travel purchase experiences reported higher daily browser usage and more years of Internet use than those who had not previously purchase travel products online. On the other hand, findings indicate that there is no significant difference between online travel purchasers and browsers as far as perception of importance of dimensions is concerned. The result implies that the two groups have similar views on dimensions and attributes provided on travel websites. In other words, travel companies probably do not need to treat these two groups as different segments, and therefore can employee strategies to cater for the needs of existing customers while attracting potential customers.

8.10 SUMMARY

This chapter has presented the results of the questionnaire survey of Taiwanese consumers. The Internet usage for travel information search and products purchasing as well as the influence of travel website were quantitatively investigated. In particular, the difference between online travel

purchasers and online travel browsers was examined. The findings of survey raised some significant issues that worth of further exploration. Although price was perceived as a crucial factor influencing purchase intention, it seems respondents did not consider financial incentives provided on travel websites as important as might have been expected. It would be interesting to explore to what extent price affects purchase intention of Taiwanese consumers. In addition, reputation of travel website was perceived as an important factor influencing purchase intention. Yet it is not clear which criteria consumers use to evaluate the reputation of travel websites. To response to these questions, projective technique interviews were conducted, and the results will be presented in the next chapter.

CHAPTER NINE

RESULTS OF THE FIELDWORK-

PROJECTIVE TECHNIQUE INTERVIEWS

CHAPTER NINE: RESULTS OF THE FIELDWORK - PROJECTIVE TECHNIQUE INTERVIEWS

9.1 INTRODUCTION

This chapter presents results of the projective technique interviews. Through semi-structured interviews and questionnaire survey, several major factors influencing online purchase intentions have been identified. However, it is not clear for example, consumers' perception of individual factors, and to what extent each factor influences online travel purchase intentions. Projective technique interviews were therefore designed to explore perception of major factors that were identified in questionnaire survey and their effects on travel purchase intentions were examined. Figure 9.1 illustrates the aspects highlighted in this chapter (in orange).

Figure 9.1: Aspects highlighted in projective technique interview
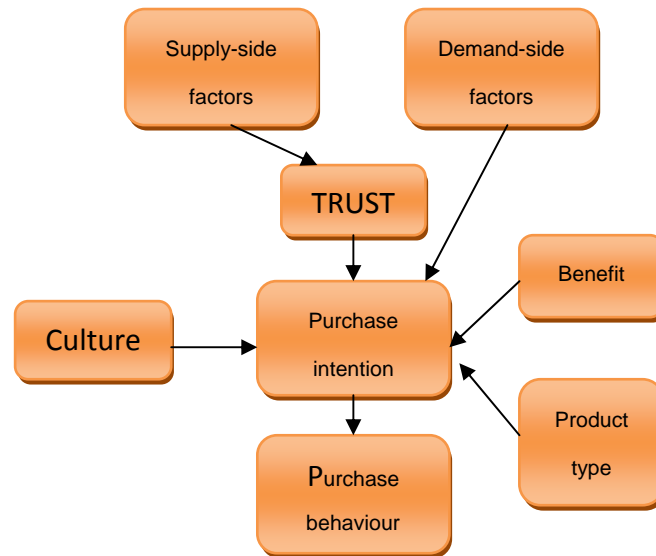
9.2 PERCEPTION OF INDIVIDUAL FACTORS AND THEIR EFFECTS ON TRAVEL PURCHASE INTENTIONS

Projective technique interviews were employed to explore perception of various influencing factors identified in questionnaire survey, including "lower price", "reputation", "recommendation from family/friends" and "website design".

9.2.1 Lower price

Price is a crucial factor that affects consumers' purchasing intentions for online travel products (Law, 2003; Liang and Law, 2003; O'Connor, 2002; Santoma and O'Connor, 2006). According to the 2001 Annual PhoCusWright Travel

Consumer Trends Survey (PhoCusWright, 2001), nearly 60% of online consumers cite price as the top reason to purchase travel-related products online. Lower price was rated as the most important reason of purchasing from particular websites by respondents of questionnaire survey. Interviewees in projective technique interviews also pointed out that price is a major factor influencing their purchase intentions :

> *Price is my major concern when it comes to buy travel online. It is easier and convenient to compare price online than off-line as I do not have to visit traditional agents. Apart from convenience, price is the major reason why I choose to buy travel online (Chris, 33).*

> *Price is the major reason why I buy travel online, and it is also the reason why I buy from one travel website in particular. It is the same as I buy from retail shops. I choose to buy from shops that offer lowest price for the same thing (Emily, 34).*

> *I never buy travel online. But I am interested in trying that. Price will certainly be a motivator or even the most important reason for me to buy travel online. I will compare if the online price is actually lower than traditional travel agent, and choose to buy from the websites offer lowest price for the product I want to buy (Joe, 28).*

Law and Huang (2006) found that travellers often have to use multiple websites to search and compare prices before making their travel bookings. The search costs associated with finding lower prices have confirmed by interviewees:

> *I think prices offered online are lower than traditional agents. But you have to spend lots of time finding where they are. You do not expect to find best deals by only browsing one or two travel websites. You got to browse as many websites as you possibly can in order to find lowest price if any (Emma, 41).*

> *It takes time to find best deals. You got to prepared yourself with endless searching and comparing prices between dozen, if not hundred, websites. It is a daunting task (Grace, 26).*

The above quotes support Yesawich *et al.* (2000), who suggested almost 6 out of 10 leisure travelers now actively seek the "lowest possible price" for travel services. It is argued that easily comparing web-based information on prices and product features seems to increase price transparency (Sinha, 2000), and this transparency should force prices down (Vulkan, 2003). In fact, consumers may find greater price dispersion in online markets than off-line markets (Ancarani and Shankar, 2004; Pan *et al.*, 2003). The consequences of price dispersion, combined with dynamic differential pricing (based on yield management), resulting in a high level of uncertainty. Price dispersion seemed to be a major concern as far as the best time to make reservation is concerned :

I know there are so many choices out there and I can tell there is a price difference among them. The thing is I am confused by all the choices and have no idea how it works. This makes decision making very difficult. For example, I once booked a hotel on one travel website and later found lower price on another website which was 20% cheaper. That is a huge difference. Given this price difference, I fell I have to search as much information as possible before making the final decision (Emily, 34).

I know there is a price difference and therefore I keep searching. But the problem is when to stop searching. Take hotel booking for example. The suppliers modify price constantly, and therefore I never know when is the best time make booking. If I make reservation which is unrefundable and later see some other best deals, it would be very annoyed (Yves, 42).

The comments seemed to contradict the notion that the Internet has eliminated consumer search costs (Chevalier and Goolsbee, 2003). Instead, consumers are likely to be confused by alternatives available online and therefore find it difficult to stop searching when wide price dispersion persists. The greater the perceived price dispersion, the more likely that customers will spend more time searching for best deals (Biswas, 2004).

On the other hand, some consumers may not be willing or be able to spend too much time browsing a variety of websites searching for lower price, and therefore price comparison websites have emerged in response to the consumers' need. Travel comparison websites are new generation of online

travel agencies that simultaneously gather data from multiple online travel websites to meet the requirements of the customers in terms of price, value, and convenience (Park and Gretzel, 2006). Some interviewees felt price comparison websites help to reduce search costs as well provide price quotes:

> *I use price comparison websites to get price quotes. Instead of browsing hundreds of websites, I can simply focus on one websites for prices quotes. This is a good way to reduce search costs in terms of time and effort (Alice, 28).*

> *I was recently told by friends and therefore I tried price comparison websites. Though it does not include all options available, it gives me a comparison of a variety of choices and therefore I have better idea about how much it costs on the products I want to buy (Angela, 24).*

These comments support the notion of Thompson and Failmezger (2005:14), who claimed price dispersion would "spur the emergence of travel comparison website (i.e., meta-search engines) that can find the best room rate across all channels"

Alternatively, for some consumers who are not aware of the existence of travel comparison websites, they find their own way to save money by browsing well-known travel websites:

I normally use websites which were considered to be market leader. The prices offered on these websites should be reasonable because of scale of economy. And therefore though I may not get the lowest prices, it may still be fair deals (Yves, 42).

I want best deals for sure. But sometimes I prefer to save time rather than save money given the price difference is not huge. If I compare prices on two or three well-known travel websites, I have an idea of what a reasonable price should be. And that's ok (Iris, 31).

9.2.2 Reputation

Although lower price is one of the key factors encouraging consumers to purchase travel online (Jeong and Lamber, 2001), Lee-Kelley *et al.* (2003) argued that price is only a weak factor determining purchasing intention, and that other factors such as trust may have an overriding impact on customers' online travel purchasing intention.

Reputation has been claimed to be a vital source for trust in e-commerce (Doney and Cannon, 1997; Jarvenppa and Tractinsky, 1999; Jarvanppa *et al.,* 2000). That reputation has great potential to engender trust in companies selling on the Internet is supported by the fact that customers do not necessarily choose the cheapest offers, but purchase from branded and well-known websites even when they do not offer the lowest prices (Smith *et al.*, 2000). Some interviewees noted they felt happy to buy from well-known website as they are perceived as trustworthy:

I buy from well-known websites because I know I can trust them. I can trust the quality of their products. Should something go wrong, I know their customer services won't let me down. I pay for a peace of mind really (Yves, 42).

Reputation is the main reason I choose to buy from one travel website in particular. Buying travel products on the Internet is risky and that's why I choose to buy from a well-known website because I assume they are likely to be more reliable compared to less-known websites (Gina, 32).

Reputation is an evaluation of the vendors' previous performance and behaviours by third parties. Consumers look for information that enables them to distinguish trustworthy vendors and untrustworthy ones. It is therefore argued that a vendor can signal its trustworthiness by building a good reputation. Venders of good reputation who engage in opportunistic behaviour will ruin their reputation, and therefore consumers may calculate and infer that a reputable vendor has no reason to ruin its reputation by having untrustworthy customer exchange. Some interviewee confirmed that well-known companies view their reputation as valuable assets and will try hard not to ruin it:

Reputation is certainly very important when it comes to buying travel products online. It is not easy to choose from dozen, if not hundred, travel websites which seem to sell similar products. I choose the well-known websites because I assume they don't tend to do things wrong for the sake of their reputation (David, 36).

> *The reason I choose to buy from well-known websites is I can be certain the products or services they offer would be satisfactory. It is like I choose to stay in five star hotels, which are normally well-known ones. They have their way of doing business. They will try their best to serve consumers and therefore keep their reputation in a very good standard (Alice, 28).*

In particular, one interviewee pointed out that purchasing from well-known websites (reputation) is being used as a good way to reduce risk and uncertainty associated with online travel purchase:

> *Buying from well-known website is the best way to reduce uncertainty and risk. It is not easy for companies to build a good reputation, and therefore I assume they will try every way to protect their reputation from being damaged. In other word, they are less likely to do something opportunistically. In other word, I feel there is less risky to buy from well-known websites compared to buying from less-known ones (Angela, 24).*

Since reputation represents third-parties or public opinion of the vendor, it must be transferred from the third party or the public to potential customers, influencing them to build trust in vendors. In other word, reputation invokes the transference process of trust building. In particular, when consumers have little or no direct experience with the vendor, reputation can be a major factor for trust building (Doney and Cannon, 1997). Some interviewees mentioned that they felt less worried to purchase from well-known websites though previously they have very little or no experience purchasing on the Internet:

I have very little experience buying travel products online, and therefore reputation is the main reason why I buy from one travel website in particular. A website with good reputation means that other people feel happy to buy from it, and therefore I should feel the same way as well (Joe, 28).

If I never buy from one travel website, I won't feel comfortable to buy from it unless this website is a well-known. It is the same as I buy from a retail shop. If I want to try a new product, I buy from a well-known brand because I assume the brand will offer good quality which would not likely to let you down (Iris, 31).

It is noted that not only potential customers but repeat customers estimate the trustworthiness of the vendor from its reputation (Donney and Canon, 1997). One interviewee noted good reputation implies regular consumer trust this company and it gives a peace of mind to making purchase from it:

I have bought travel products from one website for several times, and I am happy about the quality of products and the customer service it provides. I know some other people are happy to buy from it as well and that is why this company enjoys good reputation and keep its consumers happy. It is for sure I will keep buying from it (Emma, 41).

There is no doubt that the interviewees confirmed the significance of reputation and the key role it plays on influencing online travel purchasing intention. They further mentioned the benefits of purchasing from well-known travel websites. Among some benefits, the ability of providing assistance when needed was emphasized by the interviewees, particularly in overseas trips which normally involved more uncertainty and risk:

> *A well-known travel website normally means there is big company behind and it should be capable of dealing with complicated issues, e.g. the very unlikely event of accidents in oversea trip. In such case, you need a company with good network and sufficient financial resources so as to solve the problem in a timely manner. You feel a well-known company will try every way they possibly can to help in order to keep its good reputation. You don't feel the same way if buying from a less-known or unknown travel websites (Alice, 28).*

> *They are uncertainties and risk involved in travel, particularly oversea trip. When you travel abroad, the last thing you expect is nobody can help when you are in trouble. You think a well-known company should be able to help because they have experiences and resources which small company may not able to provide. That is the reason why you buy from a well-known website/company (Gina, 32).*

It is noted that GPT is a very common travel mode in Taiwan, which accounts a large portion of travel sales volumes. Due to some reasons such as language barrier, Taiwanese people tend to join GPT when travelling abroad. This may explain why the interviewees have concerns about the ability of travel companies in terms of dealing with incidents overseas. Consumers generally expect well-known companies would be well equipped with professional experience and sufficient financial resources so as to provide assistance when needed.

Ability to pay compensation is another issue some interviewees mentioned. They expressed concerns as to whether their money would be secure should something go wrong, and assumed they would be less likely to lose money if dealing with well-known travel websites as they are normally large-size companies with sufficient financial resources and therefore can afford to pay compensation:

> *I hear some people lose their money when buying travel online with less-known travel websites. Those companies are normally small ones, and therefore they use lower price to appeal to people. The worst case is the owner takes the money and run away. That is the news you see on the TV. But if I buy from a well-known company, I assume I can be worry free really (Kim, 32).*

> *The reason why I buy from well-known companies is because they are normally large-size companies which have deep pocket. If something goes wrong, they can afford to pay compensation. But if I buy from less-known companies which are normally small-size companies, I am not sure if it is easy to have my money back when things do not happen as expected (Chris, 33).*

In particular, some interviewees pointed out that well-known companies are not able but also willing to pay compensation for the sake of protection of their reputation:

> *I feel safe to buy from well-known companies. If something go wrong, it would be easier to have my money back because these companies do not want to ruin their reputation by not paying compensation and therefore have negative word-of-mouth from the unhappy consumers (Iris, 31).*

> *I expect good quality products or services from well-known companies. But even they are generally in good standard, they make mistakes sometimes. As a consumer, I feel I should be able to ask for compensation if things are not up to standard or go totally wrong. If the companies ignore complaints from consumers, they can voice their opinions somewhere else, such as online community. The companies would therefore pay high price of damaging their reputation by such bad word-of-mouth. I assume this is the least thing well-known companies want (Emma, 41).*

9.2.3 Recommendation from family/friends

Travellers collect information prior to taking trips, which can be considered as a way to minimize the risk and uncertainty of the decision on travel to certain destination and to maximize the perceived quality of travel experiences (Money and Crotts, 2003). Numerous studies have identified WOM as key information source for travel decisions (Gursoy and Chen,2000; Gruen et al., 2005; Hanlan and Kelly, 2005; Litvin et al., 2007; Wong and Kwong, 2004), and the primary focus of projective technique interviews is recommendation from family and friends as it often ranks as the most influential source of purchase decision (Crotts,1999; Beiger and Laesser,2004). Some interviewees stressed the benefits of saving time and money by following the recommendations from family and friends:

> *Recommendation from family and friends is important as it reduces risk of buying travel online. They give me tips on how and where to buy, and what to avoid. This certainly saves me money and time (Emily, 34).*

> *I seek advices from family and friends as some of them know online shopping better than me. At first I thought it is a daunting task to buy travel online as I have to face massive information. But later I found it is much easier than I thought as I follow advices from friends and now I have no problem and happy to buy travel online on my own (Angela, 24).*

> *Recommendation from family and friends is the major reason why I buy from one particular travel website. It gives me a sense of security to know that other people buy from the same company as well, and therefore I feel less worry about money loss if there is any (Joe, 28).*

There is no doubt that interviewees confirmed the benefits of recommendation from family and friends as it reduce risks and costs associated with online travel purchase. Mehta *et al.* (2001) argued that consumers who wish to reduce uncertainty and risk may be compelled to seek advice from other individual who have experienced the service directly or indirectly. Apart from reducing risk and uncertainty, it seems there are other reasons influencing the perceived importance of recommendation from family and friends. The tendency of travelling within group and therefore being influenced by members' opinions was emphasized by some interviewees:

> *My purchase intention often influences by recommendation from family/friends as I normally travel with family/friends. We exchange opinions such as where to go and what to do. I feel I have to take their opinions into account when making decision (Iris, 31).*

> *When I travel with people, I have to listen to their opinions. Sometimes even I do not agree with what they said, I may still have to follow their decision as I do not want to break harmony (Grace, 32).*

The above quotes support Murphy *et al.* (2007), which argued that respondents who use family and friends as information source generally travelling as part of a large group. It is argued that individual appear to act in a manner that is consistent with the social group with which they identify (Leigh and Gabel, 1992; Vankatesan,1996), and this may be used to explain the findings as to the influence of social ties in group decision-making (Brown and Reingen, 1987), particularly in collectivist society such as Taiwan where consumers are less individualistic and adhere to social norms, and where closely knit family structure and ties has great impacts on decision-making process (Metha et al, 2001).

It is noted that culture is influential in consumer choice of travel mode, which in turn influences information source usage. Furthermore, Beiger and Laesser (2004) argued that patterns of travel information usage reflect the need of the travellers to reduce uncertainty and risk in their travel purchases, and consistent differences were found in the pattern of information source usage between: domestic and international travel (Barger and Van der Poel, 2006) and package and independent travel (Decrop and Snelders, 2004). According to Wernick (1994), a trip or vacation is a symbolized commodity, which tends to be planned and carried out with a great deal of interpersonal influence. In particular, interpersonal recommendation has been shown to be used by consumers to reduce risk and uncertainty associated with oversea trips (Rosen and Olshavsky, 1987), which, compared to domestic trips, are considered to be

more complicated in terms of alternatives involved:

> *Recommendation from family and friends is important while making travel decision, particularly for oversea trip, which normally costs far more than domestic trip. Besides, oversea trip is far more complicated in terms of choices on transportation and accommodation and so on. Therefore it would be great to have help from someone who knows how and what to do (David, 36).*

In particular, one interviewee pointed out the difficult of oversea trips mainly due to language barrier:

> *For domestic trips, I have no problem finding information and making decision on my own. If there is any problem during travel, I feel I can handle it as I am dealing with people who speak the same language as I do. But for oversea trip, things can be more difficult mainly because of language barrier. I need someone to give me advice and therefore I can be well prepared (Grace, 32).*

Although some interviewees confirmed the benefits of recommendations from family and friends, few seemed to have different opinions, particularly those with plenty travel experiences and thus knows very well as far as planning trip is concerned:

I do not tend to seek advice from family and friends. As far as travel experience is concerned, I am actually the one having plenty experiences, particularly oversea trips. And therefore instead of seeking advice from someone who has less experience, I normally search information and make decision by myself without seeking advice from someone else (Alice, 28).

I do not feel there is a need to seek advice from family and friends because they do not seem to know better than me on where to buy and what to do. Recommendation from family and friends is useful only if they know more about the information I am searching for (Emma, 41).

The above quotes support the argument of some researchers (Coupey *et al.,* 1998; Fodness and Murray,1998), who claimed that there is negative relationship between the amount of prior knowledge and the amount of external information (i.e., recommendation from family and friends). That is, experienced consumers may have prior knowledge about the attributes of various alternatives, and consequently do not need to acquire such information from external sources (Buncks, 1985). In other words, they make decisions based on their prior knowledge (Vogt and Fesenmaire, 1998). It may also explain that experienced consumers perform more efficient information searches because they know what is important, useful, and where to get it (Coupey et al., 1998).

It is noted that interviewees not only emphasized the significance of recommendations from family and friends, but also mentioned the effects of

opinions from other individuals on the Internet. The Internet provides new ways for potential travellers to learn more about tourist destinations as well as the products and services provided on travel websites directly or indirectly from other customers. The Internet has created a new mode of communication that is similar to WOM and empowers consumers. With the advancement of the Internet, consumers are now able to access not only opinions from family members and close friends, but also from strangers located around the world who may have used a particular products or visited a certain destination. Searching and reading others' opinions on the Internet about a product can help a consumer save time on decision making and make better decision (Hennig-Thuran and Walsh, 2003).

Some interviewees appreciated the assistance provided by online member who have knowledge about the information they search for, which can be of great help as far as decision making is concerned:

> *I tend to read others' opinions on the Internet during decision-making. Sometimes family and friends may not be able to help because they do not know the information what I am looking for. But I always can find someone on the Internet who knows what I need. For example, if I post the questions online as to how long it takes to travel between two cities, I am likely to get responses from someone who knows the answers, or at least gives me direction on where to find the information available (Joe, 28).*

With the help of someone on the Internet, I find it much easier to make decision. For example, if I have question about the price, I just ask and get the quotes from someone who have bought it before. Sometimes if I am lucky, I can get responses from not one, but a few people. This gives me an idea on the price and helps me make decision on whether to buy. I save money of course in this way (Kim, 32).

The above quotes support the contention of Crotts (1999), who argued that advice from other consumers who have prior knowledge with a particular travel products and who are interpersonally available will no doubt ranks as not only the preferred source of purchase information but also the influential in travel decision making.

While some interviewees consider online opinions are useful, others have reservations as to whether opinions from other individuals online are reliable and trustworthy:

Unlike family and friends who I know very well, other people from the Internet are simply strangers who I do not very well. And therefore it is no way for me to tell whether I can trust what they say or not (Iris, 31).

I do not easily trust what people say unless I am sure they know very well about the information what I am looking for. You got to be selective when it comes to online opinions because it is likely you come across someone who makes up story from some reasons. Unless you know the background of people, otherwise you should not trust all what they say (Gina, 32).

It is therefore can be argued that the level of trust on online opinions may be influenced by such factors as "propensity to trust" (McKnight *et al.*, 2002). The propensity to trust is a *personality trait* that moderates the effect of trustworthiness attributes on the formation of trust (Mayer *et al.*, 1995). When deciding whether and how much to trust, consumers look for cues (e.g., trustworthiness attributes). Trust propensity magnifies or reduces the signals the cues provide. This moderation effect act positively in the sense that the higher level of trust propensity, the greater the impact of trustworthiness attributes on the formation of trust. For example, individuals look for cues (i.e. whether this individual is experienced traveller) to decide if the information provided is trustworthy. If this individual has higher trust propensity, it is more likely that he/she would trust the information provided by other online members.

9.2.4 Website design

Within the context of travel and tourism, trip planners searching for information with the hope of reducing the perceived risk embedded in travel product and service purchase (Vogt and Fesenmaier, 1998). Travel information searchers may go directly to a website if they have favourite sites to visit. Alternatively, with a lack of information on travel websites, they may use a search engine to look for information and presented with the results of their query according to the keyword they entered (Hwang et al., 2006; Levene, 2006). The search process then moves to the selection of websites where information seekers evaluate the relevance of the results of the search to decide whether to further browse particular websites. A recent study by Xing and Fesenmaier (2006) indicated that travel information searchers with favourable first impression toward a website are more likely to stay on the site and use it for trip planning.

First impression of website are typically formed within milliseconds (Kim and Fesenmaier, 2005; Lindgaard *et al.*, 2006). If a website fails to appeal to and evoke good impression for first-time visitors, they are more likely to stop browsing the site, go back to the search results, and repeat the same procedure until they find a satisfactory information source (Pan and Fesenmaier, 2006; Xing and Fesenmaier,2006). Interviewees confirmed this argument and stressed that good first impression toward travel websites is likely to determine whether they would continue to browse the website:

The first impression toward travel website is important. If I never visit that website or never hear someone talks about it, the design of the website gives me the cues of the company behind. If the website looks professional, I am more likely to spend time browsing the website instead of going somewhere else (Chris, 33).

If I used keywords to search for information online, I often get thousands of results. I have no time to check every website, so I choose the first few pages of the results. Even only a few pages, I have no time to check every website in detail, and therefore I sometimes only choose some look nice at first glacne. It is like I walk into a new shop, and I decide to stay longer because the decor appeals to me. First impression matters indeed (Emily, 34).

In particular, Lindgaard *et al.* (2006) argued that web site visitors with a positive first impression toward the site may disregard possible negative aspects (e.g., dead links, outdated information, etc.). As such, they tend to be consistent with their initial judgment in the following decision making unless the site strongly disappoints them. It is therefore argued that first impression toward web site may have strong effects on purchase intentions and behaviours.

Website design can be broadly divided into several features: aesthetic, informative and usability features of a website. *Aesthetic features* of a website refer to visual items that can raise the interest of online visitors such as pictures, colours, and graphical layout. These elements communicate the web site's

atmosphere, something important for attracting online consumers by inducing positive and powerful motives for visitors to stop, explore and possibly interact with the site. Aesthetic features are argued to be important indicators of online vendor quality (Vrechopoulos et al., 2000) and the main clue of web site credibility for the majority of web users (Fogg et al., 2002). Among several features, some interviewees pointed out the influence of colour on intention to browse the websites:

> *I decide to browse a new site mainly because of colour scheme it used. In particular, colour combination is important. It has impact on whether the text is easy to read or not (Angela, 24).*

> *I once came across a website with very strong colour combination. It used quite a few different colour on the home page. The cartoon-like design did not look professional, and of course I did not bother spending time there (David, 36).*

In particular, some interviewees pointed out the use of picture as important feature of travel website design, expecting pictures provided should be in good quality so as to make travel products more appealing:

> *I like to browse website providing pictures of products. Travel product is all about image: the view of hotel room, the view of tourist spots. If I've never been there, I want to see how they look like. And you expect pictures are in good quality as well. I am more likely to make purchase if those pictures look interesting and appealing (Gina, 32).*

Informative features of a website refer to items that provide detailed information regarding products and service. Jeong and Lambert (2001) suggested that consumers' perceived quality of information for products and services provided on the website is one of the most crucial factors for predicting their purchase intention. The informative features would attract online visitors and increase their interests on the website after the initial stage of aesthetic features capturing their attention. Information quality of a website plays a crucial role not only in creating positive impression, but also building trust as McKnight *et al.* (2002) argued that information quality is a significant antecedent of trust belief about an internet vendor. A website provides diverse information such as product details, price, delivery information, and return policy and conditions. Such information may reveal the trustworthiness of the company and consequently consumers may partially infer the ability of the company base on the information provided on the website. In particular, consumers who interact with the website for the first time may make strong inferences about the attributes of the company from what they first experience from the website and estimate the vendor's trustworthiness (McKnight *et al.*, 2002). Some interviewees pointed out that transparency in price as their major concerns, expecting this information should be clearly presented for positive trust perception:

When I browse a new website, I need some information to tell whether I can trust and buy from it. For example, I pay attention on cancellation policy. If this company charges too much on cancellation, I would not buy from it because it means the company does not put consumers' interest in mind (Alice, 28).

I expect the website to give every detail about the price they expect me to pay. Price is important issue when it comes to making decision. I do not want hidden cost. I do not want to be told I have to pay extra for something just before I am about to make payment. If the website does not reveal the price in the honest way, I won't feel happy buying from it (Emma, 41).

The website should give detailed information about their products. It helps me make decision on whether this product is right for me or not. If the website does so, I would assume it cares about what consumers need (Kim, 32).

The above quotes support the argument that consumers infer the trustworthiness of the company from the website (McKnight *et al.,* 2002). In other words, potential customers may estimate whether the company is trustworthy or not based on their evaluation on the website. For example, If the information presented on the websites are clear and explicit, the consumers may assume the companies are being honest (integrity) and therefore more likely to increase trust perception towards the websites.

Apart from aesthetic and informative features, *usability* is also one of the crucial features associated with website quality. Researchers have proposed several different approaches for measuring website usability (Benbunan-Fich,2001; Kim and Moon, 1998; Kuan *et al.*, 2005). Its core concept, ease of use, refers to enabling users to acquire the information they are seeking with less efforts (Nielson, 2000). Jeong and Lambert (2001) claimed that ease of use has a positive impact on consumers' intentions to use the information acquired on the website for making purchase. Some researchers support this argument, and claimed that perceived ease of use, in turn, influences the overall satisfaction with the use of system and behavior intentions to purchase the product or service (Davis, 1986; Venkatesh and Morris, 2000). One interviewee felt that shorter download time as major factor which have impact on intention of continuous use of a particular website:

> *I want to browse a website because it is easy to use in the first place. If it is not user-friendly, it is no way for me to stay longer. For example, it should not too long to download the web pages. If it does happen, I just click away for another websites. Waiting is the least thing I want to do in front of the computer (David, 36).*

Another interviewee mentioned that the websites should be designed with clear path and good navigation for easy search:

> *The website should take into account what consumers need when designed. For example, whether the information is easy to be found.   If it is easy for me to find the information needed, I am more likely to stay in the website for sure. Easy of use is the basic thing you ask for a website (Grace, 26).*

The above quotes support the argument that ease of use has a positive impact on customers' intentions to use the information acquired on the websites for making purchase decision (Jeong and Lambert, 2001). Thus, website designers must learn continuously from customers how interacting with their websites works well and what areas lead to concerns and frustrations.

9.3 DISCUSSION

Projective technique interviews were employed to explore consumers' perception of influencing factors that were identified in questionnaire survey and their impacts on travel purchase intentions. The factors examined include lower price, reputation, recommendation from family and friends, and website design. There is no doubt that price is a crucial factor influencing consumers' purchase intention for online travel products. The results indicated that respondents tend to spend time comparing price among various websites in the

hope of finding bargain price. However, best deals are not easy to find as potential consumers might have expected. The search costs associated with finding lower price is therefore pointed out by the interviewees. Apart from time consumption, potential consumers were also encountered price dispersion during searching process, which result in great confusion. The price comparison websites have therefore emerged in response to the consumers' need, which is perceived to reduce search costs associated with online travel purchase.

Although price is argued to be one of the crucial factors influencing consumer purchase intention, trust is also proven to have significant impacts. The results indicated reputation is perceived to signal trustworthiness of the company. Reputation is an evaluation of the vendor's previous performance and behaviours by third parties. Consumers may infer that a reputable vendor has no reason to ruin its reputation by engaging opportunistic behaviour, and thus felt confident to make purchase from well-known websites which they perceived as trustworthy. It is also noted that interviewees perceived some benefits associated with making purchase from well-known websites. It is a general expectation that reputable company would be equipped with professional experience and sufficient financial resources and thus able to provide assistance when needed. Online travel purchase is typically associated with higher risk as, in some cases, large amount of money may involve. As a result, there is a particular concern regarding the ability to pay compensation.   Some

interviewees indicated they felt relatively safe purchasing from well-known even it means they have to pay a little bit extra.

Recommendation from family and friends is also considered to be influential on travel purchase intention. Interviewees emphasized the benefits of saving time and money by following the recommendation from family and friends. The tendency of travelling within group and therefore being influenced by other members' opinions may also use to explain the results. In addition, as living in a collectivist society, individual tend to follow opinions of others, and this may also explained the significance of recommendation from family and friends. However, for those with plenty travel experience, the influence of family and friend is argued to be relatively less significant as they know very well of what and where to search for the information they need. The results also indicated the significance of opinions from online members. The Internet has created a new mode of communication which is similar to traditional WOM. Interviewees appreciate the assistance provided by online members who have knowledge about the information they search for. However, some have reservation as to whether the information provided by other online members is reliable and trustworthy. It is argued that the level of trust in online opinions may be explained by such factor as "propensity to trust", which moderates the effect of trustworthiness attributes on the formation of trust.

Last but not least, the results indicated that website design has impact on consumers' travel purchase intention. Interviewees indicated a good first impression toward the website would determine whether they would like to continue to browse the website. Online visitor with a positive first impression may disregard negative aspects unless the site strongly disappoints them. In particular, consumers who interact with the website for the first time may make strong inferences about the attributes of the company form what they experience from the website and estimate the vendor's trustworthiness. Website design not only refers to aesthetic feature, but also informative and usability feature of the website. Aesthetic feature refers to visual items that can raise the interest of online visitors such as pictures and layout. The informative feature would also attract online visitors and increase their interest on the website after the initial stage of aesthetic feature capturing their attention. In addition, ease of use (e.g. shorter download time) also has impact on consumers' intention to use the website. Travel companies are advised to pay relatively equal attention to these features as they all contribute to consumers' perception toward the website. In other word, it would be of little help if the website is beautifully presented with poor usability as it may decrease consumers' intention to use the website or leads to low consumer satisfaction.

9.4 SUMMARY

This chapter presents results of projective technique interviews. It aims to explore perception of major factors identified on questionnaire survey, including "lower price", "reputation", "recommendation from family/friends" and "website design". It is noted each factor has its influence on purchase intentions in its own way, and the overall purchase intention is influenced by the evaluation of relevant factors involved.

CHAPTER TEN

CONCLUSION

CHAPTER TEN: CONCLUSION

10.1 INTRODUCTION

This chapter concludes this study on exploring the factors influencing purchase intention for online travel products. Section 10.2 presents a review of the research objectives. This is followed by a section linking research findings and research questions. The contribution of this study in relation to theory and practice are outlined subsequently in section 10.4 and 10.5. Limitations of the study are presented in section 10.6, and the chapter concludes with section 10.7 which provides direction for further research.

10.2 REVIEW OF RESEARCH OBJECTIVES

10.2.1 Objective one

To explore the relationship between the Internet and the travel industry, with a special emphasis on the impacts brought by the Internet

This object was achieved through critical review of literature on information technology and tourism, which was presented in chapter two. The literature review highlights the impacts of the Internet which has significantly changed the structure of travel industry, such as disintermediation and reintermediation. Consequently, this results in the emergence of online travel intermediaries, which facilitate the distribution of information flows, directly or indirectly, between consumers and suppliers. Facing with the competitive market, several

business models have been evolved/invented, aiming at taking advantage of the benefits brought by the Internet. Most importantly, the information technology has brought several innovations, such as travel metasearch websites and UGC which are seen to not only has a tremendous impact on e-business model but on the decision- making behaviour of Internet consumers.

10.2.2 Objective two

To identify the factors influencing purchasing intention for online travel products, with special emphasis on the influence of trust and culture

This objective was achieved through comprehensive review of literature on psychology, consumer behavior, information, marketing and tourism, which was presented in chapter three. The literature review highlights the benefits and barriers perceived by online consumers when using the Internet for purchasing travel products. Thanks to the advent of the Internet, consumers have opportunities to find out product information with rapid speed and save money and time when it comes to online travel purchase. On the other hand, several barriers were observed which seems to impede the growth of online travel shopping, including information overload, time consumption, security and price dispersion.

The literature review presents a critical review integrating individual, technical and social aspects of e-commerce to better understand online consumer behaviour. Trust is argued to have significant impact on online consumer

purchase intention due to a lack of several features in online context, such as non-verbal cues, insufficient common legal regulation, and limited knowledge of the parties involved. A number of trust antecedents have been identified which were argued to have significant impacts in building trust. For example, institution-based trust can contribute to trust formation when potential consumers interacting with e-vendor (in this case, travel websites). Another key issues emphasized in the literature review is that social factors play a crucial role in e-commerce in general and online shopping in particular. Therefore, it is important to highlight the impacts of culture on trust. To understand how culture is related to social psychological phenomena, such as trust, this research refers to Hofstede's study of cultural dimension, and suggested that collectivism and uncertainty avoidance are likely to have significant impacts on travel information-searching and purchasing intention.

10.2.3 Objective three

To develop a theoretical model that aids understanding of consumers' purchase intentions for online travel products

This objective was achieved by apply SET into online shopping context, integrating variable from both supply and demand side. This framework is also supported by TRA, arguing an individual's baheviour is predicted by his/her behavior intention. It assumes that individual's attempt to make rational decision is based on the information available to them.

This framework aimed at capturing the most significant factors, derived from different lines of previous research, and presented them as an integrated framework that paves the way for empirical testing. It emphasized the role of trust, arguing its crucial role in influencing online travel purchase intention. Factors from supply-side, such as website quality (institution-based trust) and vendor's reputation (cognition-based trust) are argued to have significant impacts on consumer's trust perception, which in turn influence purchase intention. Moreover, demand-side factors (e.g., demographic characteristics, Internet experience, previous online shopping experience) and particularly trust propensity (personality-based trust) is argued to directly influences consumers purchase intention. Moreover, product type (e.g., low versus high complexity) is argued to have impact on consumer purchasing intention. It is found that the higher the product complexity, the more uncertainty and risk involved in transaction, and therefore the less likely that consumers would make purchase, as with the case of online travel purchase. In addition, benefits brought by the Internet (calculative-based trust) are also considered to have impacts on consumer travel purchased intention. For example, lower price is argued to be a critical factor influencing consumers' intention to make purchase online, and that consumers often use multiple websites to research and compare prices before making travel booking.

Last but not least, culture is argued to have significant impacts on consumers purchase intention. This research refers to the study of Hofstede (1980), who proposed five cultural dimensions which are argued to have influence on individual beheviour. In particular, collectivism and uncertainty avoidance were selected for this study because they represent cultural traits that have a direct bearing on how information sources are used, and suits the context of Taiwanese culture, a collectivist society with medium tendency of uncertainty avoidance.

10.2.4 Objective four

To explore Internet usage for information searching and product purchasing for online travel products by Taiwanese consumers

This objective was achieved by in-depth semi-structured interviews with Taiwanese consumers, which was presented in chapter six. Key issues identified in the literature review are further explored and clarified. The research findings indicated that previous online shopping experience have significant impacts on consumers' intention to make travel purchase online. As far as the benefits are concerned, saving on time and money are two major benefits motivate consumers to make travel purchase online. In particular, price transparency was perceived to be major concerns when it comes to make purchase decision. Although price was perceived as crucial factor influencing online travel decision, consumers were also taken into account of quality of product.

It is noted that consumers perceived some extent of price dispersion, which was considered as a barrier preventing consumers form making online travel purchase. In addition, information overload was perceived as one of major barriers which lead to confusion and thus make the purchasing more complex. The barrier of time consumption mirrors the issue of information overload as it often takes a long time, in some cases, for consumers to locate information which they search for. However, it is noted that some consumers enjoy the experience of searching despite of time spent due to the enjoyment which results from the fun and playfulness of the online searching experience. Unlike the results of studies from previous research, security seemed to have little impacts on consumers' online purchase intention as far as the results of this study is concerned. . One explanation is that alternative payment methods are provided by travel websites, which significantly reduces perceived risk of paying online by credit card. In addition, it is noted that consumers pay little attention on security/privacy policy posted on website. This was found to be due to low awareness of such features as assurance of security protection.

10.2.5 Objective five

To identify the critical travel website features/attributes influencing online travel purchase intentions by Taiwanese consumers.

This objective was achieved by participant observation with Taiwanese consumers, which was presented in chapter seven. By observing searching/purchasing process of consumers, the website features/attributes

influencing travel purchase intentions can be identified. The research findings indicated that website design has impacts on consumers' overall perception towards travel website, particularly fist-time visitors who have never heard of the website. For example, font style is proved to convey the image of website as some participants indicated that cartoon-like font style to be perceived as low quality, which implies the website is not professional and credible. In particular, use of pictures was considered as important feature which can be employed to overcome disadvantages associated with intangibility of travel products. The research findings indicated that participants are relatively contended with the pictures provided by Taiwanese travel websites. However, it was noted the misuse of pictures on one travel website, which caused caution on the credibility of information provided. Apart from website design, functionality and usability were found to be two major features contributing to positive perception of travel website. The findings indicated that the completeness, clarity, and relevancy of information are what consumers expect from a travel website. It was noted that participants strongly demand price-related information to be clearly provided to inform the decision-making process. In addition, participants also emphasized the importance of ease of use, indicating the website should be designed to allow easy navigation and faster download time in order to increase consumer satisfaction.

10.2.6 Objective six

To examine the perceived significance of factors influencing purchasing intention for online travel products by Taiwanese consumers

This objective was achieved through questionnaire survey, which quantitatively measure perceived significance of factors identified through literature review as well as previous qualitative work (in-depth semi-structured interview). The research findings confirms that online travel purchasers viewed convenience and lower price as a major factors contributing to making travel purchase online. In addition, reputation is also perceived as major factor influencing online travel purchase intention as its evaluative character in terms of public information of the trustworthiness of an object (in this case, travel website). In addition, due to collective nature of Taiwanese society, respondents indicated that recommendations from family and friends play a crucial role on online travel purchase intention. In addition, projective technique interviewees were also employed to further examine the relative significance of major factors identified in questionnaire survey.

10.3 LINKING RESEARCH FINDINGS TO RESEARCH QUESTIONS

Several research questions were developed in section 1.2, and the questions driving this study are:

Research question 1: To what extent does trust have a significant influence on consumer purchasing intentions for online travel products as far as Taiwanese consumers are concerned?

Research question 2: Which factors significantly influence consumers trust and online travel purchasing intentions as far as Taiwanese consumers are concerned?

This study has investigated the factors influencing online travel purchase intention and developed a research model for studying this phenomenon. This study, base on SET, proposed a trust-based online travel consumer decision-making model which recognizes that various factors may directly or indirectly influence consumers' online travel purchase intention. It is noted that factors identified in the model can be directly or indirectly controlled by online travel companies through website design (e.g., information quality, privacy and security protection) or the conduct of business (reputation). Thus, the model and results are likely to have important implications for Taiwanese online travel companies which wish to increase sales volume by firstly enhancing consumer trust.

The empirical results suggested that consumers' trust has significant impacts on their online purchase intention. This result is in line with other research that shows a direct relationship between trust and intention to purchase from Internet vendors (Bhattacherjee, 2002; Gefen, 2002; McKnight *et al.,* 1998). Many scholars have argued that trust is a prerequisite for successful e-commerce because consumers are hesitate to make purchase online unless they trust the vendors (Gefen, 2002; Jarvenpaa *et al.*, 1999; Kim *et al.*, 2005; Urban and Sultan, 2002).

The findings indicated that Taiwanese consumers reported that they are likely to make purchase on travel websites because they perceive many benefits (e.g., lower price, time saving, increase variety of product options) compared to purchasing travel products from traditional travel agents. This finding supports the notion of McKnight et al. (1998), who argued that trust can be built by calculation-base trust – individual's trust strategies are based on the rational consideration of costs and benefits. This finding is also in line with the rational embedded in the proposed model, based on SET of Homans (1958), who claimed that individuals continue to interact in social exchange on the condition that they are attracted to the exchange relationship and will be rewarded. In the context of online travel purchase, when both parties benefits overlap, and the consumers feel that online travel companies care about the benefits of both parties, it is more likely that trust will be forged (Doney et al., 1998).

The findings also indicated that reputation of travel website is a determining factor influencing consumers' trust perception when making online travel purchase. The result supports the notion of McKnight et al. (1998), who argued that individuals build trust based on their immediate recognization such as reputation and word of mouth (cognition-based trust).   The results also coincide with the study of some researchers (Doney and Cannon, 1997; Ganesan, 1994; Jarvenpaa *et al.*, 1999), who argued that reputation is a key factor for creating trust because it provides information that the company has honored or met its obligations toward other consumers in the past. Reputation-building is a social process - the degree of honesty that a company has demonstrated in those earlier transactions between consumers and vendors (Zacharia and Mars, 2000). Based on its reputation, consumers tend to infer that the company is likely to continue its behavior in the present transaction (Scharif *et al.*, 2005). In the case of positive reputation, consumers are likely to infer that the company will honor its specific obligation to customers, and therefore concluded the company is trustworthy.

In addition, the findings indicated the importance of social relationship of Taiwanese society as a result of collectivism (cultural factor), which makes recommendation from family and friends the most influential source among potential travelers when planning for the trip. WOM transmits consumers' own experiences vividly and credibly to other customers. This mode of communication is considered to be particularly effective in terms of influencing

purchase intention (Crotis, 1997; Gruen et al. 2005; Smith et al. 2005). It is noted that the intangible nature of travel products makes travel website heavily depends on reputation and WOM. Taiwanese online travel companies are therefore advised to place emphasis on stimulating, monitoring and if at all possible managing WOM communication with the social networks of their potential customers. Directly stimulating WOM by raising involvement or by setting incentives or indirectly influencing perception through the stimulation and involvement of opinion leaders who speak in favour of the travel companies are possible ways to proceed.

Apart from recommendation from family and friends, it is interesting to note that the influence of electronic word of mouth (eWOM). With the spread of electronic technology, it is not surprising that virtual interactions among consumers have proliferated (GoldSmith, 2006). Electronic markets possess particular network characteristics which can serve as important facilitator and for the development and diffusion of information and thereby enhancing the development of reputation (Einwiller and Will, 2001). Taiwanese online travel companies are therefore advised to consider and devise strategies to manage online interpersonal influence, which may provide important competitive advantages for early adopters as well as well-established vendors. For example, allowing and encouraging eWOM on the website through posted comments can provide the host company genuine consumer feedback, while at the same time providing a service recovery mechanism to reply or rebut negative comments.

In addition, the online forum allows the company to demonstrate their caring and concerns by providing positive assurance to potential visits and guests. In addition, travel community is found to be an important feature in this study. The community feature promotes information exchange, knowledge sharing, and offers a supportive environment thus increasing consumer trust of the website. One way to exploit this feature would be to provide different communities for different purposes, one of which might be to enable the customers to easily give comments to the company. Such a feature could support consumers' need to voice their opinions in an active manner. Travel blog can also be used that allows customers to create, broad cast and share different kinds of information about a particular subject or range of subjects. Travel blog also allows customers to interact through discussion area. Taiwanese online travel companies should provide the opportunities for customers to create their own blogs in connection to the travel websites where they could publish their pictures and information on their travel experiences. This would gives them a motive for returning to the website and serve as one way of creating a long-term relationship with the customers. Furthermore, the travel companies can also arrange for competition on the best travel blog or the best pictures, which are aimed at attracting visitors to the websites.

Research question 3: To what extent does website design have a significant influence on consumer trust and purchasing intentions for online travel products as far as Taiwanese consumers are concerned?

Research question 4: Which travel website features/attributes significantly influence consumer perception and trust as far as Taiwanese consumers are concerned?

The findings indicated that usability and presentation of travel websites has significant impacts on overall perception of website quality, which, in turn, influence trust perception. The results coincide with the research findings of Kim and Kim (2004) and Oh (2003). When potential customers visit travel websites, they may perceive those with good appearance and layout and capable of taking visitors to their desired information with a minimum number of clicks to be trustworthy. Similarly, Flavian *et al.* (2006) argued that perceived usability appeared to have a positive association with consumer satisfaction and trust. Most importantly, if customers are satisfied with the website, it also increases their trust towards that website.

Given the perishability of travel products, the highly competitive nature of the market, and the fact that many products differ little in terms of their functionality capability, it can be argued that website usability has been the crucial factor influencing consumers' intention to browse, particularly first-time visitors. Online customers can easily be turned off when the website is difficult to browse, or cannot be navigated easily. On the other hand, online travel purchase experience would be pleasurable and satisfying for customers when the website is uncluttered and easy to navigate through (Park and Kim, 2003)

because these features economize on the cognitive effort consumers figure out how to shop efficiently. However, it appears some Taiwanese travel websites rely mainly on IT personnel instead of professional e-marketers for the development for their websites, which result in low usability of website and consequently low consumer satisfaction. Taiwanese online travel companies are therefore advised to focus on building website that are user-friendly and allow customers to learn how to use them easily by providing highly visible navigational buttons, suggestive images, and easy to follow reservation feature. Taiwanese online travel companies should also focus on designing websites that are entertaining and fun and allow customers to engage in their online travel purchase experiences. Website designers should focus on maximizing the effects of Internet resources such as graphics and videos. For example, using virtual views of 3D images to illustrate travel product feature (e.g., hotel room), enhanced speed of presenting video or audio presentation. It is argued that playful and enjoyable website invite browsers to visit, keep them entertained, and increase their depth of exploration (Kim *et al.,* 2006). In addition, an increase in the interactivity of website also contributes to a corresponding increase on the level of liking (Chung and Zhao, 2004; Jee and Lee, 2002; Stromer-Galley, 2004).

The findings also indicated that the information provide on travel websites has significant impacts on Taiwanese consumers' perception of benefits of using the Internet for travel purchase in general, and purchasing from a travel website in

particular. Information provision is the basic goal of a website (Hui-zingh, 2000), and a determining factor influencing consumer purchase intention (van der Merwe and bekker, 2003). Information provides an enhanced potential to reduce any asymmetry of information between consumers and companies as Sigala (2003:7) suggested that "as buyers have more product/service information, transactions' transparency amongst prices and vendors increase". On the other hand, if consumers do not have complete information of what is available for purchasing particular travel product, they may not be able to make an informed assessment of how satisfied they are with their current choice of online travel websites.

Previous studies have stressed the issue of information provision, arguing it significantly contributes to the success of commercial websites. For example, Ranganathan and ganapathy (2002) claimed that an effective website should serve as a major source of information, providing complete information on the product and service; allow quick access to desired information through tool such as search engines; and provide decision aids to help evaluate the alternatives. As far as online travel purchase is concerned, information is particularly important due to characteristics of travel product/service: consumers' high perceived risk associated with the intangible nature of travel product/service (Zillifro and Morais, 2004; Zins and Bauerfiend, 2005).

However, provision of information alone is not enough to have significant impacts on consumers' travel purchase intention. The findings indicated that the completeness, clarity, and relevancy of information are what consumers expect from a travel websites. The result coincides with the notion of Jeong and Lamber (2001), who argued that consumers' perceived quality of information for products and services provide on the website is one of the most crucial factors influencing their purchase intention. The benefits associated with complete and relevant information results in consumers purchasing better quality products/services (Szynanski and Hise, 2000), and this may improve satisfaction and increase repeat purchasing intention by reducing the risks of dissatisfaction and anxiety in further purchase (Park and Kim, 2003). In other word, as consumers perceive that the travel website provides high quality of information, they tend to perceive that the online travel companies are interested in maintaining the accuracy and currency of information, and therefore will be more inclined , and in a better position, to fulfill its obligations. It is therefore argued that if consumers perceive a website provides high quality of information, they are likely to have confident that the online travel companies are reliable, and thus perceive them as trustworthy. High quality information (e.g., accurate, current, relevant) helps to reduce the level of perceived uncertainty and risk related to online travel purchase because such information should provide what is needed to conduct the transaction in a controlled manner and should therefore alleviate the uncertainty and risk associated with online travel purchase.

It is noted that Taiwanese consumers strongly demand price-related information to be clearly provided to inform the decision-making process. This result supports the notion of Monroe (1990), who argued that consumers would need to consider both products and the price information in order to make an informed purchase decision. In other word, not only the quality of product/service information is important, but the price-related information is also considered to be crucial in terms of influencing travel purchase decision from the point of Taiwanese consumers. Consumers would evaluate both the price of product and product itself to judge whether it is worth its price tag. This implies that Taiwanese travel companies should pay more attention to offering complete, accurate, and relevant price-related information about travel products and services promoted. For example, cancellation, refunds, and other price-related policies should be explained and easily understood by online consumers. In addition, online travel companies should disclose price-related information in earlier stage to minimize consumers' perceived waiting time because it is noted consumers tend to become very frustrated and perceive time waste especially if his/her major concern is price. There is no doubt that through provision of high quality information on price and product/service, consumers' perceived benefits would increase which, in turn, may lead to the increase of trust and ultimately purchase intention.

The prevailing concerns regarding privacy and security are clearly manifested in the findings, with a number of Taiwanese consumers indicating that their trust perception would likely to increase if privacy and security statement/policy are posted on the website. This findings support the proposition of McKnight (2002), who argued that institution-based trust can be used as one of trust-building strategies: consumers build trust based on their perception of guarantees and security nets provided by organization (in this case, online travel companies). When consumers find security features (e.g., security policy, security label) and privacy statement on the travel websites, they can recognize the company's intention to fulfill the privacy and security requirement during online transaction (Chellappa and Pavlou, 2002). This helps the consumers to make purchase decision since all the above mechanisms emphasize that the company is making effort to earn consumers' trust and try to diminish the amount of risk that the consumers perceive. Consequently, the consumers' perception of privacy and security increase their intention to trust, which, in turn, may influence their intention to make purchase online (Liu *et al*, 2004).

Though the significance of privacy and security are recognized, it is interesting to note that some Taiwanese consumers indicated the presence of privacy and security mechanisms has little impacts on their trust perception. One possible explanation of this result might be that consumers simply do not recognize privacy and security mechanism as an assurance of trust. In other word, how consumers perceive privacy and security protection when making online travel

purchase depends on how clearly they understand the level of such mechanisms implemented by the websites (Friedman, 2000). Taiwanese online travel companies should therefore develop alternative strategy to assure consumers of privacy and security of their websites. For example, they should have customer service personnel who can be contacted if assistance is needed, which is likely to provide customers with a sense of security (Kaynana and Black, 2000). However, provision of service personnel is not enough to increase trust perception. The employee's knowledge and attitude also plays a crucial role in influencing consumers ' trust perception. Customer service personnel should be able to provide relevant information what customers expect, which may increase perception of competence of travel companies and in turn enhance trust perception. Moreover, caring and individualized attention of customer service personnel could also demonstrate benevolence, which is argued to increase trust perception towards online travel companies. Moreover, the travel industry as a whole should provide more education about their privacy and security protection as it is argued that educating customers is likely to result in less fear and more trust, which may lead to more transaction via the Internet.

This study provides a better understanding as to the main factors influencing purchasing intention for online travel products. Previous studies have suggested many factors that contribute to the adoption of online purchase. However, only a few were related to online purchase in a travel setting. This

study takes into account the very characteristics of travel products, arguing to be one of the influencing factors for online travel purchase. This study also emphasizes the influence of cultural and social factors (e.g., trust) as they form the general "context" or "environment" with which e-commerce takes place. This study provides information that can be useful in understanding the decision-making process of online travel consumers, particularly in today's competitive online travel industry. Base on the research findings, the conceptual framework developed in section 4.3 is modified as follows (figure 10.1).

Figure 10.1: Modified framework of online travel purchase intentions

Supply-side factors
A. WEBSITE
QUALITY
  a. website design
  b. functionality
  c. usability
B. REPUTATION

Demand-side factors
A. individual
  characteristics
a. demographic
  characteristics
b. Internet experience
c. Previous online
  shopping experience

Disposition
to trust

TRUST

BENEFIT
A. Wider variety
  of information
B. Convenience
C. LOWER
  PRICE

CULTURE
A. Collectivism
B. Uncertainty
  avoidance

PURCHASE
INTENTION

PRODUCT TYPE
Low versus high
product complexity

PURCHASE
BEHAVIOUR

Note: Letter in yellow indicates perceived significance on travel purchase intentions

It is noted factors included on the framework all have impacts on consumers' travel purchase intentions. However, some factors are proved to have more significant effects compared to others. Trust is the determining factor influencing online travel purchase intention. Factors from supply and demand side both contribute to the perception of trust. It is noted reputation, one of factor from supply-side, has significant impact on trust perception. In addition, website quality also plays a significant role in influencing consumers' trust perception. Online travel purchase intention also influence by perceived benefits, particularly lower price. Lower price is considered to be one of the most important benefit determining consumer purchase intentions. However, lower price alone cannot determine consumers' travel purchase intentions. The influence of culture would also be taken into account while making travel decision. As a collectivist society, recommendation from family and friends is being used by Taiwanese consumers to reduce uncertainty and risk, and therefore considered to be influencing factor for travel decision.

10.4 CONTRIBUTIONS TO THEORY

At a theoretical level, this study adds to the literature about online consumer behaviour. The potential impact of the Internet on consumer behavior has puzzled consumer behaviour researchers since earlier years (Dickson,2000; Roberts, 2000). For example, Dickson asked:"Are consumers with technical rather than liberal arts education more open to using the Internet to shop?" This

kind of questions clearly raised the issue of consumer technology acceptance, a relatively underresearched area in the consumer behaviour literature (Kucuk and Arslan, 2000). In addition, the relative impact of the Internet across cultures will also be critical for the multinational study of consumer behavior. Consequently the proposed model can serve as an initial blueprint for understanding the effects of Internet technologies on consumer behavior within and across cultures.

This study contributes to the development of SET by applying it to the consumer attitudes towards purchasing travel products online. The trust-based consumer purchase intention model should provide a holistic view of an online consumer's purchase decision-making process, incorporating the effects of the factors in both supply and demand side, as well as trust and benefits, and assessing the impact of these factors on online travel purchase intention. Thus, this study provides the comprehensive understanding to date of the trust-related factors that consumers consider as they engage in online travel purchase. In addition, this study distinguish between trust and benefits and other factors contributing to online travel purchase intention and provides understanding of their relationship with each other or how they work independently or in combination to influence online travel purchase intention. By distinguishing among the concepts both conceptually and empirically, this study has provided important insights into their distinct roles in the online travel decision-making process.

10.5 CONTRIBUTIONS TO PRACTICE

The research has important practical implications for influencing consumer purchase intention for online travel products. Online travel companies should acknowledge that consumer trust constitutes a tremendous barrier to online travel purchase transaction. However, this research shows that online travel companies are not powerless. The results give practical guidelines as to how online travel websites can build trust and positively influence consumer purchase intention. The findings highlight several trust-building features that may guide the successful completion of transaction in online travel purchase. Specifically, the study identified a number of potentially important determinants of consumer trust of a website. The study provides empirical evidence concerning the relative impacts of these determinants and recommended several mechanism/features to be implemented on the website accordingly.

As a result, the theoretical framework and results may allow Taiwanese online travel companies to better incorporate trust-building mechanism into their websites by focusing on the factors identified in this study. More specifically, the results suggest that since consumers' perception of information quality, reputation, and word of mouth are strong predictors of trust, Taiwanese online travel companies should pay particular attention to these factors in order to increase customer trust and ultimately increase transaction volume.

10.6 LIMITATIONS

As with all studies, this study has its limitations. First, the subjects of questionnaire survey are mainly younger consumers with relatively higher educational background. Therefore, the results may not be generalizable to all user groups. For example, older consumers may be less comfortable with online purchase due to the lack of familiarity of computers and the Internet. It is likely that for these consumers, trust would loom even larger than for younger, more experienced consumers, and therefore the model propose in this study may be equally if not more predictive of purchase intentions for such consumers. Yet research is needed to investigate whether this is so. In addition, in order to manage the data collection process more efficiently, the sample was drawn from Taiwan only. It would be useful to conduct similar studies across multiple geographical regions to determine whether cultural influences may moderate consumers' preferences for various website features.

As with any conceptual model, the model proposed in this study has its limitations. Although the framework received strong empirical support, it is recognized the possibility of alternative models for understanding the relationship among the constructs examined in this study. Although the model has based on a combination of results from many studies on the subjects of information technology, consumer behaviour, psychology and marketing, there can always be factors influencing consumers' online purchase intention that are not included in the literature to date. However, the author is confident that

careful and through consideration has been given to provide an overview of the most relevant factors in this context. It should be noted that due to personal circumstances, this study was temporarily suspended between year 2005-2006. This results in the gap between various data collection period. Given the rapid changing nature of Internet application which is argued to have impacts on online travel purchasing behaviour, cautions should be mad while interpreting the findings of the study.

10.7 DIRECTION FOR FURTHER RESEARCH

Further research should be done as a natural extension of the current research effort. First, some research examined the role of trust in e-commerce in several national cultures and identified differences and similarities among consumers from diverse culture (Jarvenpaa *et al.*, 1999; Teo and Jing, 2002). The degree of acceptance of e-commerce in a specific culture may play a role in purchase intention. Further research could investigate the proposed framework in different countries to understand cross-cultural effects on online travel purchase intention.

Second, this study examines trust as a direct predictor of behaviour intention. This is in line with other research that views trust as having a direct impact on behavioural intention in business relationship, irrespective of risk (Doney and Cannon, 1997; Fukuyama, 1995; Ganesan, 1994; Moorman et al., 1992;

Morgan and Hunt, 1994) and information technology adoption (Gafen, 1997; Jarvenpaa et al., 1998). Other studies, however, included risk as a mediator of the effect trust has on behavioural intention in both theory (Mayer *et al.,* 1995) and e-commerce practice (Jarvenpaa and Tractinsky, 1999; Kollock,1999). Since the aim of this research is to examine how online travel companies can create and enhance trust, examining risk and its relationship with trust was beyond the scope of this study. Clearly, additional research is needed in this area.

Further research is also needed in examining other possible beliefs that are a part of trust. Based on the marketing and MIS literature, this research defined trust as belief in competence, benevolence, and integrity of the online travel companies. Other beliefs have also been suggested, including loyalty and reliability (Hosmer, 1995). More research would also be useful in examining whether the conceptualization of trust in online travel purchase context can be extended.

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APPENDICES

A-1 Questionnaire

A-2 Assumption card

This questionnaire is a part of the research methods employed for a Ph.D. research entitled "**factors influencing purchase intention for online travel products**". Please read and follow the instructions for each section carefully. All responses are confidential and will only be used for the purpose of this research. Thanks you for taking the time to complete this questionnaire.

SECTION ONE: General retail purchasing experience

Q1. Have you ever made a purchase on the Internet?
   Yes   If yes, please go to Q3.
   No   If no, please go to Q2.

Q2. If no, please indicate the main reasons of not making purchase on the Internet (Please select maximum 3 options). Then please go to Q5.
   a. Prefer to psychically check the products
   b. Not familiar with online purchase procedures
   c. It is time-consuming to purchase online
   d. Worry about Internet fraud
   e. Prefer to buy from retail store (i.e., in case of refund)
   f. Other (Please specify) _____

Q3. If yes, how many times have you made a purchase from a website in the last 12 months?
   a. 0-2 times
   b. 3-4 times
   c. 5-6 times.
   d. 7 times or over

Q4. What kind of products have you ever purchased on the Internet? (Please select any if apply)
   a. Clothings
   b. Grocery
   c. Books and CDs
   d. Skincare products/cosmetics
   e. Electronic goods
   f. Travel-related products
   g. Other (Please specify) _____

SECTION TWO: Travel information search behaviour

Q5. What are the channels you commonly used for gathering travel information (Please select maximum 3 options)?

    a. Magazines/books/newspapers

    b. The Internet

    c. TV/radio

    d. Travel agent brochures

    e. Recommendation from family/friends

    f. Other (Please specify) _____

If your answer includes Internet, please go to Q6.

If your answer does not included Internet, please go to SECTION THREE.

Q6. What types of websites do you commonly used for gathering travel information?

    a. Online travel community (e.g. backpakers)

    b. Travel blog

    c. Government-funded tourism websites

    d. Commercial travel websites (e.g. hotel, airline, online travel agent)

    e. Online information exchange website (e.g. PTT)

    f. Online UCG website (e.g. wikipedia)

    g. Other (Please specify) _____

SECTION THREE: Online travel purchase experience

Q7. Have you ever purchased travel products on the Internet?

    Yes   If yes, please go to Q8.

    No   If no, please go to Q13.

Q8. If yes, how many times have you made a purchase from any travel website in the last 12 months?

    a. 1-2 times

    b. 3-4 times

    c. 5-6 times.

    d. 7 times or more.

Q9. What kind of travel products have you purchased on the Internet? (Please select any if apply)
a. Flight
b. Accommodation
c. Car rental
d. Flight + hotel
e. All-inclusive packaged tour
f. Coupons for travel-related products
g. Other (Please specify)

Q10. What are the main reasons for you to purchase travel products on the Internet? (Please select maximum 3 options)
a. Recommended by family/friends
b. Time saving (No need to visit traditional travel agent)
b. Compared to traditional travel agent, online price is more competitive
d. Wider variety of travel information/products provided on the Internet
e. The Internet is convenient (i.e. 24/7 accessibility)
f. Other Please specify _____

Q11. Which are the reasons for you to purchase from one particular websites? (Please select maximum 3 options)?
a. The website is well-known one
b. The website is recommended by family/friends
c. The website is partnered with other well-known websites
d. The website provides lower price
e. The website design looks professional
f. Other (please specify) _____

Q12. What kind of payment methods do you mainly use for online travel products?
a. Making payment by money transfer
b. Making payment online by credit card
c. Making payment in person
d. Making payment by providing credit card detail via fax
e. Making payment by calling the agent
f. Other (Please specify) _____

Then please go to SECTION FOUR.

Q13. If you never purchased any product from the Internet previously, would you consider purchase online travel products in the future?

Yes   If yes, please go to SECTION FOUR.

No   If no, please go to Q14.

Q14. If no, please indicate the reasons of not purchasing online travel products (Please select maximum 3 options). ***Then go to SECTION FOUR.***

a. Not familiar with online travel purchase procedures

b. Prefer human interaction provided by traditional travel agent

b. Concerns about security/privacy on the Internet

c. Worry about Internet fraud

d. Confused about price dispersion on different travel websites

e. Confused about massive amount of information on the websites

f. Other (Please specify) _____

SECTION FOUR: travel website characteristics

The following statements are about travel website characteristics that may influence your satisfaction. Please read each statement carefully and rate the relative importance of each feature on a scale of 1-5 where:

(1) is very important

(2) is important

(3) is not important nor unimportant

(4) is not important

(5) is not very important

Q15. Visual appearance

a. The website has clear layout

b. The website provides matching photos for context

c. The has appropriate contrast between background and text.

d. The website has no compulsory pop-ups.

d. Minimum amount of writing and large amount of photos

Q16. Ease of use
- a. It is easy to download information from the website.
- b. The website does not have broken links.
- c. The website provides site map.
- d. The website provides back home button.

Q17. Website management
- a. The information offered on the website is updated regularly
- b. The website provides latest update time
- c. The information offered on the website is hard to find elsewhere.
- d. The website provides search engines for internal information.
- e. The website provides clear price information with no hidden costs
- f. The website is free of spelling and grammatical errors.
- g. The website provides links for relevant information on other websites

Q18. Contact information
- a. The website provides clear contact information (i.e. phone number)
- b. Contact information is clearly displayed on the home page
- c. The website provides free phone number for contact.
- d. The customer support service is offered 24/7

Q19. Interactivity
- a. The website provides questionnaire for consumers to voice their opinions
- b. The website provides interactive function (i.e. message board) by which travel company and online visitors can actively communicate with each other
- c. The website provides online travel community where online visitors can share experiences and information with other visitors

Q20. Security and privacy information
- a. The website provides privacy statement
- b. The website provides third-party security seals
- c. The third-party security seals on this site are clearly displayed on home page
- d. The website provides SSL (secure sockets layer)

Q21. Financial bond
a. The website provides price comparison function
b. The website provides membership bonus collection for free gift
c. The website provides special offers
d. The website provides special offers exclusively for credit card holders
e. The travel purchase can be paid by installments using credit card

SECTION FIVE: Cultural characteristics

The following statements are about cultural characteristics that may influence your online purchase intention. Please read each statement carefully and indicate how strongly you agree or disagree of each statement on a scale of 1-5 where:
(1) is strongly agree
(2) is agree
(3) is not agree nor disagree
(4) is disagree
(5) is strongly disagree

Q22. Disposition to trust
a. I trust travel information provided by family/friends
b. I trust travel information provided by online members
c. I trust travel information provided on travel website

Q23. Collectivism and uncertain avoidance
a. I seek advice from online member during travel searching process
b. I seek advice from family/friends during travel searching process
c. I browse travel websites recommended by online member
d. I browse travel websites recommended by family/friends
e. My purchase intention is influenced by online member
f. My purchase intention is influenced by family/friends

SECTION SIX: Demographic profiles

Q24. Please specify your gender
    a. Male
    b. Female

Q25. Please specify your age
    a. 18-25
    b. 26-35
    c. 36-45
    d. 46-55
    e. 55 or more

Q26. Please specify your educational level
    a. Less than secondary/high school
    b. Completed secondary/high school
    b. Completed college/university degree
    d. Completed postgraduate degree

Q27. How long have you had access to the Internet?
    a. 1-3 years
    b. 4-6 years
    c. 7-9 years
    d. 10 years or more

Q28. How many hours do you browse the Internet daily?
    a. 1-3 hours
    b. 4-6 hours
    c. 7-9 hours
    d. 10 hours or more

THANK YOU VERY MUCH FOR YOUR KIND COOPERATION.

親友推薦

低價促銷

網站設計

信譽良好