A STUDY ON CUSTOMER'S PERCEPTION TOWARDS OTA SERVICES IN HOTEL INDUSTRY: A STUDY WITH SPECIAL REFERENCE TO CHENNAI CITY

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ABSTRACT

Online Travel Agencies (OTAs) are online companies whose websites allow consumers to book various travel related services directly via the Internet. Travel bookings via online agencies have become very popular nowadays. Today consumers are on-the-go, and the support of a booking engine and the reservation solutions presented by the OTAs is that it allows instant payment and booking confirmation. The online travel industry is a highly competitive industry. To Build Travel OTA software, one needs to have a clear idea regarding the cost involved in developing a travel portal. The present paper is focused on finding out the customers perception towards the OTA services in the hotel industry. The sample size of the study is 281. The study is used in both primary and secondary data. The study found that the customers have a positive perception of the OTA services in Hotel Industry in Chennai city. Furthermore, the study exposes that there is a significant difference between male and female respondents concerning the OTA services, i.e., price factor and comfort. The study also found that the male and female respondents are having a similar perception about the OTA factors, namely Adaptability, Facilities, and Service.

Keywords: OTA, Customer Perception, Services

Introduction

Online Travel Agencies (OTAs) are online companies whose websites allow consumers to book various travel related services directly via the Internet. Travel bookings via online agencies have become very popular nowadays. Today consumers are on-the-go, and the benefit of a booking engine and the reservation solutions provided by the services of OTAs is that it offers instant payment and booking confirmation. The online travel industry is an extremely competitive industry. To Build Travel OTA software, one needs to have a clear idea regarding the cost involved in developing a travel portal. In India, the reputed online travel agents such as MakeMyTrip Yatra, Cleartrip, Thomas Cook, Cox **and** Kings, Travelguru. Ezeego1 and Goibibo. There were many difficulties in those days like negligible consumer acceptance and access, lack of airline trust to the new method of ticketing, industry practice of paper tickets, and technology infrastructure limitations. According to the report, the gross hotel bookings, which stood at $7.2 billion in 2016, are poised to increase to $10.9 billion by 2020, while the percentage of bookings made online will develop to 28% from 19% currently. As much as 78% of the overall online hotel bookings through the OTAs, driving up a $2.3 billion opportunity for such as businesses, it said MakeMyTrip, the largest OTA in the country, commands a market portion of 41% in the online travel space, according to the report of Deutsche Bank ; it has started focusing on tours and hotel bookings that have higher profit margins. Presently the customers have the ample

opportunity to book the trip, hotel segments online. Consequently, the present study is undertaken to find out the consumers perception towards OTA in Hotel Industry.

Review of Literature

Shim, S., Eastlick, M. A., Lotz, S. L., & Warrington, P. (2001) suggest that customers' opinions towards online purchasing are subject on transaction services, convenience, sensory experience, and merchandise. **Tse, A. C. B. (2003)** stated thatthe trend of massive disintermediation is threatening the livelihood of travel agents. This paper examines the disintermediation of travel agents in the segment of the hospitality industry when hotels take circulation back into their own hands by setting up websites that permit guests to make bookings online. We analyze the factors affecting an agent's potential responses to a hotel's harmful acts and put forward recommendations to agents to fight against the aim of disintermediation. The study also points out what hotels can do to increase the quality of their relationship with their agents should they choose to launch their online channel. **Smith, A. D. (2004)** Stated that the availability of free information does not ensure that customers will use it; this will depend on the reliability of and trust in the supplier. The purpose of online travel websites is to facilitate in increasing accessibility of information and enhancing communication. An effective information System would facilitate customer satisfaction and help in building customer satisfaction. Companies with a stronger focus on relationship-building are using the Internet for greater interactivity and enhancing customer support and relationships. The capacity to make comparisons between the different type of products and services is also desirable in an online environment, thus increasing the customers' variety-seeking behavior. **Swati Dabas (2007)** proposed to estimate current room inventory distribution strategies of mid-segment hotels in India, recognizing factors that influence the managerial decisions in selecting an electronic distribution channel for their property. Findings suggest that Mid-segment hotels in NCR rely on traditional distribution channels. Managers do not have adequate information about electronic distribution. There is a large gap between the average room rate of mid-segment hotels and higher-level hotels.

Demand during the duration of the study was higher, and the trend for higher demand is likely to continue business in mid-segment hotels is nearly 70%. **Khare, A., & Khare, A. (2010)**concludes that the Indian customer is influenced by the service accessibility attributes of online travel firms. However, the consumers place less emphasis on the trust and security features in financial transactions, than on other service characteristics of online travel websites. The services offered by these websites are developed coupled with a display of relevant information about destinations, the Indian customer would be inspired to visit these websites and use them for vacation planning. **Verma, R., Stock, D., & McCarthy, L. (2012)** conducted a study and summarized the internet search preferences and mobile equipment use of 2,830 recent travelers. Concerning gathering information for a hotel stay, business travelers most frequently follow their company's support for a hotel, although many of them use research engines or online travel agents to learn more about possible hotels. In distinction, recommendations of friends and colleagues are most important to leisure travelers, followed by travel-related websites, search engines, and OTAs. Once the information is collected, however, travelers of all kinds turn more to such sources as the brand website, OTAs, and Trip Advisor. Late in the decision process, the respondents managed to land on the brand websites or go to Online Travel Agents, where they can book their room.

Objective of the study

To examine the customer's perception towards the OTA in the Hotel Industry in the study area

Statement of Hypothesis

1.   The customers do not have a positive perception of the OTA services in Hotel Industry;
2.   There is no significant difference between male and female customers concerning towards the OTA services in Hotel Industry in Chennai city.

Research Methodology

   The present paper's ultimate objectives are to find out the Customer's Perception towards OTA services in Hotel Industry in Chennai city. A sample of 300 questionnaires distributed, out

of which 289 filled responses are collected from the customers who availed the OTA services. Out of 289 samples, eight samples rejected due to incomplete information provided the respondents. Finally, 281 samples used for the final study. The study used a simple convenience sampling method. In order to determine the customer perception of OTA services, the respondents were asked to give their responses by way of filling up a questionnaire on different items related to the attributes of preferring a OTA services which was constructed on a 5-point Likert scale (5 = strongly agree and 1 = strongly disagree) for all the traits. The data were obtained during the period from January 2019 to April 2019. The sampling size includes both male and female users from a different occupation, age, and income groups. The questionnaire was administered to the customers who availed the OTA services in Chennai city. The data collected were classified, tabulated, processed, and analyzed systematically mainly to identify the group of determinants. The collected data was run using SPSS version 21.0 software.

Data Analysis and Interpretation

Table 1 Demographic Profile of Respondents

Gender	Frequency	Percent
Male	179	63.7
Female	102	36.3
Total	**281**	**100.0**
Age		
Up to 30 Years	39	13.9
31-35 Years	43	15.3
36-40 Years	66	23.5
41-45 Years	59	21.0
Above 45 Years	74	26.3
Total	**281**	**100.0**
Educational qualification		
UG	52	18.5
PG	125	44.5
Professionals	104	37.0
Total	**281**	**100.0**
Annual Income		
Up to Rs.10 Lakhs	54	19.2
Rs.11-15 Lakhs	66	23.5
Rs.16.00 - 20.00 Lakhs	98	34.9
Above Rs.20.00 Lakhs	63	22.4
Total	**281**	**100.0**
Occupational Status		
Government	47	16.7
Private	70	24.9
Professionals	85	30.2
Self-Employed	79	28.1
Total	**281**	**100.0**

Table 1 reveals the demographic profile of respondents. Out of 281 respondents, majority 63.7% of the respondents are a male category, and 36.3% of the respondents are a female type. As for as the age category of respondents concern, majority 26.3% of the respondents are in the age group of above 45 years, followed by 23.5% of the respondents are in the age group of 36-40 years, 21.0% of the respondents are in the age group of 41-45 years, 15.3% of the respondents are in the age group of up to 31-35 years, and 13.9% of the respondents are in the age group up to 30 years. Regarding the educational qualification of respondents,

majority 44.5% of the respondents are post-graduates, followed by 37% of the respondents are professionally qualified, and 18.5% of the respondents are undergraduates. In connection with the annual income of respondents concern, majority 34.9% of the respondent's yearly income between Rs.16-20 lakhs, followed by 23.5% of the respondent's annual income is between Rs.11-15 lakhs, 22.4% of the respondents yearly income is above Rs.22.4% and 19.2% of the respondents annual income is up to Rs.10 Lakhs. Occupational status concern, majority 30.2% of the respondent's occupational status is professionals such as engineers, doctors, lawyers, and chartered accountants.

Table 2 Type of Travellers

Type of Travellers	Frequency	Percent
Indian	233	82.9
Foreigner	48	17.1
Total	**281**	**100.0**

Table 2 shows the frequency distribution results of the type of travelers in the study area. It is noted from the above-mentioned table, the majority 82.9% of the respondents are Indian, and 17.1% of the respondents are foreigners.

Table 3 Frequency of usage of OTA

Frequency of usage of OTA	Frequency	Percent
<5 Times	112	39.9
6-10 Times	81	28.8
11-15 Times	67	23.8
>15Times	21	7.5
Total	**281**	**100.0**

The frequencies of using OTA by the respondent's results are shown in Table 3. It is observed from the above table, majority 39.9% of the respondents are using the OTA <5 times in a year, followed by 28.8% of the respondents are using the OTA services between 6-10 times, 23.8% of the respondents are using the OTA services between 11-15 times in a year, and

7.5% of the respondents are using the OTA services >15 times in a year.

Null Hypothesis 1

The customers do not have a positive perception of the OTA services in Hotel Industry in Chennai city

Table 4 One-sample t-test for OTA services in Hotel Industry in Chennai city

Factors of OTA	N	Mean	SD	t-value	p-value
Price	281	3.74	1.063	11.615	<0.001**
Adaptability	281	3.68	1.030	11.060	<0.001**
Comfort	281	3.35	1.236	4.683	<0.001**
Facilities	281	3.64	1.109	9.736	<0.001**
Service	281	3.86	1.024	14.098	<0.001**

Table 4 highlights the One-sample t-test results for OTA services in Hotel Industry in Chennai city. The t-value and p-value of OTA factors such as price (t-value=11.615 & p-value=<0.001), Adaptability (t-value=11.060 & p-value=<0.001), Comfort (t-value=4.683 & p-value=<0.001), Facilities (t-value=9.736 &

p-value=<0.001), and Services (t-value=14.098 & p-value=<0.001). The p-value of entire OTA factors are <0.001 and it is statistically important at 1% level. Therefore the proposed null hypothesis rejected and concluded that the customers have the positive perception about

the OTA services in Hotel Industry in Chennai city

There is no significant difference between male and female customers concerning the OTA services in Hotel Industry in Chennai city

Null Hypothesis 2

Table 5 Independent t-test for male and female customers and OTA services in Hotel Industry in Chennai city

Factors of OTA	Gender	N	Mean	Std. Deviation	t-value	p-value
Price	Male	179	3.89	.858	3.342	0.001**
	Female	102	3.46	1.310		
Adaptability	Male	179	3.72	1.044	.882	0.378
	Female	102	3.61	1.006		
Comfort	Male	179	3.55	1.218	3.826	0.000**
	Female	102	2.98	1.186		
Facilities	Male	179	3.65	1.134	.078	0.938
	Female	102	3.64	1.070		
Service	Male	179	3.90	.943	.829	0.408
	Female	102	3.79	1.155		

Table 5 highlights the results of Independent t-test for male and female customers and OTA services in Hotel Industry in Chennai city. The OTA factors namely Price (t-value 3.342 & p-value <0.001), and Comfort (t-value =3.826 & p-value <0.001). These two factors p-values are <0.01. Therefore the framed null hypothesis is rejected and concluded that there is a significant difference between male and female respondents concerning the OTA services, i.e., price factor and comfort. The other factors of OTA's p-values are >0.05 and statistically unimportant at 5% level. Therefore the study concluded that the male and female respondents are having a similar perception about the OTA factors, namely Adaptability, Facilities, and Service.

Conclusion
It is observed from the study; the customers are viewed that the factors, namely price factor, adaptability, comfort, facilities, and services, are essential factors at the time of booking hotels online. The study also found that the customers have a positive perception of the OTA services in Hotel Industry in Chennai city. Furthermore, the study reveals that there is a significant difference between male and female respondents concerning the OTA services, i.e., price factor and comfort. The study also found that the male and female respondents are having a similar perception about the OTA factors, namely Adaptability, Facilities, and Service.

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