

School of Business Economics and Law GÖTEBORG UNIVERSITY

# **Lookers and Bookers**

# A study of booking behavior and the consumer decision process within e-tourism



Master Thesis Marketing Företagsekonomiska institutionen School of Economics Business and Law At University of Gothenburg Spring semester 2008

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### Master Thesis within Business Administration & Marketing

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# Abstract

The Internet is continuously spreading across the world and so is commerce conducted online, so called e-commerce. Travels belong to one of the most easily sold online products, and out of all the online trading from business to consumers it is the very most common kind of e-commerce. Consumers go online to access travel information for different reasons. Lookers are online visitors to travel sites, but when it comes to the actual booking they prefer to do it in a traditional way. Bookers, on the other hand, are those who not only browse/look for travel information on the Internet, they also make bookings online. Depending on how involved consumers are in a purchase, four different stages are passed through more or less thoroughly in the decision process. These stages are in order: problem recognition, information search, evaluation of alternatives and product choice. This is, furthermore, followed by the outcome of the purchase that determines if the same decision will be made the next time.

The purpose with this thesis is to examine and describe consumers' attitudes and perspectives regarding online travel booking and how it differs from online looking for travel information. Furthermore, we want to examine how a strong brand name and how the complexity of the travel affects the consumer's booking behavior and the decision making process of high involvement travel services.

After an initial pre-study the notion of consumers as either pure lookers or bookers were revised and we saw that, based on habits and booking behavior, consumers could be placed anywhere along a looker/booker continuum. This led us to our research questions:

- How does the consumer decision process for high involvement travels look for consumers throughout the looker/booker continuum?
- What factors are there determining the booking behavior for high involvement travels for consumers across the looker/booker continuum?



We have chosen a qualitative approach conducting in-depth interviews with ten respondents asking about their travel decision processes and booking habits

What we have seen, based on the interviews, is first and foremost that consumers go through a process in their travel booking behavior rather than taking a static place on a continuum as we first assumed. Based on our empirical findings we have seen four factors that constrain consumers from going from a looker phase into a booker phase. They are Internet usage/experience, trust, complexity of the travel and need and appreciation of personal service. As consumers overcome these barriers they will move from being strictly lookers towards booking their travels online to a greater extent. The four factors affected the consumers subjectively and individually. However, as consumers are confronted with highly perceived complexity they become more inclined to visit a physical travel store to make their booking, regardless of the phase they were currently in. The four factors form the foundation in our own research model, the looker/booker pyramid process model. Our model and our results will help people in the travel industry to realize what kind of different consumers they have and how they respond to different marketing mixes in different phases.



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# **1** Introduction

In this first chapter we have started by explaining the background to the problem followed by an explanation of the terms lookers and bookers that are central to this thesis. This is leading the reader to the purpose of the thesis. After this follows the discussion of the problem that logically is followed by the research questions that the thesis will answer. Delimitations and thesis disposition conclude the chapter.

# 1.1 Background

As most of us may know and without going further into technicalities the Internet is "a system architecture that has revolutionized communications and methods of commerce by allowing various computer networks around the world to interconnect." It first emerged in the U.S. in the 1970s, but could not be used by the general public until in the early 1990s. Since then a lot have happened and according to Encyclopedia Britannica (2008) it is estimated that about half of the world's population will have access to some kind of Internet by 2010. The capability of the Internet is so powerful that it can be used for almost any information depending purpose.<sup>1</sup> One thing that it has enabled is the increased possibility to engage in what is commonly known as electronic commerce, e-commerce for short. Britannica online (2008) defines e-commerce as "maintaining business relationships and selling information, services, and commodities by means of computer telecommunications networks". E-commerce directed from a business or a company towards the individual consumers is called Business-to-Consumers (B2C) commerce, which is what this thesis will focus on.<sup>2</sup>

In 2007 in Sweden more than 80 percent had access to the Internet in their homes and approximately 75 percent used it at least one time a week between the ages of 16 and 74. However, Internet usage is more common among the younger population and above the age of 44 the usage gradually decrease with age. Out of all the Internet users in all ages almost 40 percent went online to order or purchase services or goods for their own consumption during the first quarter of 2007 alone, thus engaging in B2C- and ecommerce.<sup>3</sup> Looking at a longer time spectrum approximately 85 percent of the Internet users older than 15 have used the Internet to make some kind of an online purchase, at least once. This is, according to a recent published study made by Nielsen Online (2008), including more than 26 000 respondents across the globe. In Europe it is even more common where 93 percent have made online purchases. That is about 40 percent more than two years ago. Furthermore, more than half of the Internet population worldwide uses the Internet to make purchases on a regular basis, at least once a month. More and more are thus swapping the physical stores in favor of the computer.<sup>4</sup>

Out of all the online B2C trading the very most common kind of e-commerce is travel and accommodation reservations and bookings.<sup>5</sup>

<sup>&</sup>lt;sup>1</sup> Encyclopædia Britannica. (2008a)

<sup>&</sup>lt;sup>2</sup> Encyclopædia Britannica. (2008b)

<sup>&</sup>lt;sup>3</sup> Statistics Sweden (2007)

<sup>&</sup>lt;sup>4</sup> Nielsen Online (2008)

<sup>&</sup>lt;sup>5</sup> Statistics Sweden (2007)



All tourism activities on the Internet, as well as the entire tourism business active online, fall into the field of electronic tourism (e-tourism). Together with bank-services and software purchasers, travels belongs to the product group that is most easily sold over the Internet and it is one of the best selling segments in the world of e-commerce.<sup>6</sup> During the course of 2007 almost 1 850 000 people in Sweden made a booking or a reservation online<sup>7</sup> and 57 percent of the online reservations regarded air travel, which by far is the most common travel service to book on the Internet in Europe.<sup>8</sup> Furthermore almost 2 750 000 people in Sweden used Internet services related to travel and accommodation during the first quarter of 2007 alone.<sup>9</sup>

From 2006 to 2007 online travel sales on the European market increased by 24 percent and reached EUR 49.4 billion. During 2008 a further increase of about 18 percent is expected with a similar but slightly smaller increase also in 2009. Every year a larger portion of the total European travel market consists of Internet travel sales.<sup>10</sup>

However, not all tourism products have a similar success online and it is, from a marketing perspective, crucial to differentiate between high-involvement and low involvement purchase situations. Low-involvement travel products are associated with lower consultation intensity and, from a buyer's perspective, a lower risk of a wrong decision. These products are most often found in a lower price range and include for example a train or a bus ticket. High involvement products on the other hand most often require large expenses as well as a lot of consultation input.<sup>11</sup>

According to Solomon, Bamossy & Askegaard (2002) involvement can be referred to "a person's perceived relevance of the object based on their inherent needs, values, and interests". A person's degree of involvement can range from no interest what so ever to obsession. At the high end of involvement one can see the type of passionate intensity for products and people that is of great meaning to the individual. There is no single factor that immediately means a high involvement from the consumer, but rather a combination of a few such as the probability of a bad purchase, the perceived importance of the purchase, the pleasure value and the risk of negative consequences of a bad purchase.<sup>12</sup> Also other factors have an influence and consumer travels can in many ways be considered to be so-called high-involvement purchases as there for example is a perceived high risk, a high price and where the product/service is purchased rarely. To reduce the risk and to be sure to receive the most possible gain from these kinds of purchases consumers devote time and effort as well as emotional and monetary investment into their vacationing decisions. For this reason the research of information becomes very important.<sup>13</sup> Purchase decisions that are made by consumers will vary significantly and one factor that is thought to be very important in choosing between brands is the level of involvement the consumer has with the product/service or the purchase process. A higher involvement purchase puts higher demands on the brand itself. Consumers are more inclined to choose a well-known and strong brand for high

<sup>&</sup>lt;sup>6</sup> Markus, K. & Hartmann, R. (2007).

<sup>&</sup>lt;sup>7</sup> Statistics Sweden (2007)

<sup>&</sup>lt;sup>8</sup> Marcussen, C. H. (2008, January 28)

<sup>&</sup>lt;sup>9</sup> Statistics Sweden (2007)

<sup>&</sup>lt;sup>10</sup> Marcussen, C. H. (2008, January 28)

<sup>&</sup>lt;sup>11</sup> Markus, K. & Hartmann, R. (2007)

<sup>&</sup>lt;sup>12</sup> Solomon, Bamossy & Askegaard (2002) p. 104

<sup>&</sup>lt;sup>13</sup> Kotler, Saunders, Wong & Armstrong (2004), Fill, C. (2002)



involvement purchases than for low involvement purchases<sup>14</sup>. Therefore brand names within the travel industry continue to play a big role. Kajsa Moström (2008), information manager at Apollo, claims that there is a lot of money involved in a travel reservation and therefore the consumers want to purchase what they have awareness about as well as trust in. Thus, it is important with a strong brand name within the industry, something that many of the online companies, to a certain degree, lack.<sup>15</sup>

When it is time for a consumer to choose, their decision is a result of the complex interplay of cultural, social, personal and psychological factors. Furthermore, their decision-making varies with the type of buying decision. A more complex purchase makes the consumer reflect harder on it. Consumers undertake a complex buying behavior when they are highly involved in a purchase when the product/service is expensive, risky, self-expressive and purchased infrequently.<sup>16</sup> A buyer must pass through four stages in order to reach a buying decision: problem recognition, information search, evaluation of alternatives and product choice.<sup>17</sup>

However, the development of the Internet and e-commerce, are factors that are starting to have a strong influence on how consumers make their travel decisions, thus also affect the choice and distribution of destinations. The Internet permits potential tourists to get information more quickly and from different websites, to compare different options and to book and purchase their travels online. The consumers today can easier make decisions themselves regarding the best deal or last-minute booking.<sup>18</sup>

Virtual travel agencies offer almost all of the services provided by traditional travel agencies. They provide general information, the possibility to reserve or book tickets, accommodation and entertainment etc. Not only that, in addition they may also provide services that conventional agencies generally do not, such as fare comparisons, city guides, currency conversion, travel tips from other travelers, expert opinions, travel chat rooms and forums, travel news and detailed maps etc. The benefits of online travel services are vast. Examples include, a tremendous amount of free information and accessibility anywhere anytime. Furthermore, online discounts can be found with substantially lower prices as long as the consumers have the patience to search for them.<sup>19</sup>

The Nielsen Online president Jonathan Carson (2008) says, "Travel is a category extremely suited to the Internet due to the latter's ability to provide efficient access to an extremely wide range of comparable information. Whilst certain areas of the travel industry were initially slow to utilize the benefits of the Internet, it is now one of the undoubted success stories of online, playing an integral part in the arrangements and experience of today's traveler".<sup>20</sup>

However, all is not well when it comes to online booking and the travel services do, apart from what is already mentioned, have some limitations. According to Turban et al. (2006), the amount of time and the difficulty of using online travel agencies may be

<sup>&</sup>lt;sup>14</sup> Fill, C. (2002)

<sup>&</sup>lt;sup>15</sup> Moström, K. (Personal interview 2008-04-04)

<sup>&</sup>lt;sup>16</sup> Kotler et al. (2004)

<sup>&</sup>lt;sup>17</sup> Solomon et al. (2002)

<sup>&</sup>lt;sup>18</sup> Eurostat (2007)

<sup>&</sup>lt;sup>19</sup> Turban, E., King, D., Viehland, D. & Lee, J. (2006).

<sup>&</sup>lt;sup>20</sup> Nielsen Online (2008) p. 4



significant, especially for complex trips and for inexperienced users. Intricate trips including stopovers for example may not be available to book online and may therefore need a knowledgeable human travel agent.<sup>21</sup> Ian Wheeler (2002), managing director of e-Travel in Madrid, agrees and says that simple online booking often can go faster than picking up the phone, but when it comes to more complex trips you could easily spend much more time online trying to find what you seek.<sup>22</sup> This together with the question of maturity, limited computer skills, trust and perceived risk with internet usage are reasons why "only" 50 percent books online and why 50 percent "still" books their travels in a traditional way.<sup>23</sup>

Therefore, journalist Roger Collis (2002) asks if technology ever can replace a good friendly travel agent who knows and understands what the customer wants, sometimes before the customer knows it him- or herself. The travel sites can find many suitable flights at good prices for simple and direct journeys, but they are however not as reliable when it comes to complicated packages or where the itinerary reaches across many different sectors. There is no room for creative ticketing solutions and online sites cannot respond to immediate questions. Basically the online travel services of today are less comprehensive and knowledgeable than the ones travel agencies use, and are not capable of calculating and constructing creative fares such as combination tickets, back-to-back ticketing and other complex itineraries to the same extent.<sup>24</sup>

Van Anderson (2002), co-president of Anderson Travel & Cruises, says, "online booking is one way to book travels, and it's not meant to be the only one."<sup>25</sup>

#### 1.1.1 Lookers and bookers

In the physical world of retail there is something commonly known as window shoppers. Britannica online defines it as "people that look at the displays in retail store windows without going inside the stores to make purchases".<sup>26</sup> That is a phenomenon that also occurs online on the Internet. According to Lee & Johnson (2002) so called "browsers" are those who receive information and recreation outcomes from shopping, similar to physical window-shopping. The verb browsing can be defined as the "examination of a retailer's merchandise for information and/or recreational purposes without an immediate intent to buy". When it comes to Internet shopping the actual online purchasers and buyers are far outnumbered by the "browsers".<sup>27</sup>

"Lookers" and "bookers" can be said to be the online travel industry's equivalent to the online retail industry's browsers and buyers. They are branch terms frequently used in the travel industry and by tourism professors, e.g. Papathanassis (2007).<sup>28</sup> Lookers are online visitors to travel sites that may be prospective buyers but who visit mainly to seek

<sup>&</sup>lt;sup>21</sup> Turban et al. (2006)

<sup>&</sup>lt;sup>22</sup> Collis, R. (2002)

<sup>&</sup>lt;sup>23</sup> Thorngren, L. (Personal communication 2008-04-04)

<sup>&</sup>lt;sup>24</sup> Collis, R. (2002)

<sup>&</sup>lt;sup>25</sup> Rodrigues, T. (2002, March 4)

<sup>&</sup>lt;sup>26</sup> Encyclopædia Britannica. (2008c)

<sup>&</sup>lt;sup>27</sup> Lee, M. Y., & Johnson, K. K. P. (2002) pp. 146-157

<sup>&</sup>lt;sup>28</sup> Papathanossis, A. (2007), Västsvenska turistrådet (2007), Starkov, M. (2001), Hasselbohm, A. (2005)



information.<sup>29</sup> When time comes to book they prefer to do it the traditional way through front offices or over the telephone. According to Västsvenska turistrådet (2007) 80-90 percent of the travel agency Ving's customers have visited their website before it is time for departure, however only about 40 percent follows through and purchase online. A large portion chooses just to look online and follow it up by booking in-store or via a call-center.<sup>30</sup> The so-called "bookers", comparable to a buyer or purchaser, on the other hand are those who not only browse/look through websites, but also make a booking or a reservation online.<sup>31</sup>

The number of website visitors alone is not an effective benchmarking criterion, rather it is the quality of the visitors and their interaction with the site that matters. A simple measure that can be used to gauge the effectiveness of a website is what percentage of the visitors that visit the travel service website that actually book online. This is a conversion ratio referred to as the "look to book" (l2b) ratio.<sup>32</sup> Furthermore the look-to-book ratio serve as an important indicator of the travel website's functionality, effectiveness of the customer relationship management tools deployed, the breadth and uniqueness of the travel products offered and the loyalty factors etc. The higher the ratio, the better it is. That means a higher conversion from "lookers" to "bookers".<sup>33</sup> Johan Lundgren, CEO Tui Scandinavia, says that one of their main strategies involves e-commerce and the conversion from "lookers" to "bookers". They do not only want consumers to look for travels online, they want them to book online as well.<sup>34</sup>

Although, it is not only companies that encourage consumers to go online, it works both ways. According to Papathanassis and Buhalis (2007) "the observed general trend of growing information communication technology (ICT) adoption in the tourism sector is primarily led by rising customer expectations and fuelled by competitive pressures to gain and maintain profitability".<sup>35</sup> In an organizational perspective converting more customers from 'lookers' to 'bookers' has a tremendous effect on business profitability.<sup>36</sup> However, turning "lookers" into "bookers" is a very expensive proposition and most of the online travel marketing funds spent are a waste since they to a great deal are spent on those who still will not book.<sup>37</sup>

#### 1.2 Purpose

The purpose with this thesis is to examine and describe consumers' attitudes and perspectives regarding online travel booking and how it differs from online looking for travel information. Furthermore, we want to examine how a strong brand name and how the complexity of the travel affects the consumer's booking behavior and the decision making process of high involvement travel services.

<sup>&</sup>lt;sup>29</sup> IPK International (2007)

<sup>&</sup>lt;sup>30</sup> Västsvenska turistrådet (2007)

<sup>&</sup>lt;sup>31</sup> IPK International (2007)

<sup>&</sup>lt;sup>32</sup> Forrester, M. (2007)

<sup>&</sup>lt;sup>33</sup> Starkov, M. (2001)

<sup>&</sup>lt;sup>34</sup> Hasselbohm, A. (2005)

<sup>&</sup>lt;sup>35</sup> Buhalis, D., & Papathanossis, A. (2007) p. 385

<sup>&</sup>lt;sup>36</sup> User Vision. (2001)

<sup>&</sup>lt;sup>37</sup> Starkov, M. (2001)



### **1.3 Problem Discussion**

The Internet may make it easier to get information to book facilities and travels etc. compared to other distribution channels, such as front offices/call centers and travel intermediaries. On the one hand, fewer intermediaries are now used because of this by selling directly to customers. On the other hand, the Internet has made it possible for totally new types of intermediaries.<sup>38</sup> In the airlines' pursuit of reducing distribution costs they are putting pressure on the travel agents by promoting their own booking sites directly to travelers, thus cutting the agents' commissions. Therefore the travel agents must find ways to diversify, reinvent and add extra value to the services they offer.<sup>39</sup>

In 2007 there was a new record for the travel industry in Sweden and the forecast for 2008 remains optimistic. This year and the next, the bookings are looking strong. According to Pär Kjellin (2008), the head of travel at Apollo, about two million Swedes took chartered vacations during 2007. This means an increase of about 10 percent and at Apollo they cannot see any signs of the travel industry cooling off.<sup>40</sup>

The three leading travel agencies' turnover rose 12 percent on average to approximately 8 billion SEK during 2007. Also, their profits rose and one of many reasons for that was that the Internet bookings rose a good deal and now represent about half of all bookings. Thus, the companies have not needed to hire too many additional employees to meet the increased demand.<sup>41</sup> For this and many other reasons, some of them mentioned in the background, it is in the interest of the "traditional" travel agencies and agents to be present and visible online and encourage their consumers to engage in e-commerce when browsing for a new vacation. This encouragement has for many online agents constituted a problem. A lot of the potential consumers are "lookers", as opposed to "bookers", that access the site just to compare prices or gather information etc. not necessarily with any intention to perform any purchases. "Bookers", on the other hand, are those that besides looking also make a booking or a reservation alternatively perform a purchase.<sup>42</sup> It is important to have a high conversion from "lookers" to "bookers" and thus persuade potential consumers to book from them directly online and not just browse through and then continue to a competitor or a costly front office.

Now when there are close to 7 million Internet users<sup>43</sup> in Sweden, we got interested in investigating how there still can be such a difference between the amount of online lookers and bookers, and what kind of purchase decision they go through when booking travels. The lookers are surely interested in booking, but something makes them to not do so. More than 2,7 million people used travel services online in the first quarter of 2007 alone and almost the entire internet population is aware of the opportunity for online booking. As mentioned, still only about 50 percent choose to use the online service and benefit from its advantages. Furthermore, we got interested in looking deeper into what factors that influence the bookers when they make the purchase online. Also,

<sup>&</sup>lt;sup>38</sup> Eurostat (2007)

<sup>&</sup>lt;sup>39</sup> Collis, R. (2002)

<sup>&</sup>lt;sup>40</sup> TT/The Local. (2008, March 24).

<sup>&</sup>lt;sup>41</sup> Ibid.

<sup>&</sup>lt;sup>42</sup> IPK International (2007)

<sup>&</sup>lt;sup>43</sup> Internet World Stats (2008)



to what extent the brand name influence the buying process as it plays a vital role in high involvement purchase situations such as travels.

#### **1.3.1** Exploratory pre-study

We started out by doing a pre-study where we interviewed representatives from the travel agencies Apollo and Ving. The questions they were asked can be found in appendix A and more about this can be read in section 3.7.5.

Apart from interviewing the companies Apollo and Ving, we conducted a preliminary explorative study to help us formulate our purpose and research questions. We interviewed two consumers about their Internet booking habits and checked what their thoughts and feelings were on the matter. Here we display the results and the most important analysis of what they said.

#### 1.3.1.1 Interviews

Both respondents have traveled abroad a couple of times in the last three years. They have alternated between booking in-store and booking solely online. They both use the Internet frequently and when it is time to travel a lot of information is searched regarding prices, the destination and comparable alternatives. One respondent states that she as much as possible tries to book online. However sometimes it is hard to find exactly what you want online in a convenient way since you have to be very specific. It is thus difficult when you are not sure about what you want and are only having a general idea. Respondent 1 also says that when a trip becomes more complex, with connecting flights for instance, or more expensive she considers consulting a physical travel store to a greater extent. Respondent 2, who shares this view continue by adding that when you travel you want to get it right. As long as it is not a straightforward and simple online booking he prefers taking advantage of the skill and knowledge possessed by a travel sales person. In his case he booked a flight ticket online once but most of the trips are still booked in the store.

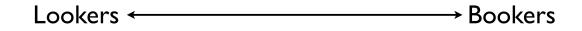
They both appreciate the service that a physical travel store provides and sees its advantages. Easier to tailor your trip, flexible personal service, time saving and a better reassurance that you get what you are in demand for are examples of advantages they mentioned. However they feel that you are provided with a smaller sample of alternatives, it is slightly more expensive than online booking and it is difficult to compare different options.

The Internet, on the other hand, provides you with great comparability of a large sample of trips, convenience, slightly lower prices and sometimes speedy booking process done from home with only a few clicks. Internet's booking disadvantages mentioned by the respondents include that it is time consuming to find the right trip to the right price at the right time, it is not very flexible and you have to be very specific in your demands.

Neither of the respondents can say that they are brand conscious when booking a travel, however ultimately they claim that they would prefer to book from a well-known brand if given the choice, especially online. It can to a small degree even be worth paying extra for. It is reassuring and you know whom to turn to if anything goes wrong.



This is a summarization of the most important aspects covered in the pre-study interviews. The analysis based on this is that it is difficult to classify a person as purely a "looker" or a "booker". Neither of these respondents only booked online or only instore, they did both to varying degree and they had different reasons for doing like they did. It would be fairer to place the respondents, based on their responses, preference and behavior, on a continuum with pure "lookers" and pure "bookers" in opposite ends as can be seen in the preliminary research model. It clearly is not as easy as exclusively being the one or the other but there are many reasons for why people choose to book the way they do. One example previously discussed, which is confirmed by the respondents, is that as you get more involved and the purchase situation becomes more complex a physical travel store is to a greater extent chosen above an online site at the point of booking.



#### Figure 1 - Preliminary Research Model - Looker/Booker Continuum (Own model)

Based on booking habits and behavior consumers can be places anywhere along the continuum. Either towards the middle or closer to any of the extremes based on the attitude they have towards booking online themselves.

#### **1.4 Research Questions**

# How does the consumer decision process for high involvement travels look for consumers throughout the looker/booker continuum?

Information needs:

- How do consumers across the looker/bookers continuum search for travel information?
- How do consumers across the looker/bookers continuum evaluate their travel alternatives?
- How do consumers across the looker/bookers continuum come to a travel product choice?
- How do consumers across the looker/bookers continuum react on the outcome of their travel purchase?

# What factors are there determining the booking behavior for high involvement travels for consumers across the looker/booker continuum?

Information needs:

• What distinguishing factors are there making consumers lookers and bookers?



- In what way will a strong brand affect the consumers' decision making for travels?
- What advantages/disadvantages are perceived with online travel booking and physical travel store booking respectively?

# **1.5 Delimitations and Perspectives**

In this study we have narrowed down the focus to travel bookings that can classify as socalled high-involvement purchases. To be even more precise we are looking only at return consumer leisure flights from Sweden to a foreign country where there is a high risk of a wrong decision, a high price and where the product/service is purchased rarely. Thus flying cheaply from Gothenburg to London with Ryan Air does not qualify as a high-involvement purchase while bringing the family to Greece on summer-vacation every second or third year does. We are not looking into accommodation or into any other means of transportation, nor are we looking into any kind of domestic travel. However we are also interested in package- and so-called charter tours where accommodation and transfer etc. may or may not be included in the price together with the flight ticket.

We have chosen not to include any particular personal demographic variables such as age, income, gender, education, lifestyle, values or personality. Such variables are beyond the scope of this thesis, due to limited resources



# **1.6 Disposition of Thesis**

In order to give the reader a clear overview of the thesis we have included a model displaying the structure of the thesis. By doing so it becomes easier to understand the layout and the process leading up to analysis and conclusion.

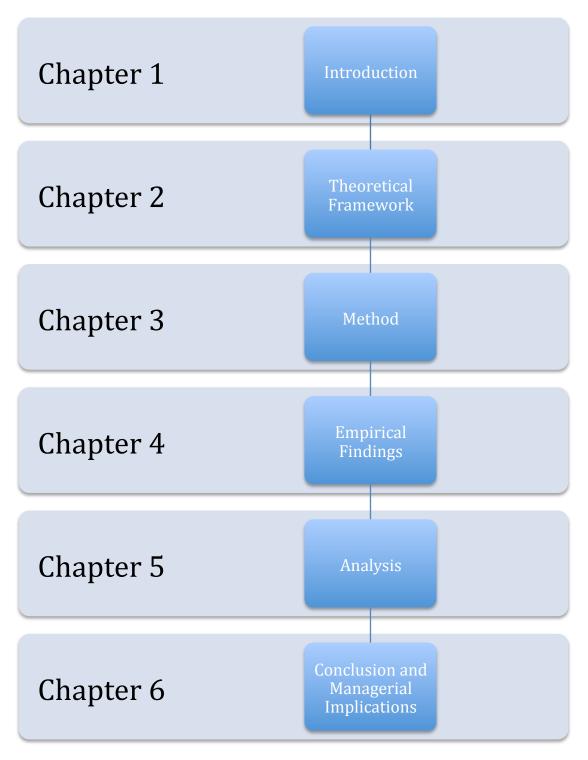


Figure 2 – Disposition of Thesis (Own model)



# 2 Theoretical Framework

In order to assess the problem in the best possible way, there is a need to use theories from different research areas. The main focus of the theoretical framework will be on electronic commerce, consumer involvement, consumer decision-making, trust in e-commerce and the role of the brand. This will help throughout the thesis to form a foundation for the analysis and as a basis for the empirical findings.

## 2.1 Electronic Commerce

Electronic commerce (EC, e-commerce) is "the process of buying, selling, transferring, or exchanging products, services and/or information via computer networks, including the Internet."<sup>44</sup> The first E-commerce applications were first developed in the 1970s when funds could be routed electronically between organizations. However, it was not until in the early 1990s when the Internet became commercialized and users started to participate on the World Wide Web that EC became further developed. Applications have been rapidly developed and since 1995 e-commerce has come a long way. Today almost every medium- and large-sized organization in the world has its own web site where anyone can access corporate information.<sup>45</sup>

Depending on the degree of digitalization, EC can take on several forms. The degree of transformation from physical to digital products/services processes and intermediaries affects the company's way of conducting business. Purely physical companies are referred to as brick-and-mortar organizations, whereas companies engaged only in E-commerce are referred to as virtual organizations. Somewhere in between are the click-and-mortar organizations that conduct some online activity but run their primary business in the physical world. An increasing number of brick-and-mortar companies are today adapting to the increased Internet usage and changing into click-and-mortar ones.<sup>46</sup>

#### 2.1.1 Classification of electronic commerce

A common classification of EC is by the nature of the transactions and/or the relationships among participants. There are others, but the most common classifications are:

- Business-to-business B2B: All participants in the exchange are business or organizations. This is the most common EC-transaction and represents about 85 percent of the total volume.
- Business-to-consumer B2C: An organization or business provides retail transactions directly to individual shoppers.<sup>47</sup>

In this thesis the focus lies on B2C alone.

<sup>44</sup> Turban et al. (2006) p. 4

<sup>&</sup>lt;sup>45</sup> Turban et al. (2006)

<sup>&</sup>lt;sup>46</sup> Ibid.

<sup>&</sup>lt;sup>47</sup> Ibid.



## 2.2 Consumer Involvement

According to Solomon et al. (2002) involvement can be referred as "a person's perceived relevance of the object based on their inherent needs, values, and interests".<sup>48</sup> Involvement can be seen simply as the motivation to process information. If obtaining information is not seen as relevant to satisfying some need the consumer will not gain in any activities to search for this information. When the information that is seen as relevant is activated in memory, a motivation state is made that drives behavior, such as shopping. Depending on how involved a consumer is the information processing will differ. A person's degree of involvement can range from no interest what so ever to obsession. At the high end of involvement one can see the type of passionate intensity for products that is of great meaning to the individual. The low end of involvement is characterized by inertia, where the consumer buys on habit because he/she lacks the motivation to consider other alternatives.<sup>49</sup>

Research has shown that there is no single component of involvement that is predominant. Recognizing that consumers are involved in a product can be because it is a risky purchase and/or its use reflects upon the self, they will conduct in an involvement profile that includes four components:

- The perceived importance of the potential negative consequences of a bad purchase
- The probability of a bad purchase
- The pleasure value of the product category
- The sign value of the product category (to what extent the use of the product is related to the person's self-concept)

There is no single component that will capture the consumers' involvement. For instance, when purchasing a vacuum cleaner this is seen as risky, because you are usually stuck with the chosen brand for many years, but the purchase will not be seen to have any particular pleasure value. In contrast of this, the purchase of a chocolate bar is seen to have great pleasure value, but is not perceived as a risky purchase.<sup>50</sup>

## 2.3 Consumer Decision Making

When a consumer makes a purchase it is a response to a problem. They will realize that they want to purchase something and then go through several steps to make it. Solomon et al. (2002) identifies four steps that you as a consumer must go through: (1) problem recognition, (2) information search, (3) evaluation of alternatives, (4) product choice. When the purchase has been made the quality of the decision will affect the final step, and this will influence if the same decision will be made the next time a need is raised. There will be a learning process.<sup>51</sup> Figure 3 shows the different steps in the decision making process:

<sup>&</sup>lt;sup>48</sup> Solomon et al. (2002) p. 104

<sup>&</sup>lt;sup>49</sup> Solomon et al. (2002)

<sup>&</sup>lt;sup>50</sup> Ibid.

<sup>&</sup>lt;sup>51</sup> Ibid.



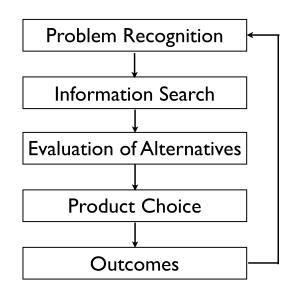


Figure 3 - Consumer Decision Process (Solomon et al., (2002) p. 236)

The amount of effort we put into each decision will depend on how important the purchase is. Sometimes the decision is made almost automatically based on very little information, and sometimes the purchase decision could take weeks, e.g. when buying a house. From a *rational perspective* people will gather as much information that is possible and add to what is already known, weigh the pluses and minuses against each other, and then come to a decision. This will however not be true for all purchases. A consumer cannot go through all steps for each purchase. It would simply be too time-consuming.<sup>52</sup>

#### 2.3.1 Types of consumer decisions

The amount of effort that goes into a decision every time a purchase is to be made can be a helpful method to characterize the decision making process. A continuum with *habitual decision-making* at one end and *extended problem-solving* at the other extreme can be fitting in order to explain this. Often you will fall somewhere in the middle when you make a decision. These decisions are characterized by *limited problem-solving*. The continuum and some characteristics of the extremes are shown in figure 4.<sup>53</sup>

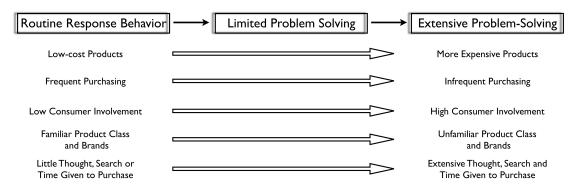


Figure 4 - Buyer Decision Behavior Continuum (Solomon et al., (2002) p. 237)

<sup>&</sup>lt;sup>52</sup> Solomon et al. (2002)

<sup>&</sup>lt;sup>53</sup> Ibid.



*Extended problem-solving:* The decisions that match the rational perspective of decisionmaking involve extended problem-solving purchase decisions. A decision is seen to carry a high degree of risk and is usually initiated by a motive that is quite central to the selfconcept. The consumer will try to gather as much information as possible, both from memory (internal search) and from other sources (external search). Multiple sources are often consulted prior to store visits. Based on how important the decision is, each product alternative is cautiously evaluated and significant differences are perceived between the alternatives. In extended problem-solving communication with store personnel is also often desired.<sup>54</sup>

*Limited problem-solving:* In limited problem-solving the consumers are less willing to search for information and evaluate each alternative carefully. The process of making a decision is more straightforward and simple. Consumers will instead use simple decision rules to choose among alternatives. Cognitive shortcuts will enable the consumers to fall back on general guidelines, instead of have to start over from scratch every time they make a decision.<sup>55</sup>

*Habitual decision-making:* In both extended and limited problem-solving there will be at least some information search and consideration even though they will vary much depending on what activity that is undertaken. Habitual decision-making is made with little or no conscious effort. The choices are often made automatically and the consumer will not realize they have made it until they look into their shopping trolleys. It can be argued that these purchases are stupid because of their thoughtlessness, but in reality they are most often quite efficient. The development of habitual decision-making allows consumers to minimize the time and effort that is spent on the purchase decision.<sup>56</sup>

#### 2.3.2 Problem recognition

Solomon et al. (2002) defines problem recognition as "whenever the consumer sees a significant difference between his or her current state of affairs and some desired or ideal state".<sup>57</sup> The problem may be small or large, simple or complex. The problem can arise in two ways. First, a need recognition can take place when a person's actual state go downward, e.g. when you run out of gas. Second, an opportunity recognition can occur when the state you desire move upward. It happens when the consumer is exposed to other products that may be of better quality, e.g. you long for a high-performance car. The shift often occurs because a person's circumstances have somewhat changed, e.g. get a new job. As the frame of reference shifts for the person, purchases will also change in order to adapt to the new environment. A marketer can stimulate problem recognition by either primary or secondary demand. Primary demand is where the consumers are encouraged to use a product, often in the early stage of the product life cycle, regardless of the brand. Secondary demand occurs only if there already is a primary demand. Here marketers strive to get the consumer to prefer a specific brand.<sup>58</sup>

<sup>&</sup>lt;sup>54</sup> Solomon et al. (2002)

<sup>55</sup> Ibid.

<sup>&</sup>lt;sup>56</sup> Ibid.

<sup>&</sup>lt;sup>57</sup> Ibid., p. 238

<sup>&</sup>lt;sup>58</sup> Solomon et al. (2002)



#### 2.3.3 Information search

The consumer needs sufficient information to resolve the problem, once it has been identified. Information search is defined by Solomon et al. (2002) as "the process by which the consumer surveys his or her environment for appropriate data to make a reasonable decision". Some consumers search the marketplace explicitly for information after the need has been recognized, i.e. a *pre-purchase search*. However, others might search for information just for the fun of it or to stay up-to-date. They are engaging in *ongoing search*.<sup>59</sup>

As previously discussed, information sources can be divided into internal and external search. People has most often some knowledge about many products already in memory. The consumer will scan his/her own memory for information about different product alternatives when a purchase decision is to be made, internal search. However, most often a consumer needs to supplement this knowledge with external search, where information is gathered from other sources, e.g. friends, the Internet, advertisements, etc. Sometimes the consumers might believe they are experts about a product category, so no additional information search is undertaken. Normally, however, the existing knowledge possessed by the consumers is not satisfactory to make an adequate decision; hence they have to look elsewhere to obtain it.<sup>60</sup>

In traditional decision-making, the *economics-of-information approach* is incorporated into the search process. It assumes that a person will collect as much information that is needed in order to make an informed decision. A consumer will continue their search for information as long as the benefits of additional search exceed the costs. In other words, consumers will try to gather as much information as possible, as long as the process of collecting it is not too difficult or time-consuming. However, this assumption that consumers will search for information in a rational way is not always supported. For most products the amount of information that is gathered is quite small. Low-income shoppers, who would suffer more from a bad purchase, actually search less information than high-income shoppers prior to the purchase. To seek out unbiased information from more sources is particularly rare when it comes to durables, e.g. cars, even though these purchases require major investments.<sup>61</sup>

As a general rule, the more important the purchase is, the greater the search activity becomes when you need to learn more about the purchase and/or the information is rather easily obtained. Regardless of the product category consumers will always differ in the amount of search they will undertake. Younger and better-educated people who enjoy the shopping tend to search for information to a larger extent. Also, women spend more time and effort on the search process than men.<sup>62</sup>

<sup>&</sup>lt;sup>59</sup> Solomon et al. (2002) p. 240

<sup>&</sup>lt;sup>60</sup> Solomon et al. (2002)

<sup>&</sup>lt;sup>61</sup> Ibid.

<sup>&</sup>lt;sup>62</sup> Ibid.



#### 2.3.4 Evaluation of alternatives

One stage of the consumer decision-making process that demands much effort is where the available alternatives must be chosen. There may be many brands to choose from in a product category or different variations of the same brand. Depending on the decision making process used, it will affect how we decide which criteria that are important and how we narrow down product alternatives, to come up to a solution. When consumers engage in extended problem solving they are likely to carefully evaluate several brands. On the other extreme, a habitual decision maker may not consider any other alternatives than their normal brand. The *evoked set* is the consumer's alternatives that are actively considered during the choice process. The evoked set consists of the products already in memory plus the ones prominent in the retail environment. The alternatives that the consumer is aware of, but would never buy are his/her *inept set*, while the products in their *inert set* are those that are not considered at all. Consumers often include a surprisingly small number of alternatives in their evoked set.<sup>63</sup>

The category in which a product is placed determines the other products it will be compared to, hence categorization is a crucial determinant of how a product is evaluated. There are many strategic implications to product categorization. How the product is grouped will determine its competitors. Here companies need a good positioning strategy, because it often relies on the marketer's ability to convince the consumers to choose his/her product over others.<sup>64</sup>

#### 2.3.5 **Product choice: selecting among alternatives**

Once the consumer has gathered the needed information and evaluated his/her relevant options, it is time to make a decision. As previously mentioned, depending on the complexity of the decision and the importance of the decision to them, consumers use different rules to consider sets of product attributes. In some cases these rules might be quite simple. In other cases more effort is put into carefully weighing alternatives before the consumer makes a decision. Beliefs about a brand that comes from advertising, prior experience about a product and present information are sources that can all influence the choice. *Evaluative criteria* are the dimensions used to judge the merits of competing options. Many different criteria can be compared, ranging from very functional attributes to experiential ones. The attributes that are used to differentiate among alternatives are called *determinant attributes.*<sup>65</sup>

Simple decision rules are *non-compensatory*. This means that a product that is rated low on one attribute cannot make up for this by being better on another attribute. In other words, consumers tend to eliminate products that do not meet some specific standard. The brand that is selected because it is best on the most important attribute is called the *lexicographic rule*. If the consumer sees two brands as equally good in the most important attribute, he/she will compare the second most important one. Unlike non-compensatory decision rules, *compensatory decision rules* give a product a chance to make up for a short-coming. These consumers tend to be more involved with the purchase. If you

<sup>&</sup>lt;sup>63</sup> Solomon et al. (2002)

<sup>&</sup>lt;sup>64</sup> Ibid.

<sup>65</sup> Ibid.



are willing to offset good product qualities with bad ones, this can result in quite different choices.  $^{\rm 66}$ 

Mental rules-of-thumbs (heuristics) also play a part when a consumer is about to make a choice. These rules can be everything from very general to very specific. These "shortcuts" can sometimes not be of the consumers' best interest. For instance, if a consumer has heard bad things about a product from one or two friends, he/she might not purchase the product, even though the product has an excellent overall record. An example of a heuristic is that people tend to believe that "the higher the price, the higher the quality". This is a very pervasive market belief. Another heuristic is the country of origin of a product. In general, consumers tend to believe that products from their own country are of higher quality. However, in some cases, products that are made overseas can be perceived as better, e.g. cameras. When other information is available, experts tend to ignore country of origin, while novices continue relying on it. These stereotypes might be biased or inaccurate, but they do play a significant role in simplifying complex choice situations.<sup>67</sup>

### 2.4 Trust in EC

Turban et al. (2006) defines trust as "the psychological status of involved parties who are willing to pursue further interactions to achieve a planned goal".<sup>68</sup> If people trust other people, they feel confident that they will keep their promises. However, there is always some risk. Promises of quality of a product or delivery date are issues that EC vendors must deal with. They need to establish trust to a large extent with both current and potential customers. This is especially true in global EC. It could be difficult for an individual to take action in cases of fraud or a dispute. The sellers and buyers must also have trust in the EC infrastructure and in the computing environment.<sup>69</sup>

Turban et al. (2006) have examined the different aspects of EC trust and came up with the model shown in figure 5.

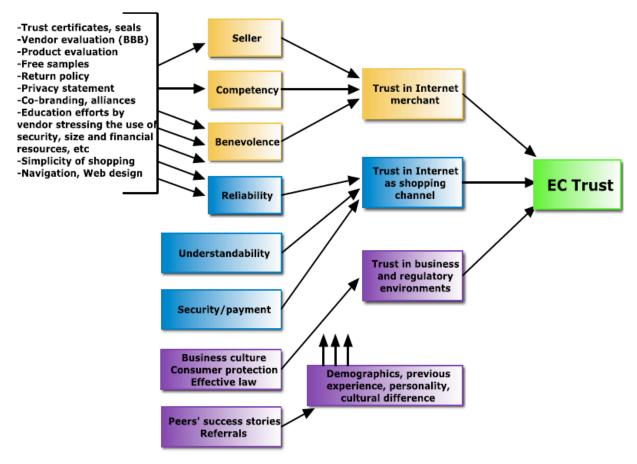
<sup>&</sup>lt;sup>66</sup> Solomon et al. (2002)

<sup>&</sup>lt;sup>67</sup> Ibid.

<sup>&</sup>lt;sup>68</sup> Turban et al. (2006) p. 149

<sup>&</sup>lt;sup>69</sup> Turban et al. (2006)





#### Figure 5 - E-commerce Trust Model (Turban et al., (2006) p. 150)

As the model points out, the level of trust is determined by several factors shown to the left and in the middle of the figure. It illustrates the complexity of trust relationship, especially in those that occurs in B2C EC.<sup>70</sup>

In order to be able to establish the necessary trust between buyers and sellers in EC it is important to have a high degree of initial success that is experienced by each part. Also, the parties need to have realistic expectation. In opposite, trust can be decreased if the user feels uncertain regarding the technology. Turban et al. (2006) also claims that it is important with a well-known brand name in order to increase trust. EC vendors must reveal and update their latest business status to potential customers and build integrity into the system. It is also protect privacy through different communication channels.<sup>71</sup>

#### 2.5 The Role of a Brand Name

Kotler et al. (2005) defines a brand as "a name, term, sign, symbol or design, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors". A brand is seen as an important part of a product among consumers, and branding can add value to the

<sup>&</sup>lt;sup>70</sup> Turban et al. (2006)

<sup>&</sup>lt;sup>71</sup> Ibid.



product. It can also provide a guarantee of reliability and quality. To give out credit card details when you buy a book online from an unknown online bookstore could be seen risky, but when buying it from a well-known brand, such as "akademiebokhandeln.se", is often considered trust worthier.<sup>72</sup>

A brand name will tell the consumer something about the quality of the product. If the consumers walk into a store and buy a brand they know, they will know what quality they will receive each time they are buying it. For the same reason the consumers can improve their efficiency, because they can choose more easily between thousands of standard products. The brand name can also draw the consumer's attention towards new products that may be beneficial to them. Branding helps the buyers because it provides them with much more information about the product.<sup>73</sup> The essence of a brand strategy is what role the company wants the brand name to fulfill in the evaluation process of the consumer. Extrinsic attributes are often extremely well suited to influence the perception of the consumers in a positive way. In those product categories where a product can be properly evaluated before purchase the brand name will be less important. When it is difficult to evaluate the intrinsic attributes (quality, taste, characteristics, shape, etc.) of the product before purchase, the consumer will be very dependent on the extrinsic attributes of the product/service. For example, the brand name (extrinsic attribute) can be a strong influence in such cases in order to properly evaluate a brand before purchase. Hence, the brand name can work to reduce the risk for the consumer. For online stores the influence of a brand name can be extremely high, because the perceived risk there is very high.74

<sup>&</sup>lt;sup>72</sup> Kotler et al. (2005)

<sup>&</sup>lt;sup>73</sup> Ibid.

<sup>&</sup>lt;sup>74</sup> Riezebos, R. (2003)



# 3 Method

This chapter discusses the chosen method, how and on what grounds decisions have been taken in order to fulfill the purpose. Overall, this chapter aims to provide a clear and accurate picture of the method used to generate the empirical findings i.e. our qualitative data.

# 3.1 Outline of Method

In order to facilitate for the readers we wanted to present an outline of our method, as can be seen in figure 6. Our path is shown by the darker blue color and displays our most prominent steps in the process.

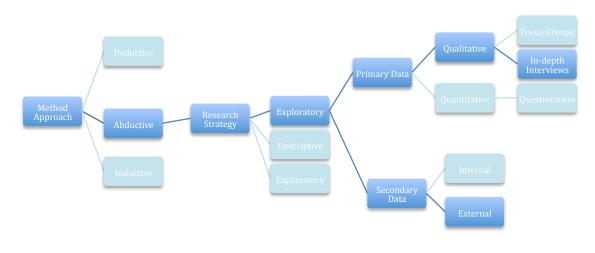


Figure 6 - Outline of Method (Own model)

# 3.2 Inductive, Deductive and Abductive Approach

There are two typical ways of establishing what is true or false and to draw conclusions: induction and deduction. Simply explained induction is based on empirical evidence, while deduction is based on logic. With induction the researcher draw general conclusions from his/her empirical observations. The process starts with an assumption about something and ends with a conclusion about the assumption. However, with an inductive approach the researcher can never be a hundred percent sure about the conclusions, since it is only based on observations that might be wrong. By deduction means that the researcher draws conclusions through logical reasoning, hence it does not need to be true, but it is logical.

The difference between induction and deduction is explained in figure 7. With induction the facts acquired through observations leads the researcher to theories and hypothesis, while with deduction, or logical reasoning, the researcher accept or reject these theories and hypothesis. That helps the researcher to explain or predict. Most researchers believe that they have used both an inductive and a deductive approach in their research.



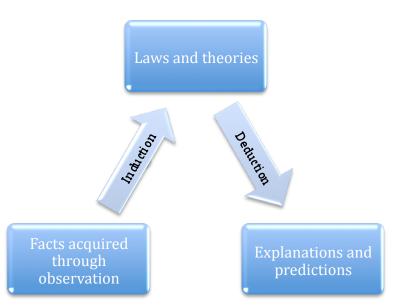


Figure 7 - Induction/Deduction (Ghauri & Grønhaug (2002) p. 14)

When the researcher carefully reviews relevant literature and sees a research opportunity the theory should precede the observations. In these cases the researcher often has a clear problem. However, this is often not the case. If the researcher observes something that is not understood questions like "why?" is raised. This is often the case in qualitative research where the prime emphasis is on gaining understanding. A key purpose here will be to "construct theory", i.e. to come up with a satisfactory explanation.<sup>75</sup>

Alvesson & Sköldberg (1994) claims that there is yet another approach, i.e. abduction. Abduction builds on empirical findings, but do not disregard theoretical concepts. This makes abduction an alternation between empirics and theory, where both empirics and theory is re-interpreted after hypothesis testing, in order for the researcher to explain the specific situation. This interpretation is then supposed to be confirmed through new observations. Through abduction the empirical findings is gradually developed, and at the same time theory is adjusted and refined.<sup>76</sup>

We have chosen an abductive approach. First we have used theories in order to analyze our empirical findings (deduction). Second, based on our acquired observations we have tried to formulate our own applicable theory (induction).

## **3.3 Research Strategy**

The research strategy will be a general plan on how the researchers go about with answering their research questions that have been set up. The enquiries are most often classified in one of three ways: exploratory, descriptive, or explanatory.

#### 3.3.1 Exploratory studies

The major purposes of exploratory studies are according to Green, Tull and Albaum (1988) "the identification of problems, the more precise formulation of problems and the formulation of new alternative courses of action". An exploratory study is often used in

<sup>&</sup>lt;sup>75</sup> Ghauri & Grønhaug (2002)

<sup>&</sup>lt;sup>76</sup> Alvesson, M., & Sköldberg, K. (1994)



the introductory phase of a larger study and the results are used in order to develop techniques for the larger study. The researcher will collect information that will enable him/her to formulate specific research questions.<sup>77</sup> It is good to use when the researcher want to find out "what is happening, to seek new insights, to ask questions and to assess phenomena in a new light".<sup>78</sup> If you wish to clarify your understanding of a problem it is particularly useful. There are three main ways to conduct an exploratory study:

- A search for literature
- Talking to experts in the subject
- Conducting focus group interviews

The great advantage with an exploratory study is that it is very flexible and adaptable to change. The researcher must be willing to change direction of their study as new data and new insights appear. This means that the focus is initially broad and becomes more narrowed down during the course of the research.<sup>79</sup>

#### **3.3.2** Descriptive studies

Descriptive studies are, in contrast to exploratory research, when the specific research questions are formulated previously. The researcher knows a substantial amount about the problem in advance. This knowledge can come from an exploratory research. Associations can be used to infer a causal relationship, but not establish. In that way they are often useful for predictive purposes. The basic principle involved is to find correlates of the behavior that is desired to predict that are measurable at the time the predictive study is made. Descriptive studies are also characterized by a structured design that is carefully planned. Moreover, they may be cross-sectional (at a point of time) or longitudinal (over time) in nature.<sup>80</sup>

#### 3.3.3 Explanatory studies

Explanatory studies might be explained as studies that establish causal relationship between variables. The main reason for this is to studying a situation in order to explain the relationship between variables. The researcher could subject the data to statistical tests, e.g. correlation to further look into the relationship.<sup>81</sup>

#### 3.3.4 Chosen research strategy

We started our research by searching for information about existing knowledge about online bookings of travels. We then described the current situation in our background/problem discussion. This exploratory study worked as a short pre-study in order for us to get a clearer insight in the topic in general and to formulate our research

<sup>&</sup>lt;sup>77</sup> Green, Tull & Albaum (1988) p. 97

<sup>&</sup>lt;sup>78</sup> Saunders et al (2000) p. 97

<sup>&</sup>lt;sup>79</sup> Saunders et al. (2000)

<sup>&</sup>lt;sup>80</sup> Green et al. (1988)

<sup>&</sup>lt;sup>81</sup> Ibid.



questions. We wanted to find correlates on the behavior of the consumers in the online and offline travel industry in order to make predictions. Furthermore, the study was structured and carefully planned, which is why we chose a descriptive approach. We were not interested in the causal relationship between the different variables, which was the reason for not choosing an explanatory study.<sup>82</sup>

## 3.4 Secondary and Primary Data

#### 3.4.1 Secondary data

Secondary data already exists and was collected for some other primary purpose, but can be used again by the researcher for his/her current project. The researcher is here the secondary user. A fundamental part of every research project is, of course, to search through what has already been written in the topic. Even though the research project is based on primary data it is most often necessary to make use of existing information, such as government statistics and/or financial statistics about the topic.<sup>83</sup> Many research students underestimate the amount of secondary data that is available. The researcher should therefore start by searching for secondary sources that is relevant to the specific research problem and purpose before primary data is collected. The main reason for using secondary data is to save much time and money. It helps the researcher to formulate and understand his/her problem and broadens the base on which conclusions can be drawn. One of the main problems with secondary data is that it has been collected for another purpose and might not totally fit the problems of the researcher. It is therefore very important to identify what the researchers are studying, what they already know about the topic, and what further information that is wanted.<sup>84</sup>

Our background/problem discussion is mainly based on secondary data that was seen as relevant to introduce our purpose and research questions of our thesis. To provide us with insight about our problem area and other possible sources of information we read theses written by other students in our own university as well as other universities. Useful statistics about the travel industry was collected through different Internet sites, such as the Swedish central bureau of statistics and the European organ of statistics Eurostat, to get a better insight in the travel industry in general, current trends and how the Internet has affected the travel industry. We also searched the Internet for articles that treated our specific problem more in depth. In addition, textbooks directly or indirectly related to our problem area have been used.

#### 3.4.2 Primary data

Primary data are new data specifically collected in a research project and the researcher is the primary user of such data.<sup>85</sup> The main advantage of primary data is that it is collected for the researchers' specific report, hence more compatible with the researchers' questions and objectives. If the researchers want to know about consumers' attitudes, intentions and buying behavior for a particular product, primary data is the only option.

<sup>82</sup> Green et al. (1988)

<sup>&</sup>lt;sup>83</sup> Veal, A. J. (2006)

<sup>&</sup>lt;sup>84</sup> Ghauri & Grønhaug (2002)

<sup>85</sup> Veal, A. J. (2006)



Primary data can also help explain the reasons behind the consumer behavior. It is hard to learn about consumers' behavior and attitudes if you do not ask them directly. One way is to collect psychological and lifestyle data, i.e. information about individual behavior. It will, for example explain personal activities like traditional vs. innovative shoppers.<sup>86</sup>

Our empirical findings are primarily based on primary data and represent the in-depth interviews we carried out. The primary data was collected since it was the only way we could find out about consumers' attitudes and consumer behavior for online travel bookings and explain the reasons behind these. This helped us explaining the different types of buyers, e.g. lookers and bookers.

## 3.5 Qualitative vs. Quantitative Approach

The primary data can be collected either through a qualitative or a quantitative method. The type of answers the researcher is looking for will decide which type of analysis they need to do. Depending on the research problem and purpose, the most suitable technique could differ. It will reflect the different perspectives on knowledge and research objectives. The main difference between qualitative and quantitative research is not the "quality" but how you go on with your research. In qualitative data findings do not come from statistical findings or other sorts of quantification. Qualitative data is often focused on social process and not on social structures, which is often the case in quantitative research.<sup>87</sup> Figure 8 shows the main distinctions between quantitative and qualitative data.

Quantitative data	Qualitative data	
<ul> <li>Based on meanings derived from numbers</li> </ul>	<ul> <li>Based on meanings expressed through words</li> </ul>	
<ul> <li>Collection results in numerical and standardized data</li> </ul>	<ul> <li>Collection results in non-standardized data requiring classification into categories</li> </ul>	
<ul> <li>Analysis conducted through the use of diagrams and statistics</li> </ul>	<ul> <li>Analysis conducted through the use of conceptualism</li> </ul>	

Figure 8 – Quanatitative and Qualitative Data (Saunders et al., (2000) p. 381)

To be able to capture the richness and fullness linked to qualitative data they cannot be collected in a standardized way like with quantitative data. Saunders et al. (2000) claims that during analysis the non-standardized and complex data that have been collected in a qualitative research approach need to be classified into categories before they can be meaningfully analyzed. Otherwise the researchers will only be able to get an

<sup>86</sup> Ghauri & Grønhaug (2002)

<sup>&</sup>lt;sup>87</sup> Ghauri & Grønhaug (2002)



impressionistic view of what it means.<sup>88</sup> If a research problem is focusing on uncovering a consumer's experience and/or behavior is a typical example of where qualitative research is appropriate. Thus, it is common to use a qualitative approach in social and behavioral science. It is generally accepted that qualitative methods are most useful, as they can lead to hypothesis building and explanations. According to this view, qualitative and quantitative methods are used in different stages of the research. First, the researcher uses a qualitative approach, because the problem is of an unstructured nature. At the second stage the researcher uses a quantitative approach, in order to test the hypotheses, which were arrived at through the first stage. Quantitative methods will then allow the researcher to accept or reject the hypotheses in a logical and consistent manner.<sup>89</sup>

As one of the main issues for us is to study consumer buying behavior online we have chosen a qualitative approach, since complex behavior is not well captured by quantitative techniques. We wanted to find information that we would not been able to collect with a quantitative approach. With the qualitative method we hope to be able to study the variations of these complex buying behaviors that exist for online shopping. It was our aim that we in this way could come up to logical explanations that in further research can be tested in a more quantitative approach. Even though the numbers of observations are rather low, we can identify several aspects to the problem. The in-depth interviews will also allow us to get more "thick descriptions", which is further discussed in section 3.7.2.1.

## 3.6 The Credibility of Research Findings

A researcher must ask him/herself if the evidence and the conclusions stand up to scrutiny? The researcher cannot totally be sure of this in all senses. He/she can only try to reduce the possibility of getting answers that might be incorrect. Reducing the possibility of getting the wrong answer means that the researchers have to pay attention on two important aspects of research design: reliability and validity.<sup>90</sup>

#### 3.6.1 Reliability

Two questions can be asked regarding reliability:

- 1) Will the measure yield the same results on different occasions?
- 2) Will different researchers make similar observations on different occasions?

There are some threats to reliability:

• *Subject error* could occur when if the researcher find that enquires that are completed at different times of the week will gain different results, e.g. a worker that is more satisfied with his/her job in the end of the week than on Monday morning. This can easily be solved by choosing a more neutral time for your enquires.<sup>91</sup> We do not believe this will not be an

<sup>&</sup>lt;sup>88</sup> Saunders et al. (2000)

<sup>&</sup>lt;sup>89</sup> Ghauri & Grønhaug (2002)

<sup>&</sup>lt;sup>90</sup> Saunders et al. (2000)

<sup>&</sup>lt;sup>91</sup> Ibid.



issue for us in this research. The day or time will not affect our respondents when asking them questions regarding their online travel bookings.

- *Subject bias* will happen when the interviewees say what they believe is what their boss wants them to say. This can be dealt with by ensuring anonymity of the respondents.<sup>92</sup> Ones again, this will not be an issue for our respondents, since they are not under the influence of a boss. However, they will still be ensured anonymity.
- *Observer error* is the third reliability threat. If different researchers perform the interviews at different time they might have different ways of obtaining answers.<sup>93</sup> Even though it was time consuming we believed it was necessary to conduct all our interviews together in order to reduce the observer error.
- Observer bias is similar to observer error. There might be different approaches by the researchers to interpreting the replies.<sup>94</sup> We interpreted the interviews separately, because it would take too much time to do it together. However, we sat next to each other while transcribing them, so we could check with one another when an uncertainty arose.

#### 3.6.2 Validity

According to Veal (2006) validity is "the extent to which the data collected truly reflect the phenomenon being studied". He further claims that leisure/tourism research faces difficulties in this area, especially in the measurement of attitudes and behavior, since it will always be doubts about what the respondents really mean.<sup>95</sup> Saunders et al. (2000) identifies several threats to validity. If for example a study is made on the opinions workers have about their job security shortly after a major redundancy program, the findings could be quite misleading. Also if the respondents feel that the results of the research might be of disadvantage to them in some way, this is likely to affect the results.<sup>96</sup> We will consider consumers' earlier experiences, both positive and negative, but realize that our results could be somewhat misleading if these prior experiences are not revealed. We do not believe our respondents will think the results will be of disadvantage to them much. Perhaps they could answer in a way that they will not be perceived as unintelligent, because their lack of knowledge about the Internet. This will be taken into consideration as we perform our interviews.

*Mortality* and *maturation* refers to participants dropping out of studies respectively other events that is happening during the year that will affect the participants behavior.<sup>97</sup> These concerns will not be an issue in this research as we only interviewed our respondents at one occasion. However, in the future, if a follow-up study is to be made, this could be a

<sup>&</sup>lt;sup>92</sup> Saunders et al. (2000)

<sup>93</sup> Ibid.

<sup>&</sup>lt;sup>94</sup> Ibid.

<sup>95</sup> Veal, A. J. (2006) p. 41

<sup>&</sup>lt;sup>96</sup> Saunders et al. (2000)

<sup>97</sup> Ibid.



concern. Consumers' opinions and online behavior will be likely to have changed in the future.

Generalizability is sometimes referred to as external validity. One concern the researchers could have is the extent to which the research could be generalizable, i.e. the findings may be equally applicable to other settings, such as other organizations. The purpose of the research may not be to produce a theory that is generalizable to all populations. The task will simply be to explain what is going on in the researcher's particular setting.<sup>98</sup> It was our aim to be able to generalize to our target population. Moreover, it was never our attention to make generalizations in other populations, e.g. non-users of Internet and non-travelers etc.

## 3.7 Interview

An interview is a purposeful discussion between two or more people. An interview conducted on a one-to-one basis, between an interviewer and an interviewee, can be either face-to-face or via the telephone. Otherwise the interview can be done on a group basis where the interviewer meets with a small group of participants in order to facilitate a discussion. This is called focus group interviews. Interviews are qualitative ways of collecting primary data and can be formalized and structured or informal and unstructured conversations.

#### 3.7.1 Interview typology

There are several typologies used relating to the level of formality and structure. One of the most commonly used is where interviews are categorized as being either structured, semi-structured or unstructured where only the latter two can be used in focus groups.

*Structured interviews:* use questionnaires based on standardized, predetermined and often identical set of questions to all respondents. The questions are read out loud by the interviewer and the response is recorded on a standardized schedule, usually with precoded answers. There is a social interaction, but the interviewer should ideally only read the questions and provide necessary explanations, nothing else. This should be done in the same tone of voice to reduce the risk of bias.

*Semi-structured interviews:* are non-standardized. The interviewer has a list of questions and topics that should be covered, but it may vary some from interview to interview. The flow of the conversation might allow you to omit some questions and/or take them in a different order. Since there is more of a flowing conversation than in a structured interview the recording of the responses are usually best taken by tape recording or by note taking.

<sup>&</sup>lt;sup>98</sup> Saunders et al. (2000)



**Unstructured interviews:** are informal and are used to explore an in depth general area. There is not any predetermined list of questions but rather the interviewer should have a clear idea regarding what aspects to explore. The interviewee is given time to talk freely about a topic area and the possible questions are created during the course of the conversation.<sup>99</sup>

#### 3.7.2 Interview methods

Collecting qualitative data can be done in numerous ways. Here we discuss a few that could have been used in the data collection for this research.

#### 3.7.2.1 In-depth interviews

In-depth interviews are usually characterized by its depth, structure and length. Typically they are much longer than structured questionnaire based interviews and can take as much as up to several hours to conduct. Its purpose is to probe much deeper than a questionnaire based interview and the interviewee is encouraged to talk a lot and explain their answers. Every conducted in-depth interview will thus be different from another as different explanations and supplementary questions will take form. In depth interviews are:

- Usually conducted with a relatively small number of respondents
- Guided by a checklist of topics and themes rather than a formal questionnaire
- Often tape-recorded and verbatim transcript prepared
- Usually take at least half an hour and may extend over several hours<sup>100</sup>

The advantage of an in-depth interview is that it can give a more accurate and clear picture of a respondent's opinions, behavior and attitudes. The nature of open-ended questions allows the respondents to answer free according to their own thinking and they are not constrained by the interviewers pre-developed alternatives. Further elaboration of answers and attitudes can be asked for by the interviewer, thus give a basis for analysis that would not have been possible otherwise.

The disadvantages of in-depth interviews are that the interviewer must be cautious and skilled with a complete understanding of the research problem and purpose. The interviewer guides the course of the interview. Not only should he/she encourage the interviewee to talk, but must also think of supplementary questions that can be relevant for the analysis. Furthermore, in-depth interviews usually take a long time and can be hard to analyze and interpret correctly.<sup>101</sup>

In particular circumstances a one-to-one interview may be conducted over the phone. Its advantages include long distance access, speed and low cost, however there are also a few disadvantages compared to face-to-face interviews. It is much more difficult to establish any personal contact, which is important when conducting an in-depth interview in order to get the respondent to open up. The purpose of qualitative methods is to be able to explore the participant's responses. When doing the interview face-to-face it is easier to

<sup>99</sup> Saunders et al. (2000)

<sup>&</sup>lt;sup>100</sup> Veal, A. J. (2006)

<sup>&</sup>lt;sup>101</sup> Ghauri, P. & Grønhaug, K. (2002)



establish trust. Trust is hard to instill over the telephone, which might lead to issues of reduced reliability where the interviewee is less willing to engage in a meaningful discussion. Furthermore, it might be more difficult to technically record the data over the phone since the interviewer need special equipment to audio record the conversation. According to Saunders et al. (2000) a telephone interview is best suited for a short follow-up interview with the purpose of gaining clarifications to an already undertaken face-to-face interview.<sup>102</sup>

#### 3.7.2.2 Group interviews/focus groups

With this technique the interviewer rather becomes a facilitator of discussion between a group of interviewees or participants. The purpose with a focus group is very much the same as with an in-depth interview but here the respondents do not only interact with the interviewer, but also with each other.<sup>103</sup> The discussion is influenced by the size of the group, its composition, the personality of the people involved and the chemistry between them etc. Therefore homogeneity is often asked for because then the chemistry and the level of relaxation and openness are greater.<sup>104</sup> The members of the group may or may not be known to each other, but often they are chosen based on some common characteristic such as age, hobby, ethnicity or geographical location. Thus, it is a great way to research the difference between different types of respondents or groups.<sup>105</sup>

The advantages are that many different views on a topic is revealed and discussed. A dynamic group can help evaluate ideas and explain and explore concepts, topics and themes.

The disadvantages with focus groups include that the interviewer will not be able to develop the same kind of relationship to the respondents as in an in-depth interview. High level of skill from the facilitator is needed to conduct this type of study successfully in order to gain the participants trust and make them feel relaxed. Every participant must be allowed to have their say and be given the same amount of space and time.<sup>106</sup>

#### 3.7.2.3 Our choice

In our research we have chosen to use semi-structured interviews that are conducted with individual interviewees face-to-face. This will allow us to get a deep understanding of the individual respondent's attitudes and behaviors regarding special themes and topics. As explained more thoroughly in section 3.7.7 we wanted to hold individual interviews, which is why focus groups were considered a bad choice. Homogenous focus groups are not the best way to find heterogeneous individual answers, which was what we were after. We were looking for similarities in opinions between different people rather than for similarities within a certain group. We considered using two focus groups, one with lookers and one with bookers. This could have been a good idea, since we wanted to know the differences in their behavior. However, we decided not to because it required a lot of planning, preparation and skill from us as facilitators. Something we

<sup>&</sup>lt;sup>102</sup> Saunders et al. (2000)

<sup>&</sup>lt;sup>103</sup> Veal. A. J. (2006)

<sup>&</sup>lt;sup>104</sup> Ghauri, P. & Grønhaug, K. (2002)

<sup>&</sup>lt;sup>105</sup> Veal, A. J. (2006)

<sup>&</sup>lt;sup>106</sup> Saunders et al. (2000)



have little experience in. We would also get heterogeneous focus groups considering demographic variables, which we believe could have reduced the participant's level of openness and thus prevent them from ventilating their true opinion.

### 3.7.3 Sampling – Finding respondents

Data is always needed in some form to answer the objectives of any research. If the researcher collects and analyzes data from every possible case or group member it is called census. This is when the researcher uses the full population to draw conclusions.<sup>107</sup> The population is the group in which the researcher wishes to draw a conclusion and constitutes all units within this group.<sup>108</sup> Furthermore, a population comprises the universe for the purpose of the marketing research problem and is the aggregate of all the elements that share some common set of characteristics.<sup>109</sup> Therefore, it must be related to the purpose with the research, accurately defined and not be too vague.<sup>110</sup>

In sampling there are many techniques and methods that enable the researcher to reduce the amount of data he/she needs to collect. This allows them to consider data from only a sub-group, rather than from all possible cases and elements and still obtain a valid alternative to census. Sample data is gathered to generalize about the full set of cases in the population<sup>111</sup> and if it is a good sample the researcher achieves representativeness from it.<sup>112</sup> The purpose of a sample is to save money and time; it can be very costly and time consuming to investigate an entire population.<sup>113</sup> Thus, owing to the restriction of time, money and also access it is most often almost impossible to collect all data and information available from every single person or source that may hold relevant information.<sup>114</sup> Sampling can be said to be somewhat of a compromise between certain gains and losses. On the one hand, it is impossible to find out really hard facts without gaining information from the entire population. On the other hand, it is possible to come up with more or less accurate estimates and predictions close to census using correct method while saving time and human resources etc.<sup>115</sup>

#### 3.7.4 Sampling techniques

Sampling techniques can be divided into two different types. These are probability/representative sampling and non-probability/judgmental sampling. Probability sampling is most commonly associated with survey-based research, thus it is most widely used in quantitative research, which is why it will not be discussed here any further.

<sup>112</sup> Balnaves, M., & Caputi, P. (2001)

<sup>114</sup> Saunders et al. (2000)

<sup>&</sup>lt;sup>107</sup> Saunders et al. (2000)

<sup>&</sup>lt;sup>108</sup> Kumar, R, (1996)

<sup>&</sup>lt;sup>109</sup> Malhotra, K. N. (2004)

<sup>&</sup>lt;sup>110</sup> Balnaves, M., & Caputi, P. (2001)

<sup>&</sup>lt;sup>111</sup> Saunders et al. (2000)

<sup>&</sup>lt;sup>113</sup> Kumar, R. (1996)

<sup>&</sup>lt;sup>115</sup> Kumar, R. (1996)



#### 3.7.4.1 Non-probability sampling

In non-probability sampling (unlike in probability sampling where the sample is chosen on random) the sample is to some degree chosen by the researchers subjective judgment.<sup>116</sup> Therefore it is not possible to make valid inferences about the entire population<sup>117</sup>, but what the researcher must do is to try to make the sample as representative as possible. There are many different non-probability sample techniques where quota sampling is the most representative while convenience or self-selection techniques are the least representative method. In between the two extremes are purposive and snowball sampling where there are no rules and the issue of the sample size is ambiguous, unlike in quota sampling. These two are particularly useful when the researcher intends to collect qualitative data and the analysis of the in-depth interviews is more important than sample size. Non-probability sampling may provide the researcher with an information-rich base that enables the exploration of the research questions.<sup>118</sup> The non-probability methods most relevant to investigating our purpose are now explained more thoroughly.

#### 3.7.4.2 Purposive sampling

Purposive or judgmental sampling enables the researcher to use judgment to select the sample that best allows the meeting of the objectives. This method is usually used when working with a small sample or with particularly informative sources. Saunders et al. (2000) argues that there are a few strategies within purposive sampling and a few of them are discussed below.

*Heterogeneous or maximum variation sampling* enables the researcher to collect data to describe key themes that can be observed. Its strength is that even a small sample can contain elements that are completely different. The patterns that then still do emerge are likely to be of particular interest and value and be quite representative. If the researcher for example ask 5 people from totally different age groups and all their answers shows a pattern of the same thing it can help the researcher draw conclusions about a very large population regarding that one thing.<sup>119</sup>

*Homogenous sampling* is in direct contrast to heterogeneous sampling and focuses instead on a sub-group where all elements are similar. This enables the researcher to study that group in great depth.<sup>120</sup>

#### 3.7.4.3 Snowball sampling

When it is difficult to identify the members of a desired population snowball sampling can be used. This is done in three steps:

- 1. Make contact with one or two elements (respondents) in the population;
- 2. Ask these elements to identify other elements;
- 3. Ask the new elements to identify further new elements (and so on)

<sup>&</sup>lt;sup>116</sup> Saunders et al. (2000)

<sup>&</sup>lt;sup>117</sup> Ghauri, P. & Grønhaug, K. (2002)

<sup>&</sup>lt;sup>118</sup> Saunders et al. (2000)

<sup>&</sup>lt;sup>119</sup> Ibid.

<sup>&</sup>lt;sup>120</sup> Ibid.



The main problem is to find the very first elements and make contact with them but once this is done the sample naturally "snowballs". The drawback with this method is its representativeness since interviewees naturally identify potential respondents that are similar to themselves. However, when the population is difficult to identify snowball sampling may provide the best possibility.<sup>121</sup>

## 3.7.5 Pre-study

In the beginning of our study we conducted a small pre-study. The purpose of our prestudy was to give us more insight with the travel industry in general. We made phone interviews with Lisa Thorngren, information and public relations manager at Ving, and Kajsa Moström public relationship manager at Apollo. We asked them, for example, how travel bookings on the Internet have changed the past years and what affects that had on traditional travel agencies. Both companies claimed that 50 percent of their travel bookings come from the Internet and that they have seen a great increase during the last one and a half to two years. The pre-study helped us come up with our chosen research questions and purpose of our thesis.

## 3.7.6 Choice of population

Deciding on the relevant population is not always easy. The key question is to know whom or what the researchers wants information about.<sup>122</sup> The population of interest was hard for us to define, as it was not based on any visible or obvious characteristics such as age or gender, with one exception. We are only interested in Swedish consumers over the age of 18 because before that you are not, without your guardians consent, allowed to freely travel and make the purchases you want according to Swedish law.<sup>123</sup> Otherwise our population elements are interested in vacation traveling and are at least every other year trying to fly abroad for at least a week's vacation. They are to some extent Internet users and use it to look for travel information. In other words, they qualify as "lookers", that at least uses the Internet for looking for travel information, or "bookers" that also uses the Internet to book. Furthermore, they must in general consider traveling to be a purchase decision that requires a high involvement for various reasons.

## 3.7.7 Choice of sampling method and interview procedure

As our population is not visible to us we needed to find consumers who qualify into the population. Therefore we have used a mix of snowball sampling and heterogeneous purposive sampling. First we asked friends and family in our surrounding if they thought they knew anyone that would be willing to participate in an in-depth face-to-face interview and that did qualify into the population according to their judgment. Our friends asked their friends and got back to us with names and numbers of a few possible participants. We then contacted them and set up a meeting for an interview. At the end of the interviews the respondents were asked if they could recommend someone else that

<sup>&</sup>lt;sup>121</sup> Saunders et al. (2000)

<sup>&</sup>lt;sup>122</sup> Ghauri, P. & Grønhaug, K. (2002)

<sup>&</sup>lt;sup>123</sup> Sveriges Lagar (2007)



they thought would be willing to participate and belonged to the pre-defied population. The process continued and we experienced a "snowball" effect where we received names of numerous possible respondents. We purposively selected a diverse sample from the prospective elements in order to achieve the effect of a heterogeneous sample method.

## 3.7.8 Respondents

Our final respondents were very diverse from one another when it came to age, sex, income and geographic location etc. We purposively saw to that for two reasons. First, it was to reduce the negative effect from snowball sampling that the respondents and interviewees end up being to similar to each other. By encouraging the respondents to recommend consumers different from themselves, but still within the population, we believe that we managed to seriously reduce the snowball sampling method drawback. Second, to achieve the increased representativeness of the heterogeneous sampling method we had to make sure that the respondents did not resemble each other too much. Thus, the effect would have been lost and the research would risk being insignificant. We wanted to see what patterns there were between so called "lookers" and "bookers" regardless of social, economic and demographic variables etc.

## 3.7.9 Pilot interviews

Pilot tests are small-scale trials of a larger survey or interview. They can be carried out in any research procedure and it is always advisable to carry out at lest one before starting the main data collection. The purposes of a pilot test include testing the wording, test sequencing, estimate interview procedure and time etc.<sup>124</sup>

We decided to conduct two pilot interviews. They where conducted with friends who after the interview helped us initiate the snowballing process by suggesting possible respondents. The general idea behind these were to see how they responded to the questions and if there was anything that was hard to understand or easy to misinterpret. We found that some questions needed to be formulated more clearly, because we needed to explain what we meant and thus risk being too leading. We noticed also, for example, that some questions sounded very similar to the respondent and therefore they were not able to give a nuanced response. Some questions were revised; some were taken away while others were added in order for us to get relevant analyzable data. We were pleased with the time it took to complete the interview and with the type of data we recorded. This made us draw the conclusion that we were ready to start the main data collection with the set of questions we had worked out after the pilot study.

#### 3.7.10 Individual interview procedure

The first thing at the start of every interview, after the necessary formalities and presentations, was that we thoroughly introduced the study and the topic etc. to the respondents. In accordance with Ghauri & Grønhaug's (2002) recommendations we made sure that the respondents where allowed to ask questions about their participation, what the study was about and what their responses would be used for etc. We noticed, after the pilot interviews, that this not only helped the respondents felt more relaxed and

<sup>&</sup>lt;sup>124</sup> Veal, A. J. (2006)



give more accurate responses; it also helped us as interviewers. That way less explanation had to be given during the interviews themselves, which allowed free flowing discussions.<sup>125</sup>

At the beginning of the interview itself we started with a couple of screening questions that assured that the respondent actually belonged to our population. From there the question followed the various steps in the consumer decision process in chronological order. This ensured a flow in the interviews as well as it gave us a certain structure. General questions were asked that sometimes required follow up questions that either was prepared in advance or constructed during the interview itself.

## 3.7.11 Interview guide

The interviews have been performed according to a pre-defined interview guide that is included in appendix B. The interview guide itself is designed to fit Solomon et al.'s (2002) consumer decision process that is discussed in detail in section 2.3. We have designed it that way because it will allow us to understand exactly how the entire booking process looks and how consumers reason about travel bookings, both before and after their booking. Incorporated in the interview guide, are also questions relating to research question two, but as just mentioned, we chose to construct it in accordance with the respondents travel decision process. Furthermore, designed the way it is it enables us to get a high understandability and a good flow of the empirical findings where we put equal emphasize on all respondents. It is also easy for the reader to follow the individual respondents unique process and thus gain information enough to understand what characterizes them and what sticks out.

#### 3.7.12 Overcoming data quality issues and biases

It is important that the interviewer avoids being too taken up in the interview that he/she starts leading the conversation. Suggesting answers, agreeing or disagreeing should be avoided which can be hard as that is how a normal conversation usually is carried out, through discussion contribution. The interviewer must be thinking quickly to achieve an unbiased flow of the conversation and have the sequencing of the questions right. An example discussed by Veal (2006) is when the researcher has found out that the respondent does not go to the theatre. Rather than asking a leading question like "is it because it is too expensive?" he/she could merely say, "why is that?" Thus the question is more open and the respondent is not encouraged to give a particular response, but rather give their honest general opinion.<sup>126</sup>

One other thing that the interviewer must learn to be successful in is to not be afraid of silence. Some questions might puzzle the respondent that may need time to think. It is not necessary for the interviewer to fill that space with noise in order to help the respondent along, it is better to sit in silence and let the respondent ponder.<sup>127</sup>

<sup>&</sup>lt;sup>125</sup> Ghauri, P. & Grønhaug, K. (2002)

<sup>&</sup>lt;sup>126</sup> Veal, A. J. (2006)

<sup>&</sup>lt;sup>127</sup> Ibid.



## 3.7.13 Recording data

It is important to use the right way to record what is said in an interview. Transcripts that you derive from tape recordings can be used to analyze the result of interviews in a more complete and methodical way than what is possible from just taking notes.<sup>128</sup> It is widely accepted that tape-recording is a useful method. However, it has some disadvantages. First, the respondents may hesitate to answer some questions, especially those that are sensitive if they know that they are being taped. Second, there is a risk that the interviewer ceases to listen carefully believing that all the information goes into the tape anyway. Thus, the interviewer might miss asking the right follow-up questions and seem blasé in the eyes of the respondent.<sup>129</sup>

To ensure the best data recording we followed the recommendations by Ghauri & Grønhaug (2002) and took notes together with tape-recording<sup>130</sup> with the help of a computer. Thus we remained alert, seemed interested and got the respondents to open up. Our research does not really involve any sensitive questions. Therefore we never felt that the respondents were afraid or even hesitated to answer a question for any other reason than that they needed to ponder their response.

## 3.8 Criticism of sources

Criticism of sources is a collection of method rules to find out what is true, or at least what is most likely. With a source you mean the origin of our knowledge. The source can come from books, letters, the Internet and interviews etc. The task of criticism of sources is to value these sources and judge their trustworthiness. The main principles of sources criticism can be presented in four criteria:

- *Trustworthiness* The source shall be what it claims to be. Giving a false picture of reality is more common than you might think, even in science. Technical expertise and to control with other sources can be of use, but is often quite difficult. It is important to simply be aware that it might be a forgery.
- *Time connection* The more time that has passed between an occurrence and the story of the source, the larger the reasons there is to doubt the source. A source will be trust worthier if it is contemporary. The reason is, obviously, forgetfulness.
- *Independence* The source should "stand by itself" and not be a transcript or a review of another source. There are primary and secondary sources. Primary sources are original sources, while secondary sources have been collected for another purpose. The main rule is that primary sources are trust worthier than secondary sources. For a statement to be seen as trustworthy it should also be confirmed by, at least, two sources that are independent from each other.
- *Freedom of tendency* You should not have any reason to suspect that a source gives a false picture of reality because of personal, financial, political or other interests. When a source is partial, because he/she has personal interests in the case, there is a reason to suspect that the source gives a false picture of reality.<sup>131</sup>

<sup>128</sup> Veal, A. J. (2006)

<sup>129</sup> Ghauri, P. & Grønhaug, K. (2002)

<sup>130</sup> Ibid.

<sup>&</sup>lt;sup>131</sup> Thurén, T. (2001)



We have considered the possibility of that a source might give a false picture of the truth. In order for us to keep the trustworthiness high we have used researchers within consumer behavior for our theoretical framework, i.e. our secondary sources. We have also used scientific journals and articles that have been reviewed by peers.

Of concepts that are less prevailing in the literature, such as "lookers" and "bookers" we have used several sources that claim the same thing, to make sure our sources are trustworthy. Also, many of these sources are gathered from the Internet. Topics in our thesis, e.g. e-commerce, have changed much in the recent years. Old data might not be very accurate anymore, which is why only relatively new websites have been used. The Internet sources have also been critically reviewed and are regarded to have high reliability. Our primary sources we believe can be regarded as trustworthy too, because of the way they have been collected. The collection of our empirical findings can be read in section 3.7. Moreover, our respondents did not have any personal gains from giving out a false picture of the truth, which is an additional factor that our sources indeed where trustworthy.

# 3.8 Structure of the Empirical Findings

The structure of the empirical findings is done in accordance with the interview guide that can be found in appendix B and follow the steps in the consumer decision-making process. The reason behind this is that we found it very central to the thesis to thoroughly go through, explain and display the process that the respondents pass through on their way to make a travel booking. Structured the way it is, it gives the readers a good understanding of each respondent's process and it becomes easier to recognize similarities and differences. The interviews are presented separately in order to really get across the individual respondent's opinions. The empirical findings are purposively re-written by the authors into a flowing text where the essence of everything stated in the interviews is put into words. No raw data can be found in the empirical findings but can on request be handed out by the authors as audio files. However, quotes from the raw data can be found in the analysis.



# 4 Empirical findings

In this chapter we have reported the essence of all our interviews, i.e. our qualitative data. This is to give a thorough insight into the very important consumer decision process for travel bookings. We wanted to include this section to show what forms the foundation for the analysis.

## 4.1 Interview 1

## 4.1.1 Screening Questions

The respondent uses Internet on a regular basis, especially for e-mails and basic information search. She has traveled abroad on leisure vacation in the past three years and Internet has been an important source of information both before and after the booking was made, but most information was wanted prior to the booking. Internet has actually more and more become the only source of travel information. Previously brochures and catalogues were used but now information is searched exclusively online. When it is time to travel the respondent becomes highly involved in the decision process.

## 4.1.2 Information Search

The first thing to find online is a good site, either directly through a travel agency or via various online newspapers that post travel information and links to different options. "sydsvenskan.se" and "gp.se" are example of online newspapers that have specific travel section that have been used, particularly in the search of suitable vacation packages.

Other specific sites that she commonly uses are for example and "fritidsresor.se", "apollo.se" but also other big travel agency sites. However, she finds that it is not always by choice. Often she accesses another site where she eventually is being linked to one of the bigger sites anyway. "ticket.se" has been used but also "reseguiden.se" that is more of a comparing site compared to others.

The information that is searched for the most is what kind of packages that are available but it differs between what kinds of vacation it is. If it is a longer vacation also information about activities and entertainment is searched for.

## 4.1.3 Evaluation of Alternatives

When comparing different vacation options one important factor is from where it departs. Price, destination and standard of hotel naturally also matter a lot. Most often is the date and timing more important than price and exact destination. In general when booking a summer holiday the respondent says that she only has certain dates where she is available to travel and is off from work. Therefore that is more important than to find the cheapest flight available.

Destination naturally matters but it depends on what kind of trip it is. The respondent is more or less indifferent on the exact destination. For example, Cyprus or Crete does not matter as long as it is warm, sunny and close to the beach. In that case as long as it is in



the Mediterranean and the timing and package in other ways meets the requirements she is open for it.

However if it is a longer trip there is a higher involvement and the entire booking process is looking different and there is no indifference between destinations. In fact, destination become more important the more involved the respondent is. Therefore, the booking behavior also differs between when the booking is made a short or a long time in advance. When booking a short time in advance the respondent is more indifferent regarding destination and more interested in finding a suitable vacation package at all.

What the respondent values with a physical travel agency is the possibility to ask followup questions. Possibilities that Internet sites lack, which can make finding the answers on her own a time consuming process. She definitely finds value in the opportunity to have someone immediately answer all queries.

A lot of time and energy is usually put in to finding the right package but at the same time a certain trip is often chosen hap hazardously. The respondent says that she often has decided that she should travel but not exactly where or exactly when. When she then finds a package that seems suitable she often decides to go for just that one. This can happen just browsing or asking around as long as the mind is not just set on one thing.

A well-known brand is important, at least to some degree. The respondent says that she has heard about people who have made bookings with lesser-known companies that have not fulfilled their promises or that have cancelled the trip in the last minute. Therefore she prefers to book from one of the biggest companies on the Swedish market, to minimize the risk of being disappointed or let down. It is worth paying extra to travel with a well-known brand compared to an unknown brand. As long as there is not a very significant price difference between seemingly similar options a travel agency with a well-known brand is selected. However, when it comes to choosing among the better-known brands the respondent says that she is totally indifferent. As long as they are established it does not matter what so ever if it is Ving, Fritidsresor or Apollo etc.

On an Internet site it is important that there are as much information as possible about general things as well as the destinations and hotels themselves. What the respondent does not appreciate with the Internet booking services is that you have to be very specific in your demands and you have to know exactly where and when you want to go. As long as you know the exact date and time when you want to go the internet is a good alternative but as soon as you are not set on just one thing it is hard to get the online sites to be flexible. The Internet sites are all built up the same way and you always have to fill in exact date, departure airport and exact destination in fields of their own. You cannot simply put depart from Sweden and going to Greece and se what available packages and flights there are. What the respondent would like online is also what you can get through personal service. That is that you for example can say "I can travel anytime between the 5<sup>th</sup> and 8<sup>th</sup> of May and I want to go somewhere sunny for about a week from either Landvetter or Kastrup and have a decent hotel". The departure airport and time are important factors when looking at alternatives but still the respondents would like to be flexible in her demands. In short, the respondent appreciates the personal service because they can more easily tailor a suitable vacation based on all the respondent's preferences or just immediately come up with other attractive suggestions. The respondent feels that there are many different packages that fits her preference at any given time but using only the internet she risks browsing right by alternatively search to narrowly to find them on her own. It is too time consuming matching every single possible departure airport with every possible date and destination. There are simply to



many variations to be able to cover them all. A more general travel search engine that comes up with more suggestion of similar travel alternatives is something that would make the respondent use Internet even more.

There has not been any influence from family or friends on what method to chose when she books or whom she books from. However, she has acted upon recommendations and warnings regarding certain destinations.

## 4.1.4 **Product Choice**

The respondent's last vacation, booked by her, was booked at Ving's physical store. It happened more or less by coincidence since she had plans to travel but had not decided exactly where or when. When she walked by their store she saw their offers and decided to go in and make a reservation. Since then the respondent has traveled with Internet booked tickets but she has never booked tickets online herself.

She thinks that the online booking process itself is convenient and easily handled however it is finding the right flights and packages that are difficult. She does not have any problems handing out credit card details to known sites which she have done while engaging in other e-commerce activities. She sees no risk of booking online really what so ever and she mentions again that that is not the reason why she ultimately prefers to go to a physical store, it is finding the product itself.

It is troublesome to not be able to ask follow-up questions online and there is no one that reminds you of the little things that you should think about. Otherwise, there are no real advantages with physical bookings as long as you know when and where to go, because when you do the Internet is probably more convenient.

The immediate advantage with making booking online is its accessibility, that you can stay at home and look and book anytime you want. It usually takes longer but you can do it whenever you want.

## 4.1.5 Outcomes

The respondent thinks that it is a greater risk of being disappointed when booking online. This is because it to some degree is harder to specify exactly what you are after. It is also easier to choose a package based on the price compared to recommendations when booking online, thus the risk of disappointment is higher. A knowledgeable sales representative that may or may not have been at the destination infuse a feel of trustworthiness.

The travels that the respondents have made with online-booked tickets have all been successes. For her it is the road leading up to the booking that is difficult.

If she had to choose between only booking online and only booking offline in the future the physical stores would be chosen.

The entire booking process varies a lot upon how complex the vacation is. She would not consider booking a longer or more complex trip online. It also has a lot to do with how much involvement there is. A lot of involvement and high complexity makes the urge to contact a travel agency much higher while an ordinary charter more or less can be



booked online just as easily. An ordinary charter for a week is easier to book online than an expensive or complex trip that goes further away or with a long duration. For such a trip she would probably continue to book in-store while she very much would consider booking a charter online as long she finds what she is after.

She has a positive attitude towards online booking but not towards online looking but she still does it. She is appealed by the convenience and the thrill of the possibility of finding the right trip herself.

## 4.2 Interview 2

## 4.2.1 Screening Questions

The respondent uses the Internet on a daily basis both at work and at home. For work he searches the Internet for information, reading e-mails etc. practically all day. At home information is gathered about things that are relevant to him, such as news and comparing prices and quality on items to buy. The respondent has traveled to Greece last year and he booked the air ticket online. In general a lot of effort goes into choosing the right trip and it is not a decision that is taken easily without thorough consideration.

## 4.2.2 Information Search

The respondent uses the Internet to a large extent when searching for information about travels. He searches the Internet for ways to travel to the destination and information about the destination, e.g. what there is to do there and what the place looks like. Usually he has a few destinations in mind where he wants to go and starts with comparing the different alternatives. There is no single website he use to go to when looking for information online. In an early stage the flights to the chosen destination is looked into. The first website he mentions is the comparison site "flygvaruhuset.se", which he usually starts to look at. Also other comparison sites are evaluated to see which one that come up with the best alternative. "google.se" is another search engine he uses and searches for example "flight Greece" and sees what comes up. The information he wants regards arrival and departure times, possible connection flights that might take long time and obviously the price. He does not look that much into upcoming events when deciding on a trip, but look more into different hotels. However, if he for example would take a trip to Barcelona he looks into the possibility to go to a F.C. Barcelona game.

He also looks at the travel agencies like Apollo and Ving. This is mainly when going on a charter tour. However, he has experience in booking the flights, hotels etc. by himself, so these travel agencies has not been used much. The main reason for this is that he does not like that a package is bought where everything is already fixed for him. It is important to be able to affect the trip yourself, be flexible and discover something new and different that you do not get with the travel agencies. This is the case online as well as offline.

## 4.2.3 Evaluation of Alternatives

After the respondent has searched the necessary information he tries to put the different alternatives against each other. He believes it is difficult to see one aspect that is the most



important when evaluating the alternatives. Price is however one important factor. The respondent claims that it is rather expensive to travel, but it is not the flight costs that are the most expensive. It is all the costs around, like hotels, food etc. For that reason the price of the flight is not that important, but how attractive the travel destination is in general. He still bought his last trip with Ryan Air. He says that in the beginning it seemed like Ryan Air was very cheap, but when all extra costs are added the final price did not differ that much from other alternatives. He felt somewhat deceived.

The personal service during the flight is not perceived as very important, which could explain why he chose Ryan Air after all. Moreover, he does not feel a need for personal service before the trip either. He believes he can receive the information he needs online instead. He argues that the further away and the longer time spent away from home, the need for personal service increases. For a rather complex travel, like a month away in China, he thinks that he would book through a physical travel agency, in order to get more information about the destination. For such a travel he would also consult much with friends who had been there. It is quite often you hear of friends who have been to your chosen destination and they can provide superior information on accommodation and where to eat than what you get online.

In general, the time he spends on looking for a travel is not that extensive. He collects a few alternatives online and chose the one that sounds most attractive. Still a lot of consideration goes into the decision however.

The importance of a known brand name increases the further away the destination is and the less known the destination is for the respondent. When he is going to somewhere in Europe he does not believe a strong brand name is of any importance. The reason for choosing a known brand when going on a longer trip is that those companies often have been on the market for a long time and can be trusted. He realizes that his brand awareness in the airplane industry is rather low. It would make him feel more comfortable to go on a longer trip with a well-established brand, but he raises the importance that it is not only well established, but also known to him.

It is important that the information is easy to grasp and understand on the website when booking your ticket online. In general he believes the online travel companies manage this quite well. Information about the destination in general is gathered somewhere else, so he does not feel that it is necessary that the website provides you with that. The confirmation you receive after the purchase is made is also seen as satisfactory. All wanted information could easily be understood. He raises an issue with the low-price flight companies that feel more insecure. If a flight with Ryan Air is cancelled you are basically stranded with no right to compensation. He does not have any particular company that is preferred, but if the price did not differ that much he would not travel with for example Ryan Air. It is a matter of price worthiness.

The respondent has not booked that many travels online and has not yet been influenced in his purchase decision from friends or family. However, he realizes the possibility of changing his purchase intention if someone he trusted talked in a good or bad way about a certain company. The influence of friends becomes more central when the complexity of the travel increases. Also, as long as you get the support you need to feel safe he could imagine to book vacation online even though the destination was far away and rather unknown for him, if a friend gave him that advice. Friends are even better than personal service from physical travel agencies, since they have no economical interest in selling you the travel.



## 4.2.4 Product Choice

The last travel was, as mentioned, booked through Ryan Air. He believes it would be somewhat easier to book a travel with a known travel agency than a through a company that operates merely online, even though the price was lower for the online company.

The main risk with booking online is according to the respondent the fact that you have to leave out credit card information. Even though the websites of known companies are seen as safe in general there is always the possibility of "hackers out there". The hackers can be very skilled and might be able to outsmart the companies security systems. To some extent there is also an uncertainty that you do not know that you will get what you pay for. However, he feels the information you receive on an "e-ticket" is satisfactory.

One disadvantage with booking your travels through a physical travel agency could be price, but the respondent is of the opinion that price will not differ that much from those companies that sell travels online. More important is the time aspect. To take the car into town, park your car and go between several stores is very time consuming. It becomes more difficult to compare several alternatives. The main advantages with a physical travel agency are that you feel safer and you get the answers to exact those questions that you have. That cannot be obtained online.

If you summarize the advantages with online travel bookings are that it is very time saving, because you receive the needed information about a destination fast and the booking procedure is convenient. When he books online the most important aspect is the price.

The main disadvantage is that you do not find the exact information you want online. The reason for not bringing up the credit card aspect is that he thinks about it, but is not really worried.

The respondent has never booked a travel spontaneously. He realizes that some people might look regularly online for various cheap flights and book when they find a "good deal". If his life situation was different, where he had no children or a job to consider, he believes he would "shop around" to find different travels to a larger extent.

Depending on how much time that is spent abroad and the physical distance, the less price sensitive the respondent becomes. In that case a known brand name is of greater importance. During those travels the security is wanted more.

He believes the risk of buying your airplane ticket online is fairly higher. The reason for this is the lack of personal information that is wanted.

#### 4.2.5 Outcomes

The respondent is truly pleased with his last travel, which was bought online. He had booked his airplane tickets through Sterling's website to Athens. Also, good information had been obtained about the destination in advance that corresponded with what was expected. He does not see any significant difference between the online websites where you can book your travels that would affect his next travel purchase. He thinks the websites become more and more alike, since the competition increases and the companies look at each other all the time.



If he would purchase his next travel online or not the respondent claims depends much on the destination. He lines up a few alternatives: China would probably be booked online, since he got many friends who have been there and will be able to give him the information he needs without any physical travel agency. Africa would most definitely be booked through a physical travel agency, since the continent feels more insecure. Australia he would ask his son who had been there. For Japan or similar travel destinations he would start by looking online. If he came to the level of security that he felt was necessary by only searching online he could book there as well. If there were any hesitation after the Internet search about the perceived security he would go to a physical travel agency. This question he felt was very depending on the situation. He still believes it is very likely that he books his next travel online as well.

## 4.3 Interview 3

#### 4.3.1 Screening Questions

The respondent is an Internet user that uses the Internet for e-mail and basic information search. He has traveled abroad three times in the last three years. Both before and after the booking of his travels he has used the Internet to look for travel and destination information. The respondent is usually highly involved in the decision process.

#### 4.3.2 Information Search

The respondent uses travel information and booking services that are being accessed through online newspapers such as "expressen.se" and "aftonbladet.se". There he uses links to navigate to other sites. He rarely accesses any of the bigger travel agencies websites directly but he often ends up using their online services anyway because many other sites automatically links you there. Especially if you are looking for last minute flights he says that you usually are being linked to "fritidsresor.se" or "apollo.se" for example any way.

The respondent uses tips from others in his search process regarding both destinations and methods on how to find good and cheap products. Catalogues and brochures that previously have been used are now totally ignored in favor of the Internet that has become the only source of information except physical newspapers.

Most of the information has been acquired online prior to the booking where the respondent uses the Internet as a tool for comparing prices, hotels and destinations etc. The respondent wants to know a lot about the destination and the hotel before departure and Internet is a good source for that kind of information. Thus it is also used after the booking in order to get as familiarized as possible in advance.

The respondent has never showed any interest in visiting travel forums where other consumers discuss traveling. Neither does he use search engines. However some comparing sites like "reseguiden.se" have been used in the past mostly to evaluate prices.



## 4.3.3 Evaluation of Alternatives

Destination, price and hotel are in order the most important evaluation criteria's. First the respondent decides more or less exactly where to go before he starts to look at different price packages and what hotels there is that is included. The hotel is very important and a nice location and good facilities are worth paying extra for.

The date is naturally also important because the respondent only has a certain amount of weeks off from work every year. However he says that it does not affect the choice of travel or booking method. It only limits when you are available and forces you to plan more extensively.

The respondent finds security in booking in a physical store but he has at some occasions booked over the Internet. However, he claims that he in many ways would rather go to a travel agency but he, in a way, feels that that is not the way a booking should be done anymore. He perceives travel agencies contributing with security, safety and knowledge and he would rather book there, but he likes to feel that he can do it on his own.

When choosing travel company to book from, either online or offline, the respondent would not consider using a small unknown brand even if it was cheaper. The respondent sees a risk with booking through a smaller and unknown company in that sense that they may not keep what they promise in the same extent as the bigger companies. He is scared that the flight may be cancelled or that he may be hoodwinked or the victim of a fraud online and be left without tickets for example. The brand has a big effect but as long as it is one of the most well known companies the respondent does not care exactly which one it is. He mentions Ving, Fritidsresor, Apollo and Ticket and he thinks that it is worth paying extra for the sense of security they instill. It is also important that the entire process of transporting you from point a to point b goes smoothly. Thus, such a thing like airport transfer and service on the destination is important for the respondent. Furthermore it is a comforting feeling for him to know that he is going to be taken care of so that he can feel relaxed.

A lot of time is put into finding the right trip and sometimes it can take several months of shopping around before you find exactly what you are after. The respondent is very involved in the purchase decision of a travel, especially when it comes to the destination, which he put a lot of effort in to investigating both before and after the booking is made.

The information that is the most important on an individual online travel sites is about the hotels standard, location and facilities etc. It is important for the respondent to know a lot about the hotel prior to the booking and therefore he exclusively books charter tours or package trips where such information is given in advance.

## 4.3.4 **Product Choice**

The last vacation was booked online however that was not a package tour; it was only the flight since they could stay with friends at the destination.

As either complexity, cost or time away increases the respondent is more inclined to use the services of a physical travel store. The more involved the respondent get in the trip and the harder the booking process becomes online the more likely he is to consult a travel store. What he dislikes with going to a physical store is that is always becomes more expensive but under just mentioned circumstances it might be worth it.



If it is one reason why the respondent would chose to book online it is because of a lower price. Furthermore he thinks that it is easier to get a good overview online while you sometimes can feel a bit locked in by the physical travel stores suggestions. There is more autonomy online and a bigger selection to choose from which also allows the Internet browser to compare different options and different companies and agencies more freely. What also appeals with the Internet is its accessibility. It is always open and you can log on anytime you want. It is not the same type of perceived stress with an online booking. At a physical travel agency the respondent feel a bit exposed and might get stressed by the sales persons suggestions. He know that they are there to sell a certain trip while he originally had his mind set on something more or less different. Online there is no one affecting you with any kind of sales pitch.

The online booking process itself is usually no problem. It is simple and straightforward. It is finding the right trip online that is troublesome. It is difficult and time consuming but as soon as you have found what you are looking for the Internet is very convenient and the booking goes faster than in a physical store. It is the searching and the finding that can be problematic and it is mostly for that he would like to consult a travel agent. In a travel store you will get the best service from the time that you book until the time you get back home. At least that is what the respondent says that he persuades himself to think. Therefore he does feel a bit skeptic towards Internet bookings in general. The respondent experiences uncertainty about online payment and says that it is inhibiting leaving out credit card details and that he is very cautious about that.

Advantages with physical travel stores are the personal service, tips and advices, security and information about the destination by knowledgeable staff.

Disadvantages are a higher price and a sense of stress.

Advantages with Internet include its accessibility, overview of possible options and the possibility to compare.

Disadvantages are uncertainty, insecurity and that it is difficult to find the right tour.

The choice of travel agency is done on random and it is more a coincidence than anything else that a certain agent is being chosen as long as it is a well-known company. However the respondent also acts on recommendations from friends and family regarding the use of particular site for example. To some degree the respondent has a flexible mind and anytime during the looking process something similar to what he had in mind emerges he might go ahead and book.

## 4.3.5 Outcomes

The respondent believes that the risk of being disappointed at the destination is bigger if you book online and you do not get the same reassurance. However, he only has positive experiences from online bookings, everything have worked really well.

He has little experience in booking online and up to the last two years everything has been booked in a travel store but now more and more he is trying to use the Internet. Partly because "Internet has become a natural part of life".



## 4.4 Interview 4

### 4.4.1 Screening Questions

The respondent, to some degree, uses the Internet almost every day. It is used for emailing, information search but also for e-commerce. She has traveled abroad a lot in the last three years, both on package tours, with only flight tickets and on trips put together by herself. Internet is used not only before the booking of a vacation but also afterwards, browsing for information about what is going on at the destination. A decision about what travel to choose is a process usually taking a lot of effort and time. Since it costs a lot of money and she can't afford to travel as often as she would like it is something that the respondent gets highly involved in.

## 4.4.2 Information Search

Internet is the main source of all sorts of travel information. Other sources include newspapers while catalogues and brochures are used to a very small extent in order to get inspiration.

She says that the information search and booking very much depends on what kind of vacation you are about to do. Some types of vacation requires more extensive planning and funds which make the whole process take a longer time and you try to use as many sources as possible. However if you are only looking for a flight and you know where you are going the online search and booking process is easier and you do not have to take such an active interest in it.

A large portion of the search process is devoted to finding good prices and good deals. Sites like "ryanair.com" and "pricerunner.com" are used in the search process, especially if she is only interested in cheap flight tickets.

The process with package tours often starts by looking at newspapers that spark ideas, ideas that become more thoroughly developed with the help of Internet. What is particularly interesting in the search process is to find information about the destination.

Travel information online is found through search engines like "google.se", especially regarding the destination. Forums are sometimes used for information and the respondent mentions that she at occasions has visited "vagabond.se". By using forums and "google.se" the respondent uses links to get her to more specific booking sites rather than to visit them directly. However, when she has made up her mind to travel she also visits the main Swedish travel companies' websites such as "fritidsresor.se".

## 4.4.3 Evaluation of Alternatives

She cannot really differentiate between the bigger travel agencies in Sweden and to her they seem to offer the exact same thing. She is certain that they do try to differentiate themselves from one another but essentially they communicate the same things. She would not prefer any of the big travel agencies above another.

The respondent acknowledges that there is a difference between the big brands in the industry and the lesser-known brands. While she would prefer to book a tour with a well-known brand the price is more important and she would not pay extra because of a



brand as long as the product in demand was a one week package tour or similar. The extra service that is sometimes given by the bigger companies like Fritidsresor is nothing that she appreciates enough to pay extra for which she believes that you automatically do.

The main evaluation criterion for the respondent is definitely the price of the product. As long as the destination is acceptable and somewhat equivalent to what she had in mind the hotel and exact date of the trip plays a smaller role. Start to look at the price then towards where that offer will take you. Of course she cares about the destination but when going on a package tour price is the main concern. When booking only a flight ticket it is usually for a specific reason and then the destination becomes more important than the price but in general price comes first.

The respondent does generally not value the extra help and service you might get at in a physical store. The only difference is that you have to get the information yourself rather than have it handed to you for a premium price. She feels that it will only become more expensive and the subjective information they can provide her with can easily be found on objective forums or regular travel sites for free. Unless physical stores offer at least as cheap tickets as can be found online the respondent will not use them to find and evaluate options. She gets the feeling that their administration costs etc. are being added to the price.

A low price is more important than personal service and the brand. When it is time to travel the respondent put in a lot of effort herself into finding the best possible product for the least amount of money. The search process can go on for weeks with comparing prices, destinations and what is included in the different packages.

On a travel website it is important that the price is clearly displayed and that no hidden charges are added to the price. Sometimes you have to pay extra for an in-flight meal or taxes are added to the price just before you are about to book. This is something that irritates her with online travel booking and she feels that it could be done in a much more honest way. Now it feels like they are trying to trick you into paying a few hundred SEK extra each time you book for services or insurances etc. that you do not even want.

The design of the website must be easy to understand and she unwillingly says that she is positively affected by a good looking and user-friendly site. A professionally designed site decreases the perceived uncertainty.

## 4.4.4 **Product Choice**

All the latest trips have been booked online, both package tours and flight tickets. However when she traveled outside of Europe the last time she had to visit a travel agency because firstly, it was a complex trip with many stops and secondly, she needed to make some alterations to the ticket she had. In general she tries to book everything online but with increased complexity and price she considers using a travel agency for an increased sense of security.

The online booking process usually goes smooth but as mentioned earlier there are often extra costs being added for insurances and services etc. that you do not want. Otherwise it is easier than visiting a travel agency.

Advantages with a physical store include personal service (however that is nothing that the respondent really appreciates enough to pay extra for), that it feels safer to pay in-



store and easier tailoring of complex packages. Disadvantages are a higher price, that they first and foremost are sales persons interested in selling a particular trip and that you physically have to go there at a time when they are open.

Advantages with online booking are its convenience, accessibility, comparability and a lower price. Online disadvantages include an increased sense of insecurity regarding payment, hidden costs and that you have to be very specific in what you want.

The respondent says that once or twice when she have had difficulties finding what she want online she has consulted a physical travel store to help her on her way. After that she went home and booked a similar trip online on her own.

#### 4.4.5 Outcomes

The service at the destination is the same as it would be for a package tour booked at a physical store. She does not think that the risk of being disappointed with a tour booked online is bigger than with an offline booking but she admits that it is easier to overlook details when booking on your own. You have to seek out the information rather than have it handed to you. An example is the in-flight meal that is included sometimes and sometimes not.

In the future the respondent will most definitely continue to solely use the Internet for travel bookings.

## 4.5 Interview 5

#### 4.5.1 Screening Questions

The respondent uses the Internet on a daily basis. She does not use Internet much in her work, mainly for reading e-mails. However, more time is spent on searching for information on various sites that are of personal interest for her, such as news, the job market and bus tables etc. The past two years the respondent has travelled to Italy and France. On both occasions the travel was booked via the Internet. Moreover, only the plane ticket has been booked online, without any combining hotel nights or car service etc. Next week the respondent is traveling to Barcelona and the tickets were again booked online. Travelling is something that the respondent has a passion for; therefore a lot of effort is put into the decision to ensure that everything goes right.

#### 4.5.2 Information Search

When going on a travel, information is collected through the Internet first. She searches for different flight companies that got routes to the destination of interest. Most often the destination is already chosen, and then different alternatives are collected. Information is gathered both before and after the actual booking is made. Most effort is put amongst the different companies that are travelling to the chosen destination, but also afterwards when more information about the destination is wanted. For both the past Italy and France trip she also looked into different alternatives on how to get to the destination, such as by bus, by train or by air. However, flying was the alternative on



both occasions that were perceived as the fastest and easiest alternative and was still worth its price.

When the respondent starts searching the Internet for information she begins with using the search engine "google.se". She uses different phrases such as "flights Nice" or "cheap flights Nice" etc. She is also familiar with low price companies like Ryan Air and Sterling that are also looked into, but she always starts with "google.se. She is not sure how she knows that these companies have routes to the destination, but word of mouth is definitely one factor. For instance the respondent booked her tickets through Sterling for her trip to Nice, but found out that they did not have any routes to Barcelona, which was the reason she turned to Ryan Air for that trip. When booking through these companies, different dates are checked in order to find a cheap flight.

Another reason for looking for travels online is in the respondent opinion that it is fun and she compares finding a good and cheap trip herself to winning the lottery.

## 4.5.3 Evaluation of Alternatives

Price is maybe the most important factor when evaluating the different alternatives, but there is also a time concern. The large travel agencies Ving, Apollo and Fritidsresor have never been an alternative for the respondent. She is of the opinion that it always becomes more expensive when booking through them. So, when for example hotel nights on the destination are wanted those are booked separately from the flight booking. The respondent claims "they only receive provision on things I can do on my own". Also, since her last two trips have been on five respectively ten days, the idea to go to one of these travel agencies has not occurred to her, because they were not for one or two weeks.

She has also searched information on the Internet on sites such as "flygvaruhuset.se" and "mrjet.se". However, she finds it odd that these sites do not include Sterling and Ryan Air. She is of the opinion that when you book through any of these sites it will always be more expensive. These comparison sites are found through "google.se" as well. She is aware that you do not receive the same service when you fly with Ryan Air, but since she has never tried the company before she is willing to give it a try. Stories have been told about travellers that get their flights cancelled; however this is of no real concern either. When it comes to destinations that is known from before the search procedure is easier. For instance, the family had already been to Nice on several occasions and she knew that Sterling flew there, so she turned to them for her last trip as well.

When it comes to a more complex travel, which includes more money at stake and further away the respondent was more insecure of how the actual booking would look like. She thinks that "google.se" would be used as a start to find a good flight. She has no idea what companies that have routes to Thailand for example. In these more complex buying decisions she thinks that she would go to one of the charter companies' offices for more information. France and Europe in general feels close and familiar, so that much information about the destination is not perceived as necessary. However, Thailand is not a country she knows much about, so she would definitely go to one or many travel agencies and ask then for advice on where to go, when to go etc. She would for a more complex travel decision go more to friends who had been there before for advice than if it was only a Europe trip. There would be much more effort in the information search that had to be made for these complex travels.



When evaluating the different alternatives price is the main issue. Once again she raises the issue that the family has never travelled with Ryan Air before and that the received service is a concern. She believes it is pleasant to come to what she refers to a "real" airport and to be able to get a glass of wine when you are flying. This was no problem with Sterling, but realizes that this is the case with Ryan Air. She can imagine that she will choose a more comfortable alternative in the future and that time will tell.

In this upcoming trip to Barcelona the tickets were booked quite a while in advance. This was mainly because the friends that she is travelling with want to plan their vacation for a long time. Otherwise a specific date is not a concern for her. She can take her vacation on quite short notice and is therefore not tied to a large extent what time she wants to travel. The possibility of a rather flexible vacation makes it possible to search for cheaper alternatives online.

One thing that disturbs her is the fact that you do not receive any physical ticket. You can print a receipt but it does not feel as secure. It feels safer when you get a ticket in your hand that clearly stated what it is you have bought and your name on the ticket.

The respondent will put very much effort in finding a suitable ticket online. It is also an enormous difference in what kind of travel it is. If the travel were very complex, like a longer trip to Thailand, the effort and time that would be put into the informationsearching phase would be very extensive. On the other hand, if the trip went to a wellknown destination the choice would be much faster and easier. Previous knowledge is of high importance when it comes to how you search for information about the destination. She could not just go online and book a flight to Thailand online on her own. First she wants to know more about the destination. Secondly, she does not feel capable of searching the needed information online, and would rather get personal service from a physical travel agency. In order to get knowledge about an unknown destination you cannot read this online, but need to talk to a person that possess the right knowledge. In the respondent's opinion the Internet is no good in describing the destination on matters like safety. The first time she would travel to a destination far away she would turn to a travel agency. However, the second time she was there she might have booked the ticket online.

When it comes to a more complex trip the brand name becomes more important than a low price. She would not be willing to go by Thai Airways and would much rather go by a brand name like SAS that she was familiar with. For a longer flight it has to be a brand name that she knows and trust. She could image herself go by a company recommended by someone else, but she would still prefer a known brand that she has a safe picture of herself. In that case the price is not very important anymore. If the price difference of a known brand and a low cost brand were not significant she would pick the known brand, even on a shorter trip to somewhere in Europe.

The respondent does not care about the design on the website she books on. However, it is important that it is easy and that what it actually cost is clearly stated. On Ryan Air's site she had an issue with the extra costs that were added, e.g. luggage cost and insurance. On her upcoming Barcelona trip she is not even sure exactly what it is that she has booked.

She believes friends and family could get her to change between companies if she was recommended a particular brand name. She does not feel that much of an experienced traveller, which is the reason for relying on others.



## 4.5.4 **Product Choice**

The last three foreign vacations have been booked online to Nice twice and to Barcelona. The second time to Nice they rented a car and travelled to Italy on their own from there. She has paid for all trips by credit card online, something she is not totally comfortable with. It is preferred to pay through an invoice. It is not totally satisfactory to pay with her credit card, but she also thinks that is a matter of routine.

The main dissatisfaction with booking your ticket online is in the respondent's opinion that you do not get a real confirmation about your booking. You get a receipt that you have paid a certain amount of money, but it is not clearly stated what it is you get for your money. She is concerned that the purchase might have gone wrong somewhere along the way. Maybe there has been any misunderstanding and/or she has clicked in a square wrong somewhere. Even though she has done her bookings online the past few times, there is still a sense of insecurity by doing it. That is also one of the main benefits by booking your travel through a physical travel agency. You get a confirmation about date, name and an actual ticket.

As previously stated the main advantage with online bookings is when you are about to make a short trip to a known destination. As further away from home you will travel, the more insecure about booking the travel online she becomes. It is both a matter of physical and psychological distance to the destination.

The respondent has never booked a travel spontaneously. She has never looked online without any real intention to by a travel to that destination and still booked it only because she came over a good deal at that specific time. The reason for this is that she has always had children and a job and with that you loose some of your potential to spontaneity.

## 4.5.5 Outcomes

Previous vacations that have been booked online have been satisfactory so far. No real concerns have arisen at this point. However, there are always concerns with cancellation insurance and other information that is stated in a difficult way that comes up when you book online. Also, the next trip is likely to be made online if not the destination is further away. In that case she would still go to a physical travel agency for information in order to feel safe. She can imagine herself book a trip to Thailand or somewhere else further away on a travel agency's website, but not without consulting with them in person first.

## 4.6 Interview 6

## 4.6.1 Screening Questions

The respondent sees himself as a used Internet user and checks his email and read news on a daily basis. At present he is involved with a project where he is working for a company, which he promotes online. During the last three years the respondent has booked several travels online, e.g. to London and France. In June the respondent will travel with his parents to New York and this trip was also made online through SAS's website. A lot of time and effort is put into searching for information and prices and the respondent gets highly involved in what travel to book.



### 4.6.2 Information Search

When searching for information the respondent always book hotels or hostels online either before departure or when he has arrived to the destination. He uses comparison sites for hostels when choosing which one that suites his need the most. He does not search the Internet for information about the destination in general. For that he uses the travel guide "Lonely Planet", which is considered much more reliable than the Internet.

When the respondent starts searching information about a destination he starts with a comparison site, such as "mrjet.se". By that it becomes easy to see which companies that have a route to the chosen destination. Then he compares the prices on "mrjet.se" with the companies' own websites, because sometimes it can be cheaper there. When he has found an alternative that he is satisfied with he simply books it. He is of the opinion that there is no reason for waiting. That only results in higher prices. Furthermore he believes that by booking your ticket early is even cheaper than the "last minute trips".

The respondent does not use "google.se" to find cheap flights. He uses the comparison sites that he is familiar with to find the necessary information. "mrjet.se" is the primary website he prefers when starting looking for a trip.

#### 4.6.3 Evaluation of Alternatives

Price is basically the only factor that is of concern for the respondent when he evaluates the different alternatives. For his around the world ticket Kilroy Travels had cooperation with "Star Alliance", which is an alliance between several airlines. This outperformed every alternative that the respondent found online himself, both in price and convenience. Personal service is not a factor that weighs heavily for him. The time it will take will always be the same and you come to the same destination. However, he again raises the importance of having a ticket with flexible dates when going on a longer trip. If the service is really bad he admits that he is likely to still choose that company if the cheapest alternative would be to fly with the same company again.

The respondent is of the opinion that much time is put when searching for information and evaluates the alternatives to find the cheapest price. He realizes that this will not be possible when he gets a real job, because of time concerns. To save time he believes that he then might call for instance Kilroy Travels and trust them to come up with a good alternative. For certain destinations he knows what low price airlines that got routes there. In those cases he would go directly to their websites and book the ticket online.

Regarding the complexity of the trip does not affect the respondent either to a large extent. Different cultures that he is not familiar with are not something that would have stopped him from booking online. As mentioned previously, price and the possibility of flexible dates (when necessary) are the main factors that will affect the respondent's choice of booking. He does however have some preferences on going to physical person to talk about the travel, but the price is the most important aspect.

For the same reason a known brand name is not considered important. He brings up the Russian airline Aeroflot that has been exposed in the media as an airline with many flight accidents. He would rather prefer to fly to Russia with the airline than boycott it, because he would feel amused about the fact that he traveled with a Russian airline. By that he



thinks he would get closer to the Russian culture with food etc. For the same reason he would choose Thai Air before SAS when going on a travel to Thailand. He likes when an airline does something a bit different than their competitors.

The respondent does not feel insecure about booking online with his credit card. Even though the amount of money spent would be immense, that would not stop him nor would it make him feel insecure about the purchase. Also, the confirmation you receive after the purchase is made is seen as satisfactory, even though you only get an e-ticket. The respondent believes he knows what he gets from his travel purchases online. The fact that low price companies have additional costs, such as luggage and taxes, was seen as he got cheated the first time he booked through them. However, the second time this was counted for and did not come as an unpleasantly surprise.

The respondent believes friends have a large impact on him when it comes to the purchase decision. There is especially one friend that always is out in good time and is great on searching information online in order to find the cheapest alternative. He has complete trust in him to find the cheapest alternative. Even tough the respondent had an intention of purchasing a ticket he could change his mind if he got an advice from someone he trusted not to book that specific ticket.

## 4.6.4 **Product Choice**

When the respondent went on an "around the world" trip, this was booked through Kilroy Travels, since that was the cheapest option. The Internet was searched thoroughly at first, but the respondent came to the conclusion that a physical travel agency would be most beneficial to him this time. Because of the many stops it would have been a lengthy procedure to book online and more expensive. Another advantage with the physical travel agency was that the dates of the departures could be changed as late as 24 hours in advance, which was essential to him because the exact dates could not be planned in advance. The respondent claims that he acted like a looker when searching for information for this trip. He spent many hours trying to find a beneficial solution online, but Kilroy Travels was still cheaper.

The last travel the respondent booked was made through SAS's website. This was for his upcoming New York trip.

He believes the websites for booking a travel could be more standardized. By that he means that some websites are difficult and strenuous. There is no single comparison site that includes both Ryan Air and Flyme with all other alternatives that usually come up, i.e. a more extensive search engine. That could reduce the time that is spent on information search to a large extent. For other products that can be found on websites like "pricerunner.com" you can trust that the cheapest alternative is in fact the cheapest. Those sites also include both online and offline stores.

The respondent would only consider the large travel agencies like Ving, Apollo and Fritidsresor if he were about to go on a last minute trip with unspecified accommodation. You often get good deals to an affordable price when booking like that. Otherwise he does not like what you get when booking a charter. He wants to experience the culture of the country he visits to a full extent, which is felt like you do not get with a charter. Nevertheless, when the respondent gets older and have children of his own this might be an alternative.



Except the price aspect that has previously been discussed the respondent also sees the time aspect as an advantage with booking your travel through the Internet. The time it takes to make phone calls to travel agencies is seen as very time consuming. If going on a rather complex travel with many stops he would make the reservations by phone, not visit the actual travel agency in person. That is too time consuming and is seen as unnecessary.

The respondent has never booked a travel spontaneously. He does not "shop around" for a good deal even though he has no direct plans on going somewhere. He thinks that is a shame, since you often can get a fantastic deal if you keep your eyes open. A person in the respondent's class recently booked a trip spontaneously online to Tunisia for a week for only 1000 SEK.

## 4.6.5 Outcomes

The risk of disappointment is not perceived as greater if you have booked your travel online. The destination will be the same regardless. It could be irritating that the service is bad and the flight terminals may be far outside the city of destination when you book online through the low-price airlines. However, this is often something you are aware of in advance. You know that you get what you pay for.

He has always been very satisfied with his prior online travel bookings. Sterling and Ryan Air have previously been used to London respectively France.

He will most likely book his next travel online, in case it is not a very complex travel.

## 4.7 Interview 7

## 4.7.1 Screening Questions

The respondent uses the Internet a few times every week, typically for basic information search and bank services. The respondent has traveled abroad in the past three years and the last trip was made to the USA. At that time a lot of information about the destination was searched online but the booking was made at a local travel agency. Since the respondent does not travel that often a lot of involvement is put into the purchase.

## 4.7.2 Information Search

The respondent starts the information search by browsing through online travel sites such as "ticket.se" and by collecting catalogues and brochures from the local travel store. The first thing is to decide where to go which often is the most time consuming step in the process and a lot of factors are taken in to consideration such as cost and timing etc. Initially information about similar travel destinations that are in the same price range is sought.

Apart from "ticket.se" the respondent mentions that she sometimes have used "google.se" to search for a particular type of information about the destination. There are a lot of information available online but sometimes it can be hard to find exactly what you look for. However, the respondent says that using only the bigger travel



companies' sites like Always, Apollo, Ving and Fritidsresor etc. you can find almost all the information you want about a certain destination.

The respondent says that the search process is different when you are only interested in a flight as opposed to a charter or a packaged tour. When looking only for a flight she says that she used different comparison sites to get an idea about prices. She cannot really name any but she found them by linking from "google.se".

The respondent likes to use the Internet as a complement to the travel store but included in the process of searching travel information is almost always the consultation of the local travel agency. It can be either in the beginning or in the end of the search process but they are almost always consulted in some way.

## 4.7.3 Evaluation of Alternatives

The most important after the establishment of the desired destination is the price. Sometimes price can be even more important in the end. If you have your mind set on a particular trip but the travel agent recommends another to a better price it has a big effect on the respondent who then considers changing her mind.

In general when looking for a travel the respondent starts by deciding to what type of destination she wants to go. It is also important when it is possible to travel there which is a type of information that the respondent easily can find online. The respondent have not traveled to Thailand for example because the best time to go there is in the winter and it is more difficult to take time of from work then, compared to in the summer. The date is therefore very important because it has to coincide with the planned vacation. Consequently, the more she thinks about it the more convinced she gets that often it is actually the time that you are available to travel that affects what trip you end up going on.

In the booking process the Internet plays a big role but ultimately the travel store is more important. The respondent really treasures the personal service in a travel store and all the knowledge she perceives that they posses.

Generally the respondent puts quite a lot of effort in to choosing the right product. Since she does not travel that often she really wants it to be as good as it can possibly get every time she does. It is also partially therefore she prefers to do the booking itself in-store.

When she travels she does not pay a lot of attention to what brand she is looking at. However the catalogues she collects or orders from websites online tend to come from any of the bigger brands that she already mentioned. She has not really thought about what differences there are between one and another and to her they all seem to offer about the same thing.

On a particular website the respondent thinks that it is important that it is easy to navigate and that it is easy to find a lot of relevant information about the destination. It is primarily for this reason that she visits them at all. One thing that she think is good today is that some websites have city guides, for example, that can be downloaded and printed at home. It is also good if it is easy to see in what price range a particular trip lies within which will allow you to decide on destination more easily.



The respondent has not any particular brand or company in mind when we ask her whom she prefers to book from. However she usually visits her local travel store that carries all the major brands in Sweden.

She has not really been influenced to book in a particular way by any of her friends or by her family but she has however been encouraged to use the Internet to a greater extent in the process of searching information, both before and after the booking has been made.

## 4.7.4 **Product Choice**

The last trip was booked at in-store at Resia close to where the respondent lives. She prefers to book through them because they have given excellent service each time and everything has worked smoothly.

The respondent has never booked any trips online. She thinks that maybe she is too old fashioned but comes to the conclusion that she is happy the way it is. It has always worked out booking through her favorite physical store and she knows that they will give her the help she need. She has tried booking online but is a bit insecure about the entire process. Not only is she skeptic towards giving up credit card details online she also thinks that it is difficult to know exactly how much you are supposed to pay and exactly what you get. The reassurance received in a physical store can be worth paying a little extra for. At least then you know that you are taken care of all the way which is important when going away to relax.

The advantages with booking in a physical travel store include their flexibility, knowledge, personal service and that it is easy to pay. They are there to provide you with the best possible trip otherwise you will not come back there.

Disadvantages include that the price perhaps is a bit higher and that it can be hard to compare different options on your own.

The online booking advantages she can see is that the price is lower and that you can book anytime you want.

The disadvantages are that it feels insecure to pay online, difficult to find the prices that are advertised and that you have to be very specific in your requests.

What make the respondent book a specific travel is that it is price worthy, goes to an exciting destination and that its availability coincides with her vacation. Brand is not a factor that is taken in to consideration however she claims that she would think extra careful about going if the travel agency suggested a company that she has never heard about.

## 4.7.5 Outcomes

The main reasons for why the respondent does not book online while she is online looking is that it feels better to get reassured by a sales person. Online she does not really look at travels to purchase she just seeks information about destinations and possibly also look at what prices one can expect.

She thinks that you do not know what you are going to get to the same degree when you book online as you would when booking in-store. Therefore it is not necessarily so that



you get more disappointed online because those that do often have an open mind. The risk of being disappointed is thus rather greater in-store since there is a sales person trying to get your expectations up. However, this is not something that the respondent has experienced herself. She has always been pleased with the travel service she has gotten.

In the future the respondent thinks she will stick to booking at a physical travel store. Although she likes the Internet very much, to the small degree she uses it, it takes to much time to find exactly what you are after. The sales persons are still there for a reason and she thinks it works great using their expertise.

## 4.8 Interview 8

## 4.8.1 Screening Questions

The respondent uses the Internet on a daily basis. He uses it for various information searches as well as reading the news and for banking services. He has traveled abroad a few times in the last years but only once with airplane. Information about the destination is sought both before and after the booking has been made. However, the purpose of the travel information search online is not primarily to find a particular trip or cheap prices but rather to find out about upcoming events and sights at the destination etc. Other travel tips are also interesting. A lot of consultation is made with travel agencies and friends prior to a booking and at the time the respondent is highly involved in the decision process.

## 4.8.2 Information Search

When looking for a particular trip and searching for information about it the respondent likes to consult with family and friends initially. Acting upon recommendations the respondent most likely visits a physical travel store that helps him search for a suitable trip. He also likes to use the catalogues that are available in-store and that you are allowed to take home with you.

Important information when looking into different options is their availability, departure airport as well as time of departure. Price is important but not as important as date for example. You only have a certain window when you are available to travel which is much more important to match compared to finding the very lowest price. It is worth paying extra to ensure that you get to and from the desired destination at the desired date and time.

In the information search the respondent have used different travel stores but mostly he consults only one prior to the booking. Most often he visits the local Lingmerths office but last time he acted upon recommendation from friends and instead he consulted a travel agency called Tripp.

All travel information that is searched online is accessed through the search engine "google.se". From there the respondent can find links to all travel related fields of interest.



## 4.8.3 Evaluation of Alternatives

When comparing different travel options the most important thing to take into consideration is, as mentioned, the availability and timing. This is much more important than price.

The respondent values the personal service you get in a travel store and says that it is worth paying extra for. He is not sure how much you could actually save by purchasing online but as long as it is not any dramatic sums he prefers to take advantage of the service available to him.

The respondent says that since he does not travel that often he wants to make sure that everything runs smoothly. It is a high involvement purchase for him and thus he puts a lot of effort in the evaluation and decision process. Often he visits the travel store at multiple occasions prior to the booking.

Regarding brands in general the respondent is totally indifferent as long as it is recommended by the travel store. Why would they want to give him a bad travel service. He has been pleased every time he has booked a travel through any physical store. It does not matter if it is KLM or SAS that he is flying with because as long as they have successful cooperation's with the travel agency they must be doing something right. It feels like a quality guarantee that a travel agency endorses a travel operator. Therefore the brand is not that important and paying extra for a particular brand does not feel motivated. He does not care what company he travels with and it is rather the person behind the desk that is important to get right. In the stores he have used the sales persons has been very knowledgeable, experienced and helpful which has contributed to the fact that the respondent has returned there.

Depending on what kind of travel it is the information that is searched online and that is important to have on a particular page varies. However, he thinks that information about the weather, the climate and general tips (if you can drink the water and what kind of electrical outlet they have for example) is important so that you can be as prepared as possible.

## 4.8.4 **Product Choice**

The last travel was booked at a travel agency called Tripp. So far the respondent has not booked anything other than a bus ticket once over the Internet however he has engaged in some other types of e-commerce at one or two occasions.

He respondent says that it feels more secure and reassuring to go and physically speak with someone. He says that perhaps it is typical for his generation that always has done it that way. However he says that many of his friends book online he sees no reason why he could not if he wanted to. He continues by saying that since he is not in the habit of traveling that often it becomes a big deal whenever he is. Therefore he consults a travel store that ensures that everything is in order and instills an extra sense of security.

The immediate risks he perceives with booking online is that you can not be as certain that you really get what you think you are paying for but at the same time he thinks that risk is fairly small.

Advice and tips are clear advantages with travel stores but also their knowledge and the opportunity they provide to give you the very best assembled option in quick and



suitable way. They are more dynamic and flexible and can see possible advantages in traveling in a certain way as long as you provide them with your preferences. They have the experience to see things in a different angle and can thus combine a trip in a better way than you possibly could yourself online. He also appreciates that you can find printed brochures and catalogues in-store.

Disadvantages are that it must be somewhat more expensive in a travel store and that it can be time consuming to physically go down there and wait in-line and on the sales person to find the right information etc.

Advantages with online bookings include its accessibility, they are open 24/7 seven days a week. You also have a better chance of comparing different options, while in a travel store they often provide you with fewer options that are not as easily compared.

Online booking disadvantages is that it can be hard to go back and find the exact same Internet page again as well as the exact same trip. There is also some insecurity about handing out credit card details but it is not really a reason for why he would not book.

## 4.8.5 Outcomes

The respondent cannot really see why you would be more disappointed booking online since you are most likely to get about the same service at the destination as you would if you booked in-store.

As mentioned earlier the respondent has not really reflected upon the difference in different travel operators. Even though he is convinced that they probably have different niches it has not been any concern of his since he have booked what have been recommended to him.

Next time it is time to book a travel the respondent is keen to give the Internet a try. He is not sure he would go as far as to book online but he will certainly try to look a bit more thoroughly into prices and options available to him before immediately consulting a physical travel store. He also says it is important to hear about friends' experiences and as long as they are satisfied and can recommend particular sites he might very well consider using them. At the same time he concludes by saying that he appreciates the travel agencies services and that he always will continue to use the personal service to some degree.

## 4.9 Interview 9

#### 4.9.1 Screening Questions

The respondent uses the Internet on a daily basis both at work and home. She updates the company's website, check her e-mail, news and Facebook. She sees herself as a very used to the Internet. The respondent has during the past three years been to Greece, Prague and Sicily. The tickets were all booked online, but in a different ways. For Prague and Sicily the travels lasted for about four days and were booked through low-price airlines. For her two weeks charter vacation to Greece she Apollo's website, because she knew they were good when it came to travels to Greece. Typically the respondent puts a lot of time and effort into choosing the right trip and it is an important decision for her.



## 4.9.2 Information Search

When the respondent searches for information about a travel destination she always starts with the Internet. She usually uses the search engine "eniro.se" for her information search. She is of the opinion that through "google.se" you receive too much information that is of no interest. The respondent starts by searching for what companies that have routes to the chosen destination. For some destinations she is familiar with what airlines that have routes to the precise destination and go directly to their website. Otherwise she uses "eniro.se" to search for different cheap alternatives. She is not familiar with very many different travel agencies and that is one reason why "eniro.se" is used. In this way several comparison sites is found and used to find a good deal. However, she raises a concern with these comparison sites that they cannot be trusted. For instance they do not include low-price airlines, such as Ryan Air. The respondent believes that through own research a better deal can be found.

For the vacation to Prague the ticket and hotel was booked separately through the Internet. For the charter vacation to Greece, Apollo provided a package deal that included accommodation in the ticket. For that travel she went directly to their website, because she trusted them to find a travel that suited her needs. They are perceived as a company with good reputation for travels to Greece. Otherwise there is no specific website that is preferred when it comes to booking a travel online. Instead she usually uses "eniro.se" as previously mentioned.

## 4.9.3 Evaluation of Alternatives

Price is perceived as the single most important factor when it comes to a travel. Preferences about different airlines are also considered. Some airlines are seen to have rather low standard when it comes to service like Ryan Air. The respondent has had a bad experience with the company; hence the airline is not preferred. The respondent wants certain standard both on the airplane and the hotel she comes to. However, booking through the Internet is not seen as a factor that would increase the risk of worse standard than you would receive if you booked in a physical store. Even though she would have looked in a travel agency's catalogue first, the Internet would still be searched for additional information. The respondent believes the Internet has rocket the last couple of years. In 2003 she travelled to Magaluf and back then she only used catalogues to search for information about the travel. The ticket was booked offline, which she would not do today. She is of the opinion that people has been more used with using the Internet in general and that this is the main factor why so many book their travels online today. The respondent receives many e-mails from different travel agencies with price examples to various destinations, which is an additional aspect of increasing Internet usage.

The respondent devote much time to find a travel that suites her needs. She thinks it is amusing to search for information about prices and be able to reach the expectations that are previously set up.

The respondent is of the opinion that the more complex the travel becomes, the more she would rely on friends on what places to visit and for other information. That would feel more secure if someone you trusted recommended a certain destination. The respondent also claims it would make her feel more secure if she booked her complex



travel through a physical travel agency. To talk to someone in person is more important in such case than when you are only about to go on a charter flight. The challenge is larger and demands more planning. Because of the cultural differences you want more information about your destination. However, she still believes she would have booked such a travel online to the extent it was possible. For example she has looked on Kilroy Travel's webpage for an "around the world" ticket. The respondent realizes that if she wanted to make changes in the ticket and perhaps add or change a stop that would be difficult to manage online. In that case she would turn to a physical travel agency, in order to meet her demands.

A strong brand name is not important for the respondent. Even though Ryan Air is a low-price brand she claims they got most destinations and is seen as very secure. They also have very little lost luggage. On a longer flight she would prefer SAS before other more unknown brands to her if the price was equal. However, if the less known brand showed to be cheaper she would still go with them. The respondent believes a known brand name perhaps plays a significant role even though she does not think about it. Of course different kinds of promotion will affect you even though you are not willing to admit it.

It is seen as important that there are easy search alternatives on a travel website. Furthermore the structure should be easy. The respondent is of the opinion that booking your ticket online through a credit card is rather secure. For other products from websites that looks suspect can sometimes raise a concern to pay by credit card to her, but the travel industry is seen as safe. The confirmation you receive is not totally satisfactory. She is always a little worried about the e-mail you receive as a confirmation that this really is enough. She thinks a good thing would be if the e-ticket looked more like a physical ticket.

The respondent likes Ving and Apollo when it comes to charter flights. The reason for this is that they "feel Swedish", which she likes. Apollo would be chosen if she went to Greece because they specialize in that destination. If she for example went to France she believes Ving would have been chosen, because of their strong profile. She thinks it depends much on what destination she went to. For known charter destinations, such as Greece, she would have turned to the large online travel agencies, but if going to New York or Prague for example she would have booked online directly without middlehands. Her brother has influenced her much that charter maybe is not a good way to travel, so in the future she is not likely to book such a travel.

## 4.9.4 **Product Choice**

Her partner booked the last travel she went on. It was to Sicily and booked online through "ryanair.se". The travel last year to Prauge was booked through "travellink.se" with Czech Air. The respondent is of the opinion that the booking process is easy. It is easy to compare the different alternatives, but you can never be sure in your purchase decision that the found ticket is actually the cheapest. Moreover, a ticket bought through a company that is known to her would be seen as less risky than a totally unknown.

She does not perceive any direct risks with booking her travels online. The only thing is the confirmation that could have been better as previously discussed. The respondent feels like she does not know exactly what it is she has bought. Often the information you receive through the confirmation is not sufficient.



The main advantage with booking offline is the personal service. There is an increased security by booking through a person. However, the respondent feels like a sales person often tries to sell you something that you might not want in the first place. Also the price is believed to rise when booking through a sales person. If she uses the Internet she can search for information whenever she wants, e.g. after work. If you go to a physical travel agency the respondent feels more stressed to come to a decision. She does not see any disadvantages with booking online.

The respondent has never booked a travel spontaneously, but the idea has most definitely come up to her. She receives newsletters and "last minute travels" promotions on a daily basis to her e-mail, but a travel is a high involvement purchase for the respondent, so it demands more planning, not least financially. Another aspect is that the planning is one important and funny part of the travel. By booking spontaneously you loose that aspect.

The risk of disappointment with your travel is not seen to be larger when you have booked online either. In fact, if you have booked your travel through a physical travel agency and the travel could not reach the expectations, you would be more disappointed. Since they are supposed to know what they are doing the expectations raises. The information search about your travel is believed to be a funny task for the respondent; hence she does not want someone else to do it for her.

## 4.9.5 Outcomes

The respondent has been satisfied with her previous online travel bookings. On her vacation to Sicily however she had to wait on the plane for several hours, which obviously was very irritating. The flight was with Ryan Air and was booked online. She thinks this might not have happened if they went to a physical travel agency. They could also have warned her about that there were not many restaurants, that you could not rent scooters anywhere and that nobody spoke English, on the destination.

She has no problem with booking the next flight online, but after the last trip to Sicily she swore not to choose Ryan Air again. The flight attendants were rude, she was hungry and did not get any food and the plane was late. However, a while afterwards she has switched opinion to some extent, because price is still the most important factor when it comes to book a travel. When she decides on a travel she believes price is basically the only thing that matters, but at the time of departure she demands some personal service.

The next travel she will go on is most likely to be made online.

## 4.10 Interview 10

#### 4.10.1 Screening Questions

The respondent uses the Internet on a daily basis to download movies, check his e-mail and Facebook and to read the news. He believes he is very used to the Internet. The past few years he has been travelling twice to Thailand for a month each and a week to Turkey. He looks for information about travels both before and after the actual booking of a travel is made. Furthermore, the respondent also search the Internet for information



about travels in general on a regularly basis, even though he has no direct intention of buying a travel. Therefore he is continuously highly involved in the travel process.

### 4.10.2 Information Search

When the respondent starts his information search for travels he begins with the comparison websites, such as "flygvaruhuset.se" and "reseguiden.se". He uses them to compare prices among the different comparison websites and airlines on the different alternatives he finds. If the respondent is not satisfied with what he finds on the comparison websites he normally also visit the airlines' own websites. In this way he booked his last travel to Thailand, directly through KLM Airlines' webpage. A few years ago, when the respondent was not very familiar with booking his travels online, he used "google.se". Now, however, he mostly uses the comparison websites he already knows and hears about from friends. He is of the opinion that when searching for "cheap flight" through "google.se" numerous websites come up that do not generate any cheap alternatives at all.

He mainly searches for information about prices. Most of the information about the destination in general is made when he has arrived to the location. Sometimes he looks for information about what you can do on the destination, but in general he mainly gets that information from friends who have already been there. The respondent thinks it will depend on the destination. In Thailand it is rather easy to find a hotel/bungalow cheaply, but if he travelled to a well known city in Europe hotel would be booked online in advance.

He has also used the large travel agencies' websites, like Apollo and Ving, for his information search. They are used to compare prices against the comparison sites and they have more information about the travel and the destination. They feel more serious. However, the respondent believes that it will become more expensive when booking your travel through these travel agencies; hence he would most often not consider them as an alternative. The two main websites the respondent uses when the actual booking is to be made are "reseguiden.se" and "flygvaruhuset.se", which he believes are outstanding.

#### 4.10.3 Evaluation of Alternatives

When the respondent has gathered some alternatives that he feels are sufficient it is time to make a decision. The price is obviously the main factor that is important for the respondent. For his first travel to Thailand he flew with Malaysian Airlines and the ticket was booked through the comparison site "flygvaruhuset.se". For his following travel to Thailand the year after, he could not find a satisfying alternative with the airline. They had no routes directly from Gothenburg, so in that case he had to depart from Copenhagen. Also, the stopovers were very time consuming, why Malaysian airlines was not chosen for that flight. Instead friends had told him that KLM Airlines was cheap, so he booked directly through them. Furthermore, he claims that when you use a comparison website, often KLM comes up as the cheapest alternative.

So, besides price the respondent also looks for the time he has to wait for connection flights. The respondent gives an example, where he found a very cheap flight with the Russian airline Aeroflot. However, their route to Thailand had a stopover in Moscow



with many waiting hours. The outcome was that the alternative was not chosen, due to convenience issues. Service onboard is also perceived as important, at least to some extent. For example, he appreciated the personal service you received on Malaysian Airlines, with pleasant cabin crew and TV in every seat.

Regarding travels within Europe the respondent do not put as much effort on personal service. Since the duration in the air is not that long, it is mainly a matter of getting from point A to point B. For these travels price becomes even more important. These flights are perceived as rather easy to find online using the comparison websites, as previously discussed, but also low-price airlines' own websites, such as Ryan Air and Sterling. Because of the short flights he believes it is better to spend the remaining money onsite on exciting things.

The respondent has not turned to any physical travel agency in a long while. The last time he "shopped around" for a travel offline, was for a travel to Greece about five years ago. However, the result was still that the travel was booked online. The respondent has not used a physical travel agency for the actual booking for at least seven years.

He believes very much effort is put to find and evaluate his travels. The prices are believed to change much on a daily basis, so weeks can pass before he comes to a purchase decision. Since a great deal of time and effort is spent to find a good alternative, the respondent is able to get a good estimation on what a good price is. When he then finds a good deal he simply purchases it, because he knows that it is, in fact, a good deal.

A complex travel, with many stops and long time spent away, would affect the respondent's way of booking. To the extent it is possible he would still book online, but here friends play a more important part. The respondent has a couple of friends with much experience from these complex travels, so he would definitely consult them for advice. For example he has been told from one friend that Kilroy Travels are excellent when it comes to travels around the world with many stops. They offer good package deals with the possibility to change departure dates onsite. Still, the time and effort spent on the searching and evaluation phases would be extensive.

The respondent does not perceive a strong brand name as an important factor when evaluating his alternatives, even though the travel is far away and takes many hours. He believes all airlines are rather safe. However, if you are about to spend 15 hours on a plane, personal service is important. Here he points out Malaysian Airlines once again, since they have won "best cabin crew" many times the last couple of years. From this perspective he thinks a strong brand name that he got good prior experience with could matter when evaluating his alternatives, at least for longer flights.

There are a couple of important factors that a travel booking website should contain. How you search for a specific travel and the price should be stated clearly. He thinks that it is difficult to find where you chose the destination and see how much it will cost on some websites. The payment online through credit card is not perceived as an issue and his previous experience has made him feel safe about using this as a payment alternative. Also, the confirmation you receive online is neither perceived as a problem. He remembers the first time he travelled with an e-ticket that he felt a bit insecure, but not anymore. The respondent thinks the information you receive is sufficient and everything is stated clearly. He could even choose what type of food he wanted online.

Besides Malaysian Airlines the respondent is of the opinion that Thai Air is also a good airline and provides excellent service. He was not impressed with KLM, because the cabin crew were a bit bitter and not as customer oriented. Regarding price the



respondent mentions Ryan Air as the "top-of-the-mind" brand name. Also, Whizz Air, which is the airline he will travel to Budapest with, is believed to be a cheap airline.

As previously discussed, friends and family are important factors when it comes to making a decision about his travels. This will especially be important when it comes to longer travels, both regarding duration time and the amount of stops.

## 4.10.4 **Product Choice**

The respondent booked his last travel on the Internet, through "klm.com" to Thailand. For his upcoming travel to Budapest a friend booked online for all 15 persons that are going.

The booking procedure is perceived as very easy on the Internet and the respondent has never had any direct problems with it. He realizes there are some risks by booking online, but he has never find himself in any of those situations. He is of the opinion that if something would happen "it will always work out in some way". You can always call the airline after the purchase is made to solve it out.

He believes it is easier to book online than through a physical travel agency. He can take his time without any pressure to come to a decision and will be able to consult friends before the purchase decision is made. In a physical store you often feel stressed and he feels like they try to sell you something, which you might not want in the first place. It can, however, be more secure to book through a physical travel agency. They are able to tell you exactly what will happen.

The main advantages with online bookings are the convenience with it. You are able to sit at home, without any pressure from someone else, and search for different alternatives. It is also seen as cheaper, because you cut the middle-hands. The disadvantage is that something can go wrong, but it is not something that worries him. The respondent thinks these concerns will arise when they actually happens to him.

In some way it can feel more secure to book through a well-known travel agency, because you know that you will get a full refund if something goes wrong for instance. Also, a Swedish company with its laws and regulations is believed to be more secure to book from. However, the price is what really matters and in the end is what is important when coming to a purchase decision.

The respondent has never booked a travel spontaneously. He looks online for travels continuously for the fun of it and to learn about prices, the destination, etc. for future references. In the future he can very much see himself going on a spontaneously booked travel, if the time and place is right. For example he has wanted to go to New York for a long time, so that destination has been searched much, even though no direct purchase intention is present.

### 4.10.5 Outcomes

A physical travel agency can be thought of as more informative. When you book online it does not include any information about the destination. In that way your expectations could be more accurate.



The respondent has not to this point been disappointed in any way with his online travel bookings so far and he does not see himself book through a physical travel agency in the near future. The only bad experience with his online bookings was in fact through the travel agency Apollo. It was an all-inclusive travel that cost relatively much. He suffered from a stomach disorder, due to the food that was included in the price and the so-called "free drinks" was really bad.

Next time he books a travel the respondent is certain that he will make the purchase online, unless the travel is not very complex. He would then turn directly to a physical travel agency, not only call them, because he likes the face-to-face interaction.



## 5 Analysis

In the analysis chapter the empirical findings are discussed thoroughly in relation to theory from chapter two. We have started by making a clarification and by discussing the term high involvement in order to make perfectly clear for the readers that travel bookings are indeed high involvement purchases. This is followed by an analysis of the two research questions and our own research model.

## 5.1 Introduction to Analysis

Lookers and bookers will be discussed more thoroughly throughout the analysis. To increase the understanding and to clarify for the reader we want to mention what online booking behavior our respondents have shown in the past. Respondent 1, 7 and 8 book all their travels in-store. Respondent 2, 3 and 5 will fall somewhere in between the looker and booker extremes. They have at least on one occasion tried to book their travels online. Respondent 4, 6, 9 and 10 are booking the majority of their travels on the Internet.

## 5.2 High Involvement

In general our respondents were very passionate about their travels and it was of great meaning to the individuals and it is in line with their interests. This is in accordance with Solomon et al.'s (2002) view with what is considered a high involvement purchase. Involvement can be seen as the motivation to process information, which all our respondents do to a great extent when it comes to traveling. The respondents were chosen based partially on their high level of involvement in a travel purchase decision and they all had different reasons for considering it as such. For example, they traveled rarely, considered it to be an amusing process, spent a lot of money, time or effort, were affected by changing prices or consider it to be an otherwise passionate and important decision for them.

"Generally I devote a lot of effort into choosing the right trip, it is not something I just book without thorough consideration" – Respondent 2

"Traveling is one of my passions and therefore I put a lot of effort into my decision" – Respondent 5

Another aspect defining a high involvement decision was according to Solomon et al. (2002) the pleasure value of the product category, i.e. the pleasure value of the travel itself. Obviously this is the main factor for why people travel in the first place. It is not like a business trip or something that you are forced into but rather something that you pursue voluntarily in order to satisfy certain needs. Our respondents' expressed particular pleasures they took in traveling, e.g. experience new cultures, get some sun, relax and in other ways enjoy themselves.

The probability of a bad purchase is another factor affecting the level of involvement. As the probability gets higher, the more involved the consumers get. The respondents were very keen to get it right whenever they traveled. They only had a certain amount of money and certain weeks of time off from work every year; hence they perceived the purchase as very important and wanted to minimize the consequences of a bad purchase. Our respondents raised various concerns about outcomes of a bad purchase. Some were,



for example, prone to avoid companies with a previous record of cancelled flights as well as unknown brands and destinations. Some believed that they would not be able to relax in the same extent and the risk of being deceived were greater if they were not sure who they were traveling with.

"I do generally put a lot of effort in to choosing the right travel...since I do not travel that often I want it to be as good as it can possibly get every time I do" – Respondent 7

The discussed factors confirm that travels are a high involvement purchase for all the respondents. However, as Solomon et al. (2002) points out, there is no single component that will capture the consumers' involvement. As we have seen there are several factors influencing the respondents level of involvement and it differs somewhat between them.

# **5.3** The Consumer Decision Process for High Involvement Travels for Consumers Across the Looker/Booker Continuum

Decision-making is a process that all consumers go through, lookers and bookers alike, in response to a problem or realization that something in particular is wanted. Solomon et al. (2002) identifies four steps that a consumer must go through and they are in order; problem recognition, information search, evaluation of alternatives and product choice. These steps are completed by the outcome of the actual purchase that affect the consumers in their next purchase. This model has helped us identify how our respondents make their travel decisions as well as how they finally choose to make their booking.

Depending on how important the purchase is, the amount of effort put into the process differs. Our respondents were chosen partly because of their high involvement in their travel booking process. For most of them it took weeks up to months going through the decision process and make a travel booking.

## 5.3.1 Type of consumer decision

The amount of effort that goes into a decision will vary a lot depending on what kind of purchase that is being made. Depending on what characterizes the decision, the decision is located somewhere on the continuum of buying decision behavior.

As our respondents can confirm we believe that a travel decision fulfills more or less all of the characteristics that define extensive problem solving. A travel is a more expensive product and the respondents put a lot of time and effort into finding the cheapest alternative that fulfill their needs.

"A large portion of my search process is devoted to finding good prices and good deals... The main evaluation criterion for me is definitely the price of the travel" – Respondent 4

As also respondent 2 points out, price is an important factor. It is rather expensive to travel, but it is not necessarily the flight cost that is the most expensive it is everything put together including all the cost around like hotel and food etc. Nevertheless, the respondents seem to agree that price is important and therefore it is not a decision taken easily.



The respondents in our main study agree that a travel is not something that is bought frequently. Some travels more than others, but it is definitely seen as an infrequent purchase. For instance, many of the respondents raise the issue that they only have a certain amount of weeks off from work every year that they are available to travel at all. Respondent 4 continues by saying that she would travel more if she could afford it, that is her reason for infrequent traveling.

High consumer involvement is previously discussed in the analysis and a travel is something that our respondents get highly involved in. They were very passionate about their travels and it was of great meaning to the individuals and it was in line with their interests. Many of them traveled rarely, spent a lot of money, time or effort, were affected by changing prices or consider it to be an otherwise passionate and important decision with a high pleasure value. These are all characteristics enforcing a high level of involvement.

Travels cannot be said to be an unfamiliar product class. The respondents know more or less what they are going to get and they have all traveled in the past. However it is unfamiliar in the sense that the destinations, packages and the travel operators differ from time to time.

Neither the brands can be said to be unfamiliar in the product class. The respondents know about some online/offline operators as well as airlines. However, they are fairly indifferent when choosing between them as long as it is a brand they know. This will be discussed further in section 5.4.2.

All respondents but one agree that a lot of time, search and thought go into a consumer travel decision. Some say it can take weeks or even months for them browsing the Internet coming to a booking decision.

# "A lot of time is put into finding the right trip, sometimes it can take several months of shopping around before you find exactly what you are after" – Respondent 3

Others continue by saying that they continuously keep themselves updated on prices and options more or less for their own amusement, or in order to be prepared when it is time to book.

The respondents use a lot of internal search when they look for information about their travels and many of them, especially the bookers, knew where to look for additional information. Many of the respondents claimed that they would consult friends and family for advice to a great extent in addition to Internet looking. In extended problem solving communication with store personnel is traditionally desired and many of the respondents would to some degree consult a physical travel agency. However, as previously discussed, far from everyone has the desire to interact in person, even though it is an extended problem solving decision.

To conclude this section, a travel decision is a consumer process that, based on the results from our main study, fulfills more or less all characteristics of extensive problem solving Hence, the travel consumers will go through the different steps in the consumer decision making model rather thoroughly, because of the importance of the purchase. It is important from many aspects and, as our respondents can confirm with their replies, no step in the model is overlooked.



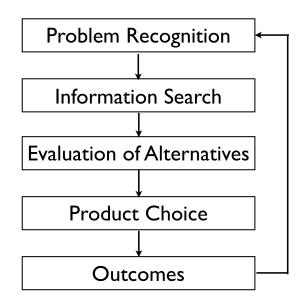


Figure 9 - Consumer Decision Process (Solomon et al., 2002)

## 5.3.2 Problem recognition

Problem recognition is when a consumer perceives a difference between their current state and a desired or ideal state. Thus, problem recognition occurs in the travel decision process when the consumer feels a desire to travel. Obviously the respondents feel a reoccurring urge to travel. Otherwise they would not be featured in the study nor would they travel to the extent they do.

### 5.3.3 Information search

Consumers need appropriate data to make reasonable decisions about travels. All respondents engage in a pre-purchase search of various sorts, although, to some level they all use the Internet as a search tool. Some are even engaging in an ongoing search for travel information, just to stay up to date or for their own amusement.

"I look online for travels continuously for the fun of it and to learn about prices and destinations, so I know what to book when the time comes" – Respondent 10

"I receive travel newsletters and promotions on a daily basis to my e-mail to stay up to date" – Respondent 9

For most respondents their existing knowledge, i.e. their internal search, is not perceived as sufficient. Thus, they turn to other external sources in their search for information. Information about travels is gathered from several sources among the respondents, e.g.:

- The Internet
- Friends and family
- Catalogues and brochures
- Newspapers
- Sales personnel



The Internet is used by all respondents, but they use it for different purposes and in different ways when browsing for travel information. Common among the respondents is using search engines in the search for information about both prices and destination, especially in the initial stages of the search process. From there they use links to take them further and into more specific travel sites. A majority of the respondents say that they use search engines in the process and most of them mention "google.se". Other ways of Internet information search is done by visiting online newspapers' travel sections, where information is gathered as well as useful links found that transfer the respondents to more specific travel sites. "gp.se" and "sydsvenskan.se" are brought up by respondent 1 and respondent 3 continues by mentioning "aftonbladet.se" and "expressen.se".

Comparison sites are used to a great extent. This is done mostly in order to find good prices, not so much for finding information about the destinations. "pricerunner.com", "mrjet.se", "reseguiden.se" and "flygvaruhuset.se" are examples of sites mentioned by the respondents. The bookers who are seriously considering booking online, not only looking, especially use this online travel service. The respondents with more distinct looker characteristics are not as interested in finding online prices. They typically search other types of travel information using search engines, as just mentioned. Respondent 7 declares that a lot of information about the destination was searched online for her last trip, but the actual booking was made at a local travel agency.

The major travel companies, for instance Apollo, Fritidsresor, Ving and Ticket, all have virtual travel stores online. Many of the respondents claim that they at some point in their search process visits one or many of them. Either do they visit them directly or are being linked there from other sites.

*Friends and family* are often consulted in the travel information search process. However, this will be further discussed in section 5.3.4 about how consumers evaluate their alternatives.

*Catalogues and brochures* have previously been used to a great extent, but now most of the respondents ignore them in favor of the Internet. Only the lookers respondent 7 and 8 claim that they still use catalogues in their information search.

*Physical newspapers* feature travel information in special section along with travel agencies advertisements. Respondent 3 and 4 use these in the travel information search process. However, in general, these are not widely used, the respondents are in that case more prone to use online newspapers.

*Sales personnel* are consulted to some extent also for information search. This is naturally a more frequent source among the lookers who actually visits a travel store at all. Both respondent 7 and 8 claims that they always consult a physical travel store also in the process of searching for travel information since they can contribute with knowledge and experience. The bookers, in general, believe this knowledge can be gathered by themselves online.

### 5.3.4 Evaluation of alternatives

Different consumers have different evaluation criteria when they look at, evaluate and try to narrow down their options. From our main study we noticed some patterns in what kind of criteria that were mostly taken into consideration by our respondents when



evaluating various travel options. There are a few factors that they look at thoroughly in particular, however it differs between the respondents. Examples of important travel evaluation criteria are:

- Price
- Date
- Destination
- Travel operator
- Time of travel
- What is included in the package
- Departure airport and time

*Price* is by most respondents regarded as the main evaluation criterion and every respondent considers it to a great extent.

"Price is basically the only factor that is of concern for me when I am evaluating my different alternatives" – Respondent 6

However, lookers are not as price sensitive as the rest. They value other factors such as the date, timing and availability more than a low price. This is most likely related to why they also visits travel agencies that is considered to be more expensive. Furthermore, perhaps these are also perceived as more flexible and able to dynamically tailor according to the travelers' needs and availability. Nonetheless, generally price is if not the most important at least one of the most important variables across the whole sample.

*The date* of the travel, as just mentioned, is also an important evaluation criterion, especially among the lookers. Respondent 1 states for instance that date and timing is more important than price. For some the date is more important than for others. However, what can be said is that date is important for many since they only have a certain amount of weeks of from work every year.

*Destination* is more or less important depending on what kind of travel it is. Naturally, as the respondents only book a flight ticket to a specified location the destination is decided upon in advance. When instead a package tour is searched for the destination tends to play a smaller role, as long as it goes to a location that has all the characteristics that satisfy the respondents needs. For example, as long as you can relax, there is a beach and the weather is good the respondents tend to be more indifferent about the exact destination.

The travel operators sometimes play a role in the evaluation of alternatives. Especially when it comes to extensive problem solving, consumers tend to carefully evaluates their alternatives and take several brands into consideration. Many respondents have an evoked set of brand names that they would consider to travel with. As long as the travel is arranged through any of them the respondents tends to be indifferent in the choice between them. The further away the destination is, the more important a strong brand name becomes. This will be argued more in depth in 5.4.2 and will therefore not be further discussed here.

*Time of travel* matters for some respondents and can be a criterion for choosing one option over another. Respondent 10 argues that besides price he also looks for the time he has to wait for connection flights.



*The content of the package* or the charter tour matters a lot to some respondents. When booking a certain trip a factor like hotel, other facilities and service at the destination play a role in why a particular travel is chosen. Respondent 9 states:

"I want a certain standard, both on the airplane and on the hotel I come to" - Respondent 9

Respondent 3 agrees and argues that besides destination and price a nice hotel included in the package is an important evaluation criteria.

Departure airport and time is another factor. When some respondents look at different alternatives a simple variable as from what airport the travel departs from can be a determining factor when evaluating options. Both respondent 1 and 8 argues that departure airport and time is important. It is considered advantageous to travel from an airport in close proximity to where you live.

## 5.3.5 **Product Choice**

When you have gathered the needed information and evaluated your relevant options it is time to make a decision. Depending on the complexity and the importance of the decision, consumers will use different rules to consider sets of product attributes. Simple decisions rules are non-compensatory. For such travels consumers might use the lexicographic rule, i.e. the brand that is the best in the most important attribute will be chosen. Price is as previously mentioned seen as the most important product attribute for most of our respondents. For travels within Europe price is seen as the only important attribute for some of our respondents. Hence, the lexicographic rule is used.

"I do not put as much effort on personal service for travels within Europe. Since the duration in the air is not that long, it is mainly a matter of getting from point A to point B. For these travels price becomes even more important" – Respondent 10

However, the more complex the travels become for our respondents, we have seen that compensatory decision rules plays a more important role. For travels further away, with many stopovers and longer time spent away, other factors will be able to make up for a shortcoming, such as a high price. Some respondents' mention for example that personal service before and during the trip will matter more under such circumstances.

Heuristics, or mental shortcuts, can influence a consumer's purchase decision. For instance if you have heard bad things about a product or a service from friends, you might not purchase the product, even tough the product has a good overall record. We argue that the same goes for travel bookings. Many of the respondents claim that they often consult family and friends in their information search and that it often influences what travel they ultimately end up booking.

"...last time I acted upon recommendations from friends and went to a travel agency called Tripp" – Respondent 8

'I believe friends have a large impact on me when it comes to travel bookings... even tough I have an intention of purchasing a ticket I could change my mind if I got an advice from someone I trust not to book that specific ticket'' – Respondent 6

The pattern is clear and when it comes to more complex travels the respondents become even more prone to take advice from friends and family. Respondent 9 claims that the more complex the travel becomes, the more she would rely on friends for information



and on what places to visit. It would feel more secure if someone you trusted recommended a certain destination. Furthermore, respondent 10 has friends with experience from complex travels that he definitely would consult before pursuing one himself.

'I would consider changing my mind if someone I trusted talked in a good or a bad way about a certain company. The influence from friends becomes more central when the complexity of the travel increases" – Respondent 2

What more can be said is that friends and family also may have an effect on *how* the respondents book, not only *what* the respondents book. Respondent 2 continues his reasoning by stating that even if the travel was complex he would consider booking it online if it was recommended to him by friends, something he necessarily would not do otherwise. Respondent 8, that never have booked online, agrees and states that if a particular site was recommended to him by a friend he would consider using it the next time it is time to book.

## 5.3.6 Outcomes

We have not seen any disappointments that have come up because it was an online booking that would not have yielded the same result if it were booked in-store. None of the respondents that have booked online or at least traveled with online purchased tickets have been disappointed with their travels. At least not due to the fact that the ticket was booked online, the disappointments would have been the same if it were booked in a physical store. Respondent 8 claims, for example, that he cannot really see why you would be more disappointed online, since you are most likely to get the same service at the destination as you would if you booked in-store. However, some of the respondents do see a greater risk of disappointed when booking online. For instance, respondent 1 that claims it is because it is harder to specify exactly what you are after. Respondent 3, 5, 7 and 9 agrees and claims that you do not get the same reassurance. Respondent 4 continues by saying that it is easier to miss details and overlook important information when you have to seek it out yourself instead of having it handed to you.

Otherwise, almost all respondents claim it is very likely that their next travel is booked online, as long as the complexity of the travel is not too high.

"I will most likely book my next travel online, in case it is not a very complex travel" - Respondent 6

The general attitude towards online booking is more or less exclusively positive. All respondents, except respondent 7, that do not book online today can imagine themselves doing so in the future.

## 5.4 Factors Determining the Booking Behavior for High Involvement Travels

### 5.4.1 Distinguishing factors making consumers lookers and bookers

From the ten interviews we have been able to see patterns in the respondents' answers. In order to be able to compare responses between lookers and bookers we have divided them into categories based on their interviews. Bookers are in the most extreme sense online lookers for information that more or less exclusively also books all their travels on



the Internet. Lookers, on the other hand, are browsing the Internet for travel information, but are more or less exclusively booking their travels in a traditional way in a physical store or over the phone. Based on our preliminary pre-study we identified the need to expand the thought behind this. There is rarely such thing as a pure booker or a pure looker that exclusively books online or offline. This is something that has been confirmed by our main study. A minority of our respondents only booked online or only in-store, most of them did both to varying degree and they had different reasons for doing like they did. On a continuum with lookers and bookers on opposite ends a respondent can be placed anywhere on the line based on their booking and looking behavior. It clearly is not as easy as exclusively being the one or the other, but there are many reasons for why consumers choose to book the way they do.

Since our respondents can be placed along a continuum we cannot strictly categorize them as being either lookers or bookers. However, some of the respondents show clear tendencies of being one more than the other and thus placed closer to either of the two extremes. Based on their current and previous booking behavior we could see that the respondents from interview 1, 7 and 8 are lookers to the greatest extent while respondent 4, 6, 9 and 10 are bookers to the greatest extent. The rest is evenly spread towards the middle of the continuum. A more thorough understanding of what makes them book the way they do might therefore be in order.

The main factors that we have identified, based on our main study, classifying the respondents into lookers and bookers are:

- Internet usage/experience
- Need and appreciation of personal service
- Complexity of the travel
- Trust

### 5.4.1.1 Internet usage/experience

Consumers are affected in their booking behavior depending on how used they are to the Internet, its services and applications. As consumers are more used to search and find suitable information, the more inclined are they to use the Internet as a booking tool. The respondents 6, 9 and 10 all saw themselves as very used to the Internet and its possibilities and they all use it on a daily basis for more advanced purposes. For example, respondent 9 uses the Internet to update the company website and respondent 6 uses the Internet to promote the company, in which he is involved, online. We saw a relationship between how advanced their Internet usage were and how inclined they were to book online. We could clearly see that all these respondents have a more extensive Internet habit compared to the lookers who primarily use the Internet occasionally for e-mails and basic information search.

The convenience perceived with booking goes both ways meaning that the lookers generally think that it is convenient to go to a store that helps them find what they want in a fast and accurate way. Bookers, on the other hand, finds convenience in the fact that they do not have to visit a physical store or make a time-consuming telephone call in order to book, they can do it anytime they want from home. It is, however, important to differentiate between the convenience in booking and the convenience in looking. All respondents appreciates the accessibility and ease with travel information and services available online.



"What appeals with the Internet is its accessibility. It is always open and you can log on any time you want" – Respondent 3

Related to this is the time consumption that also goes both ways. Lookers think that they save time by immediately have a sales person access and hand them the information they want.

'It takes too much time to match every single possible departure airport with every possible date and destination. There are simply too many variations to be able to cover them all'' – Respondent 1

Bookers, on the other hand, think that the booking process goes smoother and faster if they can do it from home. In interview 2 it is expressed that one of the main advantages for using the Internet in the booking process is that it saves time. The ticket is received by e-mail and you do not have to visit the travel store and wait in line for help. Furthermore, the bookers think that it is a time saving way of comparing various options. They can access different sites at the same time, while you only can visit one physical store at the same time.

### 5.4.1.2 Need and appreciation of personal service

Our respondents had different views on the personal service that the physical travel agencies provide. Even though more or less everybody felt that they had a function to fill when it came to more complex travels, far from every respondent appreciated their services otherwise. The lookers enjoy the personal contact, the possibility to ask followup questions, the sales persons ability to be flexible and tailor a travel precisely in accordance with preferences, the reassurance received as well as the knowledge the sales persons posses.

### "I always visit the same store since they offer excellent service" – Respondent 7

Respondent 8 is on the same page and says that it is the person behind the desk that is important in your travel purchase decisions. He continues and says that they, with their knowledge, can point you in the right direction and see things from another angle.

#### "Why would they want to sell you a bad travel, in that case you would not come back?" - Respondent 8

The bookers are generally a bit more cynical about the help received in-store. Respondent 9, for example, claims that she feels stressed to come to a decision in a physical store. Respondent 10 agrees and adds that it feels like they are trying to sell you something, sometimes even something that you do not even want in the first place. Perceived stress in-store is also something respondent 3 feels along with the feeling that he is dealing with sales persons. The advantages with personal service as perceived by the lookers do not generally appeal to the bookers to the same extent. Bookers have usually no problem with finding necessary information themselves and are highly content with the information available to them online and the reassurance they get. In fact, respondent 9 argues that she finds it amusing finding the information online herself, which is the opposite of what looker in interview 1 who explains how tiring it can be to navigate online.



## 5.4.1.3 Complexity of the travel

The respondents were asked about how the multifaceted expression complexity influence the way they book their travels. With complexity we mean, for example, when the destination is far away, the culture is unknown, there may be multiple stopovers, destinations or connecting flights to take into consideration, the time spent away is long and when there is a need for guided tours.

Depending on how well known and how far away the destination is, both psychologically and physically, consumers reason differently in their booking decision. More or less everyone reason that the further away the travel destination is and the more unknown it is, the chance of visiting a physical travel store increases. Only respondent 6 is totally indifferent regarding distance and culture in his booking behavior. Generally this depends on the respondents' travel experience. The more they travel, the less unfamiliar cultures and destination becomes a concern. Thus, the more travel experience you have, the less you feel a need for a physical travel agency consultation and booking.

Respondent 2, that is an experienced online booker, says that the further away and the longer the time spent away from home, the need for personal service increases. For instance, a travel to Africa would most certainly be booked in a physical store, since the destination is so far away and feels insecure. Respondent 5 continues this argument by claiming that Europe in general feels close and familiar, so she does not believe that much information about the destination from physical stores is perceived as necessary. However, if she went to Thailand, for instance, which is more unknown to her, she would definitely visit one or many travel agencies and ask for their advice on where and when to go etc.

Complexity in general yields the same kind of answers as distance to destination. The respondents feel that increased complexity increases the probability of them visiting a physical travel store for consultation and booking. Again, this is a very subjective issue. What some consider complex and difficult is less complex for someone else, e.g. a trip to Thailand as respondent 5 explains. The same trip to Thailand is however not perceived as a complex trip by respondent 10 who has been there twice for a month at the time, traveling with flight tickets bought online. Complexity for him is instead when a long time is spent away and there are multiple destinations on the route, such as a round the world trip.

### 5.4.1.4 Trust

The aspects of trust are important in the booking decision. The variables we have taken into consideration the most from Turban et al.'s (2006) "EC trust model", as described in section 2.4, are security/payment, reliability, competency and the nature of the sellers.

Respondent 6 does not feel insecure about booking online with his credit card. Even though the amount of money spent is immense, that would not stop him nor would it make him feel insecure about the purchase. Respondent 10 who also can be considered a booker agrees and continues by saying that payment online is not perceived as an issue and by previous experience he feels safe about doing it. Respondent 7, who is more of a looker, on the other hand, says that she does not like the thought of paying online and she is skeptic towards giving up credit card details. Other respondents agree, for instance:

"I am very cautious about handing out credit card details online...it is an inhibiting factor or me" – Respondent 3



However, payment insecurity alone cannot be said to be determining factor on the respondents' booking behavior. Payment insecurity depends a lot on previous experience. The more experience you have from e-commerce, the more secure you are about paying online, thus the more inclined you are to book online. Respondent 1, for example, who can be said to be a looker, has no problem what so ever handing out credit card details, because she is used to engaging in other types of e-commerce. For her, other aspects make her a looker. Even if it is not a determining factor on its own we could see a tendency that the bookers had no insecurity about online payment while other respondents were a bit more cautious.

Many of the respondents claim that not only does it feel more secure paying in-store. It also gives them a sense of security, higher level of trust and a lower risk of being disappointed and not get what you were paying for. Depending on how you perceive these issues the booking behavior is affected. Take trust for instance. As Turban et al. (2006) explain trust is when you feel confident that other people will keep their promises. The same goes for Internet merchants, the trust in them varies to some extent. As discussed earlier, respondent 8 says that why would a sales person in a physical store want to sell you a bad travel; in that case you would not come back. Respondent 7 shows the same kind of trust in her local travel store that she continuously returns to. She feels that they are there to provide the consumers with the best possible trip, otherwise they would not return. Other respondents show an immense trust in the travel service available online. Not only are they secure about payment, they also believe that using the services will help them find the best possible travel suited to their needs by being able to compare several alternatives in a convenient way.

Another aspect of trust is the promise of quality and reliability. Something that, according to Turban et al. (2006), are issues that EC vendors in particular must deal with. We can see a tendency that the lookers turns to a physical travel store, because it is somewhat of a quality guarantee. The fact that big travel stores endorses and are resellers of a particular brand is proof enough that it holds a high standard. Bookers do not draw the same conclusions and that the same type of quality can be found by browsing online and visiting travel operators' websites directly. Some comparison sites for instance are competent in finding a wide range of suitable options, which increases the bookers trust in them. Even if the search goes beyond the comparison sites they usually have no problem finding the needed competence online, i.e. finding an alternative suited to their needs. Lookers best find such competence in a physical store.

Moreover, as previously discussed under the heading 5.4.1.1, understandability of Internet as a shopping channel is another important aspect of EC trust. The more experience you have in Internet and its services the more inclined you are to trust EC; hence book travels online.

## 5.4.2 Effects of the brand

When the product is difficult to evaluate properly in advance, based on intrinsic attributes such as quality, an extrinsic attribute such as brand name can become very important. As a service the travel experience is intangible and it is therefore easy to claim that brand should play a significant role. Unlike what we initially thought brand did not play any significant role in the determination of booking behavior. However, it was an important factor in the respondents' decision process as it very much affected what travel they ultimately chose to book. When choosing between two options the



respondents would in general book the option where it is a brand that they recognize and trust. The same can be said about more or less every respondent no matter if they were lookers or bookers. In accordance with Riezebos (2003), the respondents believed a strong brand could provide a guarantee of reliability and quality.

"I prefer to book from one of the biggest companies on the Swedish market, to minimize the risk of being disappointed or let down. It is worth paying extra to travel with a well-known brand compared to an unknown brand" – Respondent 1

Even though all respondents would not pay extra for the services of a well-known brand the pattern is visible that the respondents think it is important. What can be said furthermore is that, even though the brand is important, most of the respondents are fairly indifferent between the brands that they know well. Riezebos (2003) claims that the essence of a brand strategy is what role the company wants the brand name to fulfill in the evaluation process of the consumer. Based on our main study we think that the travel industry has not managed this in an efficient way.

"The brand has a big effect, but as long as it is one of the most well known companies I do not care which one it is" – Respondent 3

"I have not really thought about the differences there are between the one and another... they all seem to offer about the same thing" – Respondent 7

Many are of a similar opinion; as long as they know the companies they do not prefer one known company above another. They can simply not differentiate between their main characteristics.

A final thing that we can observe when it comes to brand name in the booking process is that the further away and less known the destination is, the higher the importance of a known brand. This is due to various reasons. Mentioned reasons include for instance higher need for comfort, safety and trust.

Riezebos (2003) claims that for online stores the influence of a brand name can be extremely high. We have not been able to confirm this statement based on our study. We do not want to contest the fact that it is very important online but what we would like to point out is that the brand seems to be of equal importance no matter where the booking takes place. The airline, for instance, is of no importance for our most extreme lookers as long as it is booked from a trusted travel agency. For them the brand is important but rather the brand of the agency, not the travel operator. As long as the operators are endorsed the consumers are assured that the quality is at least satisfactory.

# 5.4.3 Perceived advantages and disadvantages with booking online and booking in a physical store respectively

All respondents have perceptions regarding the advantages and disadvantages with online booking. It differs between each and every one in some way, especially what they perceive being the most important pros and cons. Some factors and variables are mentioned more frequently, which have helped us analyze and see patterns distinguishing the generally most associated advantages and disadvantages with online booking.

The most important advantages with online booking is that the respondents value the accessibility of the Internet, the convenience with booking from home, the comparability between options and that it is regarded as cheaper than going to a physical travel store.



The disadvantages on the other side are that many hesitate and do not feel totally secure about handing out credit card details online. Furthermore, many feel insecure and uncertain online and miss the reassurance you get in a physical store. Another factor is that the respondents do not perceive Internet as very dynamic and that you have to be very specific in your demands in order to find what you are after.

Regarding advantages with a physical store most of the respondents agree that it feels more secure, they like the personal service and everything that comes with it including their knowledge, trustworthiness, experience and ability to tailor the travel according to the consumers' needs and wants.

The disadvantages with physical stores mentioned by the respondents the most are that it is time consuming to physically visit the stores, that they feel stressed by the sales persons and that it generally is more expensive.

In figure 10 below we have summarized the perceived advantages and disadvantages with both options and displayed what factors that have been mentioned by the respondents.

	Advantages	Disadvantages
Online	•Accessibility (1, 3, 4, 7, 8, 9, 10) •Lower Price (3, 4, 6, 7, 10) •Convenience (1, 2, 3, 4) •Comparability (3, 4, 8) •Time Saving (2) •Larger Selection (3)	<ul> <li>Handing out credit card details (2, 3, 4, 5, 7, 8)</li> <li>Uncertainty and insecurity (1, 3, 5, 10)</li> <li>Need for specific demands (1, 4, 7)</li> <li>No possibility for follow-up questions (1, 2)</li> <li>Too time consuming (1)</li> <li>Difficult finding the right trip (3)</li> <li>No flexibility in date (1)</li> <li>Hidden Costs (4)</li> </ul>
Physical Store	<ul> <li>Personal service (1, 3, 4, 5, 7, 8, 9)</li> <li>Flexible, possibility to tailor travel (1, 4, 5, 6, 7, 8, 9))</li> <li>Increased security (2, 3, 4, 5, 8, 9)</li> <li>Possibility to ask follow up questions (1, 2)</li> </ul>	<ul> <li>Higher Price (2, 3, 4, 7, 8)</li> <li>Too time consuming (2, 6, 8)</li> <li>Stressful dealing with sales persons (2, 3, 9)</li> <li>Difficult to compare different alternatives (2, 7)</li> <li>More expensive (10)</li> </ul>

Figure 10- Online/ Offline Booking Advantages/Disadvantages (Own model)

Not surprisingly, as can be seen in the table, what some consider an advantage with one option others consider a disadvantage with the other. This does however only make the indications stronger, which is why we have chosen to display them all in the way mentioned by the respondents.



## 5.5 Own Research Model

Since the respondents are gradually changing behavior and are increasing their frequency of online travel purchasing we are somewhat reverting the notion that everyone can be placed along a looker/booker continuum. A better way to describe it is a process where consumers start out as lookers and depending on individual factors and external circumstances they move towards booking online. The respondents are not taking a static position along a looker/booker continuum like we stated in chapter one and earlier in the analysis. It is still true that consumers have different experiences and can be placed closer to either of the two extremes, looker and booker, that can be seen in the model below. However, instead of a continuum it is more of a continuing process where each individual move in their own pace from left to right, from being a looker to becoming more of a booker. Consumers go through different phases, from a looker phase, through a transition phase toward entering a booker phase. As can be seen in figure 11 in the next section. In order to explain the different phases we start with explaining the purpose of the pyramid and what thresholds that must be overcome to reach a booker phase.

## 5.5.1 Threshold Pyramid

Individual characteristics, e.g. age, education and income, are not emphasized in this thesis. We have, however, identified other factors that more or less influence the probability of online booking and the pace each individual keep through the process. These four are discussed in section 5.4.1 - 5.4.1.4 and will not be discussed in further detail again, but an explanation of how they affect the process is in order. The height of the pyramid, represented by the vertical two-way arrow, is determined by the four factors:

- Internet usage/experience
- Need and appreciation of personal service
- Complexity of the travel
- Trust

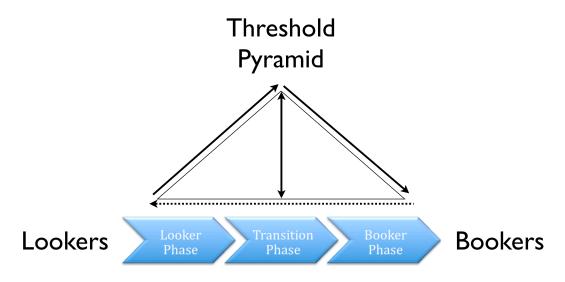


Figure 11 - Looker/Booker Pyramid Process (Own model)

A metaphor that can be used to explain this is that of climbing a mountain. Certain variables affect the difficulty of ascending and how long time it takes. With little training



and experience it will take a longer time to climb and with no prior experience there is a good chance you will never even attempt the climb. Depending on if you want and appreciate the help from guides and experts or if you want to manage on your own on your way to the top, the climb will vary in difficulty. If you are able to manage on your own it might even be too time-consuming to consult others for help along the way. As the complexity of the climb increases it is more difficult to make it all the way up to the top. A less complex mountain is easier and goes faster to climb. Depending on how much you trust your equipment, the faster you are able to ascend. If you do not trust your gear you might not even attempt a difficult climb, or at least be cautious and take it slow. Once the summit is reached the descend will go easier and faster than the ascending and you will not look back.

The same thing is true when it comes to Internet bookings of travels. Everybody that at all uses the Internet to find some kind of travel information starts out as a looker. From there on the lookers progress along the pyramid going towards becoming bookers and going through the different phases. The height of the pyramid determines how difficult it is to start booking your travels online. As you get more used to the Internet and your experience increases, it is perceived as easier to engage in e-commerce and thus also etourism. If you show booker characteristics it is a great chance that you engage in more advance purposes of your Internet usage. Furthermore, as your experience increases the online search becomes more efficient and time saving, which makes it an easier, faster and more convenient booking tool to use. Thus, the pyramid becomes lower and the obstacle becomes easier to "climb", in order to become a booker.

The need and appreciation of personal service differs. As consumers are used to consult travel agencies and really appreciate the service that they give they are less inclined to try booking on their own. Why would they want to try and find all the information they need when a sales person can hand it to them? Consumers in the left half of the pyramid appreciate the help they receive and see no reasons for doing it on their own. The closer you get along towards becoming a booker, the more confident you get that you can obtain the needed information by yourself. In fact, you might even start finding the search of information on your own amusing.

When the complexity gets higher, so does the height of the pyramid. It will obviously be harder to book your travel online by yourself if you have many stops, stopovers or are traveling to an unknown culture for instance. The amount of search becomes more extensive and it is more difficult for a layman to arrange. It is very subjective what is considered a complex travel. A destination can be perceived to have a large psychological distance for some consumers and small to others. Complexity is more or less the only variable that will reverse the process of going from looker towards becoming a booker. The most extensive bookers sometimes have to backtrack and consult a knowledgeable physical travel agent, in order to be able to get the kind of travel they want. Hence, the dotted arrow in the model will point in the opposite direction. Once the complex booking has been made through a physical travel agency, the bookers have no problem moving fast through the process again and book his/her next travel online, since the thresholds have already been overcome.

Trust is interrelated with Internet experience. Lookers have a higher level of trust in physical sales persons while bookers seem to believe that online services will help them find the best travel suited to their needs. The trust in the Internet and in the Internet merchants matter a great deal in consumers' decision to book online. If the trust is low concerning handing out credit card details, competency, reliability or quality it will take time before a booking will be made online. Before trust is gained the lookers will be very



cautious and might not even consider to book from what is deemed being an untrustworthy online travel service provider. The pyramid is higher when the trust is low since trust needs to be gained to a certain level in order for the lookers to make it across to the booking side.

## 5.5.2 Looker phase

A lot of the potential consumers are lookers, as opposed to bookers, that access the site just to compare prices or gather information etc. not necessarily with any intention to perform any purchase. Lookers are online visitors to travel sites that may be prospective buyers, but visit mainly to seek information. When time comes to book they prefer to do it the traditional way through front offices or by the telephone. They feel that the advantages with physical personnel outweigh the disadvantages. Also, they do not react as positively to the possible advantages with online booking as others.

In this phase the threshold pyramid is perceived as very high and difficult to "climb". The trust in the Internet and its merchants is low, the Internet experience and usage is limited and the need and appreciation for personal service is high.

Furthermore, the last factor affecting the threshold pyramid, the complexity of the travel, will not affect the phase in which a person is in, because the complexity is very different from travel to travel.

As we could see, based on our respondents previous travel experience and current booking behavior etc., some respondents are located somewhere in the looker phase. Respondent 1, 7 and 8 demonstrate that they, to various degrees, fall into the looker phase as none of them have booked travels online by themselves. Respondent 7 is at a very early stage in the process, while respondent 8 is closer to entering the transition phase as he states:

"Next time I book a travel I am keen to give the Internet a try" – Respondent 8

## 5.5.3 Transition phase

Without being in either of the looker or booker phases consumers in the transition phase are those who have started to feel a bit more secure and trusting etc. and are with a possible intention to book starting to look for travel information. Perhaps they have even tried booking online but they still have some hesitations. Furthermore they are not ready to only use the Internet as a channel for travel information and they still perceive significant advantages with using physical travel stores.

The threshold pyramid is not as high and consumers in this phase are on either side close to the top. They have either started to descend on the right side or are starting to get closer to the top. In any case, the trust in the Internet and its merchants is intermediate, the Internet experience and usage is moderate and the need and appreciation for personal service is not that high.

Respondent 2, 3, and 5 are currently in the transition phase. The respondents raise issues like lack of reassurance, insecurity in handing out credit card details and difficulty in finding the right information online. At the same time they have all tried out booking online and more and more starts realizing the benefits of doing so. Respondent 3 states:



"I would in many ways rather visit a travel agency but at the same time I feel that that is not the way it should be done anymore... Internet has become a natural part of life" Respondent 3

### 5.5.4 Booker phase

The bookers are comparable to a buyer or purchaser and are those who not only browse/look through websites, but also makes bookings or reservations online. In this phase consumers have started to do the majority of their travel bookings over the Internet. Only for very complex travels are they considering to consult a physical travel agency (hence, the dotted arrow pointing backwards). In this phase consumers have passed the threshold and does therefore not perceive any of the inhibiting factors to be an issue for them. Their trust in the Internet and its merchants is high, the Internet experience and usage is advanced and the need and appreciation for personal service is almost non-existing.

Respondents 4, 6, 9 and 10 can be considered to take place in the booker phase. Some of them have advanced Internet experience, while the others use it to a great extent. They do not have any issues regarding trust, security or reassurance. Some of them even claims that it is only inconvenient and time consuming to physically visit travel agencies, when you can receive just as good information on their own.

'I believe it is easier to book online than through a physical travel agency... The main advantage with online bookings is the convenience with it. You are able to sit at home, without any pressure from someone else, and search for different alternatives" – Respondent 10



## 6 Conclusion and Managerial Implications

In this section the concluding remarks will be presented, this will be done in a logical order in regards to the research questions. Our own research model is summarized in order to show our theoretical contribution. That is followed by some stated managerial implications and suggestions for further research.

# 6.1 The Consumer Decision Process for High Involvement Travels for Consumers Across the Looker/Booker Continuum

The first conclusion we have been able to draw is that consumers are not spread across a looker and booker continuum. That notion we have been forced to revise. Instead, patterns show that all consumers that use the Internet as a tool for looking for travel information are somewhere in a process of getting closer to a booker phase, a phase where the majority of all travels are booked online. How consumers get there depends on how they search for information, how they evaluate their alternatives, how they come to a travel purchase product choice and how they react on the outcome of their travel purchases. We have been able to state that a travel purchase can be seen as an extensive problem solving. Hence, consumers will go through each step in the consumer decision process thoroughly.

Consumers in general engage in a lot of travel information search both before and after the booking has been made. However, the information search varies across the looker/booker process in three ways. It is not only what they search for; it is also how and where they search for information. In the looking phase the consumers tend to consult physical travel agencies to a large extent, more information about destinations is wanted rather than prices and online most of the information is found using general search engines. Towards the booking phase the consumers have more online proficiency and know more specifically where to find the information they want themselves. Furthermore, price is perceived as the most important factor to find information about and comparison sites are used extensively.

When it comes to evaluating alternatives we found patterns indicating the most important criteria when comparing different travel options. These are price, date, destination, travel operator, time of travel, what is included in the package and departure airport and time. Price is regarded as the most important criterion. However, consumers in the looker phase do not seem to be as price sensitive as the rest. They value date, timing and availability more, which is also a reason why they visit physical travel agencies that generally are considered to be more expensive, but also more flexible. In the booking phase price is more important, which is a reason why they use the Internet that is considered cheaper.

Regarding product choice we have not noticed any major differences between consumers in the looker, transition and booker phases. However, in general as the complexity of the travel increases, price becomes less important and the product is chosen based on other variables. Also, friends and family will influence the consumers' purchase decision, and even more so when the travel is complex.



The consumers have, in general, been very satisfied with their travels booked online. Overall, the attitude towards online booking is positive and most consumers can imagine themselves booking online in the future.

## 6.2 Factors Determining the Booking Behavior for High Involvement Travels

We have identified four factors that distinguish lookers from bookers, where they are placed in the looker/booker process and to what phase they belong. These factors are Internet usage/experience, need and appreciation of personal service, complexity of the travel and trust.

Internet usage/experience is an important factor. Towards the booker extreme, consumers become more used to the Internet and use it more extensively and sometimes even for advanced purposes. Therefore they are also more efficient in finding the information they look for and it is not as necessary for them to visit a, for them, time consuming physical travel store. The consumers in the looker phase are also Internet users but not to the same extent. Therefore they might need help from a knowledgeable sales person in finding the correct information and travel in a fast and accurate manner.

Need and appreciation for personal service differs among the looker, transition and booker phases. The lookers enjoy the personal contact and the ability to ask follow-up questions. They recognize the value of the sales person's flexibility, knowledge, reassurance and ability to tailor travels according to the consumer's needs. In the booking phase, on the other hand, the consumers feel that they can manage on their own. They also tend to think it is more of an inconvenience visiting a physical travel store than it is helpful. They are more cynical towards the sales persons who, according to them, only are trying to sell you something you might not even want in the first place.

The complexity of the travel influences booking behavior, but cannot be said to influence consumers that much differently across the phases. However, it influences consumers in their booking behavior. The more complex a travel is and the further away the destination is physically and psychologically, the greater the chance of a physical travel store visit. Complexity is a subjective notion and the perception of it differs among consumers. What can be considered complex for one consumer can be seen as simple for another.

*Trust* is important when it comes to travel bookings. Such a thing like handing out credit card details online is for many consumers an area of insecurity. We have seen a tendency that consumers in or close to the looker phase have less trust in Internet merchants and are thus more inhibited to book online, where they have to give up these types of details. They prefer to pay in-store while consumers in or close to the booking phase does not perceive it as being a significant problem to pay online. Their trust in the Internet and its merchants is higher. In the booking phase there is no perceived difference between the quality and reliability online and offline. Consumers in the looking phase tend to believe that physical stores give a guarantee of quality.

Initially, backed up by Riezebos (2003), we thought that a strong brand name would be an important factor influencing booking behavior. We have observed that when it comes to brand name in the booking, the further away and less known the destination is, the higher the importance of a known brand. A well-known brand is believed to provide a



guarantee of reliability and quality. However, in our empirical studies most consumers are fairly indifferent when it comes to the brand as long as it is recognized and trusted.

All consumers have very individual perceptions regarding the advantages and disadvantages with online and offline booking respectively. However, there are no visible patterns indicating that consumers in a certain phase identifies pros and cons any differently than consumers in other phases would. All consumers can identify with the advantages and disadvantages of both options, and realize why they are perceived as such. Consumers for example perceive accessibility with the Internet as an advantage regardless what phase they are in. What can be said though, is that different emphasizes are put on various pros and cons by consumers in different phases. In the looker phase, consumers emphasize the advantages with a physical store more than the online advantages and vice versa.

## 6.3 Theoretical Contribution

The theoretical contribution from our part is the "Looker/booker pyramid process", figure 12. The idea behind it is that every consumer that at some point has used the Internet to look for travel information starts out as a looker. At individual pace the consumers slowly but surely follow the process and are going through the looker, transition and booker phases towards becoming more of a booker, a consumer that books the majority of his/her travels online.

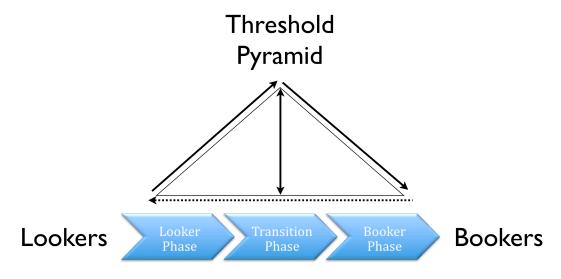


Figure 12 - Looker/Booker Pyramid Process (Own model)

Depending on the complexity of the travel, how the consumers use the Internet, respond to the need for trust and need and appreciation for a physical sales person the process will vary in time. For some the obstacles to overcome may be overwhelming which is why they might never make it even to the transition phase. At the same time others move through the process fast and become bookers. Perceived complexity of the travel varies individually and is the only factor we have identified that can reverse the process and make consumers in the booker phase use physical travel stores. The dotted arrow going from the right to the left represents this.



## 6.4 Managerial Implications

This section will briefly feature recommendations for online and physical travel stores in their pursuit of attracting and retaining customers. Our model and results can help people in the travel industry to realize what kind of different consumers they have and constitute a foundation in a marketing mix strategy directed toward consumers in different phases. By recognizing their differences and what factors that influence their booking behavior it is possible to get a better understanding of their consumer decision process.

Lookers are stimulated by personal service, need trust, security and flexibility, require convenience and easy access to a lot of information. It must be easy enough for them to find and search themselves in order to keep them from leaving their homes to make a travel purchase. Virtual travel agencies must therefore try to facilitate their need by making it easier to find the right information and travel and at the same time instill enough trust to make the lookers from going elsewhere. What furthermore could be said is that something has to be done about the online flexibility. Services that simplify the tailoring of your own travels would probably be a favorable alternative for many consumers in the looking phase. Today you have to be very specific in your demands. Many customers would like to see more flexibility in both dates and destinations online. Another perceived disadvantage is that there is no possibility to ask follow-up questions online. This is something that a virtual travel agencies could capitalize on by either integrate some kind of instant message system or assign a unit answering more specific questions via e-mail. Following any of these recommendation the online travel websites could make the transition from the looker to the booker phase go easier and smoother, i.e. decrease the height of the threshold pyramid.

Bookers appreciate the autonomy, convenience, accessibility, lower prices, time saving and comparability with booking online. What physical travel agencies must do is to emphasize their importance and what the additional value they can provide their customers with. Today the value they provide is not seen as sufficient by the bookers. They must add more value to their services to lure the consumers from the up-andcoming travel websites and adjust their marketing mixes. For example, better service to the same price could be offered or an even greater variety of travel options than a single online site could. A good idea would also be to promote their existing advantages, for example their knowledge and flexibility, to a greater extent than they do today.

## 6.5 Suggestion for further research

During the process of writing this thesis a few new questions have arisen that could work as suggestions for further research. We chose a qualitative approach, in order to lead us to explanations and building of new theory. For further research it would be interesting to test our research model to see how it holds up in a more quantitative research. That would verify if our conclusions are accurate: could there perhaps be other factors that affect the height of the threshold pyramid? Will the different factors affect consumers in different ways depending on demographic variables, e.g. age, income, sex and education?

A more comprehensive qualitative study, with less time constraints, would also be interesting to receive even more complete answers on the matter of online/offline travel bookings.



We believe there are many managerial implications to be made from this, not least from our own theoretical contribution, i.e. the looker/booker pyramid process model. A company perspective could be taken in further research to get more insight from another standpoint where companies are interviewed rather than consumers.

We believe there are lessons to learn for companies within the travel industry from our research. It is seen as important and cost saving for travel companies to get their consumers to book more online than they do today. For practitioners within the field of marketing of travels it could be studied, based on our four factors affecting the threshold of online booking, how promotional campaigns can be better implemented.

One final question that has arisen is if there are more factors than complexity that could reverse the looker/booker process, i.e. make bookers visit physical travel stores?



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## **Appendix A – Pre-study Questions**

In what way have you been forced to adapt to an increased demand in Internet booked travels?

How much effort do you put yourselves on selling travels online?

What attracts customers to Apollo/Ving as a brand?

What kind of added value does the consumers get from you when they visit a physical travel store compared to when booking their travels online?

In what way have you noticed the consumers changed attitudes regarding online travel bookings?

Do you have access to any study made regarding online travel bookings?



## Appendix B – Interview Guide

## **Screening Questions**

Do you use the Internet? How much and for what?

Have you traveled abroad on vacation in the last three years, for example on a package tour? How many times and where?

When it is time to travel, do you use the Internet in any way to look for travel information? Before or after the booking or both?

Is the purchase of a travel something that you get highly involved in? Why/why not?

### Information search

How do you go about when searching for a travel?

What kind of information do you primarily look for?

How and where do you search for travel information online?

Any particular website you use to use?

#### **Evaluation of alternatives**

After the information search, how do you evaluate your alternatives? How do you compare them to each other?

What are the most important factors when comparing travels?

What is important at the travel booking? What matters most of personal service and price?

Do you put a lot of time, money and energy into deciding on the right travel?

Many travels are characterized by a high involvement, which, for example is affected by a high price, and a high complexity for example characterized by many stopovers, the length of the trip and the distance to the destination. Does this affect the way you book your travel? In what way and why?

Do you feel that a strong brand name is more important than a low price?

What features do you feel are important that a internet travel website has?

Are there any companies in particular that you prefer to book from? In that case why/why not?

Have you ever made a travel decision based on the influence from family and friends? Have they gotten you to change opinion regarding what way to book or what company to book from?



## **Product Choice**

Where did you book your last travel?

Have you during the last years booked a leisure travel on the Internet? In that case, why/why not?

If you have tried to book on the Internet, what do you feel about the booking process online? Is it difficult or easy? Was it easy to compare and find the right kind of travels, going through the payment process and get the right information etc?

If you have booked online, do you feel that it would be easier to book a similar travel with a well-known company compared to an unknown company even if the price of the latter was lower?

What risks do you perceive there are with booking online?

What advantages are there with making the booking in a physical store?

What disadvantages are there with making the booking in a physical store?

What advantages are there with making the booking online?

What disadvantages are there with making the booking online?

If you book online, what makes you choose that particular website to book from?

What factors is there that finally makes you book the travel that you do?

Is a travel something that you have ever or can consider to book spontaneous?

### Outcomes

Do you think that the risk of being disappointed at the destination is greater if you book online?

Do you perceive a big difference between various travel brand names online/offline and that they affect you the next time it is time to decide on a travel?

If you have booked online, whom did you book from? Are you happy with your travel booked online? Anything in particular that you felt missing that you could have gotten elsewhere?

If you only book in-store, the next time you travel, will you then consider doing it online or do you simply prefer to go into a physical store? Can you imagine booking your next travel online on a well-known company's website? Why/why not? How come you do not book online while you are still there looking for travel information?

If you in the future got to choose between only using the Internet or only a physical travel store, what would it be?