

Research Horizons

Highlights of Recent Research by the SHTM

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Growing Use Changing Perceptions of Travel Websites in Hong Kong

The number of “e-tourists” in Hong Kong has increased since 2000, show the SHTM’s Dr Catherine Cheung and Professor Rob Law in a recently published research article. With the percentages of both “e-browsers” and “e-buyers” improving, perceptions of secure payment methods and online booking and confirmation have come to the fore. The researchers suggest that tourism practitioners will be able to use their findings to enhance underperforming aspects of existing websites.

Travel Website Use

The Internet is an increasingly significant aspect of the tourism industry for both suppliers and consumers. Suppliers, note the researchers, benefit from having a direct channel to potential customers “at electronic speed and without any time and geographical constraints”. This, they write, reduces distribution costs, increases revenues and can lead to a larger market share. For consumers, the direct channel to suppliers allows for the convenience of “online purchases at any time and in any place”.

Despite this bright outlook, little is known about what makes travel websites successful. In particular, the consumer perspective is rarely considered. The researchers point out that the main reason for website visits in general is “to search for information or purchase because of convenience and speed”. But what about tourism-related websites? Although there has been some suggestion that travel website browsers and users differ in what they think is important in the online experience, the researchers concede that it is “still unknown to what

extent consumers perceive the importance of various travel Web sites”.

They thus set out to profile the overall characteristics of online consumers who visit travel websites and to distinguish between those who only browse and those who make actual purchases. They defined “e-browsers” as “Internet users who have visited at least one travel Web site in the past 2 years” without purchasing anything, and “e-buyers” as those who had “purchased on travel Web sites in the past 2 years”.

The Hong Kong Setting

Given that Hong Kong was recently ranked third in the world in the use of credit cards for online purchases, the researchers chose a very appropriate setting for their study. They included five specific questions about website use as part of a “large scale survey on outbound pleasure travel from Hong Kong”. A total of 2012 telephone interviewees could recall whether or not they had visited travel websites in the past two years, with around a third of the interviewees having actually made visits. This was a marked improvement on an earlier survey conducted by one of the researchers, which found that less than a quarter of Hong Kong respondents had visited travel websites in 2000.

Just over half of the recent interviewees who had visited sites were aged between 26 and 35, with almost three-quarters having completed postgraduate degrees. Corresponding to this, there was also an increased likelihood of visiting a travel website as income increased.

These characteristics should be of great interest to site operators, who will now have a better picture of their target consumers.

Browsers and Purchasers

However, the researchers remind us that operators will be more interested in knowing the differences between “the characteristics of those who have (and have not) purchased travel-related products online”. Just over 17% of their interviewees were e-buyers, a very encouraging increase from the 6.5% in 2000. Perhaps more interestingly from a marketing perspective, over 92% of the e-buyers were aged between 25 and 55 years and there were no significant gender differences between the e-buyers and e-browsers.

The previous study had found that e-buyers placed emphasis on “secure payment methods, different price ranges for products/services, user friendly system, rapid information search and online booking and confirmation”. In the recent study, e-buyers and e-browsers did not differ significantly in their perceptions of rapid information searches and user friendly systems (important) and different price ranges for products and services (neither important nor unimportant). Only the presence or absence of secure payment methods and online booking and confirmation drew different reactions from the two groups of users.

The more recent e-buyers were much more likely than e-browsers to consider secure payment methods and online and confirmation important. This, write the researchers, “was most likely related to the experience” and the resultant confidence or trust in online purchasing. They point out the trust in online relationships should be fostered carefully to increase the likelihood that e-browsers will become e-buyers.

To do so, website operators need to provide “essential information” on each site, including background information on the company, detailed descriptions of the products and services offered, “and indications of guaranteed protection for confidential and personal data that are transferred on the Internet”. To put this in a slightly different way, operators need to consider

how online payment methods could actually enhance the development of trust amongst customers. They also need to ensure security concerns do not form any major barriers to online purchases.

Encouraging Further Change in Perceptions

The researchers find encouragement in the change in perceptions amongst travel website users. They suggest that aside from any more specific recommendations, marketing managers should “focus their efforts on designing efficient travel Web sites for all users”. With an eye on the rapid increase in e-buyers, they should also refine their strategies to cope with changing consumer behaviour.

In particular, the researchers argue, marketing managers and travel website operators need to move beyond just developing effective methods of converting e-browsers into e-buyers, keeping in mind that security concerns and trust in online payment methods can be major impediments to growth in this market segment. The challenge now is to determine how trust in a travel website leads to repeat purchases, which are a crucial element of growth in any business.

Points to Note

- E-commerce is of growing importance to the tourism industry.
- However, little is known about what determines travel website success.
- E-buyers in Hong Kong consider online security and payment methods more important to website success than do e-browsers.
- Trust-developing methods are needed to convert e-browsers into e-buyers.

Cheung, Catherine and Law, Rob (2009). Have the perceptions of the successful factors for travel web sites changed over time? The case of consumers in Hong Kong. *Journal of Hospitality and Tourism Research*, Vol. 33, No. 3, pp. 438-446.