SATISFACTION IN E-TOURISM
A CASE OF EUROPEAN ONLNE CUSTOMERS

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ABSTRACT

As information is the life-blood of the travel industry (Sheldon, 1994), utilizing and managing a suitable Information Technology is essential for tourism organizations to satisfy their customers. Despite the importance of e-tourism on one hand and the key role of customer satisfaction on the other hand there have been less research related to this topic yet. Current research is going to fill this gap by categorizing items which are important for satisfaction in e-tourism and as a result introduces the main factors which are the determinant for customer satisfaction in online tourism. Moreover it illustrates if satisfaction of a website positively affect customer's intention of buying from that website. The present paper incorporates the method of distributing the questionnaire for addressing the determinants of customer satisfaction in online tourism, among a group of European online trip buyers. It also uses factor analysis method for analyzing the data. This research yields rich insights for managers of e-tourism firms, by introducing the factors which have the most impact on e-satisfaction.

KEYWORDS

electronic satisfaction, e-tourism, e-business, service marketing, European customers' behavior.

1. INTRODUCTION

E-tourism, takes into account when, traditional travel agencies, tour operators, national tourist offices, airlines, car hire firms, hotels and other accommodation providers offer their services online which enable the tourists to schedule their trip online, and hence describes a new way of doing business. It produces fast communications, global accessibility and minimal costs for new tourism organizations going online (Scottish parliament, 2002).

Since the use of internet is growing continuously many tourism firms are motivated to offer their services on-line. Being online is so important that if a tourist service does not be on the web it may well be ignored by the millions of people who now have access to internet and expect every tourism service have a comprehensive presence on the web (WTO, 2000). ICT has become an almost universal feature of the tourism industry. Its power allows information to be managed more effectively, and transported worldwide, almost instantly.

E-tourism benefits both tourists and tourism organizations. By the help of World Wide Web tourists can easily search for different useful information and can book their travel needs on-line. It is also beneficial for on-line tourism firms, they can offer tourism services on-line, sell the services directly to the customers have omitted the high rates of commissions of intermediaries.

Despite the importance of e-tourism there has been less research on its different aspects. There are researches held on tourists' satisfaction and also on on-line satisfaction but there is still a research gap on on-line satisfaction in tourism industry. Current research is going to fill this gap by finding the most important determinants of e-satisfaction in tourism industry.

Knowing what satisfy tourists while they are searching on-line and scheduling their trip, which is the first phase of the trip, is very important for tourism firms' managers, since this help them stay in the market in these competitive environment. Moreover satisfaction is important from other perspectives, as Evanschitzky, Iyer, Ahlert (2004) mentioned the examination of consumer satisfaction in an on-line context is not only a critical performance outcome, but also a primary predictor of customer loyalty and internet retailer's success. Anderson and Srinivason (2003) found that the impact of e-satisfaction on e-loyalty is the greatest in the presence of consumer-level moderator factors such as convenience, motivation and purchase size, and business level factors such as trust and perceived value.

This study is going to categorize the items which are important for satisfaction in e-tourism and as a result introduces the main factors which are the determinant for customer satisfaction in online tourism. In the sequel first we will review the related literature, and then we will explain the methodology of our research. The results of our work will be shown next. Finally a short discussion on the results will conclude the paper.

2. LITERATURE REVIEW

E-tourism firms use internet to better serve their customers. Customer relationship management is a crucial subject which firms take special attention to, which directly or indirectly results in Customer satisfaction, Customer loyalty and finally Customer retention. Among these concepts customer satisfaction can relatively influence customer loyalty and retention which in turn increases firms profit and efficiency. CRM as a research topic has attracted much attention since the beginning of the 1990s. However, in a new e-commerce context the concept of CRM and its core subject, customer satisfaction, has still not been studied sufficiently (Kuttainen, et.al.2005).

E-tourism firms use internet to better serve their customers. But making tourism service information accessible to customers is not enough for effective distribution. Well-designed mechanism must allow customers to process their purchase (Kim et al, 2005). If a tourism organization can better represent its destination (services) on the internet than another then it may win tourist who is uncertain about where to travel (WTO 2000). Since travelers can not pre-test the product or easily get their money back if the trip does not meet up to their expectations, access to accurate, reliable, timely and relevant information is essential to help them make an appropriate choice (O'Connor 2000).

There have been several researches related to satisfaction in traditional ways of businesses, Anderson, Fornell, & Lehmann 1994; Oliver 1981; Parasuraman, Zeithaml, & Berry 1988 & Parasuraman 1996. Moreover there have been also enough researches related to tourists' satisfaction in off-line environment, Akama S 2002; Haber and Lerner 1998. These authors have introduced several models and determinants of tourists' satisfaction. But unfortunately there have been fewer researches related to satisfaction in on-line industries especially on-line tourism, some of these researches will be stated in the following paragraphs.

Jeong, Oh, and Gregoire (2001) investigated consumer perceptions of hotel websites. The results indicated that potential online customers were only moderately satisfied with hotel websites. They found that website design, sufficient information, and customers' perceptions of security for online transactions were crucial to increase the number of Internet sales. In this research it will be demonstrated that if the satisfaction of a tourism website positively affect online customers' intention of buying from that website.

Szymansky and Hise (2000) conceptualized e-satisfaction as the consumers' judgment of their Internet retail experience as compared to their experiences with traditional retail stores. They have created a model which is the base of our work, but here it is consumers' judgment of their e-tourism experience comparing with their experience of traditional travel agencies.

3. METHODOLOGY

The first stage of this work was qualitative, which was to design the questionnaire and the next part was quantitative and focused on gathering survey data to assess determinants of the e-satisfaction model. Overall satisfaction with e-tourism was measured by the degree to which the consumer was satisfied /dissatisfied. The initial questionnaire for the current study was designed in different sections. In a focus group interview we used items of Servequal Model (S. Akama, Mukethe Kieti 2002) e-satisfaction model (Szymansky, Hise 2000) and made the questionnaire the final questionnaire was made after conducting pilot test.

The first section of the questionnaire was designed to obtain the respondents' demographic data and behavioral characteristics: gender, age, Occupation, Purpose of their trip, use of travel agency and e-tourism websites per year.

Sections 2 and 3 consist of main questions related to the model in this research. Items were gathered from the previous studies, Servequal Model (S. Akama, Mukethe Kieti 2002) e-satisfaction model (Szymansky, Hise 2000). In section 2 The items of these factors investigated perceptions of tourists toward on-line tourism organizations relative to traditional travel agencies. This comparison between e-shops and their counterparts in traditional market is exactly the way, which was used by Szymansky and Hise (2000) in e-satisfaction model. The traditional travel agencies are the reference because almost everybody has an experience in using them so it would be a suitable comparison while respondents make judgment for satisfaction. In this section respondents were asked to compare each item in on-line tourism with traditional travel agency, relating to their previous experiences. Their e-satisfaction level measure was in a 5-point scale, (1) Much worse than (2) Worse than (3) The same (4) Better than and (5) Much better than. In the next section, section 3, items are related to tourism websites' design. In this section respondents are asked to mention their satisfaction level on a 5-point scale which is (1) very dissatisfied, (2) dissatisfied, (3) Fair, (4) satisfied and (5) very satisfied.

After designing the questionnaire a pre-test was conducted. In this part the questionnaire was given to the tourism experts and people who were expert in designing the questionnaire. Then a pilot test was conducted too, so the questionnaire was given to 10 people from our sample. The aim was to find if all items and questions are easy to understand and if it requires any change. Some modifications were implemented after finishing these two phases.

The suitable population for data collection of this research were the people who have experienced e-tourism at least once before. Beauvais airport in Paris accepted to cooperate with this research. This airport was related to Ryan air (www.Ryanair.com) which is an airline company which has cheap flights for most of the countries in the Europe. All of the tickets of this company sold directly to the passengers on-line.

Totally 150 questionnaires were distributed, 115 questionnaires was given back and after eliminating unusable and incomplete responses and a further process of eliminating outliers the data was pared down to 99 cases. Totally 53% of respondents are female and more than 50% of the respondents are between 18-34 years old. The findings of this research will be representative of European countries, since all the respondents are European.

A factor analysis was performed to ascertain whether the five-factor measurement reflects consumers' underling mental model. To be sure if we are permitted to use factor analysis in this case or not, KMO measurement and Bartlett's test analysis were conducted. KMO is greater than 0.5(=0.79) it shows that the number of samples is big enough for using factor analysis Moreover since the significance of Bartlett's test is 0 it is permitted to use factor analysis.

In order to test the reliability and internal consistency of each factor, Cronbach's alpha scores and correlation coefficient was calculated. Cronbach's alpha was calculated only for convenience and site design, since other factors i.e. product information, product offering and financial security, include only 2 items, correlation coefficient between the two items of each factor was calculated instead of Cronbach's alpha. The Cronbach's alpha scores and the correlation coefficient (Table 1) ranged from 0.53 to 0.82 for the five factors. Since 0.5 is the minimum value for accepting the reliability test (Nunnally 1967) the results of factor analysis in this research are considered reliable.

4. RESULTS

A confirmatory factor analysis using SPSS 13, was performed on independent variables to determine the factors which measure the customer satisfaction in online tourism. The result showed a five-factor structure for predictors of e-satisfaction in tourism industry. The five factor explain 72% of variance in the data, all items load heavily onto one of the factors, and all five factors are logically and easily interpreted (Table 1). They are *site design*, *convenience*, *financial security*, *product information* and *product offering*. Moreover 76% of the respondents mention that their satisfaction of a website positively affect their intention of buying form that website while only 17% believe that their satisfaction of a website does not affect their intention of buying from that website.

Table 1. Factor loading and reliability results (Cronbach's alpha for factors including more than 2 items, Correlation Coefficient for factors including 2 items)

Factor	Factor loading	Cronbach's alpha/ Correlation coefficient
Fact 1: Site design		.817
Attractive website	.864	
Friendliness ease of use	.682	
Uncluttered screens	.645	
Fact 2:Convenienc		.682
Purchase any time	.797	
Purchase anywhere	.737	
Time efficiency	.711	
Fact 3:Financial security		.65
Formal privacy	.897	
Safe feeling in transactions	.807	
Fact 4:Product information		.643
Quantity of information	.832	
Quality of information	.740	
Fact 5:Product offering		.53
Number of tourism services	.753	
Variety of tourism services	.789	

5. CONCLUSIONS AND IMPLICATIONS

As information is the life-blood of the travel industry (Sheldon, 1994), utilizing and managing a suitable Information Technology is essential for tourism organizations to satisfy their customers. Some factors play key roles as the predictors of tourists' satisfaction in e-tourism, but yet there has not been enough research on the topic. In this research different determinants of tourists' satisfaction in on-line tourism were investigated.

The result shows that Site design, Convenience, Product information, Product offering and Financial security are the factors which are the determinants of customer satisfaction in online tourism among European people. Convenience includes increasing time efficiency, make it possible for customers to shop anytime and from anywhere in the globe which is the most important factor for tourists. Financial security can be implemented by Formal privacy and Safe feeling in transactions. E-tourism providers can increase the satisfaction of their customers by providing adequate quantity of information, high quality information, large number of tourism services and variety of tourism services. Good site design includes having fast, friendly and uncluttered sites. This finding helps the managers of e-tourism firms how a tourism website can satisfy online buyers. Additionally, the other part of the study clearly demonstrates that more than three quarters of

respondents believe that their satisfaction of a website positively affect their intention of buying form that website.

Future studies should be conducted in order to compare the affect of these factors in different concepts and different cultures.

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