

Case 2.1

Online Booking—Has the Time Come?

The day is not very far when the Indian travellers can criss-cross the globe with just a few clicks. Taking e-commerce and information technology services a step further, the Indian travel industry is composing itself to usher in the era of e-ticketing.

On-line booking involves pursuing of available information on travel websites and then making a reservation. However, if you are not the kind who prefers a particular airline, then you can check out travel sites, which collate flights details of all airlines, and are the apt place to book or bid for air tickets. Travel portals, such as, travelguru.com, arzoo.com, yatra.com, indiatimes.com, rediff.com, makemytrip.com, and cleartrip.com, would provide you all details of flights along with their fares in an ascending order, i.e., the lowest priced, ticket is featured first, on its web page.

The number of consumers who book travel tickets online is growing. But a switch from offline environment to online environment creates certain doubts in the minds of consumers. Such doubts have been termed as perceived risks in literature.

Also, the Internet revolution has brought about significant changes in market transparency, defined as the availability and accessibility of information to market participants. For example, air travellers can use online travel agencies to browse through hundreds of travel offers to their destination, compared to typically few offers from a traditional travel agent or airline prior to the Internet era.

Generally, market transparency seems to benefit consumers because they are able to better discern the product that best fits their needs at a better price. However, there still is a large percentage of population who get their tickets booked through the traditional queuing system.

The advent of e-ticket booking over the past couple of years has led to the mushrooming of online travel agencies. These online service providers have in fact come up with a wide variety of services for faster and more convenient mode of ticket booking. They offer a host of services starting from booking something as mundane as a train or flight ticket to something as exotic as a holiday. They offer various packages which have the entire itinerary for the proposed holiday. They even offer a convenient pick-up and drop service. With such a range of services being offered at your fingertips, expectations are that more and more number of travellers would start using such easy, fast and convenient services as compared to the conventional booking process across a reservation counter. Yet, we still observe long queues at the various reservation counters. And, we also know that there are a number of people who use the online services available to book their travel than through traditional travel booking counters.

Srininandan Rao, CEO of Ghoom.com, a travel portal that has been in existence for the past three years wondered whether he can look at a bigger customer base for his travel booking business or look at an alternative e-business.

Questions:

1. What is the kind of research study that you can undertake for Mr Rao?
2. Formulate the research problem and the objectives of your study. Can you suggest an alternative research approach that you can take?
3. Develop a working hypothesis for your study.