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BOOSTING THE BOTTOM LINE VIA INTERNET SALES—THE CASE OF CONFERENCE TRAVEL

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ABSTRACT

There is no doubt that the Internet has become one of the main channels of distribution for a variety of hospitality and tourism-related companies. Because of cost efficiency and ease of access, such electronic distribution channels often serve as useful tools for hospitality and tourism firms to boost their bottom line. This paper presents a case study of the use of Internet registration for conference travel. Using the 1999 annual Civil Affairs conference as a medium, this study ascertained the acceptance and utility of using the Internet for registration and informational purposes for a group of civil affairs officers. Findings reveal that computer usage and Internet access consumer patterns for the sampled travelers are distinctly different from other reported consumer usage profiles. As such, the importance of such electronic distribution channels for meeting planners is better understood.

Introduction

There is no doubt that the Internet has become one of the main channels of distribution for a variety of hospitality and tourism-related companies. For instance, Au and Hobson (1997) report that millions of consumers are accessing the Internet to seek out travel-related products and services. Given the product-to-consumer nature of the hospitality and tourism industry, it is not surprising to find that the Internet has inspired research in areas such as consumer product trial, loyalty development, market penetration, lead generation, and the determination of consumer usage patterns (Weber & Roehl, 1999; Bonn, Furr, & Susskind, 1999). Furthermore, this heightened level of matching the consumer-to-product cycle is best captured by publications devoted to Internet marketing (Kent & Calishain, 1999; Silverstein, 1999) and works devoted to e-commerce (Camp & Sirbu, 1997; Peterson, Balasubramanian, & Bronnenberg, 1997).

Given the growing importance in exploring the Internet as a marketing tool, it is no surprise to find that researchers in the hospitality and tourism field have attempted to profile the types of consumers that are most likely to access and use the Internet as a medium for travel-related purposes (Yoffie, 1997). Clearly, this is the first step in being able to properly position an organization's products and services with those individuals with a specific need, want, or expectation. Overall, these demographic profiling studies have found that the average Internet consumer is Caucasian and of an elevated socioeconomic status (Pitkow & Kehoe, 1996) and has an advanced educational degree and higher income level than non-Internet users (Bonn et al., 1999).

Furthermore, the growth in Internet sales has stimulated research in the area of the consumer's role in the purchasing process. Under attribution theory, it is assumed that women are less likely to take a risk versus their male counterparts when confronted with a similar decision-making situation. Stoddard and Fern (1999) tested this theory in reference to the Internet and found that there were no differences between male and females under a quality-based scenario. However, when price became an issue, females were less risky when a potential personal gain was a primary concern. A perhaps more negative consumerism study conducted by Brindley (1999) concentrated on the negative aspects of gambling via the Internet. Brindley noted that leisure consumption of gambling over the Internet has negative impacts upon the family unit. In particular, Brindley noted that exposure to Internet gambling could increase the number of pathological gamblers from the current reported addiction levels. Another vein of research has focused on identifying factors that cause consumer resistance to e-commerce transactions. In this body of research, the most prevalent consumer concerns are privacy of information, network security, ease of access, ease of site navigation, incomplete site information, and end-user equipment considerations (Hoffman, 1996; Jarvenpaa & Todd, 1997; Frankel, 2000). Clearly, this area of consumer consumption research deserves additional attention in order to determine how males and females differ in consumption behavior, how age interacts with the propensity to purchase over the Internet, what negative and positive sociological and cultural impacts accrue from Internet usage, and how consumer resistance factors can be overcome.

In summary, a fair amount of research has been devoted to consumer issues relative to using the Internet as a primary means for travel product or service selection. The determination of the entire array of resistance factors is critical for the hospitality and tourism provider from the perspective of alleviating these concerns at the outset so consumer selection of products and services can occur in an e-commerce environment. If done so, the provider is given the appropriate tools to properly identify specific consuming markets (Bonn et al., 1999).

Purpose and Objectives of the Study

The primary purpose of this study is to determine the characteristics that are associated with the civil affairs conference attendees' perception that an Internet site is a useful and effective information and registration tool. With this purpose in mind, the following are the objectives for this study:

1. To profile the demographic and usage characteristics of the conference participants.

2. To determine the respondents' salient computer usage and Internet access characteristics.

3. To test for significant relationships among safety and security variables concerning online registration procedures.

4. To test for significant differences between Internet versus mail-in registrants when separated by Internet access and computer usage variables.

Methodology

The target population for this study encompassed the registered participants of the annual Civil Affairs conference that was held in Orlando, Florida, in the fall of 1999. For the purposes of this study, the total sample was limited to participants that were registered at the conference and were in attendance at the keynote session for this conference. These 169 participants represented active and inactive officers of various military divisions of the United States of America's armed services.

In an effort to ensure consistency and validity of measurement, the questionnaires were directed to those individuals in the audience that had personally completed their own registration process either through the mail or over the Internet. Therefore, individuals that were not directly responsible for their registration process were not asked to complete a survey.

At the end of the keynote session, the participants were requested to complete the questionnaire in an anonymous manner and then place the completed questionnaire in a collection box located near the ballroom exit.

Questionnaire Components

The questionnaire was divided into three main sections. The first part of the survey covered the civil affairs officers' demographic characteristics of year of birth, highest educational degree awarded, gender, number of years in college, annual income, and rank in the military. The second portion asked each participant to evaluate his or her level of agreement with four security and privacy variables that are specific to using the Internet. These items were scaled on a five-point Likert scale where 1 = strongly agree and 5 = strongly disagree. The third section determined the respondents' levels of agreement with seven variables directed toward the participants' Internet access and computer usage. These items were also placed on a five-point Likert scale where 1 = strongly agree and 5 = strongly disagree. In addition, the latter section included 15 categorical (yes/no) questions concerning the participants' computer usage, access to email, and use of the Internet for personal and work-related purposes.

Limitation of Methodology

This study utilized a sampling procedure that limits the results to those registered participants who were in attendance at the keynote session. This convenience sampling process cannot be generalized to other individuals with similar demographic characteristics that might not have been at this general keynote session. Therefore, the conclusions of this study cannot be generalized to the general body of officers in the armed services.

Report of Findings by Research Objective

Research Objective #1: Profile Demographic and Usage Characteristics

The civil affairs officers that participated in this study were predominantly male, with an average birth year of 1952, an average of 6.47 years of college, an average personal income of $77,128 per year, and a rank that ranged from an entry level officer to that of General. These facts alone make this a very seasoned group.

Given the nature of this study, it was paramount to determine at what level these participants used a computer and the Internet as a personal or work-related tool. Remarkably, these officers reported that computer usage and access to the Internet was a common occurrence in their personal and work settings. For instance, 78 of the respondents had purchased an item over the Internet, 78 had used the computer to acquire personal information, 75 had used a credit card to purchase an item via the Internet, 132 used computers in their jobs, 102 used computers for personal use, 111 used a computer for personal emails, and 132 had a personal computer in their home. Clearly, this group is very familiar with computer usage and use of the Internet. This usage pattern (shown in Table 1) indicates that these participants are a valid group to gauge the utility of the Internet as a conference registration tool.

Table 1
Computer and Internet usage

Variable	Frequency	%
Use a PC at work	132	0.78
Non-PC connection to the Internet at work	102	0.60
Work computer can access the Internet	113	0.67
Have a PC at home	132	0.78
Employer provides email	113	0.67
Home Internet access	107	0.63
Use of computer for personal email at home	111	0.66

Research Objective #2: Determine the Respondent's Salient Usage and Access Characteristics

To further substantiate the association between each of the respondents' computer usage and Internet access with the likelihood that the respondent would use the conference registration web site for informational and registration purposes, the Pearson correlation procedure was employed. Table 2 indicates that a strong and significant correlation exists between using email on the job and use of the computer at work ($r = 0.755$), and a moderate and significant correlation exists between using the Internet on the job and using the computer on site ($r = 0.520$). In addition, seven of the correlations were

significant, but weak in correlation value. As with the earlier reported security and trust concerns, these latter associations indicate that increased exposure to the Internet, email, use of a personal Internet service provider (ISP), and personal experience in purchasing via the web are positively associated with Internet usage.

Table 2
Propensity to use the Internet correlation profile

	Using email is an essential part of my job.	Using the Internet is an essential part of my job.
Using a computer is an essential part of my job.	$r = 0.755$ $p = 0.000$	$r = 0.520$ $p = 0.000$
	I would never provide credit card information over the Internet.	I have made a purchase through a web site.
Email is an essential part of my job.	$r = -0.170$ $p = 0.044$	$r = 0.186$ $p = 0.025$
	I would never provide credit card information over the Internet.	I have made a purchase through a web site.
Using the Internet is an essential part of my job.	$r = -0.250$ $p = 0.003$	$r = 0.201$ $p = 0.229$
	I would never provide credit card information over the Internet.	I have made a purchase through a web site.
I have a personal Internet provider account.	$r = -0.274$ $p = 0.001$	$r = 0.206$ $p = 0.013$
	My computer at work is connected to the Internet.	
I have provided personal information to another web site.	$r = 0.230$ $p = 0.005$	

Research Objective #3: Test for Safety and Security Variable Relationships

Seven variables (as extracted from this study's literature review) were noted as concerns that consumers and companies have when using the Internet.

Variable # 1.   I would never provide credit card information via the Internet.

Variable # 2.   I would provide credit card information via the Internet if I trusted the receiving organization or company.

Variable # 3.   I feel that personal information transmitted via the Internet is relatively secure from interception in transit.

Variable # 4.   I do not mind using a site that uses Internet cookies to maintain information about my use of the site.

Variable # 5.   I have made a purchase through a web site.

Variable # 6.   I have provided personal information to another site.

Variable # 7.   I have provided my credit card number to another web site.

With this in mind, the present study employed the Pearson's correlation procedure to identify if any significant relationships existed for the conference participants among these variables. As a guide for this study, a weak correlation is defined as between 0.10 and 0.40, a moderate correlation is between 0.40 and 0.65, and a strong correlation is from 0.65 and 1.00. With this scale in mind, it was found that eleven of the reported correlations were weak, nine were moderate, and one was strong. Overall, these findings are logical in that the conference participants' propensity to feel secure and trust the Internet as an information and purchasing medium is positively related to their familiarity with such transactions. This is proven by the correlation findings for the variables listed in Table 3. For instance, the respondents' willingness to provide credit cards over the Internet is significantly related to their trust in the host organization, security of the transaction from interception, tracking of personal information (cookies), and the respondents' previous purchase behavior via the web. Clearly, this user profile indicates that the respondents' willingness to provide credit card information is moderately correlated with their trust in the host organization's ability and the organization's commitment to use their personal information in good faith.

Table 3
Security and usage correlation findings

	Variable # 1	Variable # 2	Variable # 3	Variable # 4	Variable # 5	Variable # 6	Variable # 7
I would never provide credit card information via the Internet.	1.00	− 5.15**	− 0.457**	− 0.347**	− 0.536**	− 0.437**	− 0.613**
I would provide credit card information via the Internet if I trusted the receiving organization or company.		1.00	0.487**	0.289**	0.352**	0.197*	0.410**
I feel that personal information transmitted via the Internet is relatively secure from interception in transit.			1.00	0.376**	0.353**	0.314**	0.384**
I do not mind using a site that uses Internet cookies to maintain information about my use of the site.				1.00	0.177**	0.278**	0.256**
I have made a purchase through a web site.					1.00	0.422**	0.769**
I have provided personal information to another site.						1.00	0.438**
I have provided my credit card number to another web site.							1.00

Research Objective #4: Test for Significant Differences Between Internet Registrants and Mail-In Registrants on Internet Access and Computer Usage Variables

From the perspective of a conference planner, it is not only important to determine which variables influenced the conference participants' propensity to use the association's web site registration services, but it is also imperative to determine how these variables differed between those that registered via the Internet and those that did not. To accomplish this, the conference participants were separated into those that registered via

the mail versus those that registered via the Internet. Participants were then compared against the following Internet access and computer usage characteristics.

- I have a personal PC at my primary work location for my exclusive use (work PC).
- I have a personal email account that is not work related (personal email).
- My employer monitors employee use of the Internet (employer monitors computer).
- My work computer is connected to the Internet (work connect).
- I have a computer at home (home computer).
- I have a personal Internet service provider (ISP) account (personal ISP).
- My employer only monitors employee use of the adult web sites (employer monitors adult web sites).
- I use my home computer to access the Internet (home Internet access).
- My employer monitors employee use of email (employer monitors email).

The respondent profile reflected in Table 4 indicates that both groups were quite familiar with using the computer and the Internet as part of their daily work and personal regimen. This profile supports the usage pattern previously mentioned, except for the addition of employer monitoring behavior. These respondents were confident that their employer did not monitor their emails, track their web site access, or monitor their general computer usage. This pattern undoubtedly reinforces a climate of trust within each setting. However, it should be noted that these respondents were officers in the armed services, which assumes that a certain level of trust is associated with their rank.

Table 4
Chi square on Internet access and usage variables

	Personal ISP			Work PC	
	Yes	No		Yes	No
Internet	51	38	Internet	82	7
Mail	35	21	Mail	50	6
	Personal email			Employer monitors adult web sites	
	Yes	No		Yes	No
Internet	70	19	Internet	10	79
Mail	41	15	Mail	5	51
	Home computer			Employer monitors computer	
	Yes	No		Yes	No
Internet	81	8	Internet	7	82
Mail	51	5	Mail	5	51
	Home Internet access			Employer monitors email	
	Yes	No		Yes	No
Internet	69	20	Internet	33	56
Mail	38	18	Mail	23	33
	Accessed the conference web site from home			Work Internet connected	
	Yes	No		Yes	No
Internet	31	58	Internet	71	18
Mail	11	45	Mail	42	14

Furthermore, it should be noted that there were two significant differences detected when the chi-square statistic was employed to these categorical questions. First, a Pearson chi-square of 0.05 was found for those who accessed the conference web site from home versus those that mailed in their registration. This is an intriguing finding in that the frequency of those that did not access the site from home is greater than those that accessed the site from a different location. This seems to indicate that the respondents were indeed active users of the Internet from multiple locations. Second, a Pearson chi-square of 0.02 was found on the question of whether the employer monitored email activity. Clearly, the Internet group reported a stronger belief that their employer did not engage in such an activity than their non-Internet user counterparts.

Conclusion

This study indicates that this group of civil affairs officers is largely a homogenous group that has a strong propensity to use the Internet for leisure and work-related purposes. The fact that these individuals were receptive to the use of the Internet indicates that this medium is a viable mechanism for this national association to use for informational and registration purposes. Furthermore, this study confirms the findings made by Bonn et al. (1999) that the Internet user is college-educated and middle-aged. However, it should be noted that the current study extends past the Bonn et al. findings by noting that these civil affairs officers are on the average seven years older, are in the upper-middle personal income range, hold administrative positions, and have an elevated propensity to use the computer, email, and the Internet in their personal and work setting. This observation highlights the importance in determining the user characteristics of the specific population that is under scrutiny. At least for this group of civil affairs officers, the Internet is a viable informational mechanism and any negative concerns relative to security and privacy issues are minimal at best.

Discussion

Given the user profile of these civil affairs officers, a conference planner should develop a marketing and promotional distribution plan that would appeal to this technologically savvy group of users. In essence, the planner would develop a marketing strategy that embarks upon a virtual distribution of conference information and registration materials that specifically targets the usage patterns of this group.

However, the conference planner must be cognizant that there are association members that are not as adept at Internet access and computer usage as the majority reported in this study. This paradox is perhaps the biggest challenge for the conference planner in terms of meeting the diverse informational and registration needs of each constituent body of the association's membership.

In summary, the findings of this study indicate that a conference planner must develop a plan of distribution that is capable of meeting all association members' needs. Clearly, the majority of the membership are frequent users of technology and, therefore, are not highly concerned with security issues. Yet, there still remains a small portion of this sample, and perhaps a larger component of the membership at large, that have not been exposed to similar personal and organizational climate conditions that support Internet usage and access.

Relevance to Hospitality Finance

The relevance of this study for the hospitality finance industry is related to positioning of online registration services versus that of a manual registration system. In short, the findings of this research indicate that a positive correlation exists between personal income and propensity to use online registration services. More importantly,

the conference organizer of a similar conference and population (i.e., age and income distribution) would enhance access to real-time data about conference registrations that would in turn result in a reduction of hard and soft costs associated with manual registration.

Future Research

This study leaves the conference planner with many unanswered questions. For example, there is a whole array of unanswered questions surrounding psycho-graphic and lifestyle considerations relative to the membership that have not been determined as of the date of this study. Therefore, future research needs to be conducted on lifestyle, cultural, social, and physical resources that potentially affect the user's ability and desire to use technology. Once this information is acquired, a common body of knowledge can be developed that will enhance the conference planner's ability to properly position products and services to best meet membership needs.

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