

CONSUMER BEHAVIOR STUDY IN THE FIELD OF TOURISM

**Lect. Ph.D.Gruescu Ramona
University of Craiova
Faculty of Economics and Business
Administration, Romania**

Abstract: Today, the Internet is assumed to be an important channel for services marketing and is leading to profound changes in the way firms interact with consumers. Consumers now have increased access to informational electronic marketplaces and use this information in a sophisticated way to select their services. The Internet provides accurate and specific information that can reach the target audience with the accuracy of more personalized information sources. This new interactive medium can be considered as a rational medium of difficult classification. The Internet is not easily classified as either impersonal or a mass media channel.

Key words: marketing, destination, internet, site, market, consumer

Information search is a dynamic area of services research, with a relatively large conceptual and empirical basis. However, selection of information sources mostly explains “who, when, where, how and why” consumers search for information in the pre-purchase phase. Rare research indicates that the use of information sources influences future search behaviors.

To our knowledge, no research exists regarding the impact of information search patterns on future information search behaviors. Moreover, although a wide range of empirical studies have been developed concerning the impact of information sources on expectations, no empirical study has analyzed the impact of expectations fulfillment on the future use of information sources. Previous research indicates that expectations fulfillment is shaped through information sources that consumers obtain in the pre-purchase stage. Since future consumer choices are based on expectations, a better understanding of this relationship is vital to marketing managers. By understanding how consumers will search for information, we have a basis to influence consumers’ expectations. Information search in the pre-purchase stage strongly influences overall consumer decision, mainly because it influences consumers’ images and expectations .

Similarly, the process of expectations formation in the tourism industry is particularly relevant given that tourists make their purchase decisions while building on expectations. Tourists typically travel to a place different from their residence, and in several cases to a place where they have never been before. To explore or reduce the risk of unfamiliar product experimentation, tourists seek information and create destination expectations. Hence, since consumers perceive tourism products taking into consideration their service expectations, these expectations become a major influence on consumer choices.

Market research shows that the European tourist is maturing, and demanding higher levels of quality when on holiday. In other words, they are seeking good value

for their money. Furthermore, European destinations are now competing in a global market place, and the quality of the tourist experience is arguably just as important for competitive edge as price.

Common sources of customized information are travel agents, institutional and commercial brochures, and the Internet. Marketers use these sources to build tourists' specific expectations with the goal of influencing future purchase decisions. Non-customized information might also affect tourists' product image. This information is typically not requested by consumers, but comes instead in the form of reports and advertising in mass media. It is our aim to develop a model that assesses the importance of non-media information sources, and their impact on expectations fulfillment and on the use of mass media information sources in future trip planning. In addition to mass media information sources, we include four non-media information sources: travel agents, institutional brochures, commercial brochures and the Internet. Tourists use these non-media information sources in information search to select the route to the destination, accommodation, and activities at the chosen destination.

Global exposure is of prime importance for tourism destinations. Till the mid-1990s destination promotions were entirely reliant on travel agencies to market its products. The web has enabled tourism destinations to market themselves through well designed and well promoted websites. Doing business on the web has helped avoid regulations and restrictions that companies must follow when physically doing business in other countries. For example in some countries, foreign travel companies are forbidden to operate. Finally, compared with the traditional media, the web allows unlimited access for hundreds of millions users to an unlimited amount of information.

From a theoretical perspective, understanding consumer behavior is essential in decoding all the activities used to develop, communicate and sell services. Similarly, from a practitioner's perspective, it is necessary to understand the motives regarding why some services are preferred or rejected by consumers. With this understanding, it will be possible to influence consumers' decisions by developing appropriate strategies.

Consumer behavior study is much more complex for services than for goods, due to their intrinsic characteristics: intangibility, inseparability of production and consumption, heterogeneity, and perishability. Tourist consumer behavior is particularly complex because the final decision of buying tourist services presents distinctive aspects. First, the acquisition process has a strong emotional component for consumers. Second, purchasing is often the culmination of a long process of planning, choice, evaluation and assessment of alternatives by a large number of people. More importantly, this intangibility of tourist services creates uncertainty and perceived risk in the consumer's mind. So, before buying a tourist service, consumers acquire a large quantity of information and anticipate the consumption, creating images and expectations.

Consumers are increasingly choosing those offers in which they can be certain that the services, outdoor experiences and also the welcome from the local population are of a high quality and worth the price paid. At the same time, tourist destinations and the providers of tourist services are increasingly confronted with changes in guest expectations and requirements, and increasing competition at home and abroad. A lack of attention to quality issues now could have serious consequences later in terms of loss of image, falling income and the initiation of potentially expensive damage limitation exercises.

Though the internet has been in existence for a while now, its popularity has sky rocketed in the recent years. There are two broad categories of internet services i.e. communication and information services. Of the two, communication services allow direct exchange of information between internet users. E-mail, e-mail-based discussion lists and net news are also included in the communication services. Information services, Telnet, Gopher and anonymous FTP (File Transfer Protocol), allow users to access data made available by other users. The World Wide Web (WWW) has completely overhauled the internet since 1993. WWW allow the user to access hosts through Telnet, read newsgroups and use e-mail. Internet browsers have now become a source of unlimited information for both leisure and commercial purposes. The web's ability to blend text, pictures, sounds and video clips into multimedia documents, transformed the internet into an effective means of communication. The WWW has changed the appearance of the internet so much so, that for many it is now the same as the internet.

The vigorous growth of the internet has drawn a lot of attention from both academic researchers and business operators. People in the fields of Information Technology (IT) and marketing have swarmed the internet. Internet publications on tourism marketing have grown significantly in the last few years. Some have provided a necessary background to some in-depth discussions of the various issues of marketing tourism on the internet. Some of these articles have highlighted the internet's impact on tourism distribution. However, this field of research is still in its infancy. Efforts must be made to understanding the internet's role in tourism marketing and as to how tourism organizations and destinations can exploit its full potential.

The Internet has transformed the well-known marketing communication model from one-to-many to one-on-one or from broadcasting to narrowcasting. The traditional print, radio and television, follow the passive one-to-many communication model. This way a company reaches many current and potential customers through repeated broadcasts of the same message. This approach has three problems:

1. Generic message to every consumer,
2. Wasted exposures to uninterested audiences,
3. Competing and conflicting messages being sent to consumers.

The Internet gives the ability *to address each consumer* personally. Each time a user visits a web site its server has a record of the user's electronic address. This information will help, to send a personalized message to a smaller target audience or an individual consumer.

Though mail, telephone and personal selling have been in existence for many years, the internet however offers high-speed information transmission and retrieval at a low cost. The addressability of the web provides the ability to customize and tailor the product and/or the marketing effort to one consumer at a time.

The internet makes it possible to squeeze one-on-one marketing's well-known four Ps into one element - the relationship. It represents the ultimate expression of target marketing. Well-designed web sites, emails and news-groups, can be as effective as personal selling. Internet marketers can do the job of a sales-force with more flexibility, better memory and at a fraction of the cost. Another element of the net that makes it different from traditional communication media is its *ability to interact*. The internet enables feedback. Dialog forms an important element of relationship marketing, and is a vital factor in building customer loyalty. Customers are empowered to communicate with companies, research information and conduct transactions at the

press of a few buttons. Companies too can easily contact customers to clarify their needs or inform them of new products.

Unlike in the conventional communication channels like newspapers or television, the customer is in greater control of choosing and processing information about the firm.

The internet makes the exchange of information between consumers as well as between companies possible. Information exchanges between companies will provide competitive intelligence and will enhance alliances and co-operation. Information exchanges between the consumers establish virtual communities. Such virtual communities will have significant implications for market segmentation, customer service and understanding consumer behavior.

The web offers more *flexibility* than the conventional mass media. A website is like an electronic brochure where visitors can read information on products or services. A webpage is more flexible than a physical advertisement or catalogue. It can be updated with fresh and current information gathered through feedback from consumers. A virtual catalogue can be kept in sync with the requirements of the consumers and inform them about new products and price changes.

As an industry heavily reliant on brochures the web's flexibility and immediacy in information transmission is invaluable. The preparation and distribution of holiday brochures is a costly and lengthy process during which the demand conditions and competition situation could change greatly. In print media, any price and availability changes can only be notified through supplementary brochures. With the web this can be done instantly at little cost. A webpage can be linked to inventory data to show the availability of any holiday tours. A website can be indexed in many ways and be equipped with search facilities to locate items quickly.

The internet has an edge over any other media in its ability to *permanently expose information* to a global audience. The net vastly improves the information availability and user interaction. An effective web site keeps a company in business 24 hours a day, 365 days a year in a global market place. Anybody in any part of the world can access its marketing information at any time they desire. This ability will greatly reduce place and time utility woes. Accessibility is vital in international trade where business spans across different time zones.

The Web makes it possible for companies to *improve the service quality* at all levels of customer interaction i.e. pre-sale, during and post sale. The web provides four tangible improvements in customer service.

1. A wider choice for the consumers: A website can display an array of products and services
2. Quick processing of payments: Automatic processing of cyber-cash or credit card charges.
3. Faster delivery: Especially for products like online software and music distribution
4. Making available a wealth of information that can be quickly and easily accessed.

In tourism the web-based distribution systems can help satisfy the consumer needs of easy access to a wide choice of information and hassle free reservations. Increasingly tourist satisfaction depends on the timely availability of accurate and relevant information. Improved access to information on all aspects of tourist activities

has made it possible for marketers to offer personalized services at the same prices as standard packages.

There are mainly five areas where *costs can be minimized* on the internet:

1. Automation of the reservation processing and the payment system cuts down sales costs.
2. Implementing a menu-driven web-based travel reservation system as opposed to a command driven system where a sales clerk has to remember commands and airport codes.
3. Implementing direct links between the producer and the consumer, saving on huge distribution costs.
4. Saving on promotional costs due to the net's ability to send customized messages through electronic communication.
5. Reduced rental costs on office and sales space, and on administrative overheads.

Setting up a promotional web site without booking facilities, costs relatively less. An averagely skilled person with the use of a proper software package, such as Microsoft FrontPage can build a basic company web site in days. However a more comprehensive and powerful web-site offering in depth information such as virtual multimedia brochure including cataloguing products offerings and reservation and transaction facilities, will cost more and take longer to develop. Even though such a site will cost more to build, the cost is considerably less than tens of millions of dollars spent by airlines, tour operators and hotel chains on TV and magazine ads. By providing information on a website, customers feel empowered to find answers to their inquiries themselves, cutting costs on telephone charges on toll-free numbers.

Using the internet can help save on distribution costs. Promotion and distribution of tickets, is a big cost factor in the airline industry. Selling tickets on the internet can eliminate travel agent commission and GDS fees paid by the airlines. An internet based supply channel management can also save procurement costs for businesses.

Indeed, analysts have identified the Internet as the cause of a revolution in the services sector. Its potential allows service firms to enlarge their market worldwide, providing firms with an unprecedented ability to communicate directly and effectively with potential customers. This is due to, among other things, the cost-effectiveness of the Internet and the convenience for customers. Increasing digitalization will make it progressively easier to alter particular aspects of a service and quickly observe how customers respond.

In the tourism sector, the internet has become an important source of information to consumers who are more and more demanding, and who become each day more familiarized with this emerging world of information. The impact of innovation on the tourism sector is as complex as the sector itself. Since there is no supply side definition of tourism, innovation processes outside the sector (in its narrow definition) might be more important than those within.

With the relatively widespread adoption of the Internet, tourism businesses of all sizes might expand and acquire new customers and create more sophisticated products to reach new customer segments. Tourists have become more independent and sophisticated in using a range of tools to arrange their travel. The key to the tourist's decision is the existence of relevant information. With the Internet such information might be available and more accessible. Customer satisfaction depends on the accuracy

of specific information on destinations' accessibility, accommodations, facilities, attractions and activities. The Internet satisfies the needs of consumers for convenient access to transparent information. It allows them to compare information. They are able to cover the entire variety of choices of travel, accommodation, transportation and leisure services, holiday packages, prices and availability. This type of information will naturally help tourists to plan complex tourist activities, such as long trips. Regarding the competitiveness of a destination as a prerequisite for the survival of its tourism enterprises thus inevitably leads to the conclusion that enterprises selling complementary products should network to ensure that tourists perceive the destination as a cluster of products to satisfy their demand for holiday experiences.

REFERENCES

1. Fodness D., Murray B. A model of tourist information search behavior, *Journal of Travel Research*, 1999
2. Leong E.K.F., Huang X., Stanners P.J. Comparing the effectiveness of the web site with traditional media, *Journal of Advertising Research*, 1998
3. Moutinho L. Consumer behaviour. In: L. Moutinho, Editor, *Strategic management in tourism*, CABI Publishing, New York, 2000