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## **IDENTIFYING THE DIFFERENCE IN AGREEMENT IN PERCEPTION TOWARDS ONLINE AND OFFLINE TRAVEL BOOKING AMONGST POST GRADUATE STUDENTS- A KAPPA TEST ANALYSIS**

**Dr. Deepjyoti Choudhury<sup>1</sup>**

<sup>1</sup>Assistant Professor,  
Department of Business Administration,  
Assam University,  
Silchar-788011,  
Assam, India

**Prognadipta Das<sup>2</sup>**

<sup>2</sup>Research Scholar,  
Department of Business Administration,  
Assam University,  
Silchar-788011,  
Assam, India

**Monika Singha<sup>3</sup>**

<sup>3</sup>Student,  
Department of Business Administration,  
Assam University,  
Silchar-788011,  
Assam, India

### **ABSTRACT**

*With the inception of globalisation since 1991, India has emerged as one of the fastest growing economies in the world. Many sectors have contributed to its development and tourism sector is no exception to it. Currently, tourism industry is on the verge of its continuous growth and has significant impact upon the economy of country. However on the other side of the coin, it is evident that 'digitalisation' has become a buzzword in the current scenario and people nowadays are very much inclined towards availing internet based services. In every other sector, people have a tendency to prefer online over offline services and the same is noticeable in tourism sector too. The services provided by online travel platforms are quite dynamic and convenient which can attract customers on a large scale. Thus, the basic objective of this study is to understand the perception towards online travel services among post graduate students and also to analyse whether there is any difference in agreement in perception of students towards online and offline travel agencies in terms of their services provided. Kappa test of agreement has been conducted to test the hypothesis and to conclude whether student's perception differ towards offline and online travel booking service quality.*

**KEYWORDS:** *Tourism industries, online travel agents (OTA), offline service, travel ticket, Kappa Test*

### **1. INTRODUCTION**

Tourism being one of the fastest growing industries in the world has significant contribution towards Indian economy. The contribution of tourism sector in India is 14.1 trillion in 2016 creating 9.6% of GDP approximately (Chaturvedi, 2017). In current scenario, tourism sector has become so much

popular and vibrant that people don't ask whether to go for any vacation or not rather they ask the destination of vacation. Besides, with the rapid advancement in information technology and digital services people's way of living and thinking has changed to a great extent. It is quite evident that with the emergence of online platforms, customers' way of searching

information related to any product or service has completely transformed (Chang, Lee & Huang, 2007). Similarly, the way tourists or travellers search and plan for vacation trips has also been changed from traditional to online approaches. These days, millennials prefer to travel more as compared to few decades ago because they prefer to live in the moment by travelling instead of spending their money to buy apartments (Buckley, 2017). For this, young generation take the easy route and mostly they prefer online platforms for availing services related to travelling. Also due to constricted schedule and lack of leisure time young generation of these days generally prefer online travel agencies over offline in order to avail various services. Thus, this paper attempts to study and analyse the perception towards online travel services among post graduate students and also to understand whether there is any difference in perception of students towards online and offline travel agencies in terms of their services provided

## 2. REVIEW OF LITERATURE

During earlier days, travellers had to visit local travel agent's office in order to plan any vacation. However, the scenario has changed these days, in which online travel companies are coming to the forefront with more offers like availability of air seats, destination information, hotel booking and packages etc. on the internet (Kantawala, 2018). Online Travel Agents act as third party travel agencies which offer easy database to the travellers to search travel related arrangements directly from their websites. These agents invest highly in advertisements, offering reward incentives etc. in order to reach their customers easily (Feinstein, 2018). There exist some independent travel agencies who collaborate with other small group of agents. Those independent agencies in spite of having their websites, they mostly prefer face to face interaction with their customers. Legwork, word of mouth, local advertisements are some of the key driving forces behind their success of reaching mass level customers (Morello, 2019). Online travel services are quite recent phenomena for the Indian customers and easy accessibility of internet has made them to use it frequently. The key reason behind online service is that it is very much convenient to use. The customer satisfaction on online travel website depends largely on product description, clarity in information provided and the trust gained by them from the websites. However, Indian customers still prefer face-to-face interaction with service staff, as it gives them an assurance that their requirements are being addressed properly (Khare&Khare, 2010). According to a study done by WYSE Travel Confederation, it has been found that people under the age group of 30 years have preferred online travel agencies

for 80% of their trips. As per the findings of New Horizon IV survey of WYSE study reveals that youth are responsible for 23% of global arrivals in 2017 worldwide. With regard to travel agencies, youth tourists buy around 22% of air transport, 15% of surface transport, over 20% of travel insurance, 19% of tours and no more than 13% of overnight stays through them. However, it is quite an astonishing fact that Generation Z people born after 1995 tend to use online travel agencies less than the Generation Y, or the Millennial (Fes, 2018). According to Kozlova (2014), travel agencies need to clearly study a particular segment to design the product in such a way so as to meet the needs and wants of potential customers. The intangible nature of tourism/travel products makes it difficult for the consumers to access the service quality before consumption, as such risk and uncertainty tends to remain high (Abubakar, 2016). To overcome this uncertainty, potential customers often search for reliable information (Casaló et al., 2015). Indian economy is growing leading to increase in disposable income which drives people more towards online portal to book services instead of offline booking (Chakraborty, Rao, & Abhishek, 2018). In India, the Online Travel Agency (OTA) business has reached to \$800 million and is mostly dependent upon transactions related to air travel. It has been found that most of the customers use offline travel agents for national travel products and online travel agents in case of international ones (Cosma, Bota&Tutunea, 2012).

### **Online versus Offline Service**

In current days, internet has become an important medium of increasing sales. At online retail sales in USA, 136 billion dollar was spent in 2007 which was an increase of 19% as compared to previous year (Scheleur and Carol, 2008). Due to rapid growth of internet, it is quite evident that there is a shift in the field of interest towards business in every segment mainly to promote and sell different products and services (Wallace et al., 2004). Eventually, internet provides businesses with various opportunities to influence customers in their purchasing decision (Hauble& Murray, 2003). Online channels have overpowered the brick and mortar channels while considering the diversity of products and services offered (Cheema & Papatla, 2010). However, as online sources provide overwhelming sources of information, it results in creating confusion in the minds of the consumers. Thus, it is quite important to understand the target customer while approaching them either through online or offline mode (Keller &Staelin, 1987). While looking at the well-known website of Trip advisor we can clearly understand that the growth of online services is evident in travel and

tourism industry too. It is a consumer oriented website which provides a good example of experience format that provides travel information in the form of reviews. Data reveals that traffic on this website increased from 20 million to 60 million monthly visitors between 2010 and 2013 (Buhalis& Law, 2008). Such trend of growth provides a basis that online travel sites play a great role and will continue to play such role in travel and tourism sector (Filieri&McLeavy, 2013).

**3. STATEMENT OF PROBLEM**

By reviewing the relevant literature, apparently it is clear that most of the people prefer to choose online rather than offline travel agencies. It is also evident from different studies that online booking are easier to access which increases the growth of online travel agencies in tourism industry. A vigilant customer is always concerned about the quality, price or durability of any product or service while purchasing or availing it and the same goes with the customers of travel and tourism sector too. So, before purchasing tickets or availing any travel related services customers analyse whether online or offline travel agencies are better for them and accordingly they can decide what to choose.

Thus, the problem statement of this study is to clearly understand whether there is any difference in perception towards online and offline travel agencies in terms of their services provided so that we can easily find out whether people are more inclined towards online travel agencies or offline .

**4. OBJECTIVE OF THE STUDY**

This paper mainly deals with identifying the perception towards online and offline travel booking and hence the main objective of the study is to find out the difference in agreement if

any in perception towards offline and online travel booking among post graduate students.

**5. METHODOLOGY**

The perception was measure with the help of 7 statements both for online and offline based on service quality measurement SERVQUAL. According to the objective the researcher is concerned with respondents who are post graduate students. Since the population is unknown, the sample size was dependent on the formula  $n=1/e^2$  Where e is the error in the study. Considering error as 10% the calculated no of sample size is 100. The sample has been collected from PG students available over emails, social networking groups etc across different places with the use of google forms making it a random sample. The reliability tests Cronbach’s  $\alpha$  was calculated to identify the reliability of the questionnaire. The collected data were put into SPSS version 21 and Coefficient of agreement Kappa Test was conducted to test the hypothesis. To record the responses 5 point Likert Scale was used.

Hypothesis of the study: There is difference in agreement in perception towards service quality of online and offline booking of travel tickets.

**6. ANALYSIS**

The descriptive statistics of the data were obtained and found that gender wise 40% of the respondents were females and 60% of the respondents were male. Since the study was conducted among post graduate students, hence almost 90% of the respondents were from the age group 20-30 years. The reliability test Chronbach alpha was calculated for 7 items and the results were above the threshold value of 0.6 hence we can conclude that the questionnaire is reliable.

**Reliability Statistics**

Cronbach's Alpha	No of Items
.854	07

To test the hypothesis i.e. to measure the difference in agreement in perception towards service quality of online and offline booking of travel tickets Kappa test is conducted. The value of Kappa is always less than or equal to 1. A value of 1 implies agreement which is perfect agreement and values less than 1 imply agreement less than perfect agreement<sup>1</sup>. The value of Kappa is less than 0.20 (Poor Agreement), 0.20-0.40 (Fair Agreement), 0.40 to 0.60 (Moderate Agreement), 0.60-0.80 (Good

Agreement) and 0.80-1.00 (Perfect agreement) which is rare<sup>1</sup>.

<sup>1</sup><http://www.pmean.com/definitions/kappa.htm>

**Table 1:** Represents the cross tabulation of response of Perception towards online and offline travel agents.

**Online Travel agent \* offline travel agent Cross tabulation**

Count		Offline travel agent		Total
		2	3	
Online travel agent	1	1	0	1
	3	0	1	1
	4	1	4	5
Total		2	5	7

Source: Author's Computation

**Table 2: Symmetric Measures**

	Value	Asymp. Std. Error <sup>a</sup>	Approx. T <sup>b</sup>	Approx. Sig.
Measure of agree of kappa	.045	.047	.683	.495
N of Valid Cases	7			

Source: Author's Computation

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

The Table 2 i.e., the **Symmetric Measures table** presents the Cohen's kappa ( $\kappa$ ), which is a designed statistically to take into account chance agreement<sup>2</sup>. The Cohen's kappa measures the proportion of agreement *over and above* the agreement expected by chance (i.e., chance agreement). Here we have Cohen's kappa equal to 0.045 and P value is greater than 0.05 which is not significant, hence it can be considered that the hypothesis is rejected and there is no difference in agreement in perception towards online travel booking and offline travel booking since the value of p is insignificant.

**7. CONCLUSION, LIMITATIONS AND FUTURE SCOPE**

The study was conducted to find the difference in agreement in perception towards online and offline travel ticket booking. The kappa test of agreement was conducted and the hypothesis was rejected to claim that there is no difference in agreement in perception between online and offline. Thus whatever be the medium for booking tickets the post graduate students' perception towards service quality is same and they find no difference between the mediums. The study is not free from limitations as the study cannot be generalised. The same study may have different result in different geographical

area, cultural setup etc. Both sampling and non sampling errors may create limitations in the study. Further the same study can be tested in other geographical area with different methodologies all together as future scope. The gender specific study can be conducted to find out the difference in the perception between male and female. Further study can be conducted to find out in which factors or criteria offline and online service differ and which factors there is similarity.

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