Profiling Travel E-Shoppers in Britain

Yusniza Kamarulzaman
Department of Marketing and Information Systems
University of Malaya, MALAYSIA

ABSTRACT

The Internet technology presents a great opportunity for tourism businesses to market and distribute their services and this has affected the way consumers interact with tourism marketers. This research aims to fill the gaps in the current understanding of the potential of e-tourism marketing in Britain through examining the profile of e-shoppers for travel services. This involved in recognizing the customers' demographic and geo-demographic profile and also their purchasing pattern. This research converges from the backgrounds of e-tourism, e-marketing and consumer behaviour while employing Internet Survey tools in the data collection stage. The paper is organised into two significant parts. The first part addresses the background of the research with regard to aspects of the e-tourism industry and its development. The second part presents the empirical research, covering the aspects of methodology, research contribution and conclusions. The results explicitly clarified several key contributions and implications to marketing theory and practice.

Key Words: E-Tourism, E-Marketing, Internet Shopping and Consumer Behaviour.

Introduction

The tourism industry is the fastest growing sector of the global economy. This industry has evolved dramatically in the past 25 years as a result of changes in the environment, economics, technology, and consumer behaviour and lifestyles. These revolutions have caused the mass tourism that dominated the 1970s and 1980s to give way to the new tourism, involving new tourists, new technologies and new management practices (Poon, 1993). Tourism had generated over 10 percent of the world's GDP and 231 million jobs, either directly or indirectly (WTO, 2007). Tourism is a very diversified and complex industry, encompassing a wide range of economic activities and job profiles in every region and involving a substantial investment in a good workforce.

Tourism is also one of the sectors of the European economy with the best outlook. It is reported that tourism directly employs about 8 million people in the European Union, representing roughly 5 percent of total employment and of GDP, and 30 percent of total external trade in services (Eureka, 2007). Since 1980, the tourist boom has doubled the volume of tourism activity in Europe. Currently, nearly 380 million EU citizens undertake each year some 530 million tourist trips (Eureka, 2007). Forecasts indicate continued steady growth of tourism in Europe, stronger than the average economic growth and normally exceeding an annual level of 3 percent. This will provide good prospects for further employment growth.

Tourism is the sixth largest industry in Britain. It generates £85billion per annum for the UK economy (6.4 percent of GDP) and directly supports 2.2 million jobs (7.7 percent of the total workforce). In generating £15billion per annum in foreign exchange, it is also the UK's third largest export earner (UKTS, 2006). The Internet is one of the causes of the dramatic changes in the tourism industry in Britain. It is the newest and most powerful tool available to tourism marketers nowadays. The Internet also provides massive opportunities to reach new markets and to improve business efficiency. Based on past studies, the tourism industry's global performance is unquestionable (see Ernst & Young, 2000; Chu, 2001; Heung et al., 2001). The opportunity for e-tourism businesses to succeed in the virtual marketplace is intense; however, businesses need very systematic planning and implementation of e-business practices, as well as the skills required. Likewise, the e-tourism market behaviour and knowledge of its users must be fully understood in order for it to be successfully incorporated into a marketing plan.

This research examines the potential customers of e-tourism products, through a study of the existing profile of e-tourism customers. In this study, e-tourism refers to the application of ICT (Information Communication Technology) in buying and selling travel and tourism related products such as Flights, Accommodation, Tickets, Car Hire, etc. Specifically, this research identifies the demographic, geo-demographic factors and purchasing pattern of current e-tourism shoppers. Understanding consumers' profile is critical in e-marketing strategy as it determines the type of market segmentation and its potential for targeting and positioning of new products. The results will facilitate an understanding of the factors associated with the adoption of e-tourism shopping, thereby enabling researchers, practitioners and policy makers to better develop appropriate strategies to enhance and promote e-tourism to these user groups.

Research Objectives

The overall purpose of this research is to provide a better understanding of the profile of e-tourism customers and their purchase behaviour. Specifically, this research proposes the differences in background characteristics and buying pattern between early adopters and later adopters of e-tourism. This will make it possible to better understand the background and behaviour of e-tourism customers as well as predicting prospect users or potential buyers. Such understanding will aid e-marketers and web designers to develop a customized and personalised marketing strategy that could increase the usage of e-tourism while influencing and attracting the non-shoppers.

The research purpose suggests the following research objectives:

1. *Determine the profile and purchase behaviour of e-tourism customer.*
2. *Identify the differences in profile between early adopters and later adopter of e-tourism.*
3. *Present suggestions to tourism businesses in terms of enhancing their e-marketing strategies.*

Research Methodology

This research utilises quantitative data collection techniques which form the research design and methodology used for the data analysis. The research design includes the research approach, methods of data collection, scaling, the sampling procedure, the design and implementation of the survey, validation and reliability and ethical considerations in the data collection.

This research adopts web-based survey as the data collection tool due to the nature of the research and the accessibility to the target sample (Swoboda,1997). This research utilizes e-mail survey tool for the data collection process having the advantage of low cost and quick distribution (Yun & Trumbo, 2000; Zhang, 2000). Further, e-mail survey is also an excellent vehicle for inviting individuals to participate while providing efficient tool for the data storage.

The limited accessibility of customer e-mail databases due to security, privacy and confidentiality issues has influenced this study to acquire an e-mail database from an online company. Based on the database and considering the parameters imposed, probability sampling was deployed. Probability sampling takes place when the probability of the selection of each respondent is known. With this, statistical inferences on the chosen sample of e-tourism customers could be made in this study. The selected respondents from the database could represent the total population of e-tourism customers, and this approach also permits generalizations.

Table 1. Sampling Procedure

Sampling Step	Responses
E-mail sent for screening of potential respondents	1834
Replied	704
Qualified	483
E-mail sent for actual survey invitation	483
Replied	300
Qualified	299

As shown in Table 1 above, the initial e-mails were sent to 1834 respondents, randomly picked by the system from the *Response Panel*, a survey company database. These e-mails were sent with a link to a simple multiple-choice screening question asking about the types of product that the respondents had purchased over the Internet. A total of 704 respondents replied to the question stating various types of products they had purchased online. From this number, only 483 respondents indicated that they had purchased travel services online. This means that 483 respondents were qualified for the actual survey, which also indicates the sample size for the study. In the actual survey, e-mail invitations were sent to all 483 respondents. With the given research budget, the survey was limited to the first 300 replies. However, eventually 299 replies were used for the data analysis as one of the respondents was rejected due to inconsistencies and outliers.

As for the method of analysis, descriptive statistics are used to summarise data that have been collected. It provides estimations of the central tendency (mean), dispersion (standard deviation) and shape (skewness and kurtosis) of the distribution. Generally, preliminary data analysis involves examination of the response frequencies and other descriptive statistics applied to the variables included in the study. The first phase of the study is designed to present the results of the descriptive analysis, which are mostly related to the backgrounds of the respondents and their shopping patterns and frequencies. There are also some t-test results between early adopters and later adopters of e-tourism. This bivariate analysis aims to identify whether there are differences between the demographic background of the two groups of adopters and their purchase pattern.

Results

The Profile and Purchase Pattern of E-Tourism Shoppers

Table 2, summarises the descriptive findings that contain some category of responses which hold significant percentages of the total respondents. Based on these findings, the first research question about *the profile of e-tourism shoppers* was revealed.

Table 2. Demographic Profile of E–tourism Shoppers

Characteristics	Categories	Percentage
Gender	Male Female	32.8 67.2
Age	Below 24 25 to 44 Above 45	13.3 69.6 17.1
Education	High School Certificates Graduates and Professionals	45.9 54.1
Marital status	Single Married/ Living with partner	21.1 75.3
Household Social Group	Middle Lower Middle	38.8 34.8
Estimated Household Income (based on MOSAIC)	£45,000 and above £25,000 to £44,999 £13,500 to £24,999	15.1 21.1 11.7
Internet Usage	4 to 6 years 7 to 9 years	44.15 26.76
Types of products purchased online other than travel services*	Videos, CDs or DVDs Books or magazines Gifts or flowers Clothing, accessories or cosmetics Computer related products Electronics or appliances Telecommunication products	81.3 74.2 66.2 60.2 59.2 54.8 50.5
Online travel information search frequency	Several times per-month Every 3 months	40.13 26.76
Length of adopting travel e-shopping (Early Adopter vs. Later Adopter)	3 years or more 2 years or less	53.52 46.48
Types of travel website shopped*	Web-based travel agents Companies' websites	72.9 64.2
Frequent travel purchase (at least once a year)*	Accommodation Flight tickets	79.9 77.6

*Note: * percentage of each category. N=299*

This study suggests, the profile of e-tourism shoppers may be described as follows. Demographically, most of the customers are middle-aged (25 to 44) females with higher educational level, who are either married or living with partner. They are mostly young couples, middle to lower-middle social group, including professionals, semi-professionals and white-collar workers whose annual household income ranges £25,000 to £50,000; only the minority have children. As most of their time spent at the workplace, e-shopping allows them to shop 24/7 conveniently from anywhere. This makes them positive towards e-tourism purchase compared to other consumers.

The demographic profile of travel e-shoppers shows results that are consistent with many previous studies in terms of gender, age, occupation, education and household composition. The result also similar to the MOSAIC (2004) consumer classification, where the e-tourism shoppers are mostly from the Ties of Community and Happy Families groups (refer details in subsequent section). Further, the current findings are also parallel with those of Aqute Research, UK (2004) in that the household income of the shoppers is found to be between £ 25,000 and £ 49,999.

Early vs. Later Adopters

This study also provides a more detailed profile of e- tourism customers by differentiating the demographic variables and Internet usage patterns between early and later adopters (based on the years of adopting e-tourism). In comparison, the most significant differences found are in age and qualifications. The early adopters are in the older age range compared to later adopters. They have obtained higher educational qualifications compared to later adopters. Consequently, the early adopters are found to have more positive views towards e-tourism. This is due to their length of Internet usage and the frequency of information search compared to later adopters.

Internet Usage and E-tourism **Adoption**

The study reveals that majority of e-tourism customers are experienced Internet users and search for travel information more frequently than others. Most of them have adopted e-tourism for the past 1 to 4 years. Further, they seem to portray more positive attitudes towards e-tourism compared to others. Therefore, the familiarity with Internet usage does affect the likelihood to adopt e-tourism. This supports Citrin et al. (2000), who found that higher levels of Internet usage were more likely to lead to the adoption of the Internet for shopping purposes. The study also found that e-tourism shoppers rely on comprehensive product information and comparative pricing to facilitate their purchase decisions, which they obtain from information searching.

Types of Purchase and Preferred website

Despite the shopping frequency, the majority of e-tourism customers shop for accommodation and flight tickets compared to other types of tourism products such as vacation packages, coach tickets or car hires. This is due to the ease of description and commodity-like nature of many tourism services (i.e. hotels and flights), which favour the adoption of e-shopping (Lewis et. al., 1998). It is also found that the shoppers prefer to shop from Web-based travel agents (e.g. *Expedia.co.uk, Lastminute.com)* which provide all sorts of travel products to customers, similar to the concept of 'shopping under one roof'. Besides, companies' websites is found to be the second preferred website, such as airlines and hotel chains websites. This may indicate brand-name loyalty to certain familiar brand such as *BritishAirways.com* or *Holiday Inn.com*, and also price consciousness, enabling them to get much better offers.

Geodemographic Profile

Based on the postcode data collected, it is found that the respondents were scattered all over the UK regions, namely Scotland, the North East, the North West, Yorkshire and Humber, the East Midlands, the West Midlands, Eastern regions, London, the South East, the South West, Wales and Northern Ireland. However, most people who shop for travel services online are located in the South East (13.7%), followed by the South West (12.7%), Eastern regions (12.4%) and Greater London (10.4%). Northern Ireland (1%) and Jersey (1%) show the lowest number of travel e-shoppers. This finding indicates that most of the UK population who purchase travel services via the Internet are from southern parts of the UK, including London with approximately 50 percent of the sample. However, this result might be influence by the population of each region and the registered participants obtained from the database.

Table 3. Geographical Distribution of E-tourism Shoppers

UK Regions	Frequency (N=299)	Valid Percent (%)
South East	41	13.7
South West	38	12.7
Eastern Regions	37	12.4
London	31	10.4
North West	27	9.0
West Midlands	26	8.7
Scotland	22	7.4
East Midlands	19	6.4
Yorkshire & Humber	17	5.7
Wales	11	3.7
North East	8	2.7
Northern Ireland	3	1.0
Jersey	3	1.0
n/a	16	5.4

Note: n/a indicates incomplete postcodes

This result implies that the survey questionnaires were collected from a wide range of UK counties and regions. This finding is of value to this study, as it confirmed that the online survey had been dispersed across the country. Therefore, generalizations of the entire results of this study as representing the opinions of the whole UK population of e-shoppers are feasible.

Apart from identifying the distribution of e-shoppers in the UK, postcode data were also used to trace the shoppers' geodemographic segment in terms of lifestyle and consumptions based on the MOSAIC segmentation profile. The MOSAIC segmentation (Experian, 2004) is presented in Table 4. In MOSAIC, the whole of the UK population is divided into 11 main geodemographic segments and 61 sub-segments, which are comprised of quite widely dispersed areas that have similar demographic profiles in common. Table 4 summarises the features of MOSAIC segmentation, which consists of 11 geodemographic groups, listed from category A to K.

As presented in Table 4, the study found that 6 out of 11 of the geodemographic segments did conduct travel e-shopping. Most of them are from the segments Ties of Community (11.7%) and Happy Families (11.7%). Other participants who also shop for travel services via the Internet are from the Suburban Comfort (9.4%), Urban Intelligence (7.7%), Symbols of Success (7.4%) and Blue Collar Enterprise (7.0%) segments. These percentages are low, since nearly 30 percent of the postcode data appeared to be either incomplete or incorrect. However, the findings appear to be valid, as they are consistent with what has been suggested by the MOSAIC segmentation profile. MOSAIC suggested that segments such as Happy Families, Ties of Community, Suburban Comfort, Urban Intelligent and Symbol of Success are those who shop more for holidays or travel services from the Internet as compared to other segments.

Table 6.4. MOSAIC Geodemographic Segmentation Profile

Categories	Group Types	Key Features	Frequency (N=299)	Valid Percent (%)
A	Symbols Of Success	Expensive cars; Choicest housing; Rewarding careers; Professional occupations; High incomes; Exotic leisure pursuits; High net worth; Successful; Middle-aged	22	**7.4**
B	Happy Families	Cable and Sky TV; Internet; Corporate careers; Low unemployment; Good prospects; Kitting out homes; Modern homes; Good education; Young couples	35	**11.7**
C	Suburban Comfort	Self reliant; Plan for retirement; White collar workers; Hardworking; Comfortable homes; Independent; Mature suburbs; Older children; Married couples	28	**9.4**
D	Ties Of Community	Package holidays; Close knit communities; Family close by; Older houses; Small industrial towns; Takeaways; Traditional Children; Young couples	35	**11.7**
E	Urban Intelligence	Liberal views; Cosmopolitan tastes; Well educated; Full time students; Professionals; Cultural variety; Open-minded; Few children; Young singles	23	**7.7**
F	Welfare Borderline	Heavy watchers of TV; Public transport; Low incomes; State benefits; High deprivation; Use cash; Council housing; Many young children; Families	14	**4.7**
G	Municipal Dependency	Pay bills at Post Office; Old fashioned; Terraces and semis; Large council estates; Outer suburbs; Heavy TV viewing; Large provincial towns; Low incomes; Families	8	**2.7**
H	Blue Collar Enterprise	Like to shop around; Straight talking; Council estates; Small towns; Exercised Right to Buy; Heavy viewers of TV; Self reliant and capable; Mostly poorly educated; Middle aged couples	21	**7.0**
I	Twilight Subsistence	Bingo, dominoes, cards; TV popular; Low savings; State benefits; Some small bungalows; Look forward to visits; Some sheltered homes; Low incomes; Older people	5	**1.7**
J	Grey Perspective	Principles/prejudices; Own their homes; Index linked pensions; Significant capital; Prefer face-to-face service; Active; Good health; Relocated on retirement; Pensioners	13	**4.3**
K	Rural Isolation	Churchgoers; Cars important; Distinct rural life; Farming; Agro-tourism; Authenticity; Work long hours; Small communities; Older people	6	**2.0**
		n/a	**89**	**29.7**

Note: n/a indicates unanswered and incomplete postcode.

Research Contributions

First, this study has extensively explored the e-tourism industry, particularly pertaining to consumer profile and characteristics. The effort of understanding the nature and structure, facts and statistics with regard to the e-tourism industry should be valued where this study responds to the calls for advanced research on e-shopping for services (intangibles) made by various scholars in the marketing disciplines, such as Anckar (2003); Gefen and Straub (2003); Holloway and Beatty (2003) and Luarn and Lin (2003).

Second, the suggested profile of e-tourism customers by the study makes an important contribution to the emerging literature on e-tourism and e-marketing. This study has expanded the literature by introducing consumer demographic and geodemographic variables together with consumer purchase pattern with regard to the influence of e-tourism adoption.

Third, the research model examines the existing profile shoppers of e-tourism rather than non-shoppers' responses. This is an important issue, as researchers have questioned the strength of the relationship between intentions of non-shoppers and self-reported subjective use (e.g. Straub, et al., 1995).

Fourth contribution is the application of e-mail survey, where an online software package was utilised to design and administer the survey. It is rare to the point of surprise that this new method of data collection (i.e. online survey) contributes similar functions as offline data collection (see Kehoe and Pitkow, 1998; McCoy and Marks, 2001). Thus, this contribution is to attest to the great opportunity to accelerate the research process via online survey tools.

Finally, this study contributes to and extends the understanding of the Internet as a medium for commercial use in the business-to-consumer (B2C) arena. It is particularly relevant in the context of predictions made regarding e-shopping in the future (Swaminathan et al., 1999). The findings also provide support for investment decisions, and for decisions relating to the development of companies' ICT and infrastructures.

Conclusion

The dimensions addressed in the study, can greatly assist researchers in understanding better about the profile and characteristics of e-tourism customers. Essentially, this study helps to explain three basic issues: Who actually the customers of e-tourism products? Do individual attributes influence purchase decision? Is there any difference in profile between the early adopters and later adopters of e-tourism? In order to determine the robustness of the current findings, advanced research should be embarked upon to validate the profile of e-tourism customers found in this study. Since the generalisability of the model is inherently limited to tourism industry, the findings should therefore be extended beyond the present context (e.g. to the e-banking industry and the Insurance industry). By doing so, these replication studies could extend the generalisability of the findings derived from the current study. This research direction appears to be potentially rewarding because the tourism industry is considered as the highest growth business on the Internet.

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