

Digital Transformation and Tourist Purchase Behavior

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Abstract

The travel business has seen tremendous change since the introduction of the internet and other digital technologies. It also influences how travellers book, arrange, and enjoy their trips. The purpose of this review paper is to summarize the body of research on travel purchase intention and tourist purchase behavior. This paper emphasizes important variables that influence tourists purchase behavior such as perceived utility, price sensitivity, social impact, trust and many more. The later section of the paper highlights the Theory of Planned Behavior (TPB) and the Technology Acceptance Model (TAM), the two well-known theoretical frameworks that are commonly used to explain these behaviors. The paper also attempts to improve consumer satisfaction and engagement, as well as practical consequences for industry practitioners by providing better understanding of tourist buying behavior in tourism and hospitality sector and makes recommendations for future study to satisfy the different demands of consumers and the quickly changing digital ecosystem. Travel industry stakeholders must comprehend these characteristics in order to create efficient marketing plans and enhance service offerings, which will ultimately improve travellers' overall travel experiences.

Keywords: Buying behavior, Digital, Purchase intention, Price, Tourists.

Introduction

The spread of electronic commerce has been significantly impacted by the development of the internet. The internet has drastically altered numerous sectors in the past 10 years. The majority of research has been on how the internet affects businesses generally, citing impoverished service relationships (Meyronin, 2002) and the influence on businesses. More efficient channels and disintermediation are two benefits of the internet for the tourism sector. However, the internet also has negative effects on the

sector, including decreased consumer loyalty, price competitiveness, and online pricing transparency (O'Connor & Fresh, 2004). Considering how customers make online purchases and the elements that influence their intents is essential to build a solid relationship with them (Koutsoutos & Westerholt, 2005).

In order to survive in a highly competitive climate, businesses must concentrate on relationship marketing in addition to quality improvement. Purchase intention has been found to be a significant factor influencing the spread of new goods and services. Purchase intention is the intention to buy a specific good or service in the near future (Kim & Xu, 2011). Many studies have been conducted to assess the influence of different factors on purchase intention. The travel business has seen rapid growth with the emergence of online travel agencies that provide customers with a level of ease and choice that was never possible before. The widespread use of digital platforms has made it much simpler and more convenient to purchase travel-related services including flights, lodging, and tours (Buick, 2003).

It is important to comprehend travel purchase intention and tourist purchasing behavior for a number of reasons that affect different travel industry players, such as online travel providers, travel agents, policymakers, and marketers (O'Connor & Frew, 2004). Understanding travel purchase intention is important as it enhances customer experience and satisfaction. Travel agencies can improve client satisfaction by providing tailored services and recommendations that align with individual tastes. This also enables organizations to create more intuitive and user-friendly interfaces, resulting in a more seamless and pleasurable booking process. It also helps in creating effective marketing strategies (Kotler, Bowen & Makens, 2006).

In the present scenario to remain updated and competitive is very crucial for tourism & hospitality industry stakeholders in order to comprehend shifts in tourists buying behavior (Buhalis & Law 2008). New patterns of travel buying intentions and behaviors have been brought forth by digital technologies. These consist of using travel apps, social media influence, and internet reviews. Both the Technology Acceptance Model (TAM) and the Theory of Planned Behavior (TPB) (Ajzen, 1991) provide strong frameworks for examining decision-making processes in the context of digital travel. The

systematic investigation of the factors influencing travel purchase intentions and behaviors is facilitated by these theories.

Theoretical Frameworks

To comprehend travel purchase intention and tourist purchasing behavior, a number of theoretical models have been used:

Theory of Planned Behavior (TPB)

Icek Ajzen expanded the Theory of Reasoned Action (TRA) and created the Theory of Planned Behavior (TPB) in 1991. The goal of TPB is to comprehend and forecast individual behavior in certain situations. According to this theory, attitudes, subjective norms, and perceived behavioral control are the three main factors that determine behavioral intention, which is thought to be the most significant predictor of behavior (Lam & Hsu, 2006).

Researches reveal the extensive use of TPB for predicting online booking behavior. Based on travellers' attitudes towards online booking, the researchers utilize TPB to forecast whether or not they would make online travel service reservations. TPB also facilitates the ways in which travellers embrace new travel technologies, including smartphone applications or online travel agencies (OTAs). Adoption of these technologies is influenced by social factors, positive views, and their apparent ease of use. Another advantage is behavioral intervention that harness social norms, improves perceived control, and favorably impact travellers' attitudes by using the insights gathered from TPB. For instance, they may design advertising campaigns that emphasize the convenience and advantages of making reservations online and feature endorsements from happy clients (Soliman, 2019).

Technology Acceptance Model (TAM)

According to Technology Acceptance Model (TAM), an individual's intention to use a technology is determined by perceived usefulness and perceived ease of use. Therefore, TAM explains how consumers come to accept and use a technology, which further affects the individual's actual usage behavior. This model has been widely used to study how

travellers embrace and use travel-related technologies in a variety of disciplines, including the travel industry (Davis 1989).

The model also encompasses factors namely perceived usefulness (PU), which is the degree of utilizing a specific system or technology to improve overall productivity or job performance. Travellers are more inclined to use an online travel booking platform if they think it would improve the effectiveness and efficiency of their trip planning (Chen & Li 2010). The other aspect is Perceived Ease of Use (PEOU), is someone thinking of utilizing a specific system or piece of technology would be effortless Travellers are more inclined to use an online booking platform if they find it user-friendly and intuitive (Venkatesh, Morris, Davis & Davis 2003). Behavioral Intention (BI) is a component of the model where a deliberate plan to utilize or not use technology is made. It is more likely that real usage behavior will follow a strong intention to employ the technology. The TAM also consists of a system where a user actually applies and uses technology in the real world and called as actual system use. This element is crucial for figuring out how well the technology works and how quickly it gets adopted.

Thus, TAM has been widely used to the study of how travellers utilize digital travel services, mobile travel apps, and online booking platforms. TAM is also used for booking management, itinerary planning, and real-time updates. New technologies including AI-powered travel aides, augmented reality (AR) navigation, and virtual reality (VR) tours are used to predict. It is possible to predict the acceptance and utilization of these technologies by having an understanding of how tourists view them (Litvin, S. W., Goldsmith, R. E., & Pan, B., 2008).

Factors Influencing Travel Purchase Intention and Tourist Buying Behavior

Social Influence

Filieri et al (2015) suggests that peers and family members frequently talk about their vacation adventures, including suggested itineraries, lodging options, and activities. Positive comments from them peers can have a significant impact on propensity to use the same services or visit the same locations. Findings also indicate that peer

preferences and recommendations also influence the selection of platforms or travel firms. Since, peers are regarded as reliable information providers, positive vacation experiences from their recommendations are probably more valuable than general internet reviews. Similar study by **Buhalis & Law (2008)** concluded that making decisions together is common when travelling with family, tastes and opinions are taken into account resulting in a common decision. Decisions within a family might be influenced by different generations also.

Social media sites such as Facebook and Instagram use might highlight trip experiences. User-shared travelogues, reviews, and ratings foster trust and offer insightful information. Good user-generated content make a place or service more appealing as influencers frequently work with travel companies to promote travel destinations, lodging options, and services (**Munar & Jacobsen, 2014**).

Price Sensitivity

Researches on price sensitivity show that pricing impacts how to spend money on travel-related services, making it a crucial consideration in travel buying decisions. Many tourists work within strict financial limit depending on related services including airfare, lodging, and activities. Travellers are becoming more cost conscious due to the abundance of options and the ease with which prices can be compared online. They will probably go with the solutions that provide the best value in terms of both cost and advantages (Chen, & Schwartz, 2013)

Personalization and Customization

Personalized travel services offer experiences tailored to each individual's interests and needs. Itineraries, activities, and lodging preferences of the traveller. Travelling becomes more pleasurable and rewarding and raises the level of overall satisfaction (Buhalis, & Foerste, 2015). Tailored loyalty programmes can promote long-term consumer loyalty and repeat business by rewarding prior behaviors and unique preferences. It also facilitates focused advertising campaigns. Studies also indicate that

personalized recommendations at the appropriate moment have a big impact on buying decisions (Gretzel, Fesenmaier, & O'Leary, 2006).

Implications for Industry Practitioners and Researchers

Travel Purchase Intention has certain implications considering the role of technology to enhance customer service, and better decision-making. Practitioners should invest in Artificial Intelligence (AI) to provide clients with immersive experiences. It facilitates safe transactions and open procedures to increase confidence and simplify operation thereby increasing their happiness and loyalty. Tourists' engagement and market penetration can also be improved by providing facilities and services that accommodate a range of cultural preferences, entertainment appropriate for the local culture, and trained staff can reduce cultural differences. Another major implication could be related to sustainable business methods and provide eco-friendly vacation packages in order to gain the trust of environmentally sensitive customers. Further the security protocols for the protection of consumer data and online transactions, flexible response tactics, better crisis communication may result in efficiently handling a variety of traveller groups in an emergency.

The investigation of traveller purchase intention and purchasing behavior has important implications for scholars and industry practitioners alike. It offers practitioners practical ideas for improving customer experience, pricing, product creation, marketing tactics, trust-building, and sustainability activities. It provides chances for scholars to investigate new technologies, expand theoretical frameworks, develop innovative approaches, comprehend cultural and social aspects, and address ethical and economic issues. Through the application of these findings, the travel industry may become more effective, inclusive, and sustainable, and both industry and academia can benefit from it.

Limitations

The fact that so many researches are focused on particular areas, frequently in affluent nations, restricts the applicability of findings to other regions of the world. Rural locations, where travel habits, access to technology, and preferences might vary greatly

have been excluded from the review. The study consists of overgeneralized destinations and areas without taking into account the distinct environmental, cultural, and economic elements that affect travel behavior in various geographic areas. The review involves young tourists which is a sizeable section using social media and technology. Thus, it ignores older persons' travel choices and behaviors, which could have distinct goals and limitations. Studies usually underrepresent the expanding group of older travellers, who frequently have specific needs and preferences. Further research is required to investigate travel behaviors and preferences among diverse cultural backgrounds in order to offer a more inclusive and thorough knowledge.

Future Research Direction

The review can pave the way for exploring promising research using technology and emerging trends, ways in which people's travel inclinations and shopping habits change as they go through different phases of life. Some social and health related aspects could also be incorporated in the studies to see the role of significant life events, such as marriage, parenthood, retirement, travel limits, remote work, and health and safety concerns have changed people's plans to make travel purchases in the long run. Since, the role of mobile apps affect users' intentions to make travel-related purchases, therefore, features like personalization, ease of navigation, and real-time updates can have impact on customer satisfaction and booking decisions. Thus, future researches may analyze how mobile apps and employ location-based services can offer more profound understandings of the dynamics that are changing within the travel industry. This will assist practitioners and academics in creating more successful plans that cater to the tastes and requirements of contemporary travellers.

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