

CONSUMER PREFERENCES FOR E-TICKETING: AN EMPIRICAL ANALYSIS IN INDORE CITY

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Abstract:

The main aim of this paper is to identify e-ticketing preference for journey. This study identifies the usage of e-ticketing interest. This study is concentrating on three factors Age, Education and intersection of Age and Education. In addition, the study also focused on the customers' perspectives towards e-ticketing in terms of its convenience, time saving, change in life style, processing speed, privacy, security, reliability, technological prospective easiness, awareness and flexibility. A survey was carried out among Internet users in Indore city. Questionnaires were distributed randomly to 150 people. The study is demonstrating effect of Age, Education and intersection of Age and Education on preferring e-ticketing. Finally we conclude the sample size can be broader for more respondent in Indore city for future research.

Keyword: Internet, Consumer, e-Ticket,

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Introduction

Over the past two decades, the expansion of information super highway and the wide acceptance of the e-world technology have lead to changes in individuals' buying behaviors, as well as in the way business and e-commerce activities are conducted. Many companies have started using the e-world technology with intend to the cost cutting factor, thus prize reduction is possible and better services quality can be offered in highly competitive markets. Customers use information super highway to not only for purchasing products/services/idea/experience online, but also to collect complete information of competitive market. The swift growth of information super highway users provides intense panorama for e-marketers in every segment. It is very essential for marketers to develop a better understanding of the e-world shoppers.

Like any other industry, the travel industry also faces challenges brought by e-world technological progress. The well-known passion for tourism and increasing national & international has motivate travel industry to endeavor into e-ticketing or electronic ticketing. The daily expansion of the electronic ticketing has become vital part of travel industries' strategy for increased profits through better customer service in the modern e-world. In present times the attitude of Indian customers in E-Ticketing is changing rapidly. E-ticketing by definition combines the issue and delivery of ticket into a single operation.

¹.An electronic ticket (commonly abbreviated as e-ticket) is a digital ticket. The term is most commonly connected with railway, bus, airline issued tickets. Electronic ticketing for rail public transport is usually referred to as travel card or transit pass². E-ticketing is the time-saving method and a ticketless means to travel. In the past you would have received a paper ticket that you would have had to take great care of, but with an e-ticket an email confirmation of your booking which will contain your unique number of e-Ticket. While it's not necessary to take a copy of this with you as the e-ticket is stored electronically.

According to IATA³, on 1 June 2008, the industry moved to 100% electronic ticketing and the paper ticket became a thing of the past. Apart from substantial cost savings for the industry of up to US\$3billion per year, e- Ticketing is also more convenient for passengers who no longer have to worry about losing tickets and can make changes to itineraries more easily. United Airlines was the first airline to issue electronic tickets, back in 1994. A decade later however, only 20%

of all airline tickets were electronic.¹

An e-ticketing model allows authorized travel agents to transmit ticketing information directly to the travel company's database. E-ticketing is one of the most noteworthy prospects to improve passenger convenience, reduce overheads, eliminate the need for paper, decrease ticket processing charges and provide greater flexibility to the passenger and the agent. Based on the IATA report, still e-ticketing has not infiltrate enough in Asian nations. E-Ticket selling is dissimilar from selling in paper based ticket through traditional markets and requires a proper approach for behavior of consumer from e-world. E-ticketing cannot be expanded without a good endorsement of the factors influence the consumer buying behavior. The shift towards e-ticketing has also received warm welcome from corporate sectors. The e-ticket process helps the travel agencies in trailing their expenditures and support corporate travel policies more efficiently [5]. The velocity of e-ticketing acceptance is considered remarkable, as it is widely available in most parts of the world. The development of e-ticketing is also hampered by inadequate infrastructure.

Today's era e- Ticketing services are used by various transportation means. It was firstly used in Airlines industry in about 1994. Joel R. Goheen is recognized as the inventor of electronic ticketing in the airline industry. In Airlines, when a reservation is confirmed, the airline keeps a record of the booking in its computer reservations system. Customers can print out or are provided with a copy of their e-ticket journey receipt which contains the record locator or reservation number and the e-ticket number. It is possible to print multiple copies of an e-ticket journey receipt. Besides providing journey details, an e-ticket itinerary receipt also contains:

- An official ticket number (including the airline's 3-digit ticketing code, a 4-digit form number, a 6-digit serial number, and sometimes a check digit).
- Carriage terms and conditions, (or at least a reference to them)
- Fare and tax details, including fare calculation details and some additional data such as tour codes. The exact cost might not be stated, but a "fare basis" code will always identify the fare used.
- A short summary of fare, usually specifying only whether change or refund are permitted but not the penalties to which they are subject.

- Form of payment.
- Issuing office.
- Baggage allowance.

Indian Railways has emerged as a front-runner in providing quality travel services to India's population of more than a billion. They have not hesitated in offering high-tech services to customers such as online checking, booking and reservation facilities. The online railway booking portal of Indian Railways offers comfortable travel options and the journey begins from the click of a mouse at your home. Railway provides internet ticket-booking facility at the IRCTC website. IRCTC has developed a user-friendly website where one can register and check the availability of tickets.

Literature Review

A research examined Mobile commerce acceptance and found that ease of use and usefulness were significant factors affecting mobile commerce use [4]. Researchers suggested that mobility, digital convergence and scale, were the three main drivers of the nomadic information environment [8]. Research paper studied consumer intention to use self-service technologies and found that two factors, perceived waiting time and crowding, had significant mediating effect on the formation of attitude and use intention [9].

Research paper found that travelers can get travel data and services not only from major travel websites, but also from all major airlines, tour services, conventional tour agencies, car lease agencies, hotels and tour companies. It indicates how electronic ticketing was identified as a major opportunity for the airline industry and how computer and Internet use have increased in popularity [10]. The result of study of mobile ticketing show that users should consider two different types of benefits of mobile ticketing service adoption; performance-related usefulness and the spatially and temporally improved service access enabled by mobile technology. Moreover, their findings also indicate that the benefits were fully mediated by use context [2].

It is found that adequate information of product description can increase a customer's intention to purchase. When the information provided that the website is reliable and accurate, this will

support online customer satisfaction enhance [7]. The development of e-ticketing is also hampered by inadequate infrastructure. Airline companies in Africa, it is found that hard to catch up with technological advancement in the airline industry due to the less developed infrastructure. Meanwhile, in North America and Europe, where the technologies are widely available (Tan, 2005)⁴.

A Study identified e-ticketing trends among urban communities particularly in Kuala Lumpur. It investigates the usage trends and patterns of e-ticketing. In addition, the study also focused on the customers, perspectives towards e-ticketing in terms of its usefulness, reliability, security, convenience and efficiency. The study also examines the impact of demographic variables on e-ticketing adoption towards e-ticketing [1].

It is found that the Modus operandi of the online reservation system requires attention with special emphasis on the factors like the features of online information search, design of the railway website, and the facility of all time network availability for online booking [1].

A study was focused in Hong Kong observed that although consumers acknowledge the convenience offered by the web, they also recognized simultaneously the risks associated with buying tickets online. The study indicated that fear of financial loss through credit card fraud ranks as the critical factor in purchasing airline tickets via Internet. In addition, some airline companies claimed that “not enough buyers” was the biggest issue that hinders the implementation of e-ticketing [6].

A study was conducted on e- ticketing in public transport with the objectives to collect and analyze the relevant information related to the state-of-the-art of e-ticketing; to discuss the different components related to the development and implementation of e-ticketing systems; to analyze the business model of e-ticketing. Study concluded that there are many reasons for transport authorities for introducing electronic ticketing systems. Such as, Prevention of fraud, Fare flexibility, Speed of passenger throughput – though this varies by mode, improved passenger convenience and ease of use, improved information for transport planning, improved image for public transport [3].

Objective

1. To study the effect of consumer's age on preferring e-Ticket services.
2. To study the effect of consumer's education on preferring e-Ticket services.

Hypothesis

H₀₁: There is no significant difference in consumers of different age groups in Indore regarding their

preference for e-ticketing services.

H₀₂: There is no significant difference in consumers of different education groups in Indore regarding their

preference for e-ticketing services.

H₀₃: There is no significant difference in consumers' age and education intersection in Indore regarding

their preference for e-ticketing services.

Research Methodology

Research Design

The study was conducted through a questionnaire survey amongst e-ticket service user of different location from different parts of Indore city. These researches include all means of travels. A questionnaire contains 20 questions regarding e-ticket services. The questionnaire was divided into 2 sections. Section A focused on collecting the respondents' demographic details, such as gender, age, education, annual income and occupation. Section B was used to determine the respondents' preferences on uses of e-ticketing services, such as its convenience, cost saving, time saving, speed, IT skills, privacy and security. A 5-point Likert scale was used for all items ranging from "strongly agree" to "strongly disagree". Respondents indicated their level of agreement with carefully constructed statements that ranged from positive to very negative toward the attitudinal object. A convenience sampling method was used to obtain respondents, as this method is convenient and economical. The targeted respondents were working

adults, age between 15 to 50 years old, and are Internet users. In an attempt to examine the effect of demographic variables, this study has divided the targeted respondents into different group based on age and education level. In terms of age, the targeted respondents were divided into three different groups; “15 to 25”, “26 to 35”, “36 to 50” years old. Similarly, educations were also divided into four different groups, “Below graduation”, “Graduate”, “Post Graduate” and “Professional Degree”. A self-administered questionnaire was distributed to 150 people randomly in selected areas of Indore city, despite distributing the questionnaire personally to the respondents, not all of them returned the questionnaire. In order to increase the response rate, the researchers assisted them to fill in the questionnaire. Finally, only 100 questionnaires were found valid.

The Sample

Sample Type: Random Sampling

Sample Size: In the city of Indore with sample size of 150 respondents.

The Tools

Tools for Data Collection:-

Primary data: Primary data including questionnaire with different people of Indore city.

Secondary data: Secondary data including work of earlier researchers, archival and online data (website).

Tools for Data Analysis

Two way ANOVA Statistical tool (3*4 ways) was used for analysis of effect of consumer’s age and education preferences e-Ticketing.

Results and Finding

The sample group of this study consists of 100 valid respondents. Out of them 52% respondents are between 15-25 years old, 36% respondents are between 26-35 years old and 12% respondents

are between 36-50 years old. In terms of education, 18% are below graduate, 24% are graduates, 28% are post graduate, and 30% are professional degree respondent.

Relationship between Demographic Variables and E-Ticketing Preferences

Tests of Between-Subjects Effects

Dependent Variable: ETIKPREF

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1023.958	8	127.995	2.713	.010
Intercept	59815.706	1	59815.706	1267.695	.000
AGE	309.172	2	154.586	3.276	.042
EDUCATION	332.464	3	110.821	2.349	.078
AGE * EDUCATION	412.941	3	137.647	2.917	.038
Error	4293.802	91	47.185		
Total	184416.000	100			
Corrected Total	5317.760	99			

Table 1: Table showing result of acceptance and rejection of null hypotheses

a. R Squared = .193 (Adjusted R Squared = .122)

From the table 1 it is found that

- Significance value of age variable is .042 which is less than 0.05, that is our hypothesis H_{01} is rejected. Therefore there is significant effect of age on preferring e-Ticket services.
- Significance value of education variable is .078 which is greater than 0.05, that is our hypothesis H_{02} is accepted. Therefore there is no significant effect of education on preferring e-Ticket services.
- Significance value of intersection between age and education variable is .038 which is less than 0.05, that is our hypothesis H_{03} is rejected. Therefore there is significant effect of combination of age and education on preferring e-Ticket services.

Discussion and Suggestions

Discussion:

Although besides increasing the technology in the world, some people are still not worry to learn these technologies. Growing up of electronics media like internet web technology, mobile application with newer operating system and e-commerce etc. world is changing. From the above result of this paper, Age has significant effect on preferring e-Ticket. The age is not limit for learning and using the electronic service. Education is not giving effect on preferring e-Ticket service. The reason behind it is literacy. There is no perfect use of education to use e-Ticket services. Literate people can better know how to use electronics services but illiterate people also know how to take advantages of Literate people and they are using them to use e-ticketing services. According to collected 100 despondences education has no effect on preferring e-Ticket. Last combination that is intersection of Age and Education also has effect on preferring e-Ticket. Combination of age and education has same effect on preferring e-Ticket as single dimension age.

Suggestions:

Although Age and combination of Age and Education both effecting on preferring e-Ticket but education lonely is not effecting on preferring e-ticketing. From the result one suggestion is that education must be provided to each person, so that every person could save time with electronics sources and could go towards the technological world.

Conclusion

The aim of the research was to study “consumer preferences for e-ticketing in Indore city”. We began by examining the usage patterns of e-ticketing. It could be concluded that e-ticketing services are not new to the consumers in Indore, as more than half of the respondents have been purchasing tickets online. Our findings on motivators and barriers of e-ticketing clearly indicate that convenience and ease of use serve as strong factors that motivate consumers to purchase tickets online. Security and privacy concern was found to be the biggest barriers of e-ticketing. Lastly, we deduced findings from this study that age have significant impact on the consumer’s preferences towards e-ticketing although education on having significant impact on consumer’s

preferences towards e-Ticketing. Results from this study could serve as a basis for the e-ticketing service providers in identifying the typical users of e-ticketing service based on their demographics, and thus point out the right market segment to target. This knowledge affects a range of decisions, such as determining the type of advertising campaign. In addition, e-ticketing service providers can also use the findings to improve the way information about the e-ticketing service is disseminated.

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Web pages:

¹ www.travelandtourism.com

² www.Wikipedia.org

³ www.Iata.org

⁴ http://prezi.com/oivirv0_dseg/utilization-of-new-communication-technology-e-ticketing-in-tgv-cinemas/

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