Destination Maui? An Exploratory Assessment of the Efficacy of Self-Booking in Travel

BILL ANCKAR AND PIRKKO WALDEN

INTRODUCTION

The on-going rapid development in the field of information technology has enabled a transformation of the fundamental mechanisms of business. Of these ubiquitous information technologies, the Internet has the potential to drastically change the way organisations conduct business. The travel industry, one of the largest and fastest growing industries in the world, appears particularly interesting in terms of the possibilities offered by electronic commerce. It is one of the industries where business is already conducted successfully on the Internet, and where the importance of electronic commerce is likely to grow (Cooper and Brown 1997; Resnick 1997; Girishankar 1998; Honeycutt et al. 1998; Krochmal 1998). It is also expected that the travel industry will be one of the first industries to be transformed by technology and to experience Internet disintermediation as Internet-based purchase and sales models arise (Vassos 1996; Bloch and Segev 1997; Wilson 1997).

Theoretically, the presumed suitability of the travel industry for electronic commerce can be explained by the qualities of the travel services and the tourist product. The tourist product is highly information-intensive, offering potential for value-adding informational services (Sheldon 1993). As an almost totally informational service, all transactions and arrangements can be made online. The only non-virtualizable part is the actual travel, the physical passenger traffic. The tourism industry has proved particularly suitable for the adoption of IT because of its dependence upon the supply and exchange of information throughout the production and distribution chain (Bennett and Radburn 1991), and it appears to have a very large potential as a generator of usage of networks and value added services, as the products, which typically need to be viewed and booked at a distance, are natural candidates for multimedia descriptions (Byerley and Ewers 1996; Marcussen 1998). The visionaries are advocating the virtual holiday – like walking for an hour on a beach in Hawaii or spending 20 minutes inside Disneyland using virtual reality (Turban 1999).

ELECTRONIC MARKETS IN THE TRAVEL INDUSTRY

Electronic markets are not a new phenomenon in the travel and tourism industry. It has been possible for travel agencies to book flights and hotel rooms online since the mid-1970s through the so called computerised reservation systems (CRS), also known as global distribution systems (GDS). Using the global CRSS, travel agencies can make reservations

Abstract

The travel industry, one of the largest and fastest growing industries in the world, appears particularly interesting in terms of the possibilities offered by electronic commerce. It is one of the industries where business is already conducted successfully on the Internet and where the importance of electronic commerce is likely to grow. In order to investigate the opportunities offered as well as the problems facing any consumer trying to make his/her own travel reservations on the Internet, an empirical study was conducted among students attending an intermediary level course on Electronic Commerce. The study was divided into two parts, consisting of (i) a quotation competition in which the students were to act as travel agents, submitting an offer for a journey according to some given specifications; and (ii) a measurement, in which the students who submitted offers were asked to report on their booking experiences, especially the problems they encountered during the task. Within the travel industry, the travel agents have been characterized as the most endangered organization, as their job is increasingly being seen as replaceable by technology. The results of this study do not support this vision, although it became evident that the students’ attitudes towards online Internet-bookings remained positive despite the expensive offers and the perceived difficulties.

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directly from their terminal with any airline and on all continents without having to go through co-ordination processes or contract negotiations. The global CRSs, nearly all of which are airline-owned (Bennett and Radburn 1991), provide the basic functions for the reservation process such as product presentation, reservation, fare quote and ticketing and additional services (Schultz 1996).

Traditionally, CRSs have had at least two major practical limitations: first, small and medium-sized tourism enterprises (SMTEs) remain under-represented in most CRSs, effectively endangering their competitiveness and market share (Buhalts 1996; O'Connor and Rafferty 1997). Considering the fact that the vast majority of tourism enterprises around the globe can be classified as SMTEs (Buhalts 1996 and 1999), this limitation of the CRSs puts not only the SMTEs at issue at a disadvantage, but also the prospective tourists, whose choice of service providers is more restricted as a result. In addition, the fact that many SMTEs are not connected to CRSs has had a negative effect on the rapidity of the booking process. Second, the customers themselves have not had direct access to these proprietary computerized reservation systems, meaning, as Bloch and Segev (1997) have pointed out, that the travel industry currently relies on an outdated distribution network, essentially relying on third-parties, and hence is faced with a need to change.

As a result of the opportunities offered by the Internet, a great number of suppliers can, and will, be connected over a common – and open – computer network. The Internet serves as the medium providing online access to travel industry actors at destinations worldwide. Through this network consumer access to CRSs (which are adaptable to the Web (Maddox 1997; Chen and Sheldon 1997) or similar systems, for instance independent, proprietary systems developed through travel agencies in co-operation with IT companies, is now possible. An almost unlimited amount of tourist service providers – including small ones – can be reached directly or through travel agencies online, meaning that the tourists are offered a considerably greater choice of suppliers. A possible implication is that we will be moving from what was primarily straightforward reservation systems to consumer-friendly networks including trip planning, video clips and virtual tours, maps, weather forecasts, chat rooms, and personal services, as well as direct payment facilities in addition to the direct booking opportunities. As the consumer is directly connected to a real-time system, the tour operators, airlines, hotels and the prospective tourists all can benefit from the greater opportunities to make last minute reservations.

THE DISINTERMEDIATION HYPOTHESIS

In the travel and tourism industry, the impact of electronic commerce is an issue of great interest and concern for industry players as well as researchers. Although most of the different electronic age scenarios that have been put forward contain some elements that intuitively may appear realistic, it seems to be the case that the scenarios suggesting an industry reformation of some kind, especially the threatened intermediaries hypothesis, have attracted by far the greatest attention of business representatives as well as researchers.

The logic of the threatened intermediaries hypothesis (Sarkar et al. 1995) is that the firm’s value system is in an ongoing state of flux due to advancements in information technology (Porter and Millar 1985). IT, and especially the direct business-to-consumer communication possibilities offered by the Internet, allows manufacturers to internalize activities that have been traditionally performed by intermediaries. As has been shown by Benjamin and Wigand (1995), add significant costs to the value chain. Hence, intermediaries may be by-passed in the distribution chain, resulting in a redistribution of profits along the value system (Sarkar et al. 1995; Benjamin and Wigand 1995; Vassos 1996), that may benefit both manufacturers and consumers. According to Champy et al. (1996), we will see a profound shift of market power from producers to consumers in the era of electronic commerce. Besides such obvious advantages of electronic commerce as greater convenience (Krause 1998) and a wider (global) selection of items and information (Hoffman et al. 1995), the consumer may also experience price reductions as a direct result of the redistribution of profits resulting from the disintermediation effect (Benjamin and Wigand 1995) and more suppliers being able to compete in an electronically open marketplace.

The threatened intermediaries (or disintermediation) hypothesis was presented by Malone et al. (1987), who used the term ‘electronic brokerage effect’ for the phenomenon. Their forecasts were based on a conceptual analysis rather than on empirical studies, but according to the authors, a dramatic example of the shift toward electronic markets had already occurred in the airline industry by the time the study was made.

OPPOSED VIEWS

Sarkar et al. (1995) argue that the case for the elimination of intermediaries as a result of electronic commerce is based on questionable assumptions, concluding that more, rather than fewer intermediaries (mainly new players named ‘cybermediaries’) will be involved in electronic markets. Their assumptions are backed up by the results of an exploratory study by Bailey and Bakos (1997), suggesting that the need for intermediaries is not likely to be eliminated in the near future, although some of the traditional roles of intermediaries may become less important as a result of advances in IT. Bakos (1998) argues that electronic marketplaces will more than compensate for this disintermediation by promoting the growth of new types of electronic intermediaries. Likewise, Girishankar (1998)
argues that Internet-based selling is creating a breed of virtual intermediaries, new versions of traditional middlemen and product distribution channels. Chircu and Kauffman (1999) go a step further to propose an ‘IDR cycle’, a recurring pattern of intermediation, disintermediation and reintermediation, arguing that traditional non-technological middlemen will be able to reintermediate in the long run as EC-able intermediaries.

DISINTERMEDIATION IN THE TRAVEL AND TOURISM INDUSTRY

The travel industry is an outstanding example of a sector where the position of the intermediaries, i.e. the travel agencies, traditionally has been strong (illustrated as alternatives (i) and (iii) in Figure 1). The business concept of travel agencies is to tie prospective travellers and service providers, mainly airlines and hotels, together by handling the information flow between these parties, and selling this information to the traveller (Hietaniemi 1999). Tourists, especially from an international point of view, have varying holiday preferences and, hence, a demand for a great choice of resorts and service providers, highlighting the importance of establishing extensive distribution networks of different tourism industry actors.

As we speak of a disintermediation effect in the travel industry, it should be noted that the discussions on the precarious existence of the travel agencies by no means are new or exclusively connected to the emergence of the Internet. As a matter of fact, the travel agency has been pointed out as one actor in the travel distribution chain under severe pressure for quite a long time. According to Mayhew (1987: 49), ‘it is seen as the last of the litter, a sector condemned to an early death’. The threat of disintermediation in the travel industry began already when advance booking started to become less necessary for many kinds of travel, and tour operators and service providers (hotels and airlines) began to suspect that the travel agent was an unnecessary overhead in the sale of their package holidays (Young 1973), starting to possess physical retail outlets and to sell their products directly to the travellers in order to cut out the profit margin of the travel agencies. This is illustrated as alternative (ii) and (iv) in Figure 1. Recently, the issue of disintermediation has been brought up again as a result of electronic markets emerging on the Internet, a global medium through which the prospective traveller can manage all their arrangements by themselves with direct online bookings or arrangements through e-intermediaries. This is illustrated as alternative (v) in Figure 1. However, visions on different methods for consumer self-bookings through IT developments – and their possible disintermediational implications – have been presented in the travel and tourism literature long before the commercial possibilities offered by the Internet became widely known (e.g., see Young 1973; Mayhew 1987; Middleton 1988; Bennett and Radburn 1991; Bruce 1991). With the commercial potential offered by the Internet today being a matter of common knowledge, many statements on the trying conditions facing travel agencies in the electronic age have been made in academic works (e.g. Bloch and Segev 1997; Lewis and Talalayevsky 1997; Oppermann 1999; Standing et al. 1999); the popular press (e.g. Cooper and Brown 1997; Girishankar 1998; Wilder 1998); at organizational levels (OECD 1999); and by travel industry representatives (e.g. Wilson 1997; Williams 1998; Hietaniemi 1999), denoting that their threat of being squeezed out of business is real. The concerns do not necessarily always originate from a direct disintermediation threat, but from the indirect effects of by-pass opportunities offered on electronic markets: namely (i) the necessity to refocus and reinvent as new roles emerge for travel agencies as a result of the changing business models (Wilson 1997; Chircu and Kauffman 1999); and (ii) heavy commission cuts. Larger airlines have already lowered the commission rates to travel agencies as a result of high distribution costs and the potential for launching their own reservation services on the Internet (Cohen 1997). In online bookings, the commissions are particularly tiny, and will probably continue to be cut since the work involved is less demanding (Wilson 1997).

However, travel agencies themselves can gain some control over the design and implementation of IT and act creatively on the opportunities e-commerce can give them (Bruce 1991; Lewis and Talalayevsky 1997; Chircu and Kauffman 1999; Standing et al. 1999). As has been

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**Figure 1.** Alternative chains of distribution in the travel and tourism industry. Modified after Goodall (1988).
pointed out by Bloch et al. (1996), competitiveness in today’s tourist economy is increasingly determined by the ability to develop and assimilate innovative ways to respond to the dynamic environment and its new paradigms in the production process of value-adding tourist services. Moreover, it has been argued that the threatened intermediaries hypothesis is based on questionable assumptions (Sarkar et al. 1995), and in fact more, rather than fewer intermediaries (mainly new players named ‘cybermediaries’ or ‘e-intermediaries’ will be involved in electronic markets (Bailey and Bakos 1997; Bakos 1998; Chircu and Kauffmann 1999).

The threat of being by-passed in the travel distribution chain has in some works (e.g. Kärcher 1997) been extended to concern not only travel agents, but tour operators as well. However, as Goodall and Bergsma (1991) as well as Burkart and Medlik (1981) correctly point out, the retail travel agent must be carefully distinguished from the tour operator. The retail travel agent is just a retailer, while the tour operator is without doubt a manufacturer of a particular travel product. The inclusive tour offered by the tour operator is not something the individual customer himself can put together by contacting online travel sites. It is a tourist product in itself.

CONSUMER IMPEDIMENTS TO INTERNET BOOKINGS

Although an increasing number of sites are becoming transactional, there are still many obstructions to be overcome before a considerable portion of the consumers will start purchasing tourist products on the Web (Marcussen 1998). Indeed, there seem to be several potential hindrances to a mass-market adoption of direct consumer-to-producer electronic shopping solutions; some of these barriers are general in character, whereas others are sector-dependent. Here our aim is primarily to look into some suggested industry- and product-specific problems and practical limitations associated with electronic travel bookings by individual customers. Hence, well-known general barriers to e-commerce such as cost of entry, and security and privacy issues are excluded from this work. Although some of the problems we discuss are not valid exclusively for the travel and tourism industry, they are, however, important issues when investigating the individual traveller’s possibilities to make travel reservations in practice.

Many potential problems face the consumer who tries to make his own travel arrangements through travel sites on the Web. A prerequisite for a consumer making his own travel arrangements on the Web is that he has some degree of proficiency with the Internet. Consequently, a lack of knowledge or experience with the Internet may constitute a serious barrier to consumer-to-business electronic commerce not only in the travel industry, but also in any industry sector. Beside, or in addition to, the limitations of the user, technical problems or systems limitations, as well as the poor usability of the service providers’ websites (the term usability including, as has been suggested by Rajani and Rosenberg (1999), aspects as colour, sound, navigation and placement) may hinder Internet bookings.

The first non-technical problem is about finding the right service providers, i.e. locating the websites offering the services needed. A typical problem regarding the Internet has been the immense supply of information, and the subsequent difficulty of finding the information you are looking for – at least to find it quickly enough (Franz 2000). Accessing the many sources of information requires knowledge (to know where the servers are located), time and perseverance. It is often not possible to book travel directly online and certainly not possible to buy the separate parts of a trip through the same supplier (Bloch et al. 1996).

Having found the right service providers, the issue of availability remains. In most cases, there will be some available flight to the destination, but not necessarily the cheapest alternative or the desired airline. Naturally, the same goes for the accommodation reservations. In a situation like this, would it be possible to find cheaper and more convenient flights through other travel sites connected to another, competing CRS (or an equivalent system)? As we speak of the problem of finding service providers and the availability issue, one should bear in mind that the greatest customer convenience is achieved when all the reservations can be made from the one and the same source (website).

Another related problem concerns the rich supply of service providers, and the uncertainty that this can result in, especially if the consumer’s knowledge and experiences of the travel industry leave a great deal to be desired. How is the potential traveller to know if the service providers found are the most inexpensive and reliable? Although price comparisons can be made among the service providers, they cannot be made for service providers whose sites the customer has not found. The feeling that ‘there may still be cheaper travel sites, but I can’t seem to find them’ can be an impediment to shopping on the Web. According to Harris (1997), special fares with restrictions are not always advertised (on the online travel sites). His view is that it is worth calling the local travel agent to see if he or she can beat the fare you have found. If your agent succeeds, you know you have got a good agent; if not, you got the best deal possible.

For many travellers the price of the journey may be the primary priority. However, getting the lowest possible fare is likely to be very hard – if not impossible – if you lack the basic knowledge about the pricing principles of the travel industry and follow the strategies your travel agent uses to get you a low fare. The basic guidelines include (Harris 1997): stay over on a Saturday night; avoid travelling on Mondays, Fridays or holidays; purchase your ticket more than 21 days in advance; use the same carrier for all legs of your journey; depart mid-morning or late evening.

Not only is it necessary to know the low-price booking
strategies for making a non-expensive and well-planned booking. A journey consists of many problematic elements that an inexperienced traveller may not consider. For instance, what is the minimum time needed to pass in transit at different international airports? According to Cooper and Brown (1997), travel is a complicated industry with a lot of rules, meaning that many people want to interface with humans. Consumer online reservation systems (where the consumer himself is responsible for planning the trip and making the arrangements) may, as Hart (1995) point out, prove to be impractical for all but the most sophisticated users due to regulatory obstacles, currency fluctuations, and the complexity of international flights and CRS systems. As many tourists – at least today – lack the possibility, knowledge, or courage to shop electronically, it seems reasonable to assume that they want familiar, reliable travel agencies, who, according to Wilson (1997) still offer knowledge and intuition that cannot be found in an online service, to administer their travels. This also holds true for travel arrangements made over the Internet. In addition, as has been pointed out by Harris (1997), the price offered by online travel sites is often considerably higher than the price offered by the travel agencies, partly owing to the fact that the customer’s knowledge of the pricing principles in the tourism industry usually is very limited.

The issue of price comparison was briefly mentioned above. Although the potential for making price comparisons has often been mentioned as a great consumer benefit of electronic commerce, it is no doubt a time demanding task. Naturally, this goes only for travel sites offering online bookings, since identical price inquiries can easily be sent to several Web-based travel agencies. As a result of any, some, or all of these potential problems, the whole process of making travel arrangements on one’s own can be extremely time consuming. In practice, this can be expected to be the greatest barrier for potential travellers to make their travel arrangements over the Internet.

THE EMPIRICAL STUDY

To investigate the opportunities offered as well as the problems facing any consumer trying to make his own travel reservations over the Internet today, a study was conducted among 24 students attending an intermediary level course on Electronic Commerce at the Åbo Akademi University in Turku, Finland. The study was divided into two parts, consisting of (i) a quotation competition in which the students were to act as travel agents, submitting an offer for a journey according to some given specifications; and (ii) a questionnaire, in which the students who submitted offers were asked to report on their booking experiences, especially the problems they encountered during the task. Nearly all of the 24 students (17 males, 7 females) making up the sample considered themselves proficient Internet users as the task was announced. Hence, the sample was not representative for the average consumer, as the students’ knowledge of and experience with the Internet by far exceeded that of the average consumer.

THE TASK

The students were instructed to submit an offer of a round-trip from Turku, Finland to Maui, Hawaii for two professors taking part in a conference at the Aston Wailea Resort. No student or regular customer discounts were allowed. According to the instructions given, the travellers were to set out on the journey on 2 January in the early morning (local time). The students were allowed to use their own judgement when planning the route. However, a booking comprising more than 8 intermediate landings during the journey (there and back) was considered unacceptable. An additional requirement was that none of the intermediate landings would last longer than 5 hours – with one exception: The travellers wanted to rest by putting up at a hotel for one night on both routes. All accommodation facilities during the journey were to be high-class, equivalent to two single rooms at the Aston Wailea Resort where the conference was to take place. During the visit, the travellers also wanted to make a day’s journey to the island of Kauai. The students were instructed to submit an offer on this excursion as well. The travellers wanted to be back in Turku on 15 January, in the morning (local time).

The students were given 14 days to complete the task under clear instructions that all bookings were to be made over the Internet. Hence, they were not allowed to pay a visit to a travel agency, nor to contact one by phone or fax. However, sending e-mails to Web-based travel agencies was fully acceptable, but this possibility was deliberately not emphasized when the students received their instructions, as an interesting aspect of the task was to see which approach the students would consider and choose. The task was announced as a competition; the student offering the lowest price would be awarded a prize. However, the students were unaware of the fact that they would be competing against a real (and accepted) offer made by a local office of a large international travel agency chain. According to the travel agency clerk, who was given the exact same task as the students, making all the reservations took her no more than 30 minutes. All the submitted offers are a sum of the two travellers’ total travel arrangements and are stated in US dollars.

THE RESULTS OF THE QUOTATION COMPETITION

The task was completed by 23 students (one student failed), however with very varying results: The price difference between the highest ($19,587.40) and the lowest ($5,810.20) offer was as much as $13,777.20, or in
other words 337.1%. Despite the clear and unequivocal instructions as many as 14 of the 23 bookings were not made according to the given instructions. Hence, comparing the offers is neither easy nor quite correct, especially considering the great variations in the price level of the chosen hotels. Some students felt that high-class accommodation was not necessary, thereby acting as poor travel agents by not taking the wishes of the travellers fully into consideration. However, some other students performed the task with great care. Several students, on their own, rented a car for the entire stay when no hotel rooms were available in the proximity to the conference area. Consequently, a total of 4 students managed to submit an offer lower than the one made by the travel agency ($7,364.90). However, only one of the students managed to undercut the price offered by the travel agency as far as the flights were concerned (the lowest student offer was $3,093.50 whereas the total costs of the flights as offered by the travel agency amounted to $3,216.90). The students’ average offer for the flights only amounted to $6,921.30, the highest offer being $14,760.50, i.e. 458.8% higher than the price offered by the travel agency.

All 23 offers made by the students as well as the one made by the travel agency can be seen from Table 1. In some cases it was necessary to correct the initial offered prices somewhat, since the students had left out some specific component of the travel (or booked it incorrectly), making the offer incomplete. The price was corrected by adding a sum roughly equivalent to the average offered price for that specific component to the total price.

Only 2 students chose to submit an offer partly or totally made by a travel agency operating on the Web. In these cases, the clerks of the travel agencies were contacted by e-mail, meaning that the booking-process involved a person-to-person contact. The average result for these two students was $6,835.90 (total price)/$3,258.30 (flights only). One of the students was the winner of the price competition with an offered total price of $5,810.20. It is worth noting that the winning student did not make all the reservations through the Web-based travel agency, but booked the hotel rooms through an online travel site. All students except the two mentioned above made all reservations through online travel sites with an average result of $11,814.90 (total price)/$7,287.60 (flights only). The lowest submitted

<table>
<thead>
<tr>
<th>Offered total price</th>
<th>Offered price – flights only</th>
<th>Price index – lowest offer</th>
<th>Price index – travel agency’s offered total price</th>
<th>Price index – travel agency’s offer (flights only)</th>
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<tbody>
<tr>
<td>S 1 $5,810.20</td>
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<td>85.8</td>
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<tr>
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<td>$3,370.80</td>
<td>119.9</td>
<td>94.6</td>
<td>104.8</td>
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<tr>
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<td>126.4</td>
<td>101.3</td>
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<td>TA $7,364.90</td>
<td>$3,216.90</td>
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offer based on online bookings was $6,074.40 (total price)/$3,679.60 (flights only).

**BOOKING EXPERIENCES**

In order to investigate the problems encountered when completing the task, the students were asked to fill in a questionnaire. The questions covered the potential problem areas mentioned in the previous chapter as well as some questions on the workload of the task and the students’ satisfaction with their performance. All but one student returned the questionnaire. In the questionnaire, the suggested impediments to Internet-bookings were investigated by presenting some statements to which the respondents were to express the magnitude of their agreement (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree). The results of this part of the questionnaire are presented in Table 2.

As we mentioned earlier, a lack of knowledge or experience with the Internet may constitute a barrier to consumer-to-business electronic commerce. As was noted above, this was certainly not the case in this study. Seventeen of the 23 students (73.9%) who returned the questionnaire considered themselves very proficient or proficient Internet users at the beginning of the study. Most respondents (95.7%) reported that they visit the Internet every day or several times a week.

The majority of the respondents (60.9%) disagreed or disagreed strongly to having encountered technical problems. The poor usability of the service providers websites was considered to be a much greater booking obstacle: 47.8% of the students agreed or agreed strongly to having met with problems in this regard.

No unequivocal conclusions could be drawn from the questionnaire as far as the issue of finding the right service providers is concerned: 52.2% of the students had met with problems in this respect, but 43.5% considered the suggested impediment unproblematic. The suggestion that potential problems can arise from flights and hotel rooms not being available during the desired time period was not supported by the respondents. Finding available hotel rooms was considered considerably harder than finding available flights, but this result may partly be due to the fact that many students tried to make reservations at the conference resort (Aston Wailea), which turned out to be fully booked at the time when most students tried to make the reservations. As far as the availability of flights was concerned, only 8.7% of the respondents felt that this element of the booking was problematic.

As might have been expected, most of the respondents (52.1%) agreed that their limited knowledge of the travel industry constituted an impediment to performing the task. Only 13% disagreed to the claim. Notable is that there was a large block (34.8%) of respondents who chose a neutral position in responding to the statement. However, an examination of the submitted quotations suggests that this proposed impediment to self-made bookings might have been considerably more problematic than the students stated, as a large number of the bookings were incomplete (lacking some specific component of the journey) or were booked incorrectly. Many proposed itineraries were highly inconvenient, reflecting the experience of the students as travel counsellors, and indicating a lack of knowledge on certain fundamental issues in the travel and tourism industry.

As the task was announced as a price competition, it might have been expected that most students would engage in price comparisons. Whether this was the case or not did not emerge from the questionnaire, but the fact that the students on an average contacted six service providers indicates that price comparisons were made. On the suggestion that making price comparisons was difficult, the opinions were divided: 47.8% agreed or agreed strongly with the statement, whereas 21.7% objected.

The time required to make the reservations was cited as the greatest impediment to Internet bookings by the respondents: 47.8% agreed and 39.1% agreed strongly with the statement that the task was time consuming. The average time spent on the task was 6.4 hours, the median value being 5 hours. One student reported that he needed only one hour to make all the reservations, whereas another spent 24 hours on the task.

As far as the general difficulty of the task was concerned, 43.5% of the respondents agreed or agreed strongly with the statement that booking over the Internet was difficult, whereas only 17.3% disagreed or disagreed strongly to this claim. 39.1% chose a neutral position in responding to the statement.

<table>
<thead>
<tr>
<th>Item Score for Suggested Impediments to Internet-bookings</th>
<th>Mean</th>
<th>% Agree</th>
<th>% Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The task was time consuming</td>
<td>4.1</td>
<td>86.9</td>
<td>8.6</td>
</tr>
<tr>
<td>Making price comparisons</td>
<td>3.6</td>
<td>47.8</td>
<td>21.7</td>
</tr>
<tr>
<td>A lack of knowledge of the tourism industry</td>
<td>3.5</td>
<td>52.1</td>
<td>13.0</td>
</tr>
<tr>
<td>The usability of the service providers websites</td>
<td>3.3</td>
<td>47.8</td>
<td>26.0</td>
</tr>
<tr>
<td>The task was difficult</td>
<td>3.3</td>
<td>43.5</td>
<td>17.3</td>
</tr>
<tr>
<td>Finding service providers</td>
<td>3.1</td>
<td>52.2</td>
<td>43.5</td>
</tr>
<tr>
<td>Finding available hotel rooms</td>
<td>2.8</td>
<td>34.7</td>
<td>43.5</td>
</tr>
<tr>
<td>Technical problems</td>
<td>2.6</td>
<td>26.1</td>
<td>60.9</td>
</tr>
<tr>
<td>Finding available flights</td>
<td>2.4</td>
<td>8.7</td>
<td>60.8</td>
</tr>
</tbody>
</table>

Agree: % of total sample that responded ‘Agree’ or ‘Strongly agree’

Disagree: % of total sample that responded ‘Disagree’ or ‘Strongly disagree’

Table 2. Item scores for suggested impediments to Internet-bookings
On an average, the students contacted as many as 23 different service providers, whereas two students felt that contacting only one service provider was sufficient. Paradoxically, the offered price was more or less the same in these three cases: 53% of the contacted service providers offered online services, 47% were off line travel service providers. 35% of the students chose to contact only service providers offering online services. E-mails were sent out to service providers by only 8 of the 23 students (34.8%). On an average, each of these 8 students sent 4 e-mails, 57% of which were answered. The average response time was 87 hours.

The students were also asked to report on their satisfaction with their performance of the task. 39.1% of the respondents were either extremely satisfied or satisfied, whereas 30.4% were dissatisfied or extremely dissatisfied with their performance. When asked if they intended to make their travel reservations over the Internet in the future, it seemed to be the case that most students had not formed a strong opinion on the matter based on the experiences of the assignment: 3 students responded yes, 5 no, and 15 perhaps. Those who answered yes or perhaps were additionally asked if they would make the reservations as online self-bookings. Notable is that none of the students responded no, whereas 9 students responded yes, and 9 perhaps. Hence, not even the high quotations could deter the students from considering making use of online booking possibilities in the future. This indicates a strong belief in more advanced reservation systems and improved consumer terms in the future.

In addition, the students were asked if they thought that they could have been offered a better price by contacting a player in the physical marketplace. An interesting result, and one confirming the fact that the students’ knowledge of the travel and tourism industry was limited, was that most respondents did not have a view of the matter: 65.2% of the students responded not sure. As to the rest, the optimism was almost non-existent: 34.8% of the students responded yes, definitely or yes.

**DISCUSSION AND LESSONS LEARNED**

The study conducted is an exploratory study on the efficacy of self-booking in travel. Due to the fact that students are among the most eager users of the Internet, we decided to use a sample of students. There are both pros and cons in the approach. We are aware of the fact that much of the study’s possible external validity was sacrificed as students probably differ from the general population in many ways, they are for example minimally experienced travellers. Other limitations arise from the fact that we were not able to control the actual search process, and that the students’ own preferences influenced the results (cf. acting as poor travel agents), as well as the relatively small sample size. The students were high-proficiency Internet-users. Very likely, the task would have been perceived as a lot more demanding and time consuming for less experienced Internet-users.

Considering the time constraints and the exact specifications on accommodation facilities and intermediary landings, the task given to the students must be regarded as rather complicated and difficult in comparison to the needs of the average traveller. Finding a ‘package’ tour (offered by a tour operator) complying with all the constraints given by the travellers is impossible. Hence, the journey in question is an ‘independent’ tour (one in which the tourist purchases transport and accommodation separately (Holloway 1983), in this case by necessity comprising several intermediary landings due to the considerable geographical distance between the point of departure and the destination. As a result of the excursion to Kauai, the journey got a multi-destination character, although the inter-island air traffic in Hawaii hardly can be regarded as complicated or heavily restricted as far as availability is concerned. In addition, no accommodation arrangements were necessary for this part of the journey. On the other hand, the difficulty of the task was reduced by the fact that the destination is a well-known resort with a highly developed tourism sector and many local service providers accessible on the Web.

The level of difficulty of the task was purposely set high, bearing in mind the complexity of the travel industry, especially as multi-destination journeys are gaining in popularity, and as many people have become more experienced and confident travellers demanding a more varied, more flexible type of holiday (Connell 1996). Surely, the results of the study are influenced by the difficulty of the task. A tempting, and intuitively realistic supposition is that a less complex task would have resulted in fewer perceived problems, and a less significant price variation between the students’ offers and the travel agency’s quotation, as well as when making comparisons among the students. Whether this assumption is correct will be investigated in an ongoing study by the authors, but the results of this exploratory study highlight the need for additional research on the issues presented, especially using a larger, more heterogeneous sample.

One of the generally stated consumer benefits of electronic commerce – and one arguing in favour of the vision of disintermediation – is the promise of lower consumer prices. The results of this study do, however, not support this assumption, as the submitted offers on an average were considerably more expensive than the one made by the travel agency. The high average price, the time needed to complete the task, and the great many student bookings that were incorrect, incomplete or inconvenient, certainly gave some indications that some assistance would have been needed during the booking process. Reasonably, this assistance would have been given by physical or virtual travel agencies, as simplifiers of the often complex travel decision process (Ryan and Cliff.
1997). As Sarkar et al. (1995) have pointed out, an unbundling of intermediary functions suggests that the role of the intermediaries is multifaceted, and all functions are not easily assumed by producers (or consumers). However, in many cases, including the travel industry, the issue is rather whether we will see a further development of the on-line reservation systems in the future, eliminating the travel agencies’ current advantages in speed, knowledge and intuition (Wilson 1997). The questionnaires indicated a strong belief in more advanced reservation systems and improved consumer terms, as the students reported that they were not deterred from considering making use of online booking possibilities in the future. We believe that the next step in the travel industry will be the development of software agents assisting consumers making their travel reservations on the Web. These agents will accomplish specialized tasks on behalf of the consumer, and act towards reaching certain consumer-specified goals with a certain amount of autonomy and flexibility. The software agents will assist consumers by helping to locate information corresponding to their interests and reducing the time spent on the task.

References


Hietaniemi, Jouko (1999) Lecture at Åbo Akademi University, Dilbert Room/Dacity, 16 March.


