



**INDIRECT versus DIRECT BOOKINGS: HOTEL CUSTOMER MOTIVATIONS FOR
ONLINE RESERVATIONS AT TRAVEL AGENCIES IN THE CAPE METROPOLE**

by

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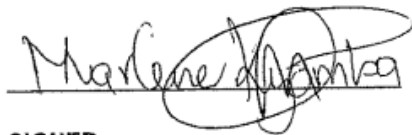
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A handwritten signature in black ink, appearing to read 'Marlene Ngoie Kyomba', is written over a horizontal line. The signature is stylized and somewhat cursive.

SIGNED


A handwritten date '28 May 2022' is written in black ink over a horizontal line.

DATE

ABSTRACT

Hotels have a variety of internet distribution channels to help them sell rooms, including sites that have come to be called online travel agents. The objective of this study is to investigate why hotel customers use online travel agencies for online reservations rather than booking directly with hotels. The researcher scheduled meetings for personal (face-to-face) distribution of the questionnaires and was on hand to answer any participant questions with hotel guests to collect the primary data for the study. The questionnaire surveys were conducted in different hotels in the Cape Metropole. The population of interest in this study included hotel guests from different hotels in the Cape Metropole who are frequent travellers using online travel agencies or hotels to make their hotel bookings. The study's original sample was limited to management, staff, and guests, including 300 hotel guests from three 5-star hotels in The Cape Town Metropol. This sampling frame was dependable and useful for the researcher for arranging for the distribution of the questionnaires, and obtaining the information required for the study. The most important findings of the study were that pricing of reservation services was very important, but the 'physical and electronic' convenience of making reservations was considered important.

KEY WORDS: direct bookings, hotels, hotel customers, online hotel reservations, online travel agents.

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ABBREVIATIONS AND ACRONYMS

CRS Central Reservation System

E-commerce Electronic commerce

GDS Global distribution system

OTA Online travel agents

PWC PriceWaterhouse Coopers

TOs Tour operators

CHAPTER 1

INTRODUCTION AND BACKGROUND

1.1 Introduction to the study

According to de Jager (2014:2), about 11%, which was approximately 5 million of the South African population, had access to the internet in 2008, while a follow-up MasterCard survey in 2010 (Marketing Web, 2010:1) pushed this estimate up to 77% of South Africans who did their shopping online. Morales (2017:1) stated that international travel and tourism had changed over the past five decades (up to 2015) with the development of mass-tourism and the availability of travel information contributing to new tourist markets, and the ease of accessing this information (Pitoska 2013:336). This change includes the method of booking accommodation in hotels, where customers can use multiple booking channels, including an “online travel agency (OTA), Global Distribution Systems (GDS) such as Amadeus and Sabre, travel offices, a hotel’s own website, or over the phone” (Pitoska 2013:336). OTAs are “travel websites that provide online booking facilities for hotels, airlines, cars and other travel related services to users” (Morales, 2017:1). The GDS is defined as “the reservation tool travel agents use when making an air, hotel, car or other travel service booking” (Amadeus Customer IT Solutions, 2019: Online). The introduction of various booking channels has introduced competition in ways of making bookings and changed customer behaviour in reserving hotel accommodation.

According to Morales (2017:1) and Failte Ireland (2012:34), two methods are available for reserving hotel accommodation: ‘direct distribution’ from the producer to the customer using a specific website or the telephone, and ‘indirect channels’ when intermediaries, such as travel agencies or information offices, or OTAs and GDSs, become the chosen distribution channel (West, 2015:16). Both methods are available offline or online.

Using direct bookings, customers transact directly with the hotel to purchase a product. This is the preferred method for a hotel as they are not liable to any intermediate for commission payments, thus boosting profit margins by direct promotion of products or services in an ‘online environment’ (Greensill, 2016:14). Thus, direct bookings have the “potential to sell more, suggesting higher booking and revenue yields for hotels, than OTAs such as Expedia.com and Booking.com” (Morales, 2017:1).

Considering direct booking’s advantages, some research endeavours argue that it is surprising that it has not completely triumphed over the indirect bookings; or at least not at the rate one would have expected (Rose, 2009). Thus, hotels have been facing the challenge of attracting consumers to book directly through their reservation systems. To cope with these challenges, it is important to investigate why customers use OTAs for

hotel reservations rather than direct bookings with hotels. Therefore, understanding factors influencing customer motives, patterns and behaviours in a hotel's booking process may prove valuable to hotel managers.

Channel management

A distribution channel is a combination of intermediaries that co-operate in the sale of a product. Each distribution channel operates parallel to and in competition with other channels. A hotel normally uses multiple marketing channels such as travel agencies, online travel service companies (OTS), professional conference organiser channel as well as its own sales force, hotel reception and reservations call centres and several more. These multiple channels provide optimum exposure to ensure that occupancy is high however sometimes conflict can arise between the hotel's distribution channels and the hotel.

Although indirect channels have provided customers with an easy means of accessing lodging products, their services do take a significant amount of money that could be profit for the hotels (Gazzoli et al., 2008). For example, OTAs have been shown to collect a 15% to 20% commission on the booking of a hotel room in the U.S. (Ye et al., 2019). Commission rates differ based on brand affiliations. For example, independent hotels pay Expedia commissions of 15–30% as opposed to large hotel brands that pay 10–15% (Schaal, 2018). Therefore, some hotels have worked toward decreasing their reliance on OTAs and have tried to increase the number of direct bookings and, in recent years, several brands, including Hilton, Marriott, and Hyatt have spent time, creativity, and money on marketing direct bookings (Dupler, 2020; Ye et al., 2019).

While channel management is important in the hotel sector, it has not received much attention in the academic literature (Choi & Kimes, 2002; Ivanov & Zhechev, 2012). Channel management is vital in the practice of hotel revenue management. The structure of the intermediaries used by a hotel and the terms and conditions in the contracts with them significantly influence average daily rate (ADR), revenue per available room (RevPAR), and the entire revenue management (RM) system of the hotel (Ivanov & Zhechev, 2012), and thus an exploration of channel management is worthy of further consideration.

However, due to a lack of business travel during the COVID-19 pandemic, higher-end hotels found themselves selling a greater percentage of rooms to OTAs, such as the Expedia Group and Booking Holdings, to counteract the loss of corporate business. Still, this increase was more than counterbalanced by the tendency on the part of leisure travellers to book their rooms directly through hotel websites to make certain that they were provided with the best rates and cancellation opportunities (King, 2021). However,

as the world begins to move past the COVID-pandemic, it will be important for hotels to remember to not return entirely to the distribution strategies that they used prior to the coronavirus pandemic, for doing so would return the distribution to OTAs, doing away with the creativity and effort that they put into increasing direct bookings (Borko et al., 2020; Dupler, 2020). Therefore, channel management strategies make a difference and deserve attention in the literature.

1.2 Problem statement

Li-Ming and Wai (2013:6) report that “consumers who are interested in making a hotel room reservation online can use two different methods to make their (hotel) reservations”, either via a hotel’s official websites, or third-party hotel websites. Many hotels have their own official form of distribution channel to advertise and sell their products or services. There are hotels, including international chains, which use their own distribution channels (for example, Hilton.com and Starwoodhotel.com), however, consumers may also reserve accommodation via a third party, known as Online Travel Agents (OTAs), which assist hotels in promoting their products or services. These OTAs include Expedia.com, Booking.com, Agoda.com and Asiarooms.com. While on-line reservations are increasing, Morales (2017:1) notes that customers thought that “third party websites or OTAs provide lower rates for hotel accommodation than hotel establishments”. It appears that hotel customers have a misconception of the benefits received from both OTAs and hotels and assume that it is more affordable and convenient to make reservations through OTAs rather than booking directly with a hotel.

However, the factors influencing customer motives, patterns and behaviours in a hotel’s booking process are still unexplored. Thus, this current research is designed to bridge this gap in the literature and provide marketing implications for hospitality researchers. To succeed in this, hotels need to understand under what circumstances their customers use direct and/ or indirect bookings for hotel reservations.

1.3 Rationale and significance of the study

De Jager (2014:3) is of the opinion that online bookings are now the norm for travellers, where using the Internet has completely changed the way travel business is conducted by offering various avenues of information flow, and “offering a convenient and efficient channel for distributing products and services”.

The researcher’s interest is in hotel management, specifically from working for a 5-star hotel in Cape Town, leading to a concern to investigate hotel customer-motivations for online reservations at travel agencies in the Cape Metropole. Banoobhai-Anwar (2016b:2) conducted a study to investigate filling a gap in reservation procedures, which

could contribute to existing literature on making reservations in the tourism and hospitality industry in South Africa, specifically within the Cape Metropole. Cape Town was chosen for the study because the City is acknowledged as a world-class international tourist destination.

This research is significant because it enables hotels and OTAs to understand the consumer behaviour in the hotel's booking process. It makes recommendations to hotels on how to attract and convince customers to make bookings directly with them, thereby avoiding commissions to OTAs. The study will aid customers in choosing affordable and convenient options in booking accommodation and will increase the body of knowledge of the tourism and hotel industry in South Africa. In so doing the present research intends to fill a gap in the literature, seeking to analyse more deeply the factors motivating customers in the hotel's booking process, which can help hoteliers to define a more reliable marketing strategy.

1.4 Study aims and objectives

1.4.1 Aim of the study

The study aim is to investigate the motivation of hotel customers to use online travel agencies for reservations and to establish a mechanism for direct hotel reservation access.

The research will enable hotels and OTAs to understand the booking behaviour of customers and suggest recommendations to hotels on how to convince and attract customers to make bookings directly with them to avoid paying commissions to OTAs.

1.4.2 Study objectives

The primary objective of the study is to investigate why hotel customers use online travel agencies for reservations rather than booking directly with a hotel.

To achieve this primary objective, the following sub-objectives are appropriate:

- To determine why hotel customers in the Cape Metropole think it is cheaper and more convenient to make reservations through travel agents.
- To examine the influence of demographic factors on consumer booking behaviour in hotel accommodation.
- To investigate the affordability and convenience of direct and indirect bookings.
- To establish customer behaviour when making bookings.
- To establish customer motivations in choosing a booking method.

The results of this research are aimed to contribute theoretical and managerial implications of consumer booking behaviour in the hotel industry.

1.5 Research questions

The following questions are designed to answer the study objectives:

- Why do hotel customers in the Cape Metropole have a perception that it is cheaper and more convenient to book through travel agencies?
 - What demographic factors influence consumer booking behaviour in hotel accommodation?
 - How convenient and affordable is it to book directly or indirectly?
 - What influences customers in choosing to book through a travel agency or the hotel?
- * What are customer motivations for choosing a specific booking method?

1.6 Research methodology

1.6.1 Research paradigm

The research paradigm used in this research is interpretive as the aim is to study and document “authentic behaviour in a real situation” (Burn & Burn, 2008:18).

Burn and Burn (2008:18) note that the main elements of the interpretive paradigm are:

- “A subjective world where people experience physical and social reality in different ways”.
- “A socially constructed reality with subjective evaluation and meaningfulness of experience for the individual”.
- “The researcher becomes fully involved with individual subjects”.
- “Explicit values”.
- “Flexible research processes which flow from material provided by participants”, and
- “Methods include ethnography, participant observation, focus group, and deep interviews”.

1.6.2 Research method

Qualitative research allows researchers to obtain and subsequently investigate information through words rather than numbers and therefore can analyse behaviour exhibited in natural settings. “It captures expressive information not conveyed in quantitative data about perceptions” (Burn & Burn, 2008:19). On the other hand, a quantitative methodology expresses numerical information in a meaningful way.

A quantitative approach was used to collect data using a structured key informant questionnaire to collect the primary data, which is first-hand information needed to

answer the objectives and questions formulated for a study. Primary data can be obtained through circulating questionnaires to participants, and interviews or surveys. Secondary data is usually needed to support a study and can be obtained from various sources, including the Internet, magazines, articles, and journals (Creswell, 2013:3). This study used primary information obtained from a questionnaire that was distributed to selected participants at the selected hotels who had agreed to participate in the study. Secondary data was used for background information on studies already completed in the field of study and for comparative purposes.

1.6.3 Research design

This study employed a cross-sectional research design, which usually measures particular individual's attitudes or motivations over extended periods and can be measured in years or decades. In this study, a longitudinal approach can establish certain events and "identify and relate events to particular exposures concerning presence, timing and chronicity" (Caruana et al., 2015:1).

1.6.4 Demarcation of the study

This research was carried out at selected hotels, with their approval, in the Cape Metropole only. Findings and recommendations only apply to the selected hotels in the Cape Metropole and therefore cannot be generalised.

1.6.5 Population

Tsangu (2017:61) states that a population is the total number of possible units or elements that are included in a study. The population of interest in this study are the hotel guests from selected hotels in the Cape Metropole who are frequents travellers, using OTAs or booking their hotel reservations directly. The possible total population in this study is limited to the total number of rooms available at the time of the surveys at the selected hotels.

1.6.6 Sample method and sample size

Tsangu (2017:61) states that a sampling frame is a section of the target population that is easily accessible and from which a sample can be drawn. In this study, 300 hotel guests from the Pepperclub Hotel & Spa and other selected hotels, is the sampling frame. This sampling frame is dependable, and participants will complete the questionnaire to supply the data needed for the study. A systematic sampling technique was chosen as the probability sampling method for hotel customer motivations for online reservations at travel agencies in selected hotels in the Cape Metropole as probability sampling ensures that most segments of the population are represented.

A large sample generates smaller sampling errors than a small sample, in other words, if a statement on the Likert scale is strongly agreed to by 99% of a large sample, it reflects a smaller sampling error than would be the case with a small sample (Bassadien, 2017:79). This specific probability sampling method was chosen because it was suitable for targeting a large number of hotel guests in the selected hotels and provides a reduced biased representation of the population due to higher accuracy levels when sampling.

1.7 Data collection methodology

1.7.1 Data collection instrument

A questionnaire was used wherein the researcher set a list of brief, clearly-worded open-ended questions to which participants were required to provide specific answers, or required responses to Likert-style close-ended statements. Responses were then measured on a 5-point scale where “strongly agree” equals one and “strongly disagree” equals five. A questionnaire is an easy data collecting technique as the questions are standardised for all participants. According to Preece et al. (2015:234), “structured questionnaires are most appropriate when the goals of the study are clearly understood and specific questions can be identified”.

1.7.2 Data collection method

A structured questionnaire was used to collect primary data (Welman et al., 2005:164). The questionnaire in this study contained both open-ended questions requiring specific responses, and Likert-style closed-ended multi-choice questions.

The researcher, who is employed at the Pepper Club Hotel, scheduled meetings to distribute the questionnaire for personal (face-to-face) contact with hotel guests to collect the primary data for the study. It took approximately 30 minutes to complete the questionnaire and the surveys were scheduled for the period between May and July 2019. The questionnaire asked specific questions, and the researcher was on hand to clarify questions.

1.8 Data coding and analysis

In this research, the Statistical Package for Social Science (SPSS) software version 25 was used to analyse data and assist in interpreting responses to open-ended survey questions.

1.9 Ethical considerations

The researcher obtained permission from the Ethical Committee of the Faculty of Business and Management Sciences at the Cape Peninsula University of Technology (see Appendix A) and from the participants in the selected hotels. Their participation was voluntary, and no financial or sensitive information was given. Obtaining participants’

consent, respecting privacy, maintaining confidentiality, and providing research participants with feedback was important. A consent letter was sent to the General Manager of each hotel to obtain permission to conduct research. Participation in this research was free and based on informed consent. For safety and anonymity of the research participants regarding the information given, no names or any form of identification are mentioned throughout the study (Tsangu, 2017:59). Participants were informed that they could withdraw from the study at any time, for any reason and suffer no prejudice (Bassadien, 2017:12).

1.10 Definition of key concepts

Direct Booking: Greensill (2016:14) defines direct bookings as interacting directly with the hotel to purchase accommodation or service, which is the booking method preferred by hotels as they are then not liable for the “commissions paid to intermediaries”.

Electronic commerce (E-commerce): This refers to the “buying and selling of products or services over electronic systems such as the Internet and other computer networks” (Pallavi & Tiwari, 2008:1).

Global distribution system (GDS): Radulovic (2013:28) defines GDS as a “worldwide computerised reservation network that electronically connects the tourist offer with the tourist demand”.

Holiday package: Includes transport, accommodation and services for an all-in price (Kozlova, 2014).

Indirect booking: West (2015, cited by Morales 2017:16) explains that “indirect distribution is when intermediaries or middlemen are involved within the channel, for example, OTA and GDS are indirect distribution channels”.

OTA: OTAs are “travel websites that provide online booking facilities for hotels, airlines, cars and other travel related services to users” (Morales, 2017:1).

1.11 Study limitations

The sample was relatively small and indicated what was happening in selected hotels in the Cape Metropole. Some hotels were reluctant to share information with the researcher due to sensitivity. The major limiting experience, but not anticipated at the time of preparing for the study, was the advent of COVID-19, which resulted in difficulties in finally obtaining the required number of study participants.

1.12 Study outline

The study comprises five chapters.

Chapter 1

Introduction - overview, study background, study aims and objectives, study questions, research problem, significance of study, definition of key terms and the organisation of chapters are stated.

Chapter 2

Literature review - monitoring and evaluation of theories, the dynamics and implications of direct and indirect bookings are discussed.

Chapter 3

Methodology - study approach justification, research setting, contextual issues, methodology frameworks, rationality, research techniques, sampling, research design, population, and research instruments that were used in the study are addressed.

Chapter 4

Presentation of the findings and discussion, to understand hotel customer motivations for making online reservations.

Chapter 5

Conclusion - Strategic recommendations and conclusions are provided.

1.13 Chapter summary

This chapter defined the study aim and objectives and briefly discussed the study methodology, which is explained in more detail in Chapter 3, and limitations, which were not anticipated. The chapter concludes with the structure of the dissertation.

The next chapter focuses on the literature review which provides the theoretical background to this study.

CHAPTER 2

LITERATURE REVIEW OF CONCEPTS RELEVANT TO THE STUDY

2.1 Introduction

In Chapter 1, the background to the study was provided, with reference to why hotel customers prefer booking online rather than booking directly with the hotel. This chapter elaborates on this theme for the readers' complete understanding. It explains the concepts necessary for placing the study in context, reviews relevant monitoring and evaluation theories and explains the dynamics of direct and indirect bookings, specifically for accommodation establishments.

2.2 Hotels

The online website, Oxford Dictionaries (2019), notes that a hotel is a venture offering rooms, foods and beverages for voyagers and commuters by the night. Manco (2013:1) notes "some of the earliest inns were built by monasteries in centres of pilgrimage", while Andrews (2007:45) states that this accommodation includes "the private homes of husband and wife teams who provided large halls for travellers to roll out their own beds and sleep on the floor", often sharing the space with the livestock and other travellers (Banoobhai-Anwar, 2016a:33). According to the Tourism Grading Council of South Africa (TGCSA, 2017) a hotel is: "an establishment that provides formal accommodation with full or limited services to the travelling public". A hotel must have a reception area and offer dining facilities. It must also have a "minimum of 6 rooms but more likely exceed 20 rooms" (TGCSA, 2017:3). The categories of accommodation include hotels, motels, hostels, B&Bs, and guest houses. The incomes in 2017 were for hotels, R14.7 billion, and for all other forms of accommodation R8.2 billion (Dupler, 2020).

According to Jayapalan (2001:210), during the time of the Roman Empire, many inns were established that provided meals, beverages, and leisure to tired voyagers. George (2011:686) notes that excavations of the ancient Roman city of Pompeii revealed that the Romans had developed the concept of hospitality into a trade. Levy-Bonvin (2003:1) maintains the start of the "hotel industry" can be attributed to the "beginning of the fifteenth century in France", when the law required that hotels keep a register of guests – a practice which is still in operation today (Banoobhai-Anwar, 2016a:33).

Lamsal (2010) notes that no significant improvement was made to the structure of inns and taverns, which were not very suitable for the wealthy or aristocrats, until the Industrial Revolution of the late 1700s. This led to the construction of "luxurious structures with private rooms and sanitation" (Banoobhai-Anwar, 2016a:33).

2.3 The Cape Metropole

“The City of Cape Town is a large urban area with a high population density, an intense movement of people, goods and services, extensive development and multiple business districts and industrial areas” (Western Cape Government, 2013). ‘Metropole’ is defined by the Oxford Dictionaries (2019) as the “parent state of a colony”.

“The City of Cape Town metropolitan municipality is situated in the southern peninsula of the Western Cape Province. It stretches from Gordon's Bay to Atlantis and includes the suburbs of Khayelitsha and Mitchell's Plain. It is bounded by the Atlantic ocean to the south and west” (Banoobhai-Anwar, 2016b:29).

The City of Cape Town (2013:6) describes Cape Town as an “alongshore holiday terminus” with noticeable and distinctive natural characteristics. The City's key attraction is the world heritage Table Mountain and its unique “antiquity natural assets combined with a variety of nature-based activities”, escapade tourism and amusement activities that have evolved around these natural resources. The City also boasts a rich cultural heritage (Banoobhai-Anwar, 2016a:30). In terms of natural resources, Cape Town is home to Table Mountain, a South African icon and “one of the “New 7 Wonders of Nature” (New 7 Wonders of Nature, 2013). Cape Town also has the largest number of pristine beaches in the country, with “27 awarded the international Blue Flag stamp of approval” (IOL Travel News, 2019), a global award for beaches that have met standard distinctions in the areas of safety, amenities, cleanliness, and environmental standards (City of Cape Town, 2019).

Another popular tourist attraction is the Victoria and Alfred (V&A) Waterfront, which boasts a variety of retail, hotel, and residential developments (Nombembe, 2015:1). It is built on the edge of the marina, within the shadow of the “natural wonder” of Table Mountain. According to Nombembe (2015:1), the V&A Waterfront has contributed nearly R200 billion to the South African economy over the decade, up to 2010. Statistics show the majority of international visitors visit the V&A Waterfront at least once during their visit to Cape Town (Nombembe, 2015:1). Historically, Robben Island (along with Alcatraz Island) is a famous “island prison of the world”, and was home to one of the world's most well-known prisoners—statesman and leader, Nelson Mandela, who spent 18 of his 27-year incarceration imprisoned on this World Heritage Site (Banoobhai-Anwar, 2016a:31; Cape Town Tourism, 2019). There are few places in SA that are as dramatic and have such historical importance as Robben Island, which not only gives insight into SA's unhappy political past but is also testimony to the resilience of the human spirit (Cape Town Big 6, 2014:1).

2.4 Travel decisions and motivation

De Jager (2014:3) indicates that there are factors that play a “critical role in the traveller’s choice of an intermediary”:

- “The role of consumer trust in a booking intermediary, and financial risk perception”.
- “Issues related to time, for example, time required to complete a booking or to physically visit a travel agent”.
- “Convenience and ease of use in choosing an intermediary”, and
- “Price and its subsequent value, as well as the loyalty towards either intermediary despite price or income” (de Jager, 2014:3).

According to Chen (2014:16), a purchaser usually goes through three stages before making an accommodation purchase decision, being “... the need recognition, search for information, and evaluation of alternatives”. Customers admit to a need for goods or facilities, seek ways to acquire the goods/facilities, and finally purchase the product, which is a similar process followed to reserve hotel accommodation. The review of all alternatives in seeking information is necessary in the decision-making process.

Ezeuduji and de Jager (2015:67) note that “the decision-making is inter-related; however, travellers will typically gauge the value of purchase by”:

- “Making use of an intermediary that they trust”.
- “Using a booking intermediary where they can save time, whether in terms of researching or transacting”.
- “Using an intermediary that is suited to a traveller’s individual level of technological ability”.
- “Making use of an intermediary, which will allow the greatest level of convenience, whether physically or electronically”.
- “Weighing up the price of a service against the benefits derived from a potential purchase”, and
- “Evaluating some service quality dimensions: level of empathy assurance in the booking intermediary and reliability” (Ezeuduji & de Jager, 2015:67).

Kozlova (2014:22) states that there are many reasons for holiday accommodation-decisions:

“ ...spend time with family or friends, communicate with others and enjoy the time, need for a vacation, discover new places and cultures, nature, education, enjoy warm weather, try new food, adventure and entertainment, and see famous places and attractions”.

Holidaying is an important way to break the monotony of home-life and work. However, the reasons why people travel and stay at other destinations vary according to the category of traveller, such as couples without children have different travel-motivations from elderly people or newly-weds. Kozlova (2014:21) divides travel motivation into various groups, including:

“...escape, relaxation, play, social interaction, the renewal of family-relationships and the pursuit of advanced education, and recognising that tourist motivation could depend on shopping-needs, the climate, and the type of holiday desire”.

Kozlova (2014:10) acknowledges that holiday decision-making is made more convenient through new technologies, including OTAs.

2.4.1 Maslow’s hierarchy of needs

Motivation has long been proved in the extant literature to be a core concept in tourism and hospitality, and it has been comprehensively examined in both conceptual and empirical studies (Zhang & Peng, 2014; Wu & Pearce, 2017; Albayrak & Caber, 2018; Han & Hyun, 2018; Jia, 2020; Song & Lee, 2020). For instance, motivations have been found to play a crucial role in travellers’ satisfaction (Albayrak & Caber, 2018; Battour et al., 2014), loyalty (Suhartanto et al.; 2020), and revisit intention (Dean & Suhartanto, 2019; Wen & Huang, 2019).

Kozlova (2014:22) opines that motivation is an extensive procedure of consumers’ ways of acting that begins with an obligation succeeded by an activity to satisfy the need; in the final stage of the process comes fulfilment of the need (Bowen & Clarke, 2009:88).

Kozlova (2014:22) reports that Maslow’s theory of a hierarchy of needs refers to human motivations, as developed by Abraham Maslow in 1943. Theory is the most discussed theory of motivation, which is founded on Maslow’s own observations, and describes the stages of people’s growth. Maslow states that theory divided human needs into the five parts of physiological, safety, love/belonging, self-esteem, and self-actualization”. This theory is graphically represented in Figure 2.1 below.

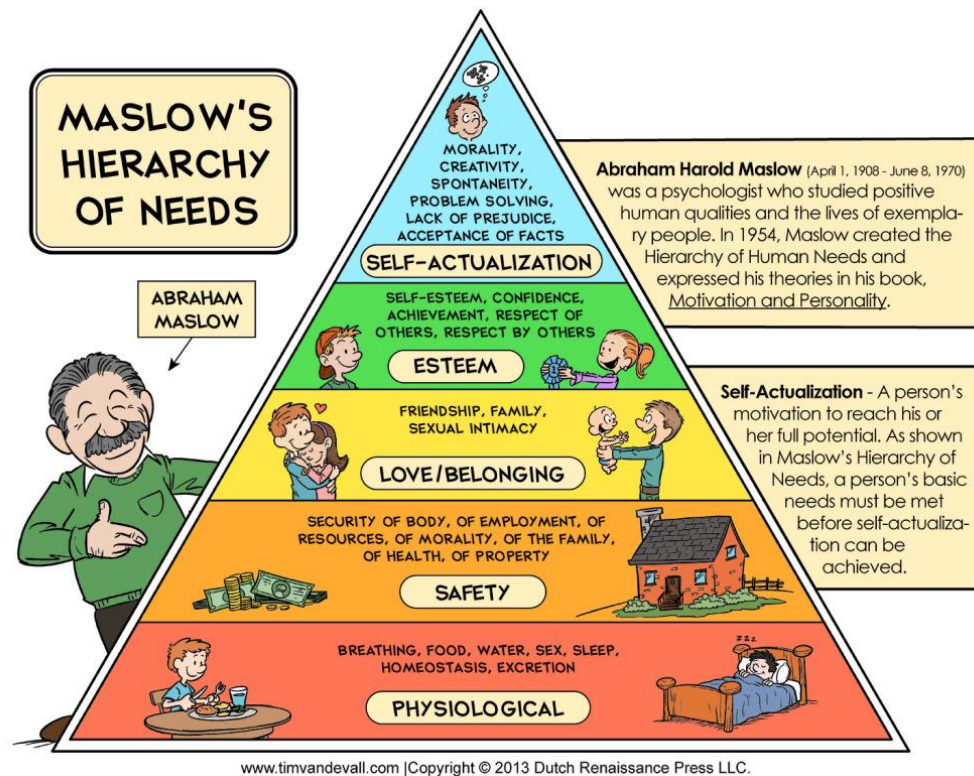


Figure 2.1: Maslow's hierarchy of needs

Source: Van de Vall (2014:14)

Kozlova (2014:23) argues that the general principle for people's actions is built on their needs "that gives you an opportunity to reach the highest level of self-actualisation in the end". Kozlova (2014:23) reports that this theory describes the evolution of needs with regards to "personal growth" and can be applied to tourism and leisure. It can be realistically comprehended as components that urge travellers to travel for specific motives. This theory describes the need for travel established on travellers' wishes, which is why many travel organisations rely on it for organising leisure activities. For example, some individuals may choose to go on a holiday to meet new people or spend some quality time with family. Secondly, an individual may select their vacation "destination" established on their security needs, where, for some people it is crucial to have a sense of security in the course of their vacation, while a few individuals look for escapades and would rather not go to destabilised countries with "political disorders or possible earthquakes" Kozlova (2014:23).

2.5 Consumer booking behaviour

Michaelidou and Dibb (2006) indicate that consumer booking behaviour comprises the decision process of buying and actions of using products of people. It can be referred as the purchasing behaviour of final consumers who buy products for specific purposes such as for household or individual usage, not for business usage. As such, consumer

behaviour is one of the key factors in the hospitality industry. Understanding the motivations that lead consumers to choose particular booking channels is an issue very important but difficult to assess, particularly in hospitality, where the purchasing decision is complex, since it embraces complex services, and consumers buy mostly experiences, and so has emotional elements.

The hotel booking process is the result of a multifaceted process and is influenced by internal and external factors (Swarbrooke & Horner, 2007). Consumers can choose a distribution channel based on brand, facilities, service quality, price, loyalty program, reviews of other guests, among others. All these factors enter the mix of the consumer's choice with different weights depending on customer motives, patterns and behaviours.

Factors influencing consumer booking behaviour

Morales (2017:7) argues that numerous circumstances impact and persuade the option of any purchase and these differ based on the category of consumer. For instance, complimentary and fast Internet are reasons for corporate travellers (Sampson, 2016:2). Marketing contributes significantly to the decision-making process. According to Morales (2017:7), various factors influence "travel decision-making, namely, travel editorials (5%), advertising (12%), online travel reviews (27%) and personal word-of-mouth recommendation (40%)", and awareness of loved ones contributes significantly in choosing reservation systems. In addition, online reviews are powerful elements impacting the decision-making process (Park & Allen, 2013:64). Sales and product choice also influences choices (Zhu & Zhang, 2010:133) and Gupta and Harris, (2010:1041) state that "...however, despite information from several sources, word-of-mouth recommendations still appear to dominate a traveller's decision when planning and booking".

According to Baruca and Civre (2012:78), predicting consumers' hotel options is impacted by numerous factors:

"Hotel product can be viewed as bundles of various attributes which directly influence choice and they may arouse the consumers purchase intentions and differentiate themselves from their competitors' offers".

Significant components that present competition for a hotel include the location, the different product offerings and services, the quality of the service and the price and reputation of the accommodation establishment. In addition, other factors that can impact the consumer's decision-making process include "socio-demographics, behavioural characteristics, motivation and geographical factors" (Baruca & Civre, 2012:78). These authors elaborate that:

“Socio-demographic dimension, for example, refers to the reference group, family members, acquaintances, friends etc. Among demographic factors which influence decision-making, are age, gender, education, lifestyle, personality, and income”.

According to Ezeuduji and de Jager (2014:3), consumers make their travel choices depending on numerous elements that OTAs and travel agents need to acknowledge, including factors such as trust in an intermediary, shopping convenience, the adoption of technology and price.

In response, online travel suppliers utilise inventive marketing to try and persuade customers that their offerings are of a high quality. The online booking website, Travelstart (2012:1), and Ezeuduji and de Jager (2014:3) advertised online booking facilities by highlighting:

- “Booking online saves a customer time and money.”
- “You can be your own travel agent, in other words being able to control your own booking, searching for deals without having to rely on a travel agent.”
- “Having access to over 11 000 travel destinations – being able to find airfares to your destination of choice.”
- “Having latest technology available at your fingertips.”
- “No hidden costs, i.e., no extra fees to be paid or added at a later stage.”
- “Help always being at hand through interactive media such as chat capability on a website, or being able to phone a call centre in case of requiring assistance”

Ezeuduji and de Jager (2014:4) add that online shoppers interested in travel “are typically experienced Internet-users” where “more than 70% of the sample reported personal Internet usage for more than four years”. Their study found that customers choosing online travel purchasing were influenced by customer encounters. Customers, who are knowledgeable in shopping online, possess self-assurance and expertise in using the Internet and depend on these capabilities to make online travel shopping decisions. Conversely, being uneducated in Internet use is a difficult obstacle to a person’s use of technology. Shoppers accept that organising travel itineraries online consists of different elements, for example, “...different airfare rules and hotel cancelation penalties that create anxiety for online users, who are not used to dealing with such complexities” (Ezeuduji & de Jager, 2014:4).

Blackwell et al. (2006, cited by Chen, 2014:16) note that the consumer decision-making process model required consumers to undergo three phases prior to choosing to buy a product or service—the “need for recognition, search for information and evaluation of alternatives”. These three phases guide customers through the purchase decision. Consumers primarily identify their needs and wishes and then start looking for answers

to satisfy their wants. The search, which has a crucial part in gathering information, includes consumers evaluating all possible alternatives.

The widespread use of the Internet has directly affected the traditional CDP and it now often plays an integral role in assisting consumers with their information search process. According to one study, more than 40% of consumers believe the Internet strongly influences their decision-making (Blackwell et al., 2006:115). Since the Internet and new technologies evolve with time, online consumer behaviour is becoming increasingly more complex (Chen, 2014:16). Factors, such as economics (time spent and monetary cost), computing (search engines or online third-party agents), and psychology (search efforts) all influence the online consumers' decision-making processes (Punj, 2012:792). Some researchers (Hansen, 2005:430; Grant et al., 2007:522) suggest it is necessary to investigate different facets to understand the complexity of consumer decision-making (Chen, 2014:16).

2.5.1 Socio-demographic factors

Socio-demographic factors are important in predicting and explaining propensity to search and purchase online (Beldona et al., 2009). Ezeuduji and de Jager (2014:4) define groups of individuals emanating from a similar experiential or contextual background; groups of individuals such as the "baby boomers" (people born between 1946 and 1959), "generation X" (people born between 1960 and 1980), and "generation Y" (people born between 1981 and 1998) are examples of these groupings. The importance of considering generational cohorts lies in the fact that people from different generations share common experiences, which may influence their decision-making patterns. Generational cohort analysis is recognised as a social, broad, and group phenomenon, so people born during World War II have vastly different backgrounds and general attitudes towards decision-making compared to those born during the 1990s. It is expected that the South African scenario with regard to travel decision-making will not be any different.

A significant association between demographics and the adoption of technology was an aspect of the research by Beldona et al. (2009:415), which investigated the maturation of certain age groups about technological adoption. The study reported on online travel purchase behaviour by various generational cohorts between early 2000 and 2004, with findings that users born between 1953 and 1957 scored the highest percentage (74%) of online travel purchases amongst all age categories in 2004. The 2004 result stands in contrast with that of 2000, where the same group had the lowest adoption rate (25%) in purchasing travel services online, emphasising the importance of time (the Internet as a

medium has matured) and experience in adopting the online travel booking method. Little is known about generational differences about travel decision-making in South Africa, suffice it to acknowledge that research results could unearth valuable management perspectives to both Internet suppliers and travel agents (Ezeuduji & de Jager, 2014:4).

Demographic factors (such as age, gender, and Internet experience) also affect Internet users' privacy concerns (Cho et al., 2009). In the context of tourism, middle-aged consumers with high levels of education are more likely to make online reservations (Hernández et al., 2011). Compared to offline travellers, online browsers or purchasers have higher incomes, higher-status occupations, and more experience using the Internet (Weber & Roehl, 1999). Taking advantage of these demographic factors to attract customers' attention and encourage them to make online purchases will be a key to the future of the hospitality and tourism industries. Kim et al. (2007) state that women are highly involved in the decision-making process during travel planning. This may explain why more women purchased online, but a similar number of men and women browsed for information.

2.6 Consumer behaviour

Greensill (2016:21-22) states that "consumer behaviour is the study of factors that impact and influence why individuals select, purchase, utilise, and dispose of products and services in the manner they do". Consumer behaviour explains how people identify their positions regarding their needs and wants, and this mood translates into buying patterns for merchandise and resources (Solomon et al., 2013:22). To assist in the process of making decisions, a consumer will seek as much information about a product or service as possible, and this includes hotel accommodation, before a final purchase-decision is made. When interpreting information, some consumers are hesitant to trust Internet data, specifically the 'formation validity and reliability' (Williams & Balaz, 2015:280).

Greensill (2016:23) suggests that the attitude of consumers in connection to buying travel products through various distribution channels is also impacted by what consumers know and what they think they know, of the destination being visited:

"A tourist's risk perceptions and purchase intentions are influenced by whether the destination has been visited previously and if the consumer possesses previous international travel experience".

This motivates amateur visitors to interact in person rather than using the Internet when finalising buying, including accommodation (Gronflaten, 2009:233; Sharifpour et al., 2013:310). Risk perceptions are also impacted by destination turmoil, arising in the form of political or social unrest, crime, unpredictable weather patterns, and currency fluctuations, as examples of destination-specific concerns that add to the complexity of

an international purchase (Fuchs & Reichel, 2011:270). According to Greensill (2016:23):

“The construct of destination naïveté was therefore tested as South Africa is a unique environment with typical and distinct factors influencing risk perceptions and subsequent purchase channel behaviour”.

Wealthy consumers are rarely restricted by financial constraints and as such, may show different behaviour characteristics in the buying process than other more price-conscious consumers (Greensill, 2016:23). This may involve the option of distribution channels used to buy a travel product. The concept of transaction cost, that is the time it takes to obtain knowledge versus the benefit gained, is an attractive idea in the case of luxury consumers (Greensill, 2016:23). “Benefits gained can be regarded in the form of both information sourced and cost savings derived” (Greensill, 2016:23). Research conducted reveals there is a clear exchange between search cost-savings and information accessibility when comparing offline and online trading (Punj 2012:793; Yocouel & Fleischer, 2012:222; Greensill, 2016:23). According to Greensill (2016:24)

“There are two distinct belief structures and motivations for using direct channels amongst higher-income consumers:

Specific consumers embark in online shopping as they are convinced that using online shopping will result in time efficiency.

Another group are motivated from believing that using direct channels increases one’s ability to source hard-to-find and exclusive products so desired by wealthy consumers”.

Both these ideas are relevant in the travel industry as booking directly with hotels is time efficient. Greensill (2016:24) continues:

“Whilst exclusive and unique experiences not readily sold by intermediaries can be sourced through online sources. Neither belief structure seemed to focus on the money saving aspect of online shopping, possibly because they value their time and find products that best match needs more than the savings that can be derived through online purchase”.

The distinction between the two statements is that they focus on the cost of search (i.e. time spent), or the benefit of search (i.e. product-fit obtained). Further findings distinguishing between the statements indicate that generational age, education, and extend of internet usage, influenced consumers’ beliefs regarding cost, time, and experiential trade-offs. “As such, the construct of transaction cost and its relationship with purchase channel choice was assessed from an affluent consumer’s perspective” (Greensill, 2016:24).

Morales (2017:3) states that consumers must first think about the influence of direct bookings before utilising any ATO or online agency to secure a booking. Consumer motivation is crucial in the choice of booking and leads to the medium that is used, such

as travel agencies or another platform or travel intermediaries, or “recommendations from friends and family used by travellers to search for information” (Phelan et al., 2013:155). According to a study by Coromina and Camprubi (2016:83), travellers who book hotels frequently utilise the Internet as a channel for searching for information, allowing this medium to gain importance in the travel motivation, and to search for information to make the decision regarding making a booking.

However, according to Kok et al. (2013:8), “in the context of consumer behaviour, attitude is a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object”. Positive or negative affective attitudes do develop toward online shopping, and these attitudes (cognitive, affective, or conative) are dependent on the choices of individuals as they perceive the information offered by a specific website. For example:

- a) Cognitive behaviour (customers think once you have booked a room via an OTA it is easy for you to cancel or amend a booking).
- b) Conative behaviour (the customer will not book a room directly with a hotel because it is time consuming).
- c) Affective behaviour (customers will not book via an OTA because of credit card fraud).

Jun-Joe (2014:10) found that the Internet allowed easy access to low (accommodation) prices, and “dramatically reduced their search cost and the switching cost between rival sellers”. Using the Internet provides a consumer with a wide range of information, which contributes to consumer behaviour-decisions.

2.7 Product price

Jun-Joe (2014:13) insists that price is often what pushes in any decision-making to purchase a product or service. According to Terblanche (2015:458), Internet users:

“...are rational decision-makers who want to gain maximum benefits: maximum benefits represent a positive trade-off between costs incurred (and the sacrifices made) and the benefits received”.

The ‘sacrifices’ referred to could include “monetary or non-monetary” considerations “such as time and effort” in finding and securing the product or service. Other ‘benefits’ do add value to the purchase and, other than “being either tangible or intangible”, could include social, economic, or cultural dimensions. Apart from the price of the intended purchase, the benefits a customer ascribes to the product/service will take into consideration the value added, as well as the costs linked to the product/services used. The marketing context in which the consumer operates will also have an impact on the benefits envisaged. Enrolling in loyalty programmes, for example, can be divided into

three groups of benefits, namely “utilitarian benefits (monetary saving and convenience), hedonic benefits (exploration and entertainment), and symbolic benefits (recognition and social benefits)” (Terblanche, 2015:458).

According to de Jager (2014:40), in today’s fast, modern world consumers prefer an intermediary that will be convenient for them when making booking comparisons. Frequently, consumers are prepared to pay for services that will be both convenient and affordable, where “...saving costs has been a major goal for suppliers of travel services”. One method of saving costs identified in the airline sector is using direct distribution, i.e., targeting travellers to book directly instead of using indirect distribution channels where intermediaries, such as travel agents and the GDS, expect commission for booking travel services (de Jager, 2014:41).

De Jager (2014:41) further recognises that usually leisure travellers’ behaviour is really affected by price, as opposed to business travellers who are generally affected by time. Online websites permit travellers to, for instance, compare differences in price between air tickets with relative ease, as in the Hippo adverts seen on South African TV in 2019/2020, where prices of competing producers/products were compared. It is frequently found that travellers will select a certain airline or hotel for very little savings in price, where “The relative ease of making air or hotel booking comparisons could thus prove a relative advantage to the online intermediary” (de Jager, 2014:42). With the removal of commission payments (particularly by airlines), it has become conventional for travel agents to charge service or booking fees to fill the income gap left. Leisure travellers wanting to save the additional expense of a travel agent charging a service fee, could be persuaded to book online and therefore save (Toh et al., 2011:395; de Jager, 2014:43).

Yet, price is considered to be a major extrinsic cue to a customer, as typically a higher priced room has been inferred to be a room of higher quality as customers make purchasing decisions that balance money and quality (Brucks et al., 2000). According to O’Connor (2001), customers know the cost of web distribution is lower than any other channels and expect savings to be passed on to them and to find the cheapest rates via electronic routes. Thus, customers perceive rooms booked through the internet to be cheaper than those not purchased through the internet (Toh et al., 2011). This perception has led customers to associate rooms sold over the internet with lower prices (Lim & Hall, 2008).

2.8 Online travel agents

According to Chen (2014:10), OTAs include organisations such as “Orbitz.com, Expedia.com, Hotel.com, Travelocity.com and Priceline.com”, and consists of a number

of “business models: a merchant, commissionable or opaque selling model” (Lee et al., 2012:570). In the merchant model, OTAs buy travel products at a discounted rate, and sell those products to the consumer at a higher price. This contrasts with the “commissionable model” where the OTA organisation will do the accommodation arrangements and charge a percentage of the booking cost from the supplier as commission (Law et al., 2007:500; Lee et al., 2012:572). With the “opaque selling model” consumers buy travel products by expressing the price they prefer to pay, ignorant of any product information until the purchase is finished. Opaque selling provides a huge discount since the purchased product could have limitations. For example, the consumer may not know the hotel name and location prior to purchase and be unable to receive a refund or exchange means the customer is subject to considerable risk (Anderson & Wilson, 2011:35).

According to Ezeuduji and de Jager (2015:2), travel agents have traditionally been seen as the key intermediary (middleman) between suppliers of travel services and the consumer. Their roles include serving as information centres and being a “point of sale” for suppliers of travel services to the public. They play a valuable role in matching the supply of travel services with potential demand, since it is often assumed challenging for consumers to deal with suppliers of travel services directly.

Travel intermediaries, consisting of travel agents and online or Internet suppliers, perform three main roles:

- They “accumulate and sort “stock”—mostly electronically since bookings are confirmed off inventories by travel agents and online suppliers”.
- They “minimise distribution costs by standardising transactions. Travel agents and online suppliers make use of various payment methods, i.e., credit cards and electronic bank transfer”, and
- They “structure information for both parties, the supplier and traveller, so that it is useful and may lead to a booking being made” (Ezeuduji & de Jager, 2015:2).

Jun-Joe (2014:17) and Liu and Zhang (2014:80) considered prior studies of online hotel booking and classified these into two categories that affect customers’ decisions of purchase, namely, product-related factors, and channel-related factors. For product-related factors, the price of the product, hotel brand, purchase conditions, product reviews, and product variety were considered important, while website quality, method of payment, and customer relationship were positioned in the channel-related factors. Regarding product-related factors, price is often considered as one of the most important attributes of a product. From the studies of Chiang and Jang (2007:56) and Jun-Joe (2014:17), price was a major consideration in purchasing decisions. Furthermore, Kim et

al. (2006:893) and Jun-Joe (2014:18) identified that benefits from the price were significant in customer online purchase intention.

Secondly, brand image is also commonly considered to be an important determinant in customer purchase intentions (Jun-Joe, 2014:18). Specifically, brands significantly affect customer's perceived quality and trust when consumers are uncertain about the hotel product (Jun-Joe, 2014:18).

Thirdly, the attribute "condition," commonly known as policy, was grouped under product-related factors. Prior studies show that cancellation policies affect customer booking behaviour (for example, deal-seeking behaviour, cancellation rates and cancellation deadlines) (Chen et al., 2011:132; Jun-Joe, 2014:18).

Fourthly, product review was classified with product-related factors. From previous studies, hotel reviews had a significant impact on customers' booking intentions and choice (Vermeulen et al., 2009:126; Ye et al., 2009:180; Sparks & Browning, 2011:1015).

Fifthly, product variety factors were also part of the product-related factors. Because of the advent of OTAs, customers could more easily compare different hotel room-rates on their websites (or on, for example, Travargo). Based on the findings of economic and psychological studies (Jessup et al., 2009:300; Jun-Joe, 2014:14), having more options is preferable in that this increases the chance of consumers finding their desired option and could also increase consumers' sense of personal control.

Regarding channel-related factors, website quality, consisting of system and information quality, was sorted under this grouping. From the findings of Bai et al. (2008:491), website quality is identified as a significant factor for customer satisfaction and their purchase intentions; the factor "trust" was also grouped under website quality, as trust is built from the overall experience on a website (Tsai et al., 2011:260). Based on the Tsai et al. (2011:260) findings, consumers purchase from online retailers, or register with a website which clearly displayed privacy policies, on the online shopping interface, and protects their privacy. Thus, Liu and Zhang (2014:71) assigned trust to the information quality, and the payment method was assigned under channel related factors. In terms of variety, Wong and Law (2005:313) asserted that it could influence customers' purchase intention, and, in terms of customer trust, Kim et al. (2010:86) insisted that technical protections and security statements in the website significantly enhanced customers' perceived trust, and customer's purchase intention.

Finally, customers' relationship (for example, loyalty programmes) was sorted into the channel-related factor-group. From the suggestions of prior studies (Keh & Lee, 2006:129; McCall et al., 2010:40), a loyalty programme promotes loyal customers,

creates higher profit margins and frequent purchase cycles, and the programme brings new customers (Jun-Joe, 2014:14).

2.9 South African online booking sites

From research on South African booking sites, it would appear that the majority of OTAs are just additions of businesses in South Africa; there is limited information on OTAs as the market for online travel agents is still quite small (in 2019). The following is an attempt to describe some of the booking sites available in this country, namely, Travelstart.com, Flysaa.com (South African Airways, SA's national carrier) and Kulula.com, a low-cost airline (Banoobhai-Anwar, 2016b:42).

2.9.1 Travelstart

Nageh (2013:1) describes Travelstart as Africa's leading OTA as it is the largest and fastest growing OTA in Africa. Stephan Ekbergh founded Travelstart.com in 1999 in Sweden and in 2005 he relocated to Cape Town, South Africa. Travelstart makes it easier for people to look for information and book travel deals. "When searching for flights, for example, users get results from all the major and low-cost carriers displayed on one page so they can compare prices" (Nageh, 2013:1). Nageh reports that about 50% of Travelstart's purchases are for flights in South Africa and 50% for international travel, with 40% business travel and 60% leisure travel. The business focal point is to supply a constructive service for airfares. Banoobhai-Anwar (2016a:42) and Jarvis (2015:1) state that "Travelstart was nominated in the category of 'Africa's Leading OTA 2015' at the World Travel Awards."

2.9.2 International online booking sites

OTAs provide flight, accommodation, car, and cruise reservations where the important websites are Priceline (Booking.com is owned by Priceline), Expedia, Agoda, Orbitz and Travelocity. Other companies like Kayak and TripAdvisor provide information but handle bookings through other channels as well (Wulf, 2012:2).

Booking.com

Banoobhai-Anwar (2016a:45) reports that Booking.com was founded in Amsterdam in 1996 but has been managed by Priceline, an American company, since 2004. "Their website states that over 800,000 rooms are booked each day" (Banoobhai-Anwar, 2016a:45). Booking.com gives the best available prices, which ensure they are classified as one of the top online sites. Schaal (2012:1) notes that the reason for Booking.com's success is due to their business model.

Booking.com uses extranet, enabling hotels to put their own rates and room allocations online, and gather payment from guests at the property. "Commissions to the website

start at 12% compared with other OTA margins set at 25–30%”. Booking.com’s success is based on simpler processes and fewer negotiations having to take place between the hotel and website. Birger (2012:2) states “that Booking.com is responsible for taking Priceline from a loss of \$19 million in 2002 to a profit of \$1.1 billion in 2011”, and this is confirmed by Banoobhai-Anwar (2016a:45).

Expedia.com

According to the Expedia Inc. (2014b:1) website, in 1996 Microsoft started an online travel booking site called Expedia.com, providing customers with an easy way to search and book travel. From there, Expedia Inc. has developed into one of the world’s leading online travel companies, with a portfolio that includes approximately a dozen of the world’s most notable travel brands.

“Expedia Inc. has over 150 travel booking sites in over 70 countries, and more than 140 mobile sites in nearly 70 countries in 35 languages. In 2014, Expedia made \$50.4 billion in gross bookings and \$5.8 billion in revenue” (Banoobhai-Anwar, 2016a:47).

It is also worth mentioning that Expedia Inc. acquired TripAdvisor in 2004 (Expedia Inc., 2014b:1).

2.10 Direct bookings

According to Martin-Fuentes and Mellinas (2017:467), researchers’ focal point on online distribution is to alternatively increase reservations, revenue and profit (Pal & Mishra, 2017:22). The hospitality industry has been considerably affected by OTAs offering extensive opportunities and different distribution systems (Toh et al., 2011:388). Because of commissions’ payable to travel organisations, OTAs assist hotels to sell their services at a lower price. “The average commission charged by Booking.com or Expedia.com is more than 18% of the price” (Garrigos-Simon et al., 2017:37), “and hotels have some other ‘costs’ with virtual operators: direct fraud, no shows, cancelations or non-conversion rates”. The significance of intermediaries would supposedly decrease and direct channels (hotel website, social media, hotel App) would expand their market share (Ip et al., 2011:534), due to commissions charged by OTAs. In the European market, booking directly has decreased, meanwhile the share of OTAs has been annually expanding by around 25% (Schegg, 2018:12), or even 40% (Martin-Fuentes & Mellinas, 2017:467).

Toh et al. (2011:184) state that hotels have a selected number of plans to attract potential guests to their websites, often obtaining information from the guest profile provided upon check-in, which is gathered from their recurrent-guest programme. “Direct mail and magnet emails are sent to their past guests inviting them to return by providing them with bonus frequent-guest program points or other incentives” (Toh et al., 2011:184). Hotels

can also persuade guests by providing a “best rate guarantee,” which they undertake that they will meet the lower prices discovered on OTAs. For example, “One hotel interviewed promised to give up to two nights free and a \$100 gift certificate for future stays if a lower rate is found on another website” (Toh et al., 2011:184).

Many hotels additionally advertise on Google and other search engines or “pay by click” websites (Bodenlos et al., 2010:7). Hotels lure customers to call the hotel directly by offering complimentary facilities such as free parking, breakfast, TV, or wi-fi. One hotel has trained its front desk personnel to up-sell the facilities, stating that they have their own website to persuade their guests to utilise, or giving complimentary upgrades to returning guests utilising the hotel’s website (Bodenlos et al., 2010:9). “One hotelier told us that customers are becoming more price sensitive. This requires us to be more creative in bundling services such as free Internet access and free parking” (Toh et al. 2011:184).

CRS/GDS reservations

Banoobhai-Anwar, (2016a:38) note that guests can call the hotel directly to make hotel room reservations without the involvement of intermediaries or use computerised reservations. Andrews (2009:154) defined a CRS (Central Reservation System) as a computerised system “utilised to keep and redeem information and manage transactions” related to travel. “CRSs were first designed and operated for airlines but were later extended for use by travel agencies” (Mensah & Mensah, 2013:400). CRS and GDS (Global Distribution System) seem to operate the same way, but actually differ, as the CRS mostly gives airlines information, whilst a GDS is a major CRS that deals with selling tickets for many airlines as well as hotels and car rentals (Mensah & Mensah, 2013:400). “CRS numbers are usually toll free, making it easier for travellers to make a booking via the telephone” (Andrews, 2009:211).

Walk-in reservations

Gough and Gough (2008, cited by Banoobhai-Anwar, 2016b:39) define a walk-in as customers who walk into the hotel without a reservation but seek a service.

2.11 Direct vs online travel agencies

Now, from the hotels’ viewpoint, for the organisation to keep their business in the market, they may need help from various intermediaries (Tourism-review.com, 2013:1), “Especially, in terms of reducing distressed inventories of hotel rooms, OTAs are considered almost a necessity for hotels” (Toh et al., 2011:180; Jun-Joe, 2014:16).

Independent hotels that have no affiliation may need extra assistance from OTAs, such as listing their names on OTA websites, for them to remain competitive in the hotel industry (Anderson, 2009:33; Jun-Joe, 2014:16). For example, smaller hotels could

squander a lot of money just to get their rooms full, in the absence of OTAs. “Supported by recent research, hotels that are listed on third-party websites gain a reservation benefit in addition to direct sales” (Anderson, 2009:33; Jun-Joe, 2014:16). This benefit, frequently called the “billboard effect”, includes an increase in reservations through the hotel’s own website, due to the hotel being listed on an OTA website. The research estimated the impact on non-Expedia reservation volumes by listing on Expedia and saw an increase in reservations from the hotels’ own websites (Expedia.Inc, 2014a:1). Reservations that were booked on the hotels’ websites after being listed on Expedia (excluding the reservations actually made at Expedia), demonstrated a 7.5% to 26% rise for the four properties examined (Anderson, 2009:33; Jun-Joe, 2014:17).

Additionally, OTAs could boost increased demand for hotels because they make it possible for hotels to influence broadly travellers, specifically international customers. In terms of payment methods, some OTAs are not giving cancellation fees, and therefore a post-payment method (i.e., paying upon check-in) should be in place. Thus, hotels believe that OTAs could provide them with extra revenue from international customers (Jun-Joe, 2014:17). When reservations are made through OTAs, hotels become anxious because of commission fees that need to be paid (Toh et al., 2011:388).

Jun-Joe (2014:17) found that:

“...the larger hotel chains seem to pay OTAs 15% to 30% per sale for commissions. Specifically, smaller hotels paid up to 30% commissions because of low awareness, while chain hotels negotiated for lower commissions (15%) with OTAs”.

From the research that was conducted by the Hospitality Sales and Marketing Association International, it was roughly calculated that all intermediary prices in 2010 were approximately \$2.5 billion and were contemplated to increase twofold within three to five years (Jun-Joe 2014:18).

Jun-Joe (2014:18) furthermore note that slow increases in room rates by price fixing between major hotel groups and OTAs began to be a problem in the hotel industry. According to Tourism-review.com (2013:1), room rates in London had increased 54% over a decade, while commissions had increased more than two-fold over the same period. “Price-fixing by major OTAs and hotel chains has led to a vertical rise in commissions and a growing disconnect between the amount a guest pays and what the hotel receives” (Jun-Joe, 2014:18). Consequently, in 2012, Expedia.com, the InterContinental Hotel Group, and Starwood Hotels were charged with price-fixing in the UK.

Based on the above problem, hotels attempted to direct customers back to utilising hotel websites and call centres to manage sales, costs, and commission fees, and maintain

direct contact with their customers to create close relationships (Anderson, 2009:34; Jun-Joe, 2014:18). “In terms of economic incentives, shifting customers back to a firm-managed channel saves from 5–10% on commissions” (Jun-Joe, 2014:18). Enhancing relationship-marketing strategies (i.e., loyalty programs and direct mailings) are recommended to maximise customer share (Jun-Joe, 2014:18), so hotels attempted to create personal relationships with their customers. For example, the Marriot group permits users to easily search and book a hotel-room and “displays tailored packages and exclusive deals on the webpage based on the customer’s preference information from the loyalty program”. (Jun-Joe, 2014:19).

According to Barmpa (2017:13), hotels, tour operators (TOs) and OTAs have an on/off relationship as hotels are determined to increase their marketing power and decrease their dependency on OTAs. Some channels are advertising on TV (on South African TV the online booking organisation, Travago, advertised quite extensively in 2019/2020) to persuade customers to book directly to acquire exclusive benefits, such as free Wi-Fi, loyalty points and smartphone check-ins that most hotels can offer now.

The reason for hotels experiencing competition from OTAs is that customers are allowed access to a variety of products based on price, user-friendly applications, and guest reviews, all in one place. “It is obvious that tech-savvy customers prefer them and trust them more” (Barmpa, 2017:13). As mentioned by Travel Tripper, 47% of customers said that they would rather use OTAs because the websites are user-friendly (Barmpa, 2017:13).

Barmpa (2017:13) also opines that the major reason why guests book through OTAs is because they believe they are sold at a lower price, which is sometimes true (Ting, 2016:5). “OTAs use a very dynamic pricing strategy, changing rates according to audiences, demographics, and times of the day” (Ting, 2016:8), which is the practice of some South African airlines that charge a low price for low-volume times and a higher price for high-demand fly-slots. According to Barmpa (2017:13), price is a major factor that drives consumers when purchasing online. In addition, Law and Huang (2006:102) established more than a decade ago that travellers usually utilised different websites, looking at and comparing prices before booking, trying to find the perfect one, as there are various prices on the web for the same room. “It is believed that all these uneven prices have eventually led to the creation of a price-elastic market” Barmpa (2017:13). To be more specific, Hilton Worldwide announced that “Hilton Honors members can receive exclusive discounts if booking directly through the brand’s websites, or through reservation call centers” (Triptease, 2017:1).

Barmpa (2017:13) notes that in this way customers will stop searching for the best price on numerous websites because they can always find the best rate guaranteed on the Hilton's website. In fact, Hilton's campaign "Stop Clicking Around" was huge, adding nine million members to its "Honors program" (Ting, 2016:1). According to Ting (2016:1), loyalty members increased the company's 2016 room-occupancy by 56%, which was 400 basis points higher than in 2015. Moreover, web-direct and mobile bookings increased by 200 points from 2015, while at the end of 2016, nearly 30% of the total bookings came directly from the website (Barmpa, 2017:13). Furthermore, Marriott launched an entirely new campaign in 2015 called "It Pays to Book Direct". Marriott managed to elicit more direct bookings through transparency, lower prices and a friendlier website (Clampet, 2015:2).

Barmpa (2017:13) states that many hotels seem to be adopting e-commerce conversion strategies. For instance, OTAs have had big success in enforcing high-pressure sales tactics on their websites, either by letting customers know that the hotel is fully booked, or mentioning that there are only a few rooms left (Lulla, 2016:1). Also, hotels that are able to adapt to CRS systems can apply similar tactics on their own website to help boost direct bookings (Lulla, 2016:1). "Revenue management is also a way that hotels face OTAs, by managing rates, inventory, and their distribution, trying to offer the right room to the right guest, at the right time, at the right price" (Wang & Bowie, 2009:35).

Online marketing is crucial for hotels to compete with the OTAs. According to Ting (2016:1), Travelweb is a project which was launched in 2002 by the Hilton, Hyatt, Marriott, IHG, Starwood Hotels and Pegasus Solutions, to provide web users direct accessibility to the central reservation systems of hotels. In this way, hotels attracted and retained more users to their websites, and persuaded them to book directly, and so generated higher profits. However, competition with OTAs is costly for hotels as they spend a lot of money trying to compete. "For example, one of the biggest differences between the OTAs and hotels is the amount they spend annually on their marketing budgets" (Barmpa, 2017:13), where, for instance, Priceline spent an estimated \$2.8 billion on marketing in 2016, while Marriott's estimated annual marketing budget is about \$100 million (Ting, 2016:3). The outcomes of this review suggest that smaller hotels cannot compete with the big hotel chains due a limited marketing budget.

2.12 Perceived convenience

Convenience is one of factors in decision-making and will be considered from two points of view:

- a) Physical convenience: a traveller physically having to make contact or making travel decisions online from the comfort of their home or where it is perceived to be convenient.
- b) Electronic convenience: dealing with factors such as user-friendly and easy access of websites.

2.12.1 Physical convenience

De Jager (2014:27) notes that the Internet allows us to buy online 24 hours a day. This is seen as a big attraction to 21st century shoppers (Ahmad & Juhdi, 2009:2). Booking a hotel room from the comfort of your home, rather than going to a travel agent, is perceived as a huge benefit. De Jager (2014:27) states that the Internet offers a convenient option where the customer does not have to physically go somewhere to compare and look for better prices. "Travellers could also prefer booking online in their own time than having to sit in traffic or search for parking and possibly deal with an inexperienced travel agent" (de Jager, 2014:27). The author contends, however, that despite the ability of travellers to create the purchasing process, it is important to take into consideration that the complexity of an individual booking plays a vital role in the choice of an intermediary. Some travellers are not knowledgeable about where to look for information and sometimes it is impossible to book a complete trip through one supplier exclusively, causing a consumer to spend much time searching the Internet, as well as having the inconvenience of making many separate transactions on different websites.

2.12.2 Electronic convenience

Trying to address the convenience aspect from a service expectation point of view, Mayr and Zins (2009:175) and de Jager (2014:27) found that both traveller segments (business and leisure who prefer to book online) did not really care about the level of service rendered but cared about the advantage of convenience (for online users), and personal attention (pro travel agent segment). "It is the balancing act between a quick, reliable and flexible online offering, and the personal, experienced, focused expertise of a travel agent that drives the convenience issue" (de Jager, 2014:27). Sometimes the traveller has few booking options and is unable to select between searching online, as Pearce and Schott (2005:53) and de Jager (2014:27) pointed out, where some hotels have no online booking facilities, thus compelling a traveller to either make a telephonic booking direct to a hotel or travel agent. This has become so uncommon (post-2010) due to technology development, where most hotels and airlines are represented by a website online (through an official website) (de Jager, 2014:27).

Another form of representation is that of mega websites, such as Hotel.Com, where many hotels are bookable via them, as the intermediary to the hotel. “By identifying types of shoppers and their shopping preference, managers of a travel business can find critical information to assist them in understanding the needs of potential travellers” (de Jager, 2014:27). Jensen (2012:60) selected two types of shoppers — “convenience shoppers and recreational shoppers”. Convenience shoppers focus on saving money and time and are therefore attracted to booking online. De Jager (2014:28) argues that for recreational shoppers, having fun, spending a day out and hunting for bargains are some of their main attractions of shopping and they enjoy visiting travel agents to discuss travel ideas. De Jager continues, that being unable to discuss travel options with other customers reduces shopping enjoyment for recreational shoppers.

2.13 Advantages and disadvantages of booking on- and offline

As reported by Law et al. (2004:100), traditional travel agencies have an advantage over a private or one-on-one service. The personal service is vital for traditional travel agencies to succeed, and certain target groups prefer this personal contact over the impersonal booking via an OTA. “Going physically to a travel agency also gives some sort of security or certainty, due to the personal contact with the service agent” (van de Logt, 2017:11). People choose to book via an OTA because traditional travel agencies often do not have as many options as OTAs, and they feel that they are less flexible. OTAs update their prices and offers all the time, which is not the case with traditional travel agencies. According to van de Logt (2017:11), “traditional agencies should strengthen their role as travel advisors otherwise it is very possible that they will cease to exist in the near future”.

Traditional travel agencies have trading hours and are situated at specific locations, while OTAs are open all the time, are found worldwide and guests can book any time, wherever in the world. As stated by Engvall et al. (2012:23), one of the main advantages of OTAs is direct access, convenience, and availability. Moreover, saving time, “easy to compare prices”, saving costs, and the “ability to easily request and obtain information”, are other advantages.

As a result of the rapid evolvement of technology, guests can write online reviews of their experiences. However, guests might not book a particular hotel because of a poor review. “On the other hand, positive experiences lead to more bookings” (Engvall et al., 2012:24). A vital reason why customers do not do bookings online, according to the research done by Engvall et al. (2012:24), is “because of credit card security. It is often still tricky to fill in credit card details online and guests are not sure whether the website is secure or not”. Data security is very important when dealing with personal and sensitive information (van de Logt, 2017:12). This is confirmed by PriceWaterhouse

Coopers (PWC) (2010:1) by explaining that hotels should look for a strategy to gain insight in their risks and vulnerabilities and to protect important data.

An advantage for traditional travel agencies may be a disadvantage for OTAs, which do not offer personal services, being a disadvantage for guests who would like to learn of experiences via word-of-mouth. Also, the older generation tends to like a personal touch and often decide to book via a traditional travel agency (Canzoniere 2014:1). Van de Logt (2017:4) states that a market is made up of many people—potential guests and people who all differ in their needs, interests, and desires. They also vary in age, educational level, income and their tastes, and all these factors influence the booking behaviour of guests. Due to these factors, it is hard for hoteliers to satisfy every guest. Therefore, guests' booking behaviour trends should be carefully observed (Schieber, 2014:4).

Previously, it was easier to understand guests' desires because of everyday selling experiences of the guests. Business organisations have grown considerably and there is a growing distance between hoteliers and guests. To establish guests' buying behaviour, the hotelier should ask six questions: "what do they buy, where, when, why, how and who?" (Schieber, 2014:2).

According to van de Logt (2017:4), Metasearch shows availabilities of hotels and the price information from different sources. Metasearch is a search engine, such as Tripadvisor, Travago, or even Google, where the guest acquires results from different search engines.

"OTAs and Metasearch have created some tension in the hospitality industry, as they have brought back many direct booking websites. The interests of the OTAs often collide with the interest of the hotels" (Schieber, 2014:1).

According to Purushothaman (2016:1), there are multiple online booking trends that could be observed in the future; "...to start with, auction websites where one is able to set their own price for a product or service" (van de Logt, 2017:5). For example, the website RoomAuction.com is different from normal OTAs as they display standard rates for hotels and customer can choose what they can afford. The hotel will then choose to accept or decline the bid. "Another trend regarding the booking behaviour of guests is the hotel rebooking websites. Bookers are often left with the question, "Did I really get the best price?" (van de Logt, 2017:5). Bookings are forwarded to rebooking websites, such as Dreamcheaper, and they will continuously compare the room prices, rebook, or cancel old reservation if something cheaper is found (Purushothaman, 2016:1).

Van de Logt (2017:5) argues that the focal point of many OTAs is offering guests a hotel room only, while other websites offer a complete package. Guests would like to book

everything needed for the trip on one website, which is often not offered by OTAs. For example, “the website Hello Gbye is a new online travel booking tool that offers guests end-to-end solutions within minutes” (Purushothaman, 2016:4). According to Schieber (2014:1), there are multiple other trends that are crucial for the hotel industry. “The online and mobile technology is on the rise and the introduction of smart phones a couple of years ago is seen as a significant technological development” (van de Logt, 2017:5). Because of this technological development, the travel industry may offer guests a customised deal which leads to a more impulsive buying behaviour (van de Logt, 2017:5)

Pantelidis (2014:238) notes that there are many distribution channels available to hotel managers, which do not only involve OTAs but many other options. There are many travel agents who are situated in geographically diverse markets around the world where hotels may sell their rooms and services too. Hotels could work with travel suppliers to promote their goods and services as a package.

“To give an idea, a guest may be in contact with a travel agent to purchase an end-to-end travel package that is provided by a tour operator. The tour operator may negotiate with the wholesaler or an inbound agency. Finally, the hotel received the payment and pays the commission fee to the intermediaries” (van de Logt, 2017:5).

Barmpa (2017:14) indicates that hotels see OTAs as an opportunity to generate additional revenue, promotion in new markets and visibility, and are a threat because of the compelling commissions. “OTAs are powerful and efficient, offering incremental reservations, but they can become dangerous and significantly reduce a hotel’s online presence and its direct engagement ability” (Barmpa, 2017:14).

When hotels collaborate with OTAs and are listed on their websites, they receive reservation benefits additional to their direct sales. That benefit is called the “billboard effect” according to Anderson (2009:6), while Barmpa (2017:14) from the Cornell University Center for Hospitality Research, elaborates:

“...a boost in reservations through the hotel’s website, due to the hotel’s being listed on the Online Travel Agents (OTA) website. In fact, the increased hotel’s visibility through third party websites offers a great opportunity to distribute its product to a large market, while at the same time it increases its searches and ultimately its bookings”.

The “billboard effect” operates as a hotel’s marketing tool, which influences the hotel’s direct bookings positively. The Cornell University Center for Hospitality Research tried to quantify this “billboard effect”, examining how certain hotels of the JHM group operated on Expedia.com (Anderson, 2009:6). The study found that hotels listed on Expedia.com experienced an increase in their direct reservations. Theory suggests that there are guests who learnt about the hotel through an OTA and therefore book their rooms through a direct channel (Anderson, 2009:8). This happens because OTAs have a larger

reach to consumers and make the reservations journey easier, consolidating most of the fragmented hotel offerings, making it simpler and more sales-efficient. OTAs also offer technological innovations, focusing more on consumer needs and trends (Euromonitor.com, 2015:1) and the power of visibility is incomparable as the on-line advertising investments made are huge.

Barmpa (2017:14) notes that “Hoteliers need to remember that OTAs are just one sales channel that constitutes their distribution mix, and not the only one”. When hotels become dependent on OTAs there is a loss of business control as well as a loss of profit margins because of commissions payable. Instead, hotels need to attract returning guests for loyalty programmes and need to adapt and evolve in competing effectively with OTAs. They also need to introduce new products and services or modify the current offerings if they want to obtain direct bookings. According to Pascal Gauvin the COO of the InterContinental Hotels Group, “the beauty of OTAs hides in the fact that those hoteliers are able to open and close them whenever they want, depending on their need of business and distressed inventory” (Malone, 2014:1).

2.14 Chapter summary

A review of the available literature allowed the researcher to identify and explain the technical concepts related to indirect versus direct bookings and hotel customer motivations for online reservations at travel agencies in the Cape Metropole. Van de Logt (2017:4) reports that the travel booking world has undergone a significant transformation over the last couple of years due to technology, digital tools, and the Internet. A market is made up of many people, potential guests and people who all differ in their needs, interests and desires; they also vary in age, educational level, income and their taste and these factors all influence the booking behaviour of guests. Due to these factors, it is difficult for hoteliers to satisfy each individual guest, therefore, the guests’ booking behavioural trends should carefully be observed (Schieber, 2014:1). Martin-Fuentes and Mellinas (2017:467) argue that OTAs help hotels to sell their services but reduce incomes because of commissions payable. The average commission charged by Booking.com or Expedia.com is more than 18% of the room price (Garrigos-Simon et al., 2017:420), and hotels have other costs with virtual operators, such as direct fraud, no shows, cancellations or non-conversion rates. It was generally assumed by the accommodation industry that the importance of intermediaries would decrease and direct channels (hotel website, social media, hotel App) would increase in market share (Ip et al., 2011:534), mainly because of the commission charged by OTAs. However, direct bookings have reduced, while the OTAs’ share has increased by around 25% (Schegg, 2016:50) or 40% in the European market.

In the next chapter the research design and methodology employed in this study will be addressed.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

In Chapter 2, the researcher reviewed literature on direct, indirect and perceived booking behaviours of hotel guests. This chapter discusses the research methodology and design applied in this study. To do this, it is important to understand why research takes place.

Banoobhai-Anwar (2016a:49) states that research has to do with a "search for knowledge". The author adds that one can explain and describe research as a scientific and methodical search for relevant information on a particular theme and see research as a way of responding to unresolved questions or to bring something into existence.

Every aspect of human behaviour or facet of life has a problem and the purpose or aim of research is to establish answers to those problems (Banoobhai-Anwar, 2016a:49). Kumar (2014:8) argues that "to qualify to be called research, the process must have certain characteristics and fulfil some requirements", which need to be carefully supervised, methodically, accurately and be testable for an experimental and analytical exercise. (Banoobhai-Anwar, 2016a:49) notes that research methodology is therefore a structure of figures, methods and approaches used to gather data resulting from a research problem. In the next section the researcher describes the type of research design used for this study.

3.2 Research design and methodology

Van Wyk (2012:4) describes research design as "the overall plan for connecting the conceptual research problems to the pertinent (and achievable) empirical research". Research expresses what data are needed, the methods used to collect and analyse this information and how to respond to the research questions. An advantage of a written plan is that it can be given to others for comments and criticism (Ary et al., 2010:94; Banoobhai-Anwar, 2016a:49).

3.2.1 Research design and type

Banoobhai-Anwar (2016a:49) states that a research design does not merely constitute a work plan, but that:

"The function of a research design is to ensure that the evidence obtained enables the researcher to effectively address the research problem logically and as unambiguously as possible".

Therefore, a quantitative approach was used to gather statistics using a structured key informant questionnaire to collect the primary data, which was first-hand information needed to answer the objectives and questions formulated for the study. Primary data

should be collected through data-capturing instruments, such as questionnaires, administered to participants, and/or one-on-one interviews or surveys. A questionnaire was considered the most suitable tool to obtain relevant data for this study because it would obtain information on specific questions developed from similar previous studies. Secondary data is usually needed in a study and can be obtained from various sources, including the Internet, magazines, articles, and journals (Creswell, 2013:53).

This study used primary information obtained from the questionnaires distributed to selected participants at the selected hotels who had agreed to participate in the study. Secondary statistics were used for background information on studies already completed in the study field and for comparative purposes. This study employed a cross-sectional research design that usually measures particular individuals' attitudes or motivations over extended periods, which could be measured in years or decades. A longitudinal approach could establish all events and "identify and relate events to particular exposures concerning presence, timing and chronicity" (Caruana et al., 2015:1).

3.2.2 Research methodology

Creswell (2014:24) argues that quantitative methods imply the processes of gathering, examining, explaining, and writing the results of figures for a study". Quantitative research is based on the collection of considerable data from representative samples of a larger population for a few variables (Black, 2005:9).

Stangor (2011:14) adds that quantitative research is an explanatory exercise that applies academic measures of action, including questionnaires designed for statistical analysis.

Quantitative data was collected just before and during the lock-down period in 2020/2021 from hotel guests from three hotels in the Cape Metropole using questionnaires. Data was collected in January and February 2020 and completed in September 2021. The questionnaire was compiled by the researcher and was sent to the respondents staying at the Pepper Club Hotel, The Cape Grace Hotel and The New Mark Hotel, to elicit responses.

3.2.3 Conceptualisation

This framework and the research question attempt to portray the five motivational factors that were measured in this study, namely (1) price (2) convenience (3) trust, (4) trustworthy, and (5) brand. Therefore, this section conceptualises the factors price, convenience, trust, and brand to enable the researcher to draw meaningful conclusions about the factors influencing consumer booking behaviour.

3.3 Population

Tsangu (2017:61) notes that “a population is the total number of attainable components that are combined in a study. Tsango adds that in cases where it is impossible or not realistic to investigate the entire target population, a portion of the population, called a sample, may be selected. Bhattacharjee (2012:65) states that a study population is all people or units with the same characteristics that one wishes to study. The population of interest in this study was the hotel guests from the selected hotels noted above in the Cape Metropole. The guests are frequent travellers, using OTAs or hotels to make their hotel bookings. This study’s population is unknown at any point of time but is limited to the total number of rooms available at the time of the surveys at the selected hotels.

3.4 Sampling

In this section, the researcher outlines the sampling procedure applied in this study.

Thompson (2012:1) states that sampling occurs when choosing a portion of a population to discover something about that whole population. Lohr (2010:3) notes that a sample “is a section of the population”. Tsangu (2017:61) argues that “a sampling frame is defined as a section of the target population that is easily accessible and from which a sample can be drawn”. In this study, 300 hotel guests from the Pepper Club Hotel and Spa and other selected hotels, comprised the sampling frame.

Representation of respondents per hotels

Hotels	Capacity/Number Of Rooms	Representation of Respondents per Hotel
Peppeclub Hotel	167	150
Cape Grace Hotel	120	100
New Mark Hotel Victoria & Alfred	84	50

This chosen sample is dependable and was approached to complete the questionnaire to supply the data needed for the study. A convenience sampling technique was chosen as the probability sampling method for hotel customer motivations for online reservations at travel agencies in selected hotels in Cape Metropole because probability sampling ensures that as many segments of the population as possible are represented.

A larger sample creates smaller sampling errors than a smaller sample, in other words, if a statement on the Likert scale is strongly agreed to by 99% of a bigger sample it reflects a smaller sampling error than would be the case with a smaller sample (Bassadien, 2017:78). This specific probability sampling method was chosen because it

was suitable for targeting many hotel guests in the selected hotels in the Cape Metropole and provided a less biased representation of the population due to higher accuracy levels when sampling.

3.5 Data collection instrument

Banoobhai-Anwar (2016a:52) notes that data collection instruments comprise “questionnaires, standardised measuring instruments, rating scales, or observation schedules”. Observational questionnaires are the most commonly used tool for quantitative data collection and frequently employed in surveys (Banoobhai-Anwar, 2016a:52).

If properly formulated, a questionnaire authorises the gathering of dependable and rational data in an uncomplicated, reasonable, and quick manner. Self-administered questionnaires are instruments used to gather information from individuals who complete the questionnaire themselves (Banoobhai-Anwar, 2016a:53), either in the presence of the researcher or supervisory personnel, or at a time and place convenient to the participant. It may sometimes be referred to as an interview schedule when the researcher is in contact with the participant (Banoobhai-Anwar, 2016a:53).

Brace (2013:3) notes that “the role of a questionnaire in quantitative data collection is to provide a standardised interview across all subjects to provide accurate data”. A questionnaire was used where the researcher presented a list of questions, which were brief, comprehensively formulated and required specific answers to closed questions, or a response selected from multiple options. A questionnaire is an easy data collecting technique as the questioning is standardised for all participants. According to Preece et al. (2015:234), “Structured questionnaires are most appropriate when the goals of the study are clearly understood, and specific questions can be identified”.

Development of the questionnaire. A questionnaire was developed bearing in mind the research question and sub-questions of this study. The questionnaire consisted mainly of closed-ended questions and three open-ended questions. Closed-ended questions are structured questions that provide for a set of responses from which the respondent must choose one or sometimes more than one response whilst in open-ended questions, a question is asked and space is provided for a word, phrase or even a comment (Creswell et al., 2007:105). Bell (2005:17) distinguishes between the following six types of closed-ended questions: list, ranking, category, quantity, grid, and scale, all of which were used for this study. Closed-ended questions were used mainly because data obtained from the administration of closed questions are easier to analyze since they guarantee uniform responses whilst open-ended questions were included to

allow respondents to give their views and opinions about their motivations and booking behaviour (Creswell et al., 2007:161).

To be able to measure experiences a 5-point Likert-type scale was also employed in the questionnaire. The scale ranged from “strongly agree – (1)”, “agree – (2)”, “not applicable – (3)”, “disagree – (4)”, to “strongly disagree – (5)”. The 5-point Likert-type scales for measuring consumer motivations were drawn from DeVellis (1991:68-70). DeVellis (1991:68) emphasises that the response options in a Likert-type scale should be worded in such a way that the difference in agreement between any adjacent pair of response options should be about the same as for any other adjacent pair of response options. Several authors (Wakefield & Blodgett, 1994:19; Kivela et al., 1999:274; MacLaurin & MacLaurin, 2000:79; Choi & Chu, 2001:283; Park, 2004:93) find a Likert-type scale to be a useful tool in measuring consumer motivations and booking behaviour in hotels.

The questionnaire items were phrased in English, not only because the majority of customers were expected to be quite conversant in English, but also because it is one of the main languages spoken in the Cape Town province apart from IsiXhosa and Afrikaans. The questionnaire items formulated were clear, precise, and short. Struwig and Stead (2001:38) point out that a questionnaire should be phrased in the language that the respondents will easily understand and should be precise to maintain interest and to ensure reliability of the responses. Respondents should be able to read and comprehend items in a questionnaire quickly and select or provide an answer without difficulty (Babbie & Mouton, 2001:237; Struwig & Stead, 2001:38).

3.5.1 Data analysis

In this research, the SPSS software version 25 was used to analyse the data collected and helped to reveal considerable insights into the responses, especially to the open-ended survey questions.

3.5.2 Survey tools/techniques

Tsangu (2017:8) explains that “there are three types of interviews in research—structured, semi-structured and unstructured interviews”. A structured questionnaire was used to collect the primary data for this study where the contents of the questionnaire were predominantly direct questions requiring participants to give specific answers, and Likert-style 5-point statements requiring participants to express an opinion ranging from 1- strongly agree through to 5- strongly disagree.

3.6 Data collection

Information was needed to satisfy the aim and objectives of this study, as detailed in Chapter 1. The information was obtained from primary data gathered from the questionnaires.

3.6.1 Primary data

Driscoll and Brizee (2010:1) describe primary research as gathering information about a particular topic. In this study, the researcher sought to discover whether clients of the participating hotels used the hotel's website or another option to make accommodation bookings. Wiid and Diggins (2009:84) define primary data as newly gathered data as opposed to existing data. In other words, primary data is gathered to address a particular issue. Wiid and Diggins (2009:84) further note that the types of primary data include "demographic and socio-economic characteristics, psychological and personal characteristics, attitudes, opinions, awareness, knowledge, intentions and motives, and the behaviour of people and/or enterprises". Shah and Jha (2009:4) classify methods of collecting primary data in a statistical investigation to include "...direct personal inquiry, indirect oral inquiry, information from local agents and correspondents, and mailed questionnaires and questionnaires to be completed by the investigator".

The researcher scheduled meetings to distribute the questionnaire for personal (face-to-face) contact with hotel guests to gather the primary information for the study. It took approximately 30 minutes to complete a questionnaire. The questionnaire posed specific questions, and the researcher was on hand to clarify vague responses or to request further elaboration on incomplete answers. In addition, Likert-style 5-point statements required a response from multiple choice answers, ranging from strongly agree to strongly disagree. The questionnaire covered a selection of nominal, ordinal, interval, and ratio questions. There were only two open-ended questions as the study was not qualitative. Banoobhai-Anwar (2016a:55) classifies this type of questioning as follows:

- Nominal scales require respondents' characteristics, such as their age. Ordinal scales place attributes of a variable into an order, for instance highest to lowest or best to worst.
- Interval scales are equal points between one another, namely the use of 'strongly agree', 'tend to agree', and 'not applicable, and
- 'Disagree', 'strongly disagree'. These points can be converted easily into numerical value. Ratio scales are more open ended but still give the respondents a choice.

There were two sections to the questionnaire. The first section sought basic demographic information about the participant's age, gender, nationality, and educational background. The reasons for putting these questions first was to allow the respondents to ease into

the questionnaire with questions that did not require much effort. Section B contained questions about booking accommodation directly or indirectly.

3.6.2 Secondary data sources

A selection of the following sources was used:

- Journal articles on hospitality and tourism management and electronic distribution management.
- Internet website information regarding indirect versus direct bookings, hotel customer motivations for online reservations at travel agencies in the Cape Town Metropole.
- Theses and dissertations—the researcher reviewed dissertations and theses for technical writing guidance and to gather secondary data regarding indirect versus direct bookings, hotel customer motivations for online reservations at travel agencies in the Cape Metropole, and
- Books covering the concept of indirect versus direct bookings: Hotel customer motivations for online reservations at travel agencies in Cape Metropole.

3.7 Research paradigm

A paradigm can be described as a set of “assumptions or beliefs about fundamental aspects of reality which gives rise to a particular worldview” (Maree, 2011:47), and addresses facts and thoughts which are generally acceptable regarding things, relationships, and methods of doing something. Schwartz and Ogilvy (1979, cited by Maree, 2011:48) describe a paradigm “as a lens or organising principle by which reality is interpreted”. Our actions in the world, including the actions we take as inquirers, cannot occur without reference to those paradigms: “as we think, so do we act” (Maree, 2011:48).

The research paradigm used in this research is interpretive as the aim was to study and document “authentic behaviour in a real situation” (Burn & Burn, 2008:18).

Burn and Burn (2008:18) note that the main elements of the interpretive paradigm include:

- “A subjective world where people experience physical and social reality in different way.
- A socially constructed reality with subjective evaluation and meaningfulness of experience for the individual.
- The researcher becomes fully involved with individual subjects.
- Explicit values.
- Flexible research processes which flow from material provided by participants; and

- Methods include ethnography, participant observation, focus group, and deep interviews”.

3.8 Reliability and validity

3.8.1 Validity. The validity of a measurement instrument is the extent to which the instrument measures what it is actually intended to measure (Leedy & Ormrod, 2010:92). Validity refers to the degree to which a study accurately reflects or assesses the specific concept that the researcher is attempting to measure (Creswell et al., 2007:34). In this study, three forms of validity, namely face, content and interpretive validity were incorporated into the questionnaire.

To incorporate face validity, the questionnaire was compiled based on the framework of this study and with reference to questionnaires used in previous studies (Stevens et al., 1995:59; Cohen et al., 2001:31; Kivela et al., 1999:274; Oh, 2000:63; Choi & Chu, 2001:287; Yuksel & Yuksel, 2002:62; Mohsin, 2003:27-28). Face validity is the extent to which, on the surface, an instrument seems to be measuring a particular characteristic (Leedy & Ormrod, 2010:92). Face validity was useful in ensuring the co-operation of respondents who were participating in the research study.

To incorporate content validity, the questionnaire was submitted to three subject experts in Hospitality Management at the Cape Peninsula University of Technology (CPUT) after which it was pilot tested among five customers in two hotels in Cape Town to ensure readability. The pre-test subjects comprised people to whom the questionnaire was at least appropriate to ensure content validity of the questionnaire (Babble & Mouton, 2001:244-245). Content validity connotes the extent to which a measurement instrument is a representative sample of the content area being measured (Leedy & Ormrod, 2010:92). By utilising the content validity approach, the researcher measured the validity of the results obtained during the study by determining whether the questionnaire measured the characteristics it was supposed to measure.

Interpretive validity was incorporated by integrating expertise from the Department of Statistics at the CPUT during data analysis and interpretation. Interpretive validity, according to Struwig and Stead (2001:144), refers to whether the information for a study is accurately analysed and reported.

3.8.2 Reliability – The reliability of a measurement instrument refers to the consistency with which a measuring instrument yields a certain result when the entity being measured has not changed (Cooper & Schindler, 2003:235). It is the extent to which an experiment, test or any measuring procedure yields the same result on repeated trials (Creswell,

2007 et al., :34). Without the agreement of independent observers able to replicate research procedures, or the ability to use research tools and procedures that yield consistent measurements, researchers would be unable to satisfactorily draw conclusions, formulate theories or make claims about the generalisation of their research (Leedy & Ormrod, 2010:92).

The researcher ensured reliability by using measures that have proven their reliability in previous research (Kivela et al., 1999:274; Cohen et al., 2001:31; Oh, 2000:63; Choi & Chu, 2001:287; Yuksel & Yuksel, 2002:62; Mohsin, 2005:56). Babbie and Mouton (2001:122) posit that one way to help ensure reliability in getting information from people is to use measures that have proven their reliability in previous research.

Reliability was also built in using more than one method of data collection: questionnaires and observations. Babbie and Mouton (2001:122) contend that the use of multiple sources of data collection or triangulation in research is likely to increase the reliability of the study. The underlying assumption is that, because various methods complement each other, their respective shortcomings can be balanced out (Babbie & Mouton, 2001:122).

Reliability was also incorporated by collecting data on weekdays, over weekends and across the month for a two-month period. This allowed to check variations in various motivational factors of booking channels.

3.9 Pilot study

A questionnaire was used on a trial group to establish possible problems that the group encountered. The researcher was present and observant when the trial group was completing the questionnaire. The questionnaire was found to be clear and applicable, and no changes were required.

3.10 Ethical considerations

According to the British Broadcasting Corporation (2014, cited by Banoobhai-Anwar, 2016a:56), the term 'ethics' is derived from the Greek word *ethos*, which can mean custom, habit, character, or disposition. O'Hara et al. (2011:110) state that employing a code of ethics makes sure that the research has sincerity and trustworthiness, and Banoobhai-Anwar (2016a:56) argues that ethical behaviour helps "protect individuals, communities and environments, and offers the potential to increase the sum of good in the world".

Before undertaking data collection, the researcher obtained ethical clearance for the study from the Ethical Committee of the Faculty of Business and Management Sciences

at the Cape Peninsula University of Technology and informed consent from the participants in the selected hotels surveyed. A consent letter was sent to the hotels to obtain permission to conduct the research. (See Annexures C, D and E) They were informed that participation was purely voluntary and that they could withdraw from the study at any time and would not suffer any prejudice. Furthermore, no financial or sensitive information was solicited. Obtaining participants' consent, respecting privacy, ensuring confidentiality, and providing research participants with feedback is important, so participation in this research was free and based on informed consent. For safety and anonymity of the research participants regarding the information given, no names or any form of identification was requested or included in the study (Tsangu, 2017:58). Participants were allowed to omit questions that they did not wish to answer (Bassadien, 2017:70).

3.11 Limitations of the study

There were few limitations that affected the research. The sample is relatively small, indicating what is happening in specifically selected hotels in the Cape Metropole and therefore cannot be generalised. Also, no cross-tabulations were attempted. Some hotels were reluctant to share information with the researcher due to possible sensitivity of the information. Despite the COVID-19 pandemic and fear of contamination, the sample of 300 participants was achieved.

3.12 Significance of the research

The research could enable hotels and OTAs to understand the booking behaviour of customers and could make recommendations to hotels on how to attract and convince customers to make bookings directly with them, thus avoiding commissions to OTAs. The study could also aid customers in choosing affordable and convenient options in booking accommodation and could add to the body of knowledge on the tourism and hotel industry in South Africa

3.13 Chapter summary

The researcher investigated indirect versus direct bookings and hotel customer motivations for online reservations at travel agencies in the Cape Metropole in Chapter Two. The quantitative research methodology used for this study was explained. This was best suited to examine the problem statement, help attain the research objectives and find solutions to the research questions.

Guests from the selected 5-star hotels formed the sampling frame. A convenient systematic sampling technique was chosen as the probability sampling method for the study because it ensured that as many segments of the population as possible were represented. Primary data were collected from questionnaires, while secondary data was

obtained from existing sources such as online electronic journals, books from libraries, theses, and dissertations.

Study limitations were few, despite the COVID-19 pandemic and fear, and indicated what is happening in selected hotels in the Cape Metropole. Some hotels were reluctant to share information with the researcher due to sensitivity. The numerical data collected from this process is analysed and discussed in Chapter 4.

CHAPTER 4

DATA ANALYSIS AND DISCUSSION

4.1 Introduction

The study aim was to investigate hotel customer motivation to use travel agencies for online reservations, to establish a mechanism for direct hotel reservation access.

In Chapter 2, the literature review revealed many reasons for holiday accommodation decisions, for example, spending time with family or friends, discovering new places and cultures (Kozlova, 2014:22). It is thought that the major reason why guests book through OTAs is because they believe accommodation is sold at a lower price (Barmpa, 2017:13). A study of consumer behaviour suggests how people identify their positions regarding their needs and wants (Greensill, 2016:21-22), while Jun-Joe (2014:13) mentions that the price is often the major factor when deciding to purchase a product or service. Product price was previously discussed, and it was found that the price is what pushes customers in their decision-making to purchase a product or a service (Jun-Joe, 2014:13) and those consumers choose an intermediary which will be convenient for them when making booking comparisons. Consumers are prepared to pay for services that will be both convenient and affordable, where “Saving costs has been a major goal for suppliers of travel services” (de Jager, 2014:40). Perceived convenience was also discussed, and it was established that it is one of the major purchasing factors and is considered from two points of view—physical and electronic convenience. De Jager (2014:27) found that “Travellers could also prefer booking online in their own time rather than having to having to sit in traffic, or search for parking and possibly deal with an inexperienced travel agent”.

Chapter 3 addressed the research methodology, sampling technique, ethical considerations, and data collection methods. This chapter focuses on the statistical findings and results of the study and includes information that is aimed at achieving the research objectives of this study. The chapter further addresses the research questions of this study as outlined below:

- a) Why do hotel customers in the Cape Metropole have a perception that it is cheaper and more convenient to book through travel agencies?
- b) How convenient and affordable is it to book directly or indirectly?
- c) What influences customers in choosing to book through a travel agency or the hotel?
- d) What are customer motivations for choosing a specific booking method?

4.2 Study results

4.2.1 Demographic and travel information

Each question asked in the study questionnaire will be dealt with separately. Despite busy schedules, 300 participants (N=300) from the participating hotels completed the questionnaire. The data presented in this chapter is to establish customer-behaviour when making bookings, customer-motivations in choosing a booking method and to determine why hotel customers in the Cape Metropole think it is cheaper and more convenient to make reservations through travel agents. The study also investigated the affordability and convenience of direct and indirect bookings.

The first 12 questions probed the demographic details of participants. These questions were asked to establish the background of participants and to determine whether the individuals in this study are a representative sample for generalisation purposes. These questions directed the researcher in analysing and measuring data about the participants' basic information, such as gender, nationality, age, highest level of education, who they travel with, how often they travel domestically, their country of residence, the purpose of travelling to Cape Town, what distribution channel was used to book a trip, and the time spent online for hotel information before the final booking decision.

Question 1: What is your gender?

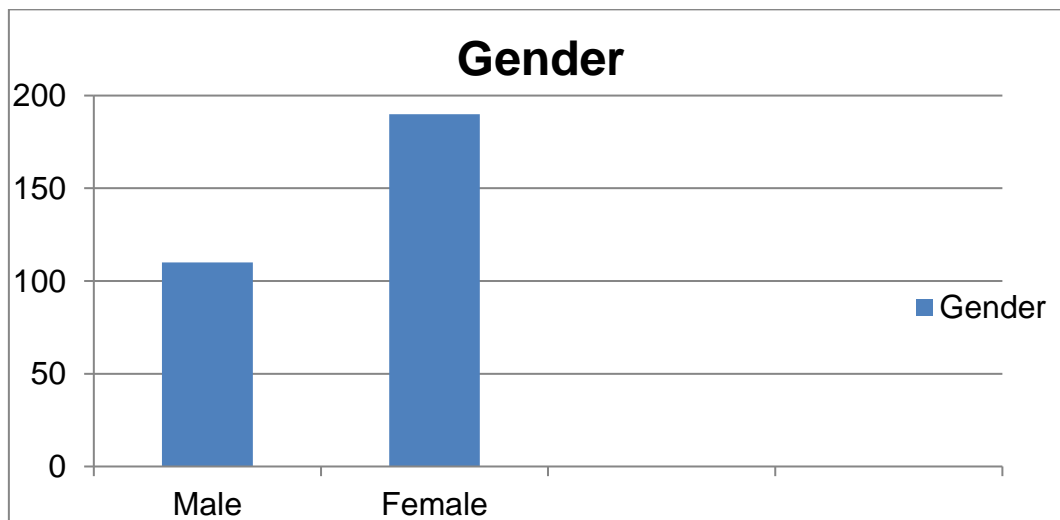


Figure 4.1: Gender of participants is N=300, I=100%

Figure 4.1 shows the gender split of respondents in this study. Chen (2014:84) notes that gender has an impact on consumer behaviour when making a purchase, while Morosan (2005:13) found that men were frequently inclined to spend more money on their trips than women were.

Question 2: What is your nationality?

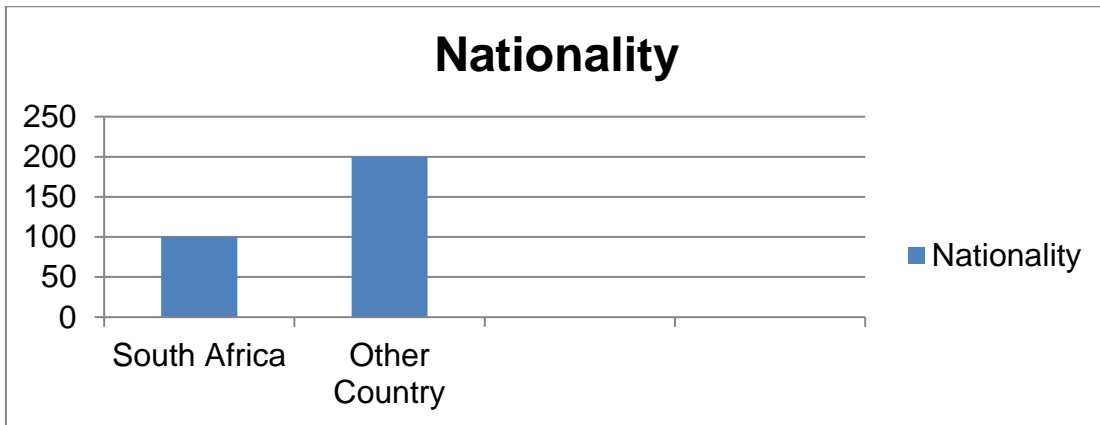


Figure 4.2: Nationality of participants is N=300, I=100%

Figure 4.2 reveals that 66.6% (200) of participants were from other countries, and 33.33% (100) were South African. This data applies to this study's finding and does not necessarily apply to all such circumstances. Ezeuduji and de Jager (2014:5) note that people have different backgrounds and attitudes towards decision-making and therefore the travel and accommodation findings of this study cannot be generalised.

Question 3: What is your employment status?

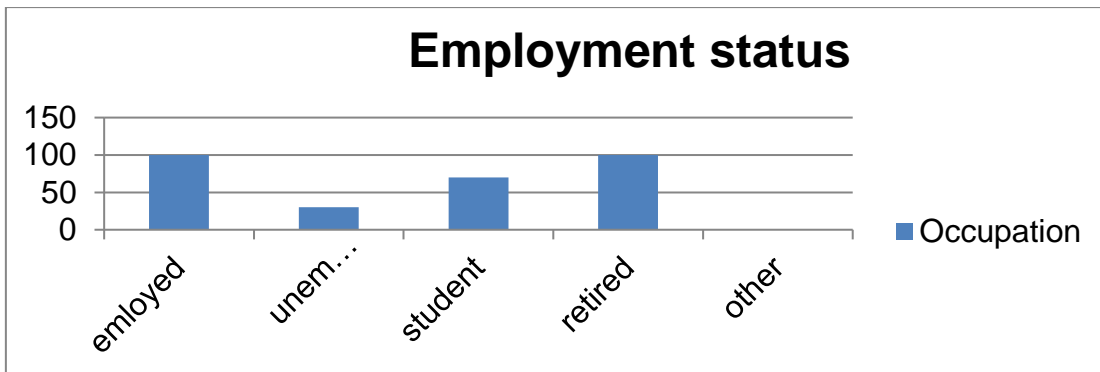


Figure 4.3: Employment status of participants N=300, I=100%

The data show that 33.3% (100) participants are employed, 10% (30) are unemployed, 23.3% (70) are students and 33.3% (100) are retired. This information is specific to this study and cannot be projected to other similar studies. Rahim and Fariza (2008:14) conducted research to consider the correlation between education level, age, income and occupation with factors such as convenience and price. Their findings indicate that educated online bookers would look for fast transactions, a convenient system, ease of information and lower prices as their key motivator to purchase online.

Question 4: Age group

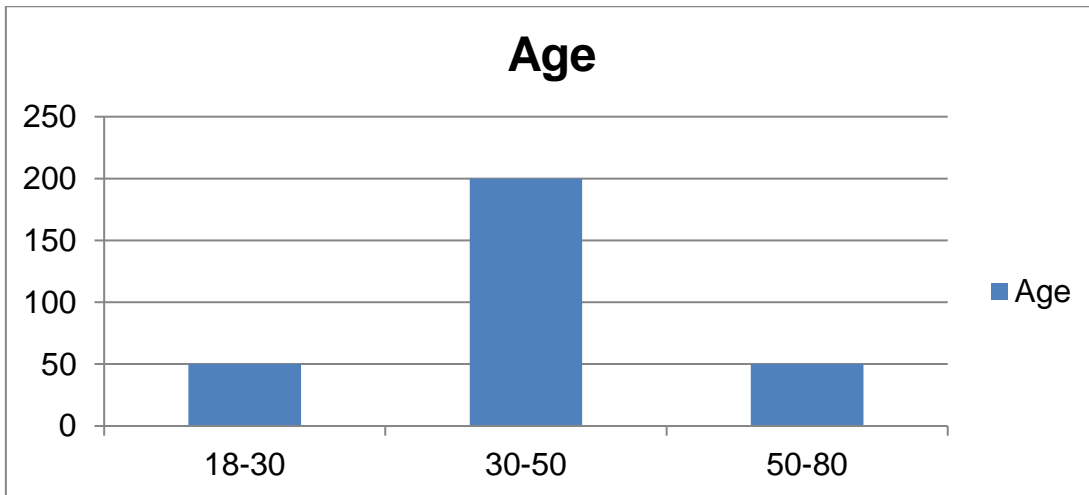


Figure 4.4: Age groups of participants N=300, I=100%

Figure 4.4 demonstrates that 16.66% (50) of participants are between the ages of 18 and 30, with 66.67% (200) in the age group of 31 to 50, and 16.66% (50) are between the ages 51 to 80. Ezeuduji and de Jager (2014:5) mentioned that people from different age groups could have common experiences, which may influence their decision-making in booking online or through a travel agency. Specifically, younger respondents made significantly fewer online bookings than their older counterparts. Such a finding is likely attributed to the Internet experience that a person has, in which more experienced users will likely make more online purchases. In a prior study, Kim and Kim (2004) found Internet purchase experience was directly related to age groups. Consequently, this demographic meaning of consumers' booking behaviour can provide beneficial insight for hotel marketers.

Question 5: How do you travel?

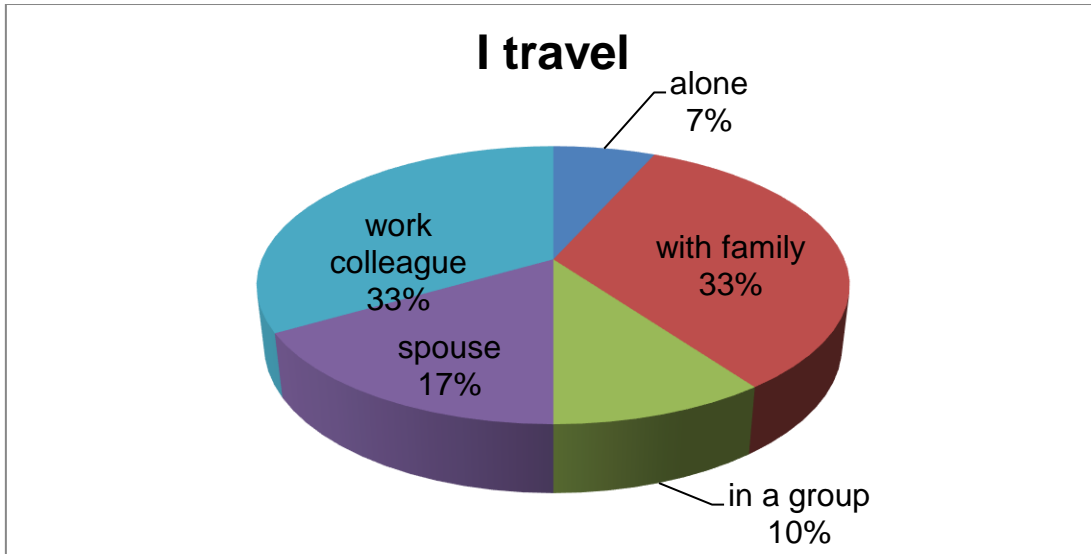


Figure 4.5: Travel patterns N=300, I=100%

The pie chart shows that 33.3% (100) of the participants usually travel with work colleagues, 33.3% (100) travel with family, 16.6% (50) travel with their spouse, 10% (30) travel in a group, and 6.67% (20) travel alone. This data is specific to this study and is not representative of other similar studies. Morales (2017:19) notes that 72% of people prefer travelling with their spouse, colleague, family or in a group, while 28% prefer travelling alone, so the data collected in this study does not align with Morales' findings.

Question 6: I travel for holidays domestically

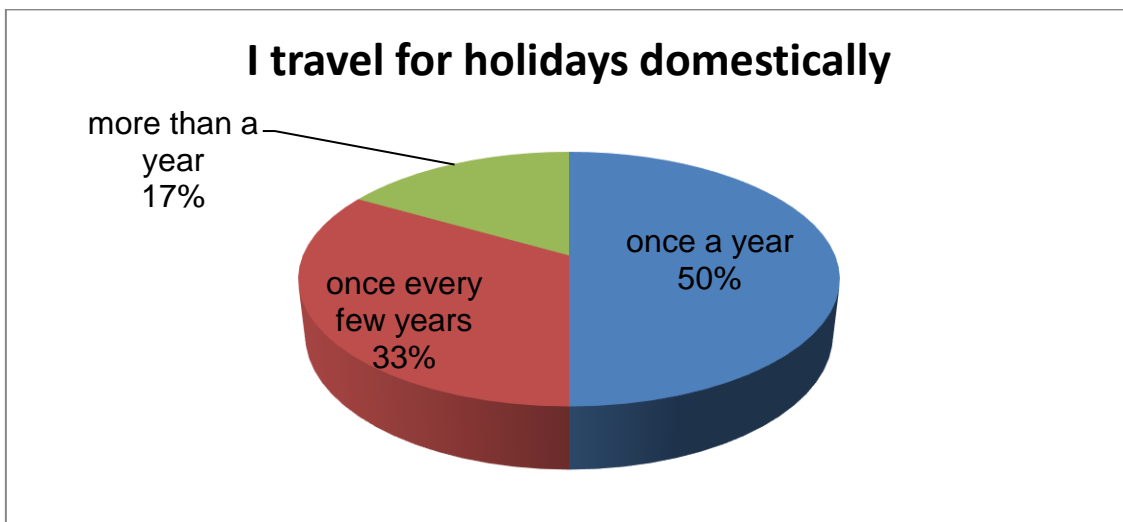


Figure 4.6: Travel patterns of participants' travel N=300, I=100%

Figure 4.6 above illustrates that 50% (150) of participants travelled once a year, 33% (100) travel once every few years, and 17% (50) travel more than once a year. Ezeudji and de Jager (2015:70) report that 30% of people travel once every few years, 37% travel once a year and 33% travel more than once a year, which differs somewhat from the information obtained in the current study.

Question 7: What is your country of primary residence?

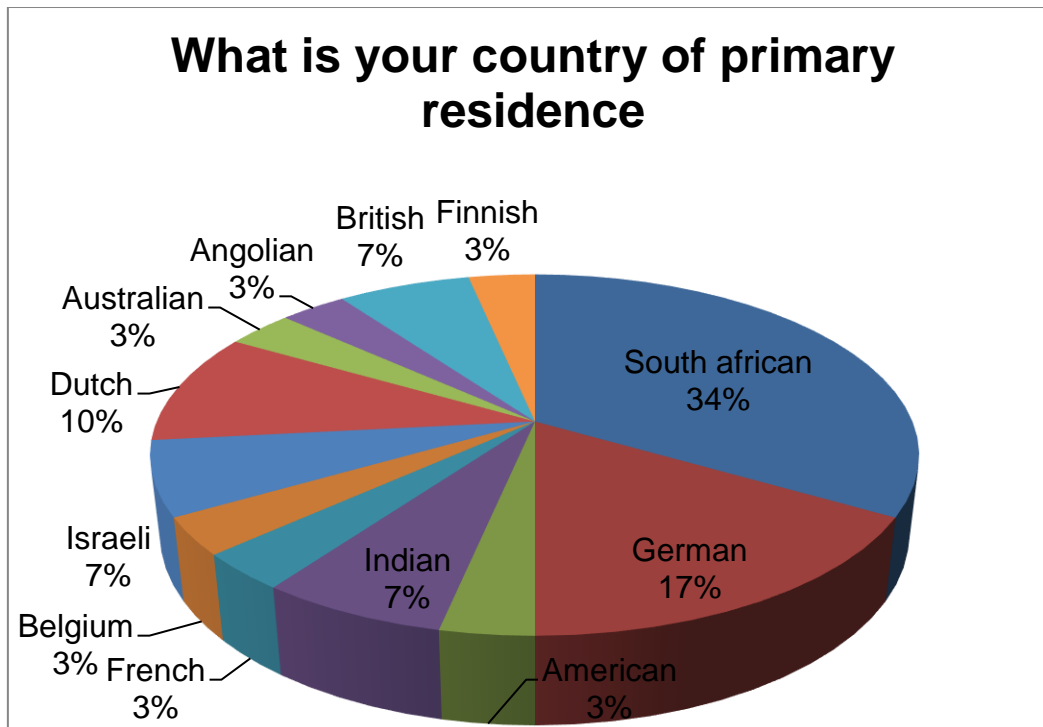


Figure 4.7: Country of primary residence of participants N=300 (I=100%)

Figure 4.7 shows that 3% (10) of participants are Belgians, 17% (50) are Germans, 7% (20) are Israeli, 3% (10) are French, 7% (20) are Indians, 10% (30) are Dutch, 3% (10) are Angolans, 7% (20) are British, 3% (10) are Finnish, 3% (10) are Australians, 10% (30) are Americans, and 34% (100) are South Africans. Neither Morales (2017:7) nor Ezeudji and de Jager (2014:67) considered this aspect in their studies, therefore, the findings cannot be considered representative of travellers under similar circumstances. Greensill, (2016:47) notes in his study that 53.2% are from North America, 6.3% are from South America, 29.4% are from Europe, 5.6% are from Asia, and 5.55% are from Australia, so a direct comparison is not possible.

Question 8: What is your main purpose of travelling to Cape Town?

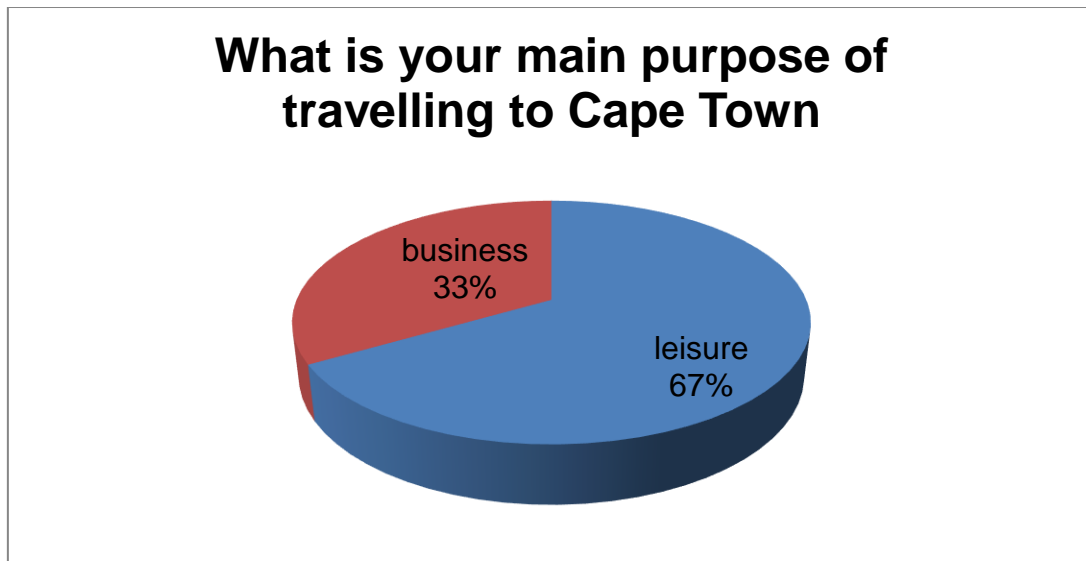


Figure 4.8: Main purpose of travelling to Cape Town N=300, I=100%

Figure 4.8 shows that 67% (200) of participants travel to Cape Town for leisure and 33% (100) travel for business. According to Shadows of Africa (2020), people travel to Cape Town for 10 reasons:

To visit Table Mountain, the beautiful beaches, Robben Island, Kirstenbosch Botanical Gardens, the Bo-Kaap, the Cape Winelands, to watch the whales, see the penguins and seals, do shark cage dives, and to travel the Garden Route.

Sive (2018:1) states that people travel to Cape Town for five main reasons:

a) The “breathtaking natural beauty”, b) gourmet food and world class wine, b) Nelson Mandela’s struggle against apartheid, c) VIP treatment and luxury accommodation, and e) because Cape Town is a world leader in sustainable tourism. According to ‘Come to Cape Town’ (2020: Online), businesspeople travel to Cape Town to attend conferences (at the Cape Town International Convention Centre [CTICC]), some for-product launches, client pitches, corporate team-building events, and business mergers. No comparative studies could be found, so this information is not generalisable.

The booking method significantly depends on the nature of travel, so respondents who were on a business trip or group tour, did not book through the Internet; guests whose reason for visits was a conference largely booked through the Internet (20 percent), as well as more than half of the leisure guests who were on holiday.

Question 9: Is it your first time travelling to Cape Town?

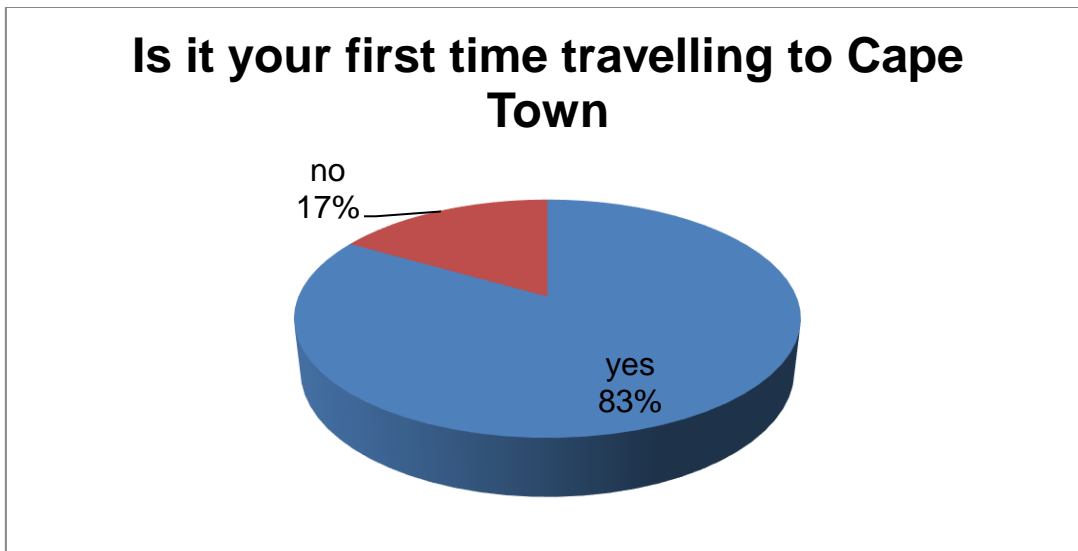


Figure 4.9: First time travelling to Cape Town N=300, I=100%

Figure 4.9 shows that 83% (250) of participants travelled to Cape Town for the first time and 17% (50) have travelled to Cape Town previously. This information is not supported or contradicted by previous studies. According to Ezeuduji et al. (2016:121), 43.5% had travelled to Cape Town previously, and 56.5% say it was their first time visiting Cape Town. This information is not comparable or generalisable but is important for the researcher when trying to establish what booking method travellers think is cheaper and convenient (see questions 10 and 11).

Question 10: What distribution channel did you use to book this trip?

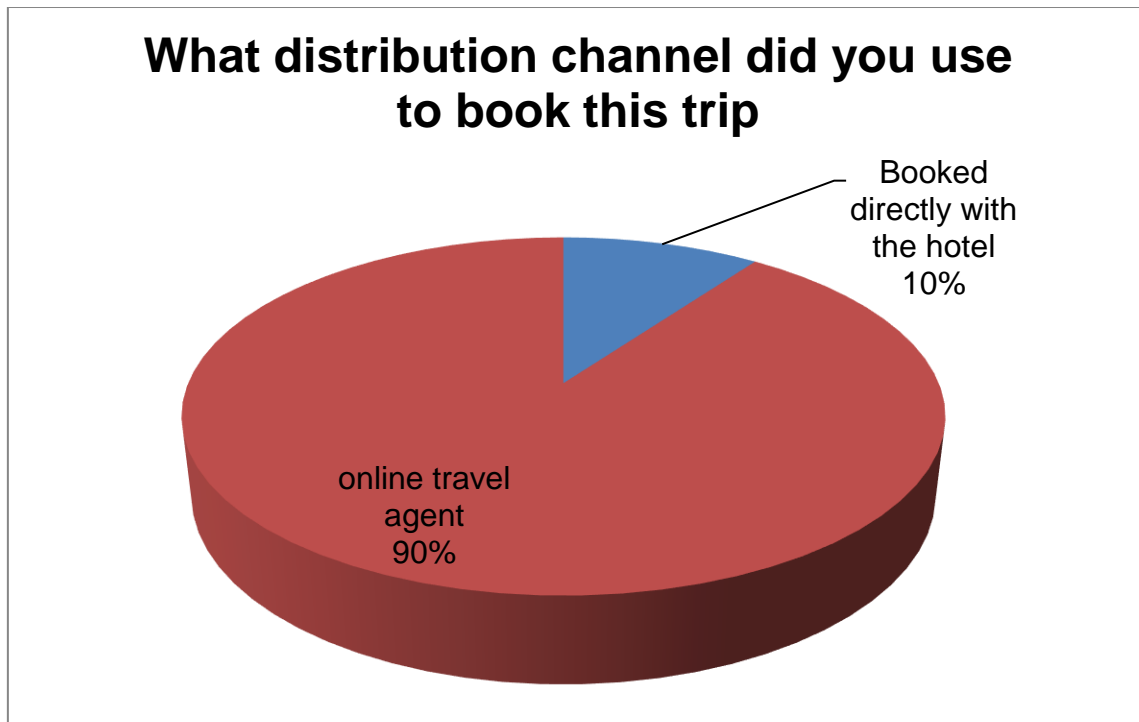


Figure 4.10: Distribution channel used to book the trip $N=300$, $I=100\%$

Figure 4.10 shows that 90% (270) of participants booked via online travel agents and 10% (30) booked directly with hotels. In contrast, Banoobhai-Anwar (2016b:5) found that 80% look for hotel information utilising the Internet, while more than 50% book through a hotel-host website or OTAs. Feinstein (2018:3) reports that Millennials (52%) prefer to use OTAs to book hotels because they are perceived to offer great value. Phocuswire (2020:1) states that “OTAs are dominating around sales” and that “50% of corporate tourists choose to book a hotel room through an OTA with nearly 33% of leisure guests opting for this reservation source.” This study suggests a far larger proportion of online travel bookings than offered/suggested in the sources quoted. In China, most budget hotels preferred direct bookings (Roper & Carmouche, 1989). The oversupply of rooms in China lowers customers’ needs to secure a room (Cao & Kong, 2010; Huang, et al., 2014). In New Zealand backpackers still prefer traditional booking forms, including “walk-ins” (Pearce & Taniquchi, 2008).

Question 11: How much time do you usually spend searching online for hotel information before making your final booking decision?

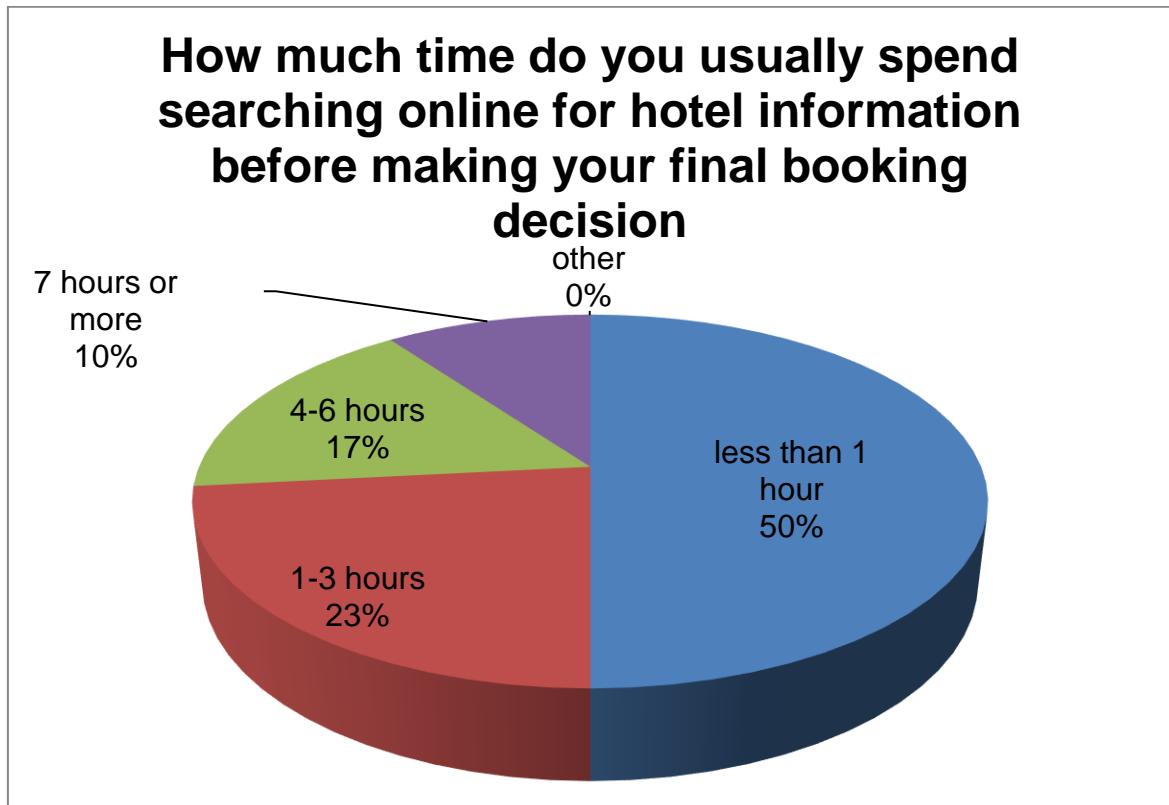


Figure 4.11: How much time participants spend searching online for hotel information before making their final decision $N=300$, $I=100\%$

Figure 4.11 shows that 50% (150) of participants spent less than 1 hour searching for information, 23% (70) spent between 1 and 3 hours, 17% (50) spent between 4 and 6 hours, while 10% (30) spent 7 or more hours on online searches. Chen (2014:16) states that consumers undergo three processes before they choose to purchase a good or service: needs recognition, search for information and evaluation of alternatives, so the time spent on online searches is not surprising. These three processes are seen as a cognitive function that leads consumers through the purchase decision. “Consumers first recognize their needs and desires, then begin searching for solutions to satisfy their wants” (Chen, 2014:16). Jansen van Rensburg (2014:1) found that people go through an average of 22 websites in shopping sessions before booking a trip, so the information displayed in Figure 4.12 is consistent with other studies. Therefore, the participants knew what their needs were and where to search for the best option to satisfy these needs.

Question 12: What is your highest level of education?

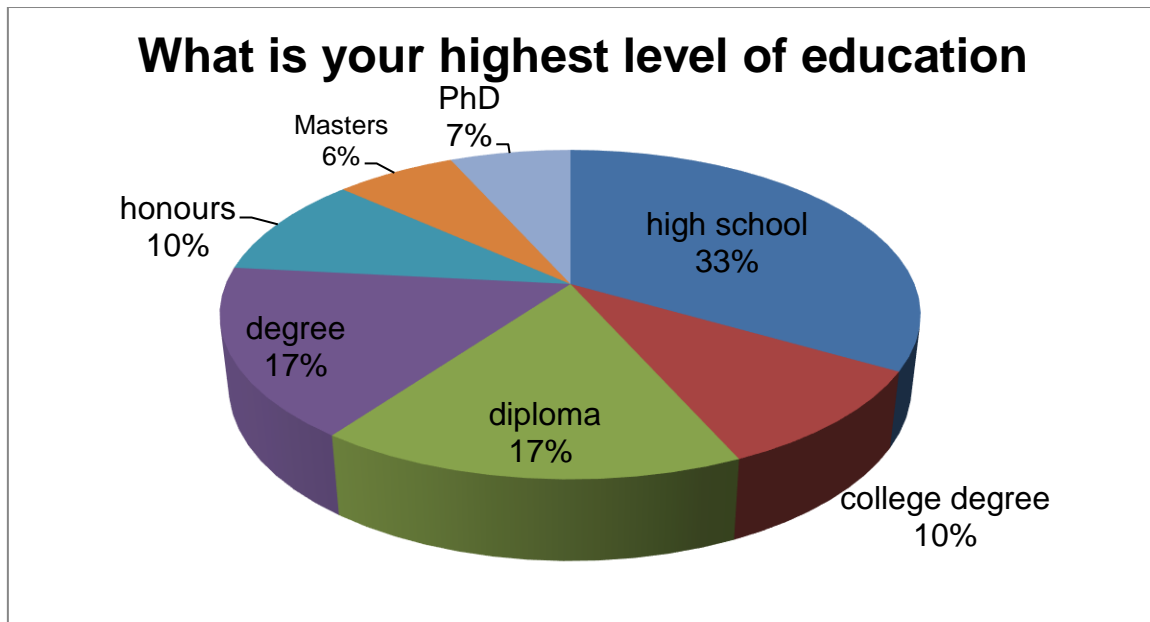


Figure 4.12: Participants' highest level of education N=300, I=100%

Figure 4.12 shows that 33% (100) of participants have a high school degree, 17% (50) have a post-school diploma, 17% (50) have a first-level degree, 10% (30) have an Honours' degree, 6% (20) have a master's degree and 7% (20) hold a PhD, while 10% (30) have a college degree (referring to an international qualification). This information is not supported or contradicted by any previous studies. Therefore, as per the data presented, most correspondents (33%) have a high school degree, but 67% hold a post-school qualification.

4.3 Reservation patterns

The following statements were posed to establish reservation patterns. Saturation of information was reached well before the 300 participants' details were recorded. These 41 statements were developed to establish what booking methods travellers prefer, what booking method they thought was cheap and convenient, why they chose that particular booking method, and to answer the study objectives and questions, such as what influences customers in choosing to book between a travel agency or the hotel, and what are customer motivations for choosing a specific booking method.

Statement 1: I book my hotel accommodation online via the Internet

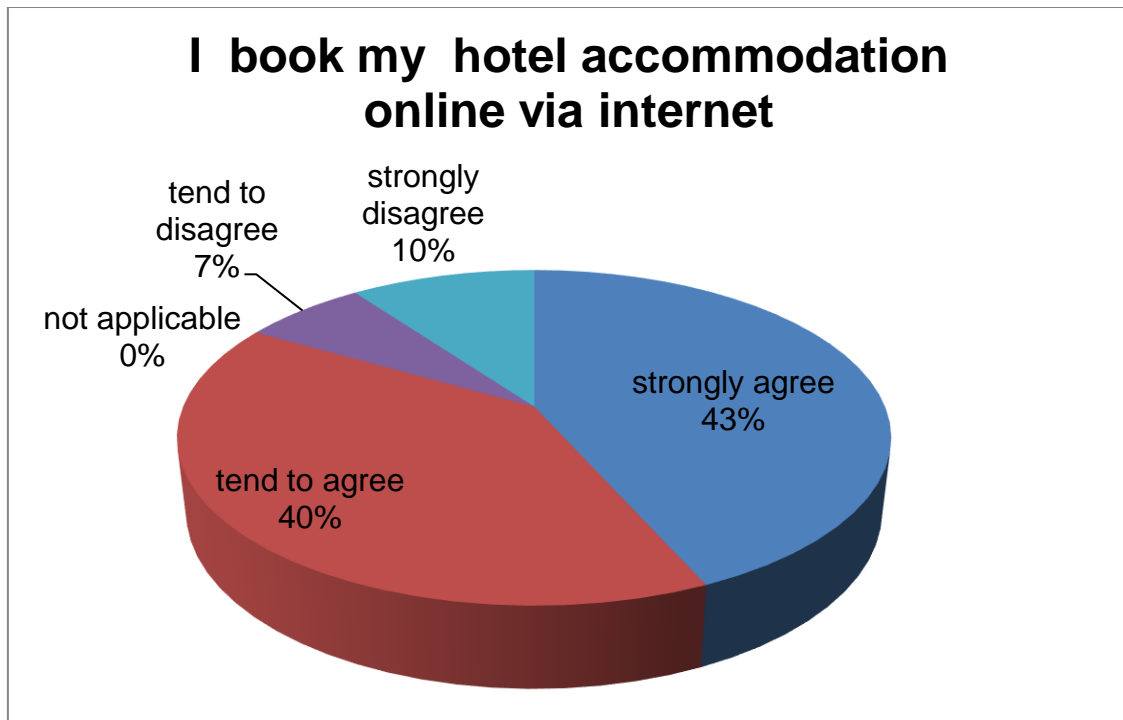


Figure 4.13: Participants who book hotel accommodation online via Internet, N=300, I=100%

Figure 4.13 illustrates that 43% (130) of participants strongly agree that they book online via internet, 40% (120) agree with the statement, no participant thought this is not applicable, 7% (20) disagree and 10% (30) strongly disagree. Gerchuk (2019:1) reports in his study that:

“...75% of people now book hotels online. 15% book hotels directly via phone or email, and 10% still via a travel agent. Out of those who book online, 40% used Booking.com, 20% hotels.com, and 12% other aggregator sites. Only 21% of those who booked online did it directly on the hotel website” conclusion that can be drawn from this data is most guests book their accommodation through internet which is easier and quicker for them and only a few do not use internet to book their accommodation through the internet”.

This finding compares favourably with Gerchuk’s 75% online reservation trend.

Statement 2: I use a hotel's own website to book my accommodation

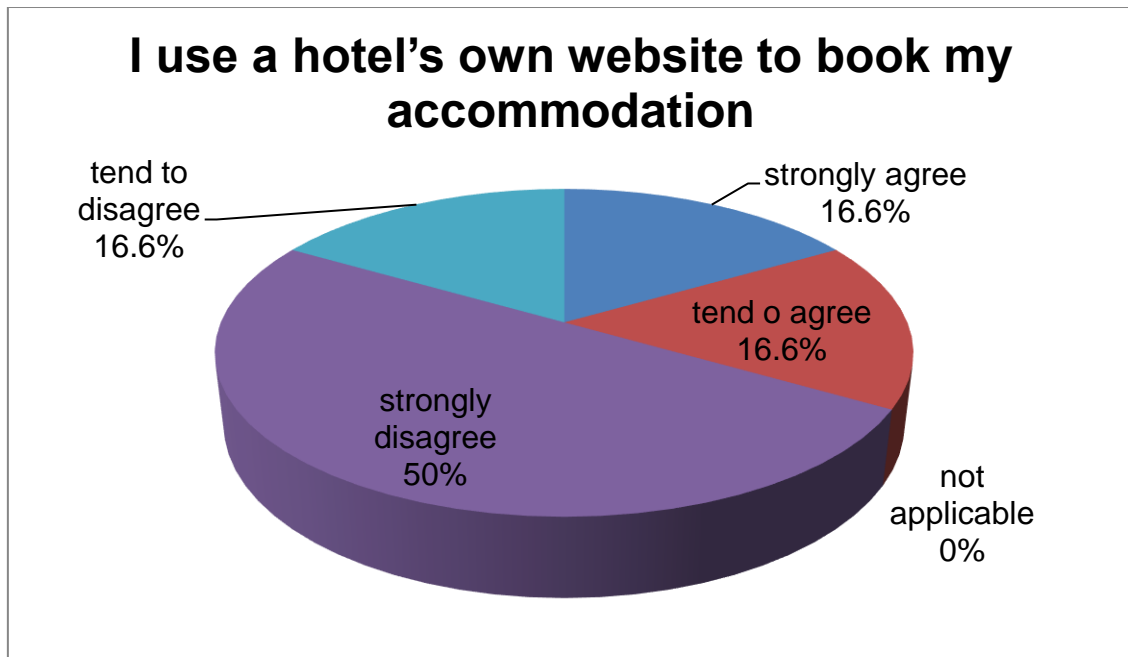


Figure 4.14: Participants using a hotel's own website to book their accommodation, N=300, I= 100

Figure 4.14 reveals that 50% (150) strongly disagree that they use a hotel's own website to book their accommodation, 16.6% (50) disagree, 16.6% (50) strongly agree and 16.6% (50) agree. Morales (2017:22) found that only 20% of travellers prefer booking directly via the hotel's website. The current study has established information that is supported by other studies. Conclusions drawn from the above data are that most guests do not book via the hotel website. This could be the reason that hotel guests believe it is cheaper to book via OTAs and suggests that guests wish to manage their own reservations.

Statement 3: I use OTAs to book my accommodation

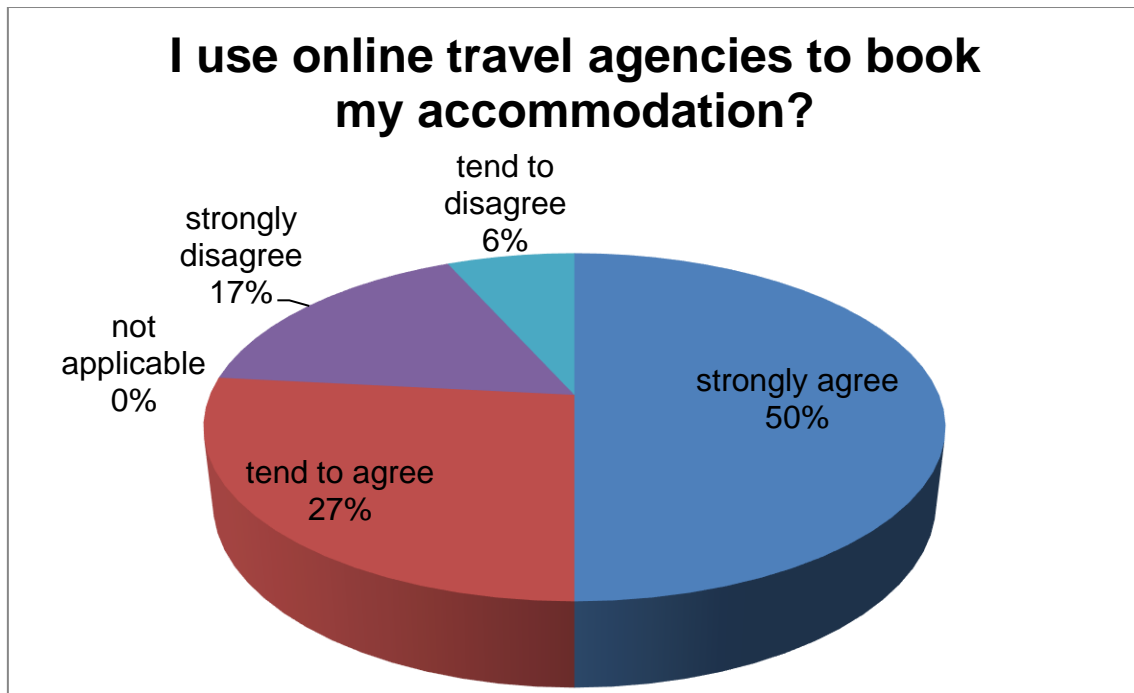


Figure 4.15: Participants using OTAs to book their accommodation, N=300, I= 100%

Figure 4.15 shows 50% (150) of respondents strongly agree with the statement that they use OTAs to book their accommodation, 27% (80) agree, 17% (50) strongly disagree, while 6% (20) disagree. Morales (2017:22) found that 45% of travellers book hotels via an OTA supporting the findings in the current study. Phocuswire (2020:1) reports that 41% of travellers prefer booking via OTAs and that 50% of people between the age of 35 and 44 prefer booking via OTAs.

Statement 4: Price motivates my choice of hotel

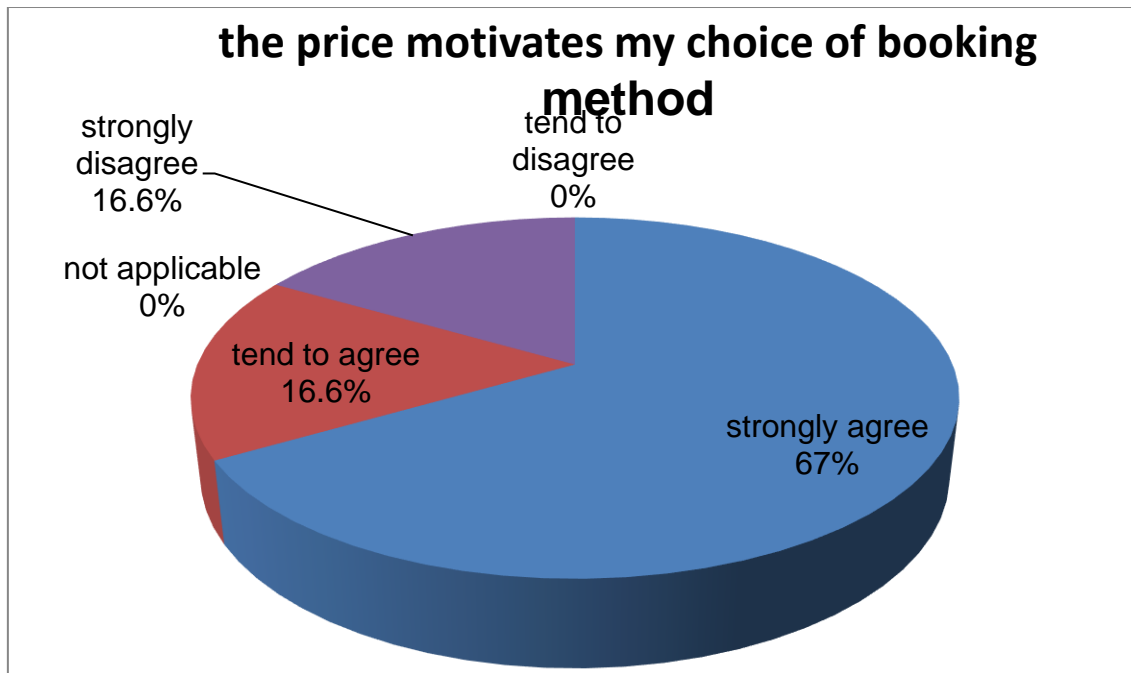


Figure 4.16: Participants support price motivations, N=300, I=100%

Figure 4.16 shows that 67% (200) strongly agree that the price motivates their choice of booking method, 16.6% (50) agree, while 16.6% (50) strongly disagree. Morales (2017:24) found that 59% of travellers were motivated by price, while Pantelic (2017:39) reported that 25.3% of hotel guests said price was important for them when deciding which hotel to book. These international studies support the findings of the current survey.

Statement 5: Location motivates my choice of hotel

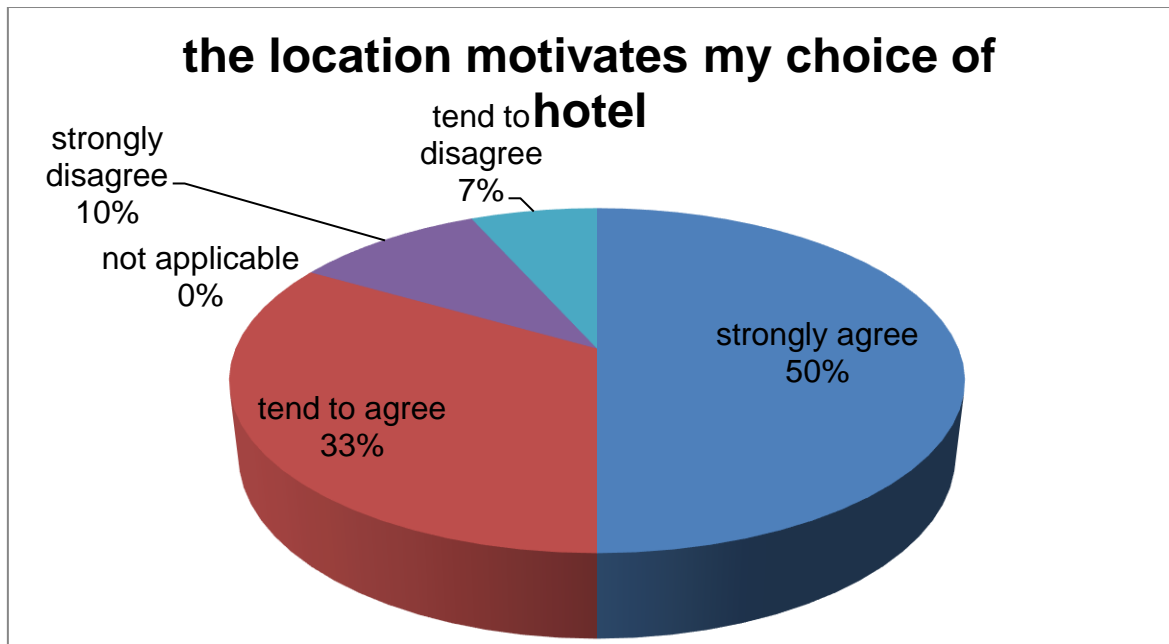


Figure 4.17: Location motivates my choice of hotel, N=300, I=100%

Figure 4.17 reveals that 50% (150) of participants strongly agree that the location motivates their choice of hotel, 33% (100) agree, 10% (30) strongly disagree and 7% (20) disagree. Morales (2017:23) did not address this question but Pantelic (2017:39) reports that 31.5% of participants said the location motivates their choice, lending support for the findings in this current study. Therefore, the conclusion drawn from the data presented is that location motivates participants' choice of hotel. For example, at the researcher's workplace, hotel guests that mainly come to Cape town to attend a court case prefer booking a hotel closer to the High Court, or those who come to Parliament prefer to book a hotel that is close to Parliament premises.

Statement 6: The hotel's loyalty card convinces me to make a booking directly from a hotel website instead of a travel agency

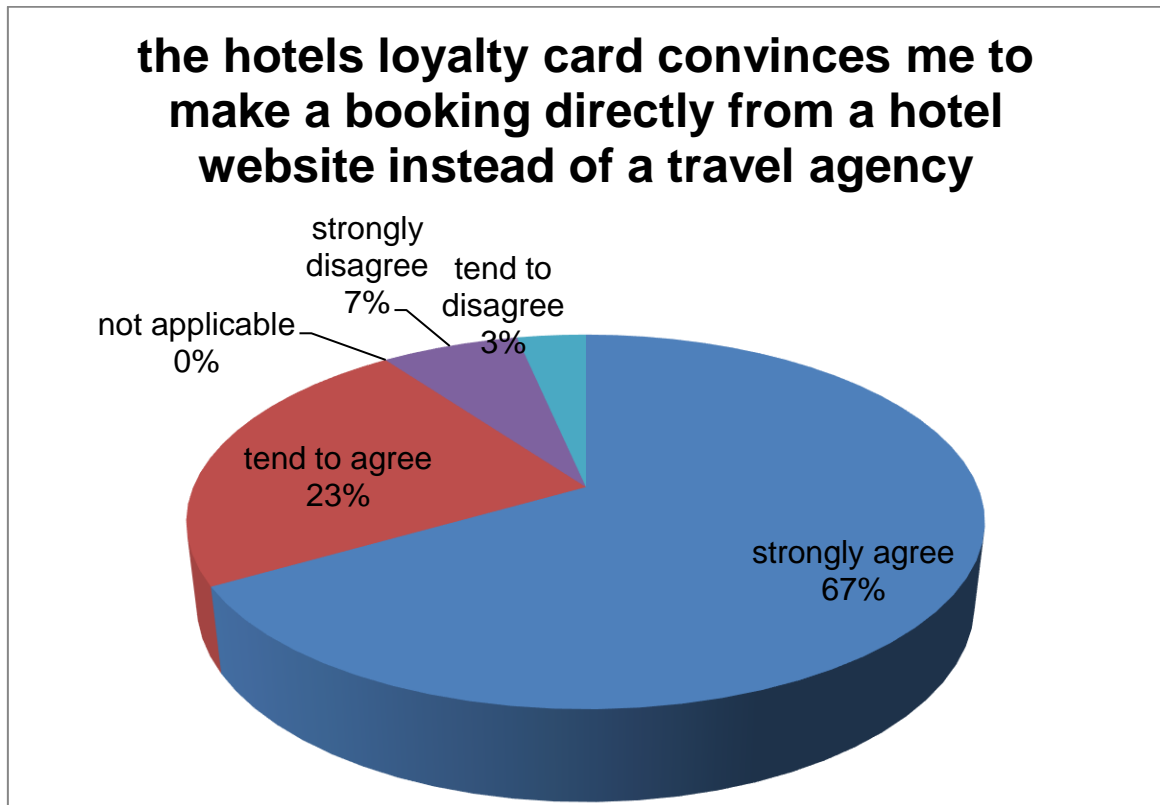


Figure 4.18: Role of loyalty cards in hotel bookings, N=300, I=100%

Figure 4.18 reveals that 67% (200) of participants strongly agree on the role of loyalty cards in booking hotels, 23% (70) agree, 7% (20) strongly disagree, while 3% (10) disagree. Morales (2017:23) found that 14% strongly agree and 22% agree that the loyalty card persuaded them to make a booking directly through the hotel's website. May (2016:2) found in his study that 19% of people make a reservation with the hotel to get loyalty points. These two studies therefore support the findings of this study that loyalty cards do promote direct hotel bookings, and support a view that guests wish to manage their own reservations/affairs.

Statement 7: It is convenient to make a hotel reservation through an online travel agency

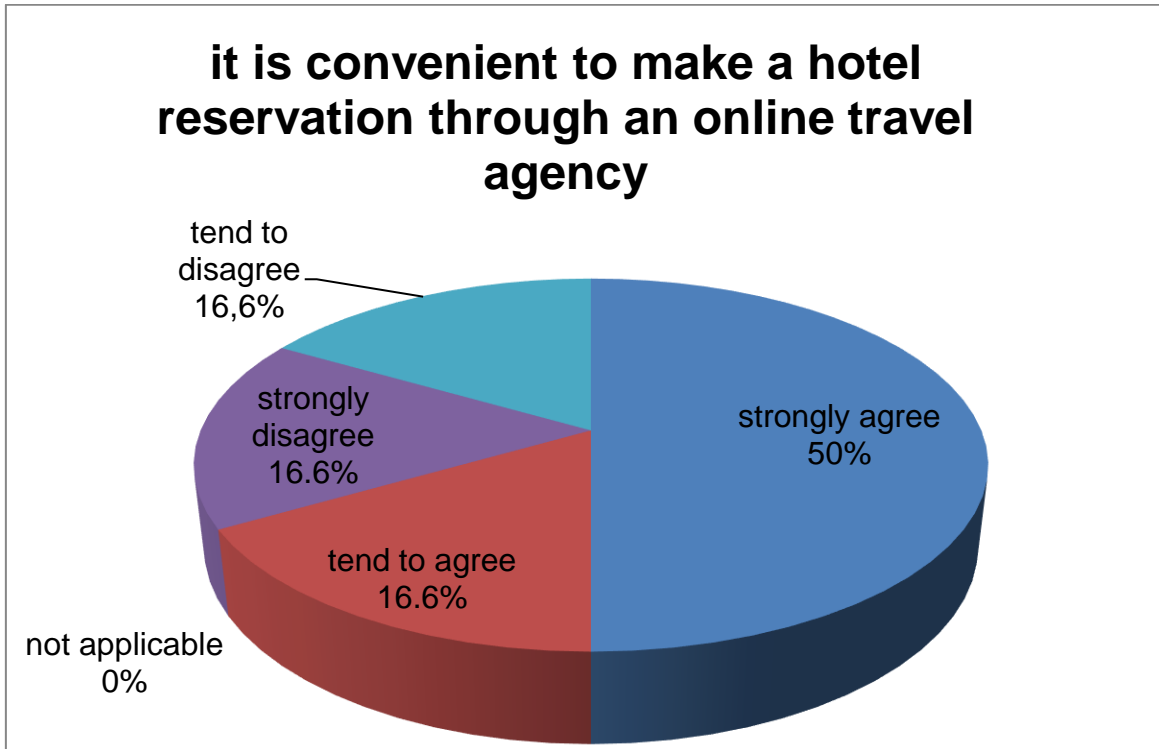


Figure 4.19: Convenience of making hotel reservations through an OTA, N=300, I=100%

Figure 4.19 shows that 50% (150) strongly agree that it is convenient to make a hotel reservation through an OTA, 16.6% (50) agree, 16.6% (50) strongly disagree and 16.6% (50) disagree. Gautam (2016:2) found that 47% of travellers said it was convenient to make a reservation through an OTA, while Ezeudiji and de Jager (2014:85) established in their study that 27% of respondents strongly agreed, 39.7% agreed, 3.2% strongly disagreed and 16.6% said the statement was not applicable. Thus, the findings in these two international studies support the findings of this current study.

Statement 8: It is convenient to make a hotel reservation directly through a hotel's website

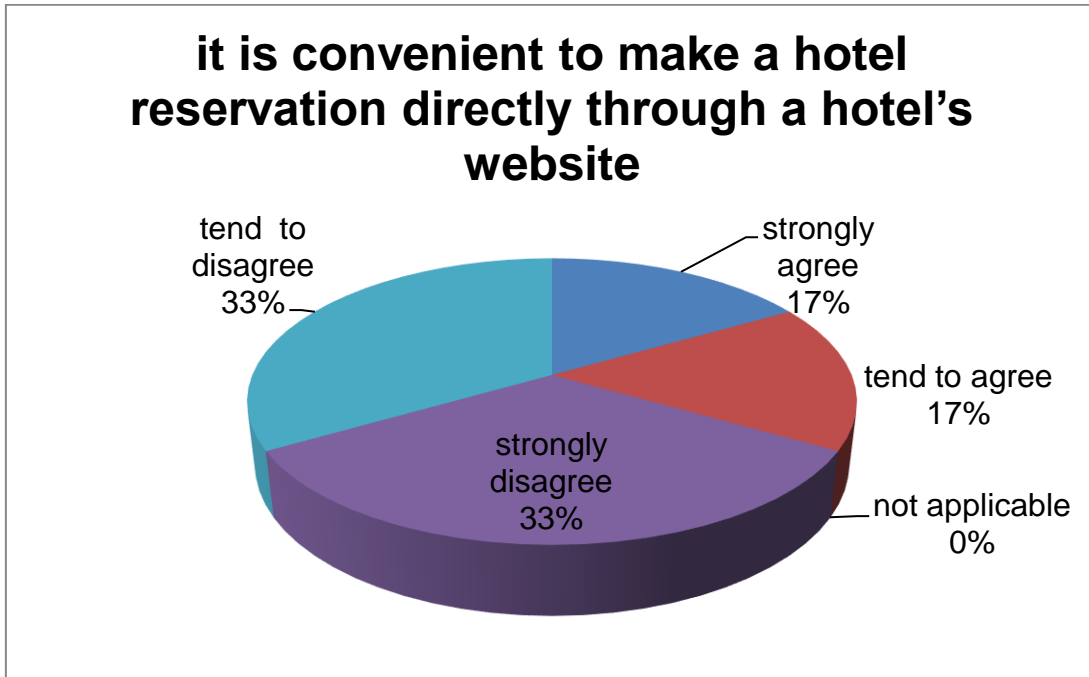


Figure 4.20: Convenience of making a hotel reservation on the hotel's website, N=300, I=100%

Figure 4.20 illustrates that 33% (100) strongly disagree that it is convenient to make a hotel reservation directly through a hotel's website, 33% (100) disagree, 17% (50) strongly agree and 17% (50) agree. According to May (2016:2), 54% of people said it is convenient to make a reservation directly with the hotel's website, which do not support the findings established in this study. The participant responses indicate that it is not convenient to make a hotel reservation directly through a hotel's website.

Statement 9: I use a laptop or computer to book my accommodation

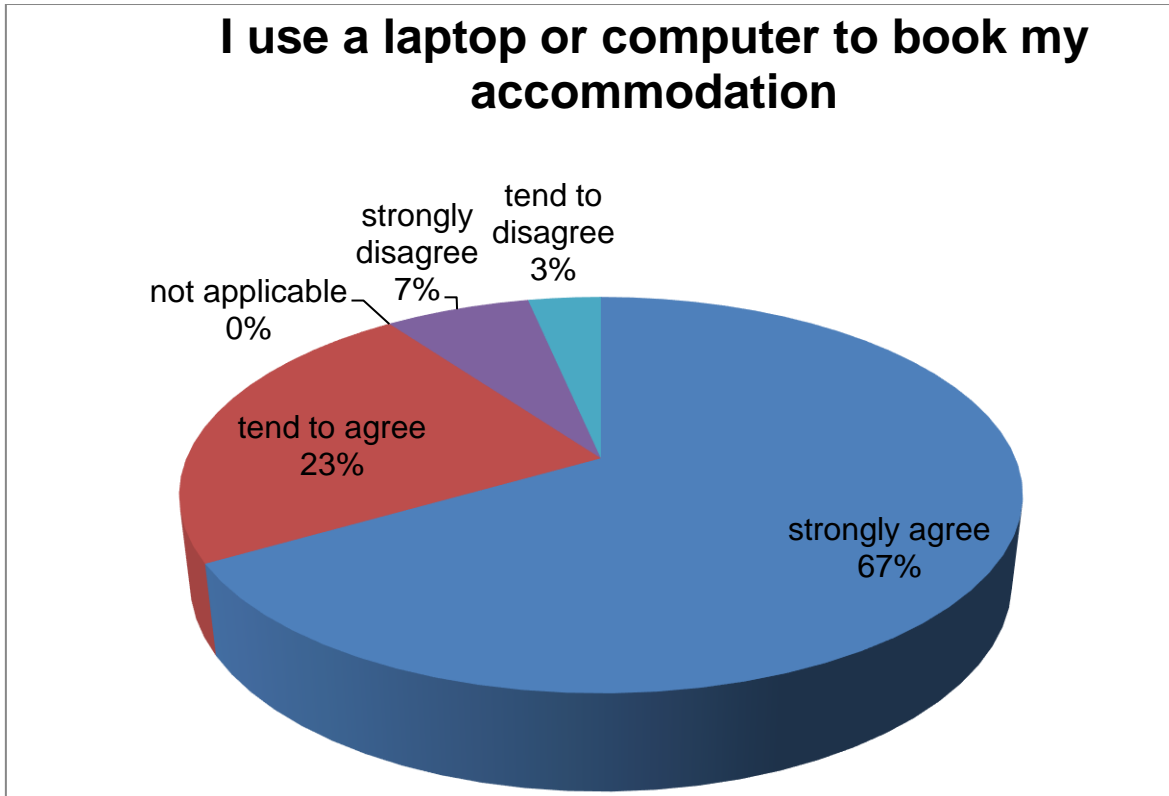


Figure 4.21: Participants use a laptop to make reservations, N=300, I=100%

Figure 4.21 indicates that 67% (200) of respondents strongly agree that they use a laptop or computer to book their accommodation, 23% (70) agree, 7% (20) strongly disagree, while 3% (10) disagree and 0% not applicable. These findings are not supported by any other research found. The conclusion is that a significant majority (90%) of guests use a laptop or a computer to make a reservation.

Statement 10: I use a phone to book my accommodation



Figure 4.22: Telephone use to make bookings, N=300, I=100%

Figure 4.22 shows that 33% (100) strongly disagree that they use their phone to book their accommodation, 17% (50) disagree, 33% (100) strongly agree, and 17% (50) agree. No supporting research could be found for this statement. As the data show, there is a 50/50 split between guests who use phones to make bookings and those who do not.

Statement 11: When I book a hotel online, I ensure that I get the best value

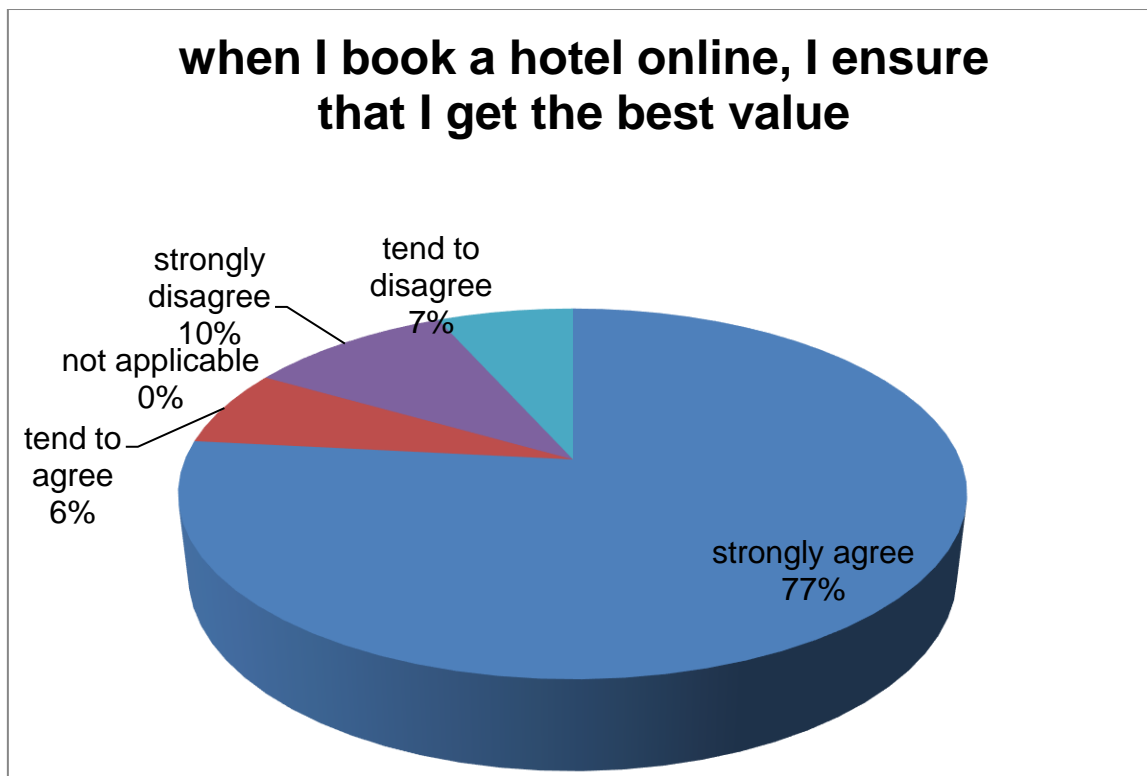


Figure 4.23: Participants seek value for money when booking accommodation, N=300, I=100%

Figure 4.23 indicates that 77% (230) strongly agree that they ensure that they get the best value when booking a hotel online, 6% (20) agree, while a combined 17% disagree or strongly disagree. No supporting or contradicting data could be found in existing studies for this statement. The conclusion is that a significant majority seek value for money when booking accommodation.

Statement 12: I always check hotel prices through online travel websites to ensure that I get the best value

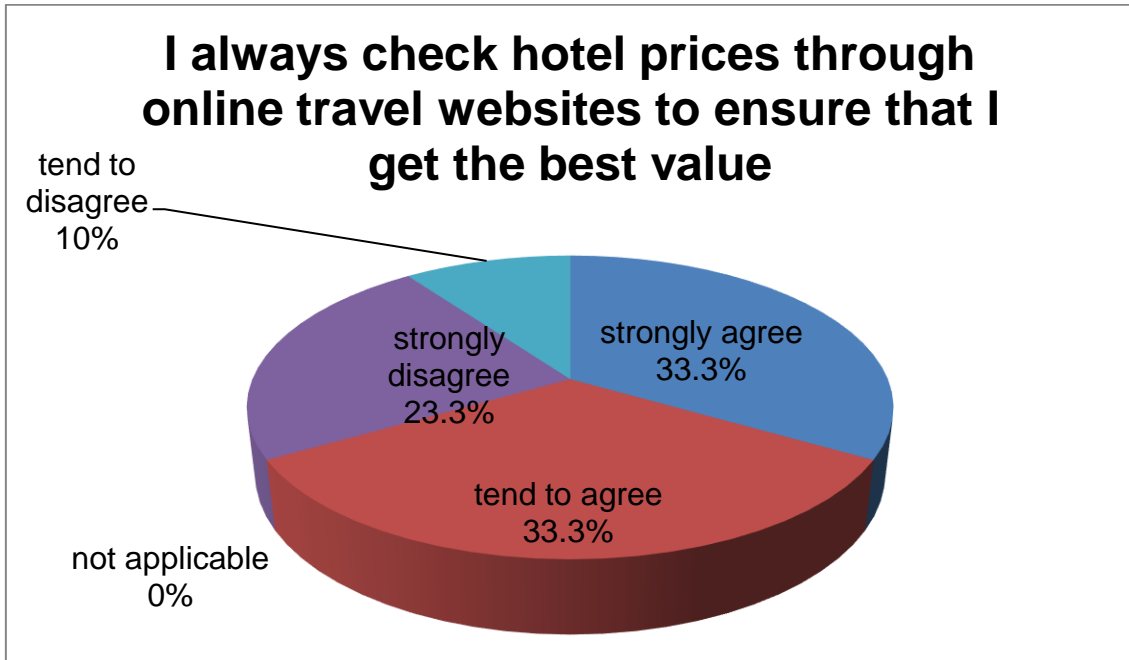


Figure 4.24: Participants check online travel websites to ensure value, N=300, I=100%

Figure 4.24 above illustrates that 33.3% (100) strongly agree that they always check the prices through online travel websites to ensure that they get the best value, 33.3% (100) agree with the statement, 23.3% (70) strongly disagree and 10% (30) disagree. No relevant supporting or contradicting data was found in existing research. The conclusion is that the majority of hotel guests check prices through OTAs to ensure that they get a reasonable price.

Statement 13: I always check hotel prices through hotel websites to ensure that I get the best value

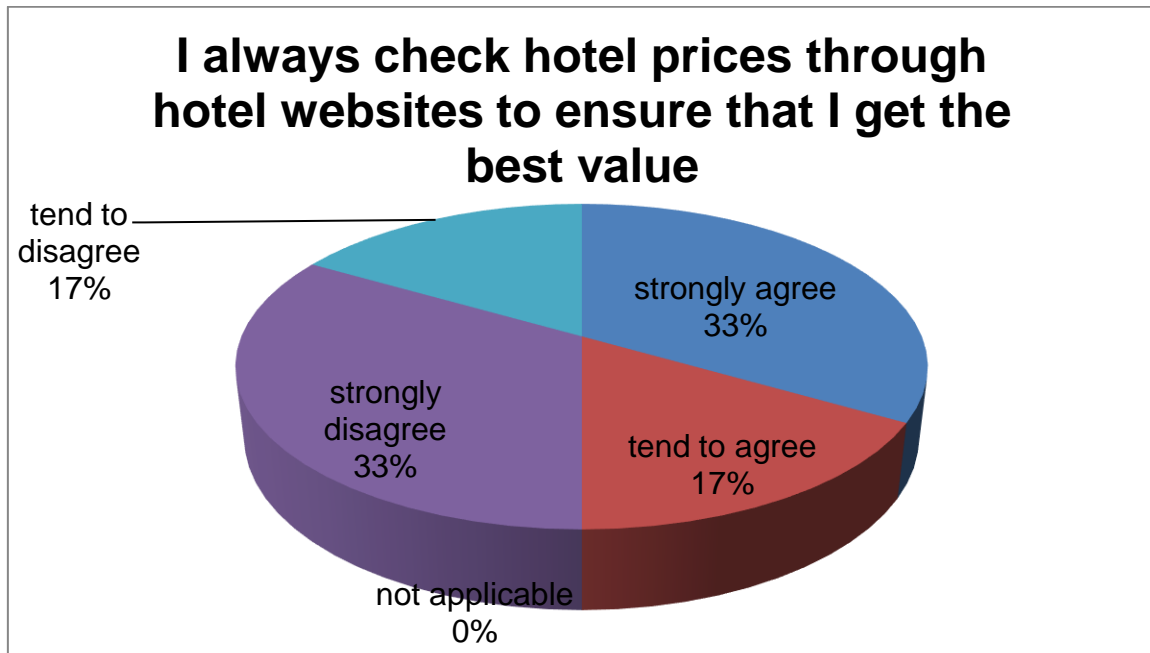


Figure 4.25: Participants check hotel websites for the best value, N=300, I=100%

Figure 4.25 above indicates that 33% (100) of participants strongly agree that they check hotel prices through hotel websites to ensure that they get the best value, 33% (100) strongly disagree, 17% (50) disagree, while 17% (50) agree. No supporting or contradicting sources could be found. Therefore, most hotel guests, before booking a room, check for cheaper prices on the hotel's website.

Statement 14: When purchasing a product, I always try to maximise the quality I get for the money I spend.

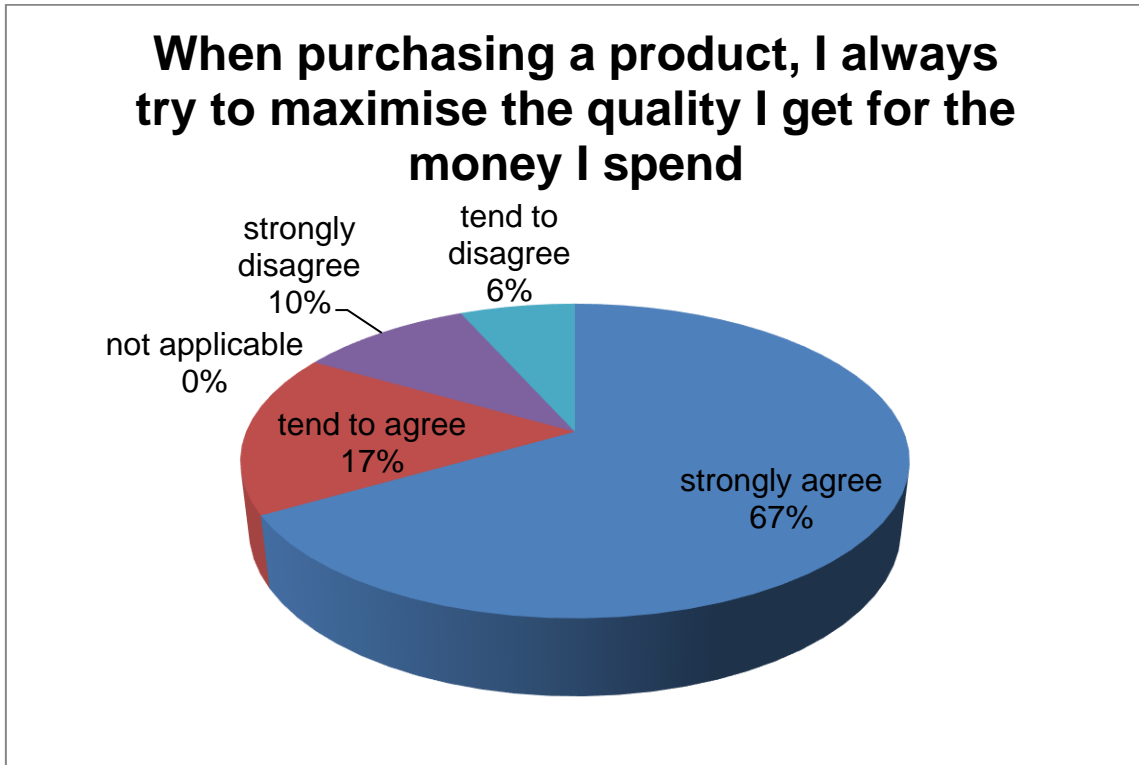


Figure 4.26: Participants maximise quality for money spent, N=300, I=100%

Figure 4.26 shows that 67% (200) strongly agree that when purchasing a product, they always try to maximise the quality they get for the money they spend, 6% (20) disagree, 17% (50) agree, and 10% (30) strongly disagree. No supporting research was found. The data presented show that most guests maximise quality for money spent before booking online or through a travel agent.

Statement 15: Using online travel websites is convenient to search for product and price information

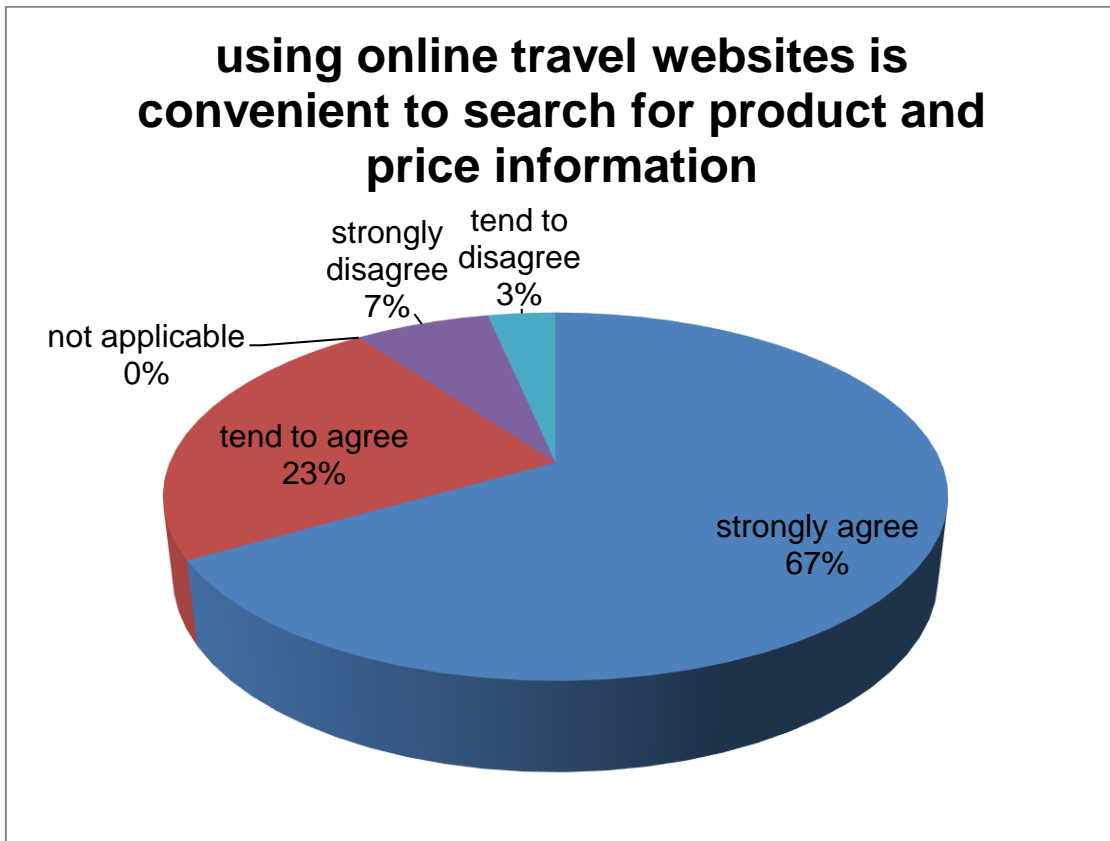


Figure 4.27: Online sites are convenient to search for product and price information, N=300, I=100%

Figure 4.27 above shows that 67% (200) of participants strongly agree that using online travel websites is convenient to search for product and price information, 23% (70) agree, 7% (20) strongly disagree and 3% (10) disagree. No supporting or contradicting studies could be found on this statement. The data presented show that a significant majority (90%) of respondents agree that online sites are convenient to gather or search for information.

Statement 16: Using a hotel's website is convenient to search for product and price information

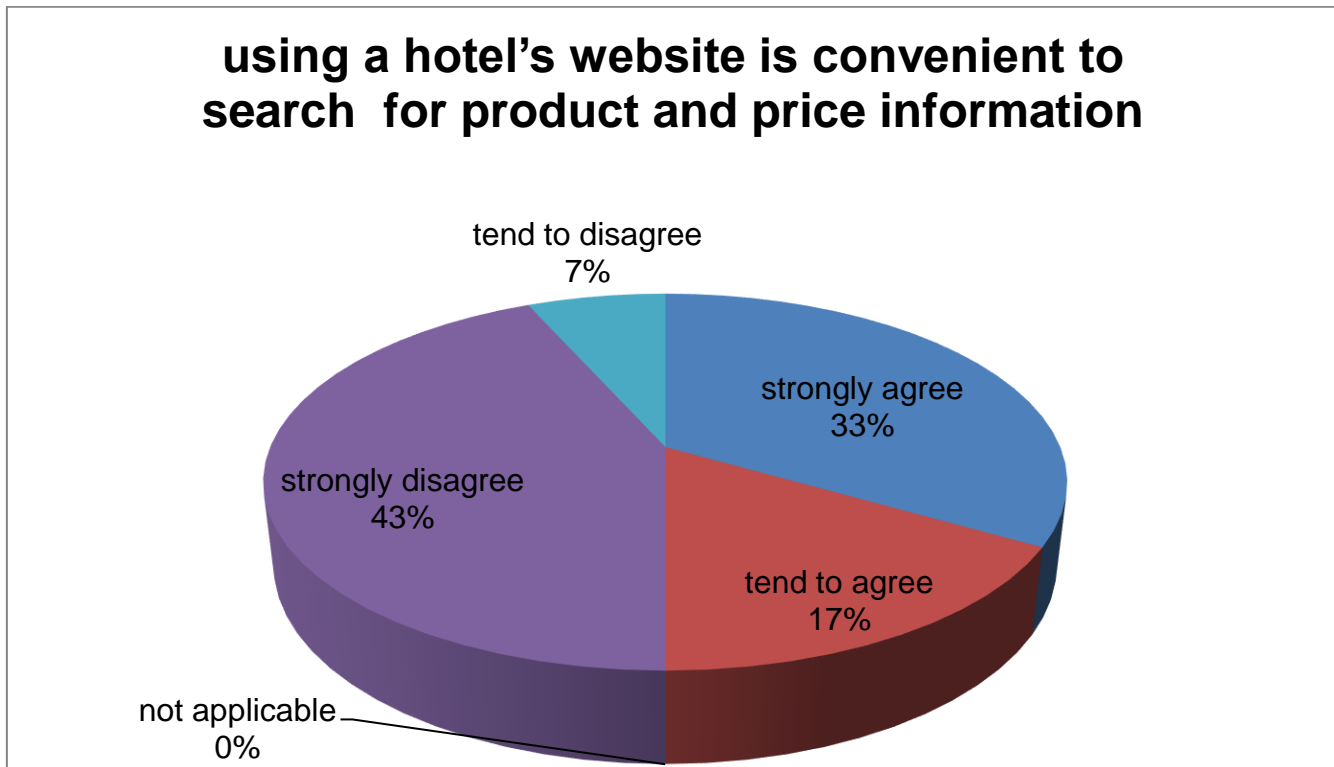


Figure 4.28: Participants use a hotel's website for information, N=300, I=100%

The above chart indicates that 33% (100) strongly agree that using the hotel's website is convenient to search for products and services, 17% (50) agree, 43% (130) strongly disagree, and 7% (20) disagree. This reveals a 50/50 split in participants agreeing or disagreeing. According to May (2016:2), 54% of people surveyed said it is convenient to search for information on products and prices using the hotel's website. Usually, online booking provides easy accessibility at any time and any place that may influence consumer booking behaviour. Alipour et al. confirmed that a company website was more like a counter in a retail store, giving people access to the products or services they wanted. This allowed the customers to have the convenience of finding the various elements related to their trips on the same website they booked their hotel accommodations on online.

Statement 17: When I book a hotel room through a travel intermediary I am concerned about sending my credit card details

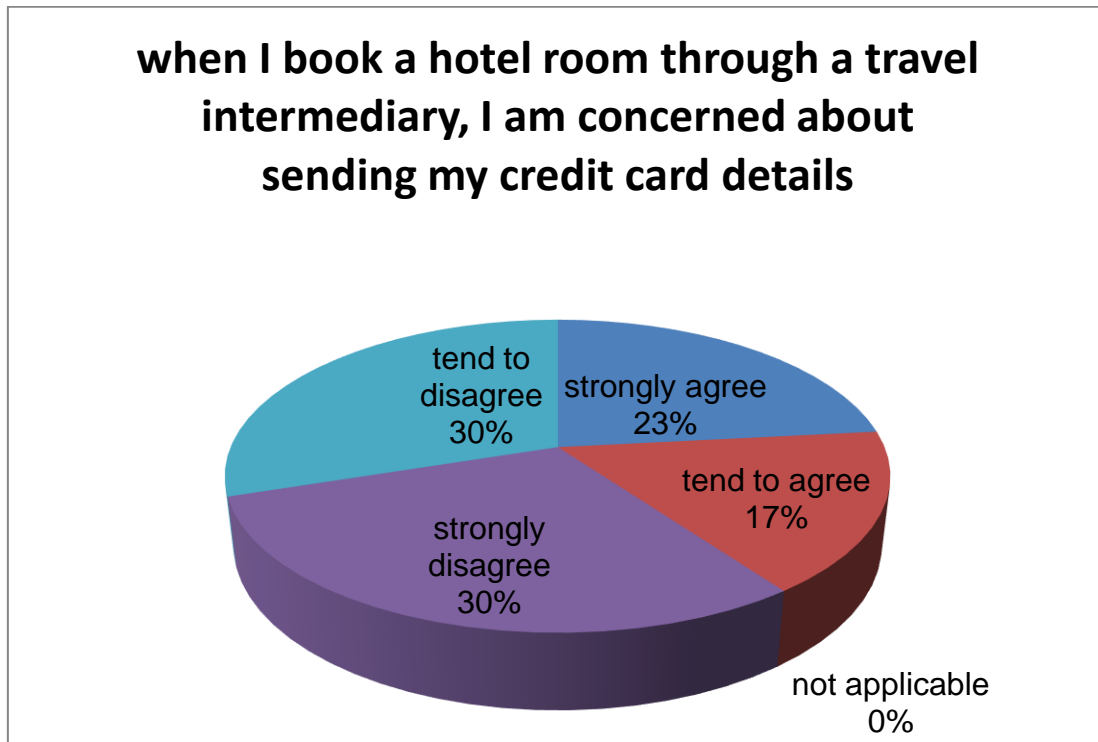


Figure 4.29: Participants concerns when providing credit card details, N=300, I=100%

The data collected shows that 30% (90) of participants strongly disagree that they are concerned about sending their credit card details when booking a hotel room through an intermediary, 30% (90) disagree, 23% (70) strongly agree and 17% (50) agree. No existing research supporting or contradicting this data could be found. Based on the above data, most participants (60%) are not concerned about sending their credit card details when making a booking. This suggests that the majority prefer booking via OTAs rather than with a hotel because it is easier to provide credit card details and the participant has immediate confirmation of the booking.

Statement 18: OTAs prices are cheaper than hotel prices

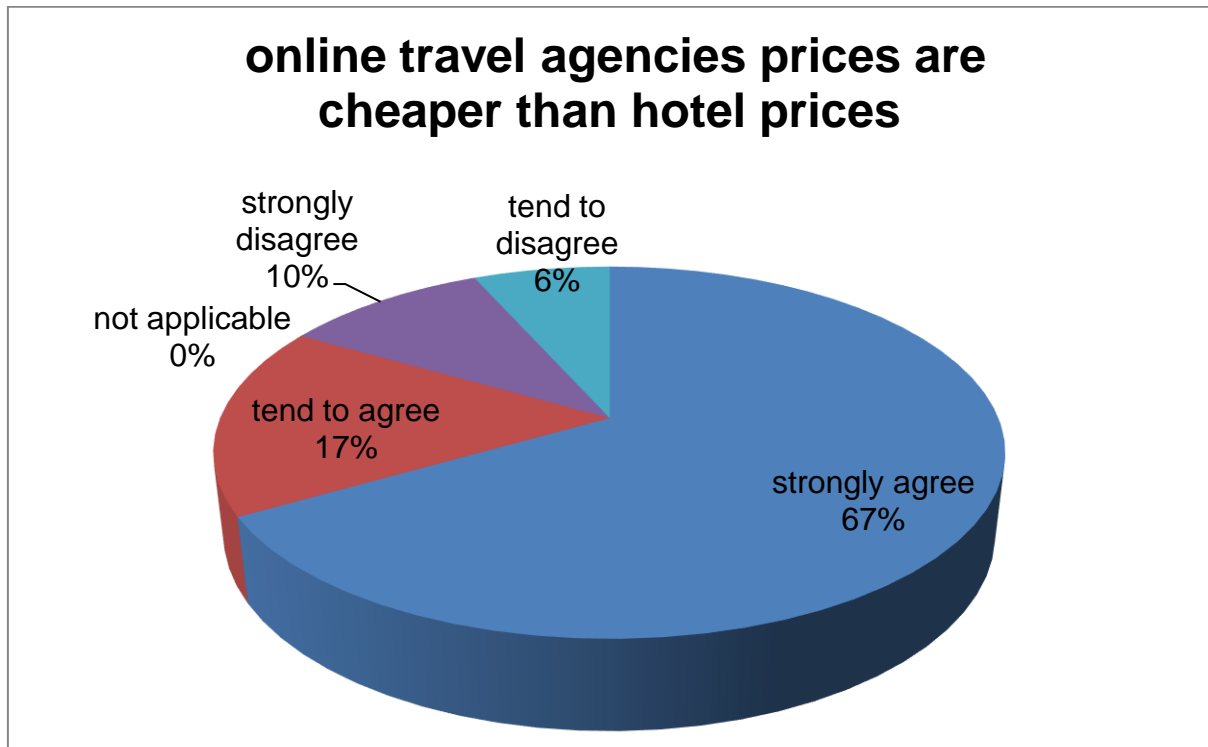


Figure 4.30: Participants' perceptions of OTA prices being cheaper than hotels, N=300, I=100%

Figure 4.30 shows that 67% (200) of participants strongly agree that OTA prices are cheaper than hotel prices, 17% (50) agree, 10% (30) strongly disagree, and 6% (20) disagreed. May (2016:1) reports that 75% of people said OTAs prices are cheaper than hotel prices, while research conducted by Ezeuduji and de Jager (2014:87) found that 26.2% strongly agreed, 36.8% agreed, 16% disagreed, 4.2% strongly disagreed, and 16.8% said the question was not applicable. Some scholars demonstrated that, if hotel customers want lower prices, they would typically book online.

These two sources offer strong support for the current study's findings that travel agency accommodation prices are perceived as cheaper than hotel prices.

Statement 19: Hotel prices are cheaper than OTAs prices

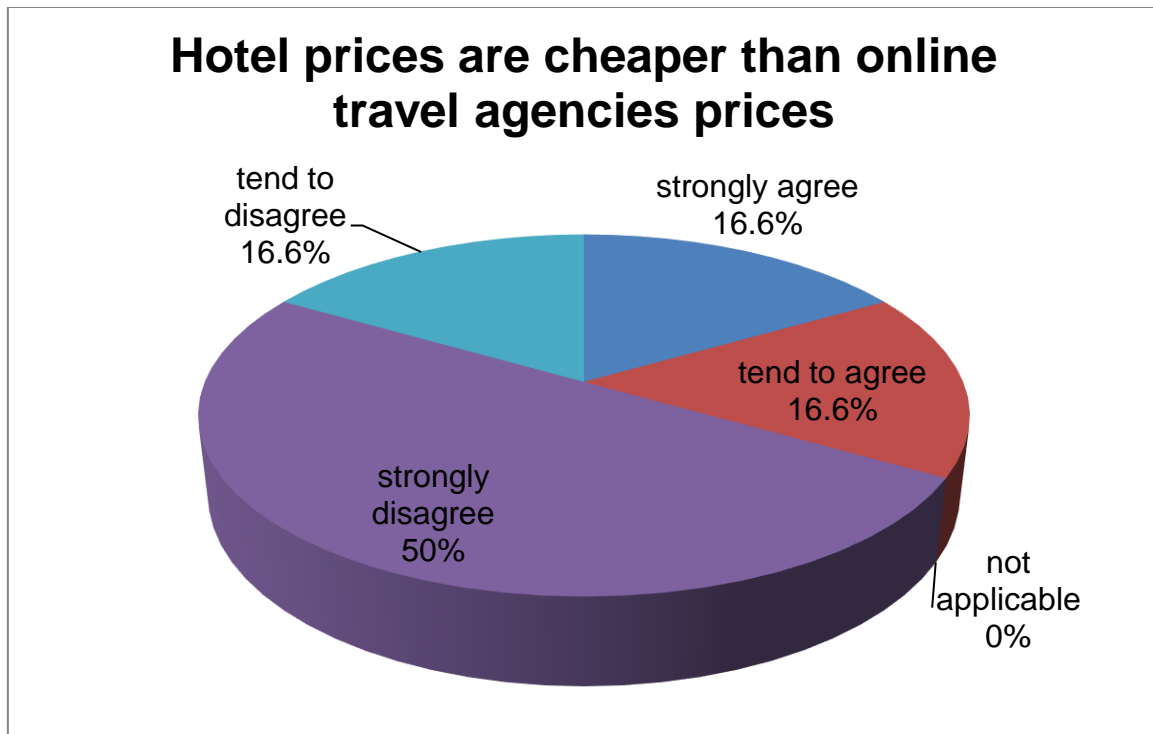


Figure 4.31: Participants perceptions of hotel prices being cheaper, N=300, I=100%

Figure 4.31 shows that 50% (150) of participants strongly disagree that hotel prices are cheaper than OTAs prices, 16.6% (50) disagree, 16.6% (50) strongly agree, while 16.6% (50) agree. These findings correlate with question 30. Navarro (2017:1) found that 21% of bookings were cheaper when made via an OTA and 66% of hotels had the same price as an OTA. Navarro also mentioned that OTAs offer cheaper prices, at an average of 4.2%, but that direct bookings are less expensive by an average of 3.8%. The current study agrees with the Navarro (2017:1) data.

Statement 20: OTAs are trustworthy

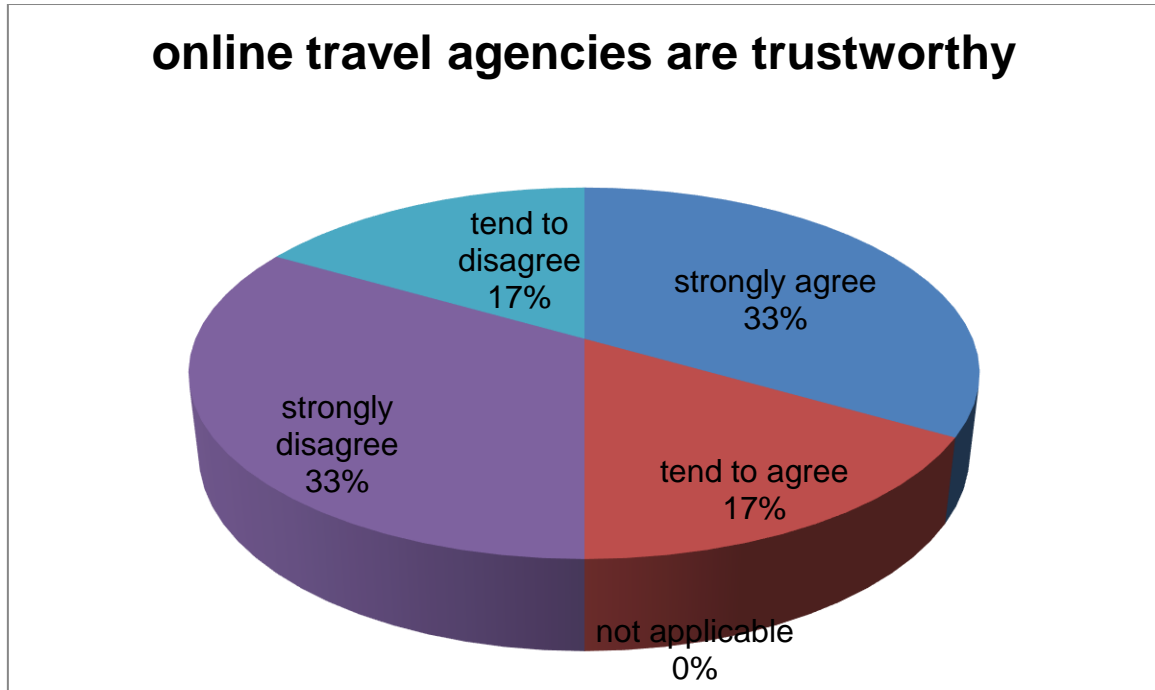


Figure 4.32: Online travel agents are trustworthy, N=300, I=100%

Figure 4.32 shows that 33% (100) of participants strongly agree that online travel agents are trustworthy, 17% (50) agree, 17% (50) disagree and 33% (100) strongly disagree, showing a 50/50 split in opinion with no conclusive result gained from this study. Ezeudji and de Jager (2014:82) found that 24% strongly agreed and 28% agreed that OTAs are trustworthy, which suggests that travellers could work through an online travel agent.

Statement 21: Hotels are trustworthy

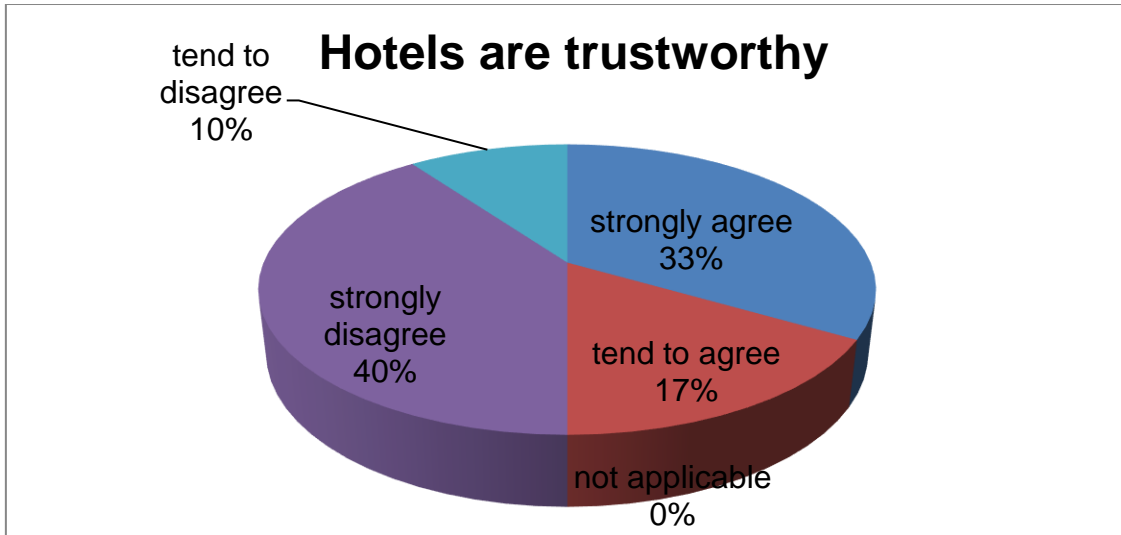


Figure 4.33: Hotel are trustworthy, N=300, I=100%

Figure 4.33 above shows that 40% (120) of participants strongly disagree that hotels are trustworthy, 10% (30) disagree, while 33% (100) strongly agree and 17% (50) agree that hotels are trustworthy. According to Kim et al. (2017:9), only 6% of their study respondents had trust in hotels, which is in stark contrast with the findings of the current study.

Statement 22: I can search for travel information at any place using the Internet

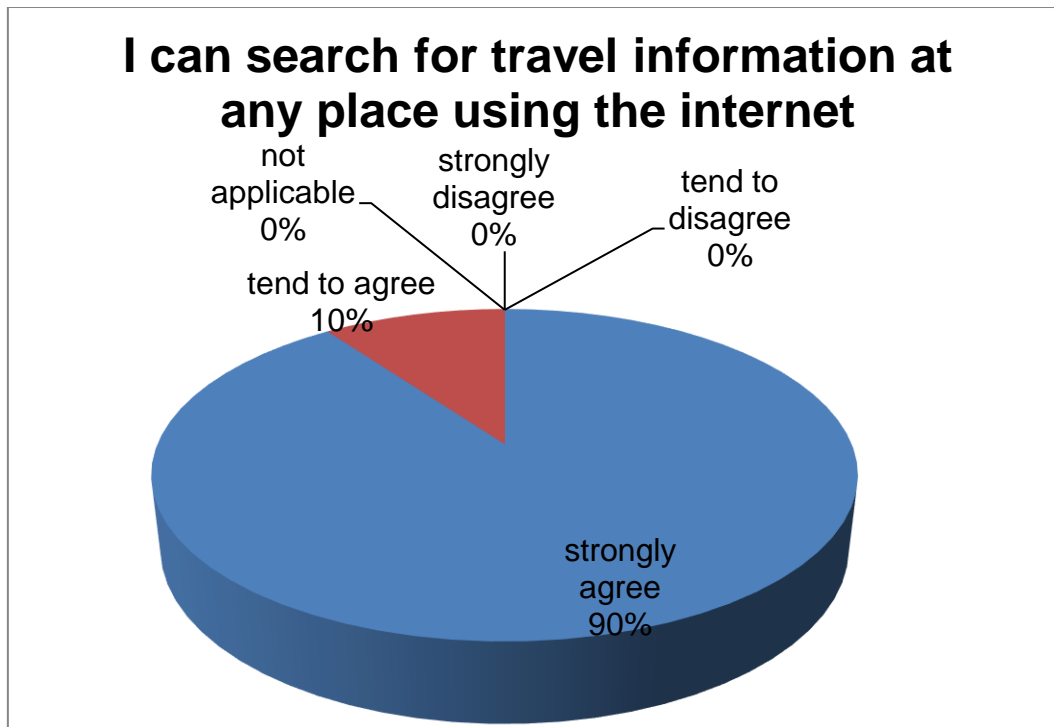


Figure 4.34: Information is freely available using the Internet, N=300, I=100%

Figure 4.34 shows that 90% (270) of respondents strongly agree that they can search for travel information at any place using the Internet, with a further 10% (30) agreeing. No relevant supporting nor contradicting information could be found on the availability of internet information. Based on the above data, all participants agree that the Internet is convenient for them to search for travel information from the comfort of their homes or any place.

Statement 23: I find the holiday packages (flights, car rental and accommodation) arranged by online travel sites convenient for me

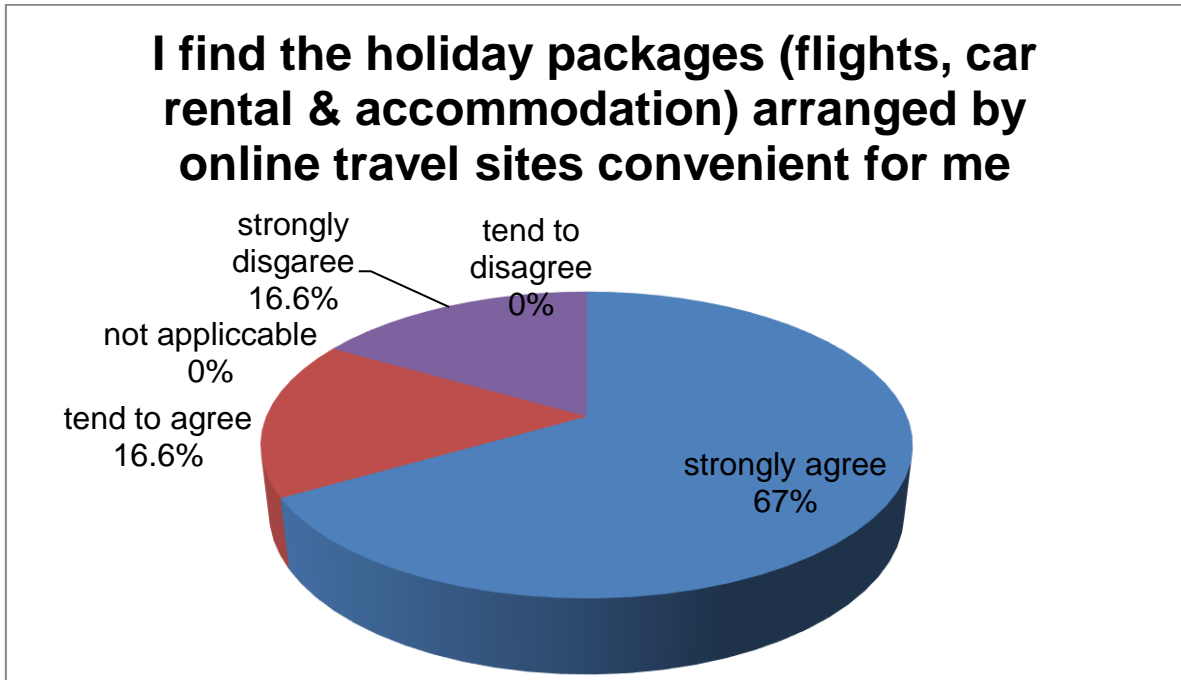


Figure 4.35: Participants found arranging online holiday packages convenient, N=300, I=100%

Figure 4.35 indicates that 67% (200) strongly agree that holiday packages arranged by online travel sites are convenient for them, 16.6% (50) agree, and 16.6% (50) strongly disagree. Ezeuduji and de Jager (2014:26) found that travellers who book flights personally prefer using an OTA, and those booking travel packages prefer direct contact with the online travel agent, which strongly supports the findings of the current study.

Statement 24: Money is not an influencing factor in my decision to use a travel agent or book a hotel product directly

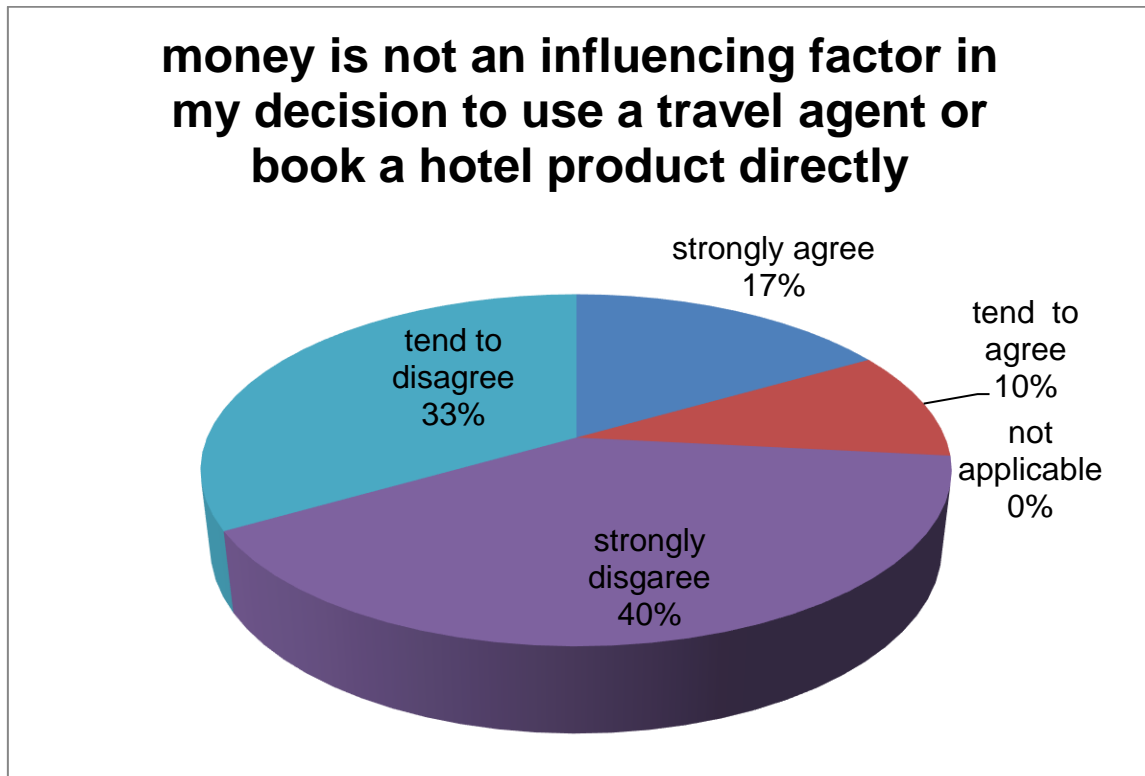


Figure 4.36: Money does not affect my booking decisions, N=300, I=100%

Figure 4.36 indicates that 40% (120) strongly disagree that money is not an influencing factor in their decision to either use a travel agent or book a hotel product directly and 33% (100) disagree, while 17% (50) strongly agree and 10% (30) agree. Pinto and Castro (2019:9) argue that:

“Price still exerts a significant influence on the reservation intention of online consumers, arguing that high- priced products can prevent the realisation of the reserve since the risk perception increases. Promotions that provide money-saving are the only ones that motivate a consumer response. Consumers with more financial constraints are no more prone to promotions than consumers with a higher economic leve”l.

The findings of Pinto and Castro (2019:10) are in strong contrast with the information obtained in the current study, which can therefore not be generalised.

Statement 25: The more I travel, the more comfortable I feel to purchase luxury travel products directly from the hotel without going through an intermediary

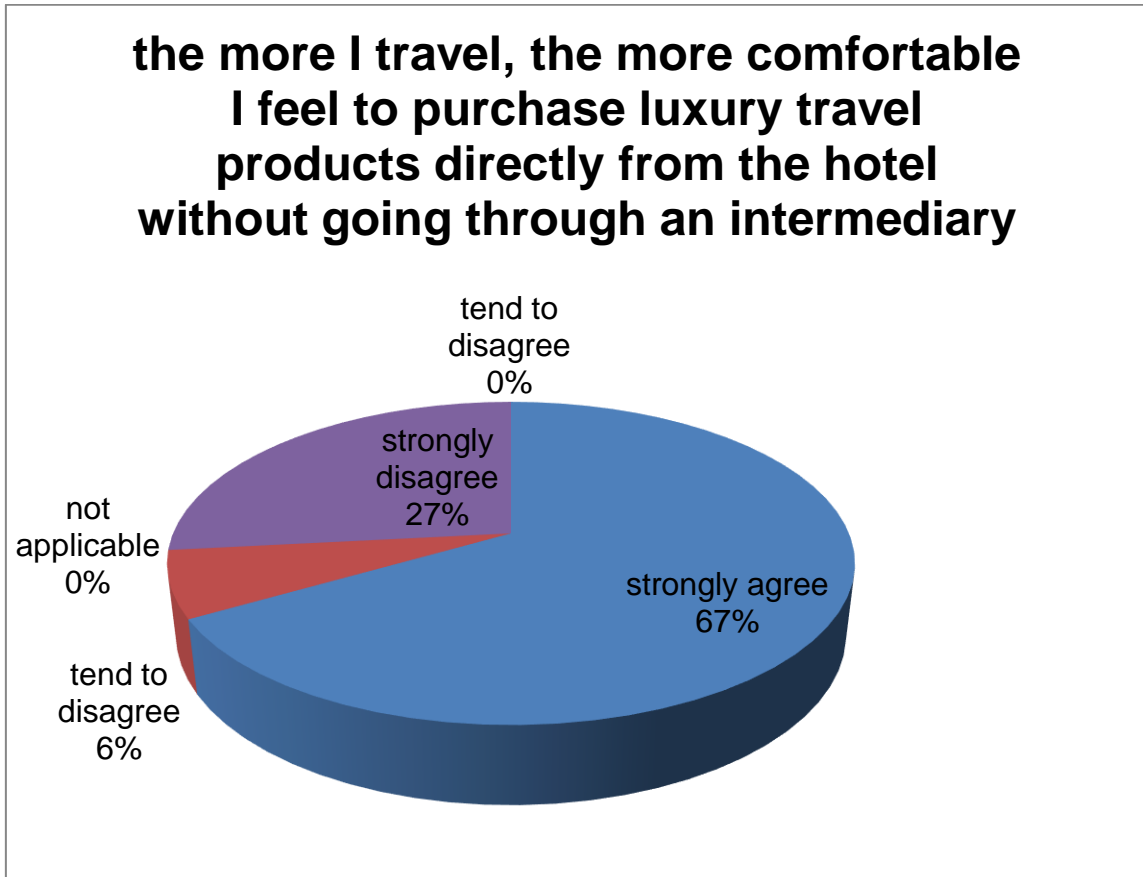


Figure 4.37: The more I travel, the more comfortable I feel to purchase luxury travel products directly from the hotel without going through an intermediary, N=300, I=100%

Figure 4.37 indicates that 67% (200) of respondents strongly agree that they feel comfortable purchasing luxury travel products directly from the hotel, while 6% (20) disagree, and 27% (80) strongly disagree. Greensill (2016:74) found that the influence before visitations had on knowledge creation, and the corresponding effect on purchase channel choice, is appropriate.

The following statements are unique to this study (not based on previous related studies), so supporting studies could not be consulted.

Statement 26: Using an OTA does not save time in the purchasing process as direct bookings can be performed almost instantaneously

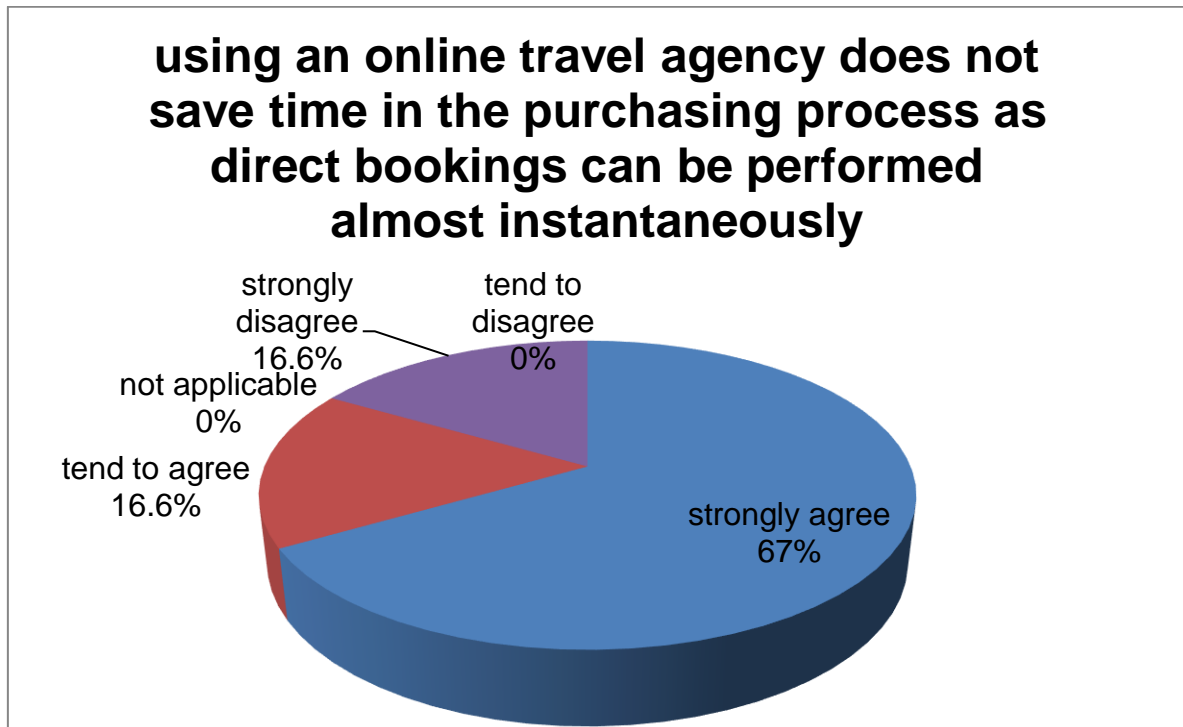


Figure 4.38: Using an OTA does not save purchasing time, N= 300, I=100

Figure 4.38 shows that 67% (200) of participants strongly agree that using an OTA does not save time in the purchasing process as direct bookings can be performed almost instantaneously; 16.6% (50) agree, and 16.6% (50) strongly disagree. The findings in this study could not be supported or dismissed through any other relevant study. Therefore, most participants in this study agree it is time consuming to use an OTA as opposed to making a reservation directly with the hotel.

Statement 27: Using an OTA reduces the chances that I will be disappointed due to a hotel specific tastes and expectation

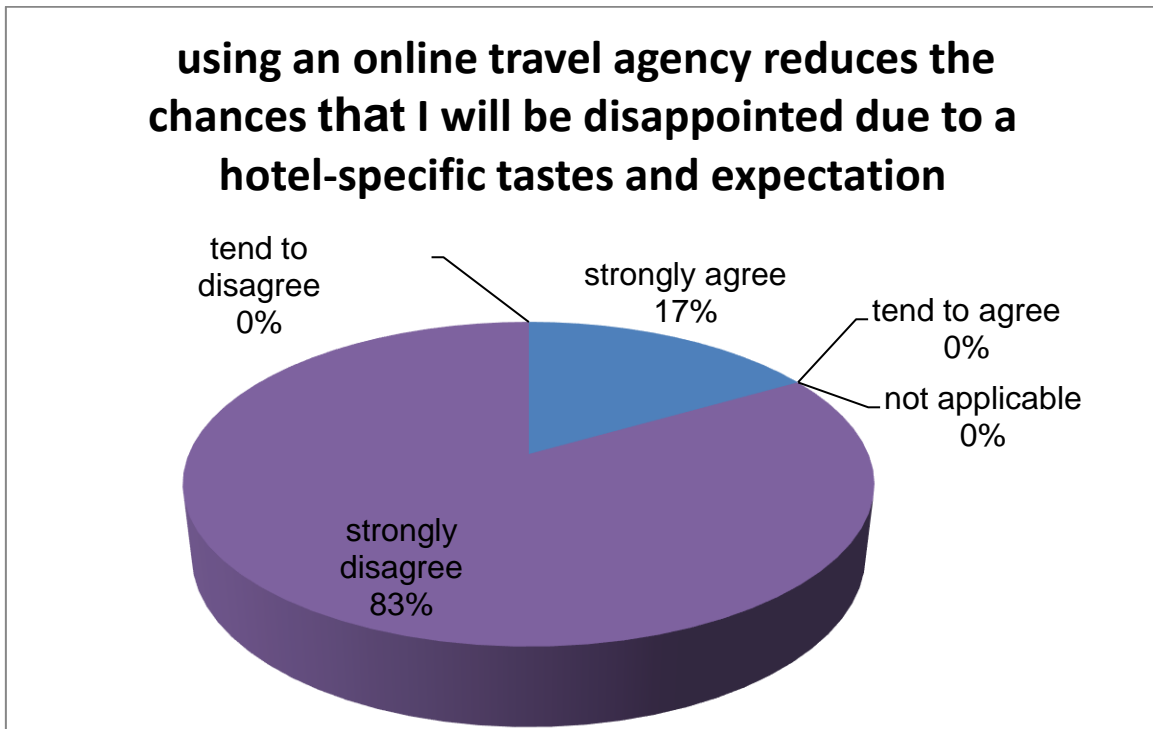


Figure 4.39: Using an OTA reduces the chances that I will be disappointed due to a hotel-specific tastes and expectation, N= 300, I=100%

The data displayed in Figure 4.39 could not be verified or dismissed by referring to other relevant studies. The chart shows that 83% (250) of participants strongly disagree that using an OTA reduces potential disappointment due to hotel-specific tastes and expectation, while 17% (50) strongly agree (there were no intermediate views). A high percentage of respondents disagree that using an OTA reduces the chances that they will be disappointed with the taste and expectation of the hotel, meaning what they see on an OTA's website is what they get. This statement also seems to suggest that guests prefer handling their own reservations.

Statement 28: The financial outlay involved in booking a hotel influences my decision to make use of an online travel agent

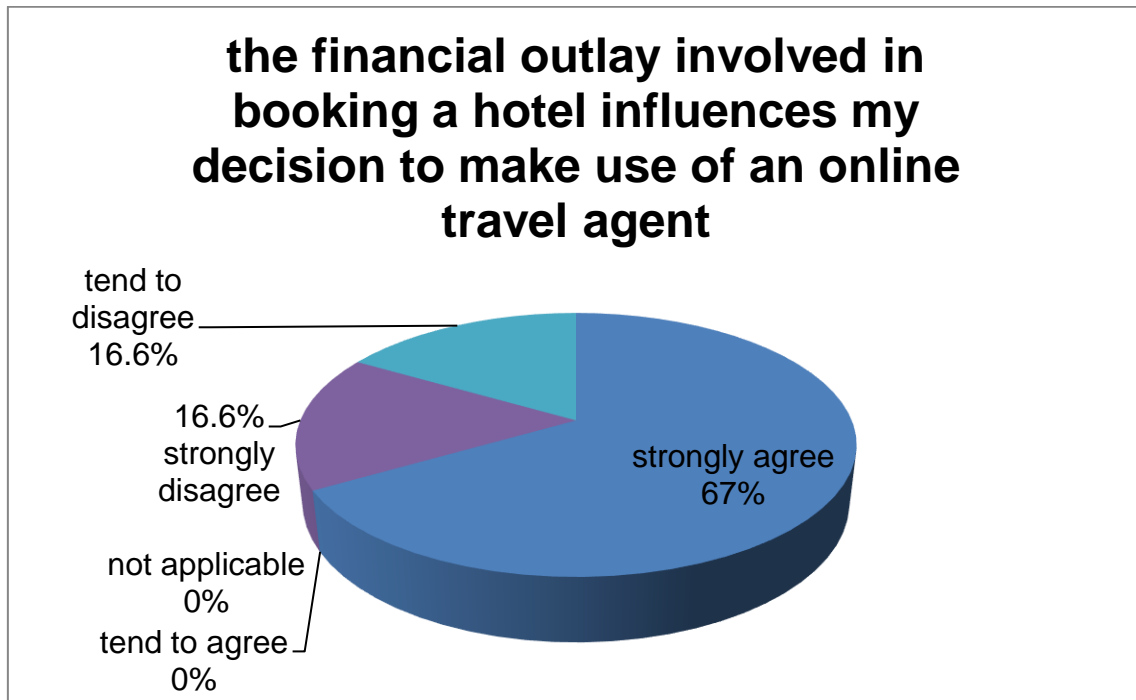


Figure 4.40: Financial outlay involved in booking a hotel influences my decision to make use of an online travel agent, N=300, I=100%

Figure 4.40 indicates that 67% (200) of respondents strongly agree, 16.6% (50) strongly disagree, and 16.6% (50) disagree that the financial outlay involved in booking a hotel influences their decision to make use of an online travel agent. No other supporting or contradicting data could be found in existing studies. The above chart suggests that most respondents said money plays a big role in their decision to use an OTA.

Statement 29: Time constraints in my daily life make me use an OTA to book a hotel

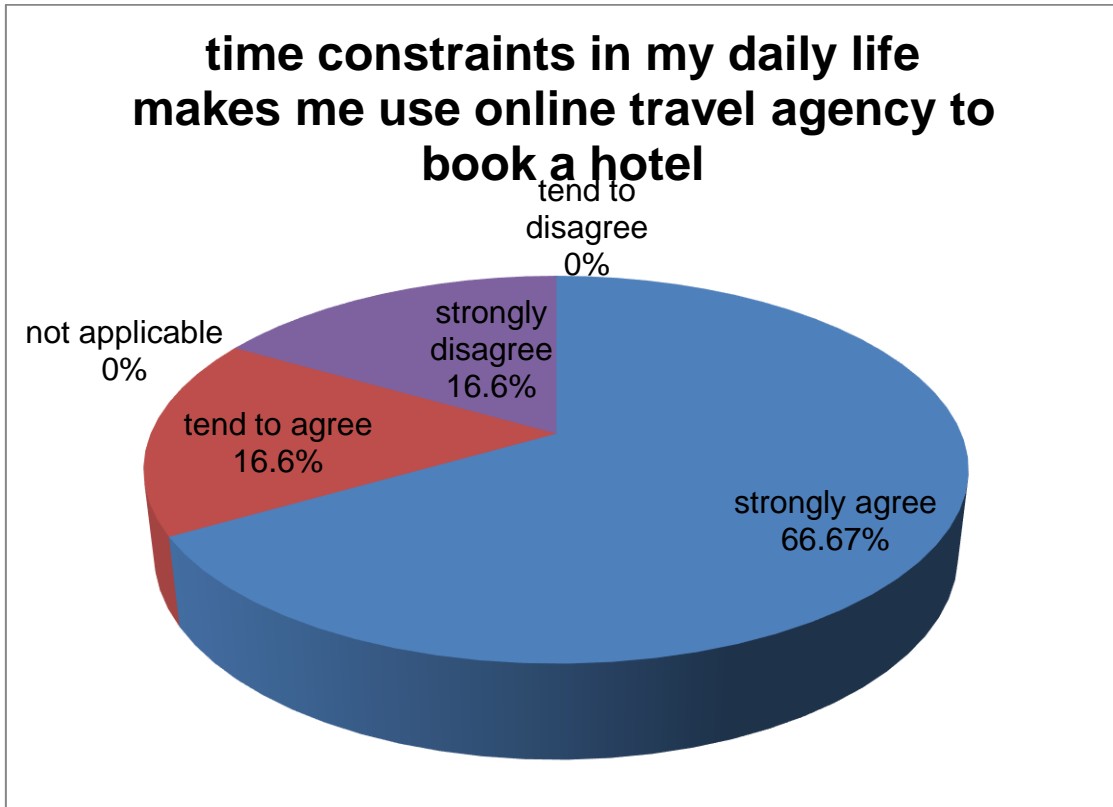


Figure 4.41: Time constraints in my daily life make me use an OTA to book a hotel, N=300, I=100%

Figure 4.41 shows that 66.67% (200) of respondents strongly agree with this statement, 16.6% (50) agree, and 16.6% (50) strongly disagree. No relevant supporting or contradicting information could be found on this statement. The above data demonstrate that a high percentage of respondents agree that their busy schedule influences them to book a hotel via an OTA.

Statement 30: I am unwilling to risk a poor experience by booking a hotel without the help of an online travel agency

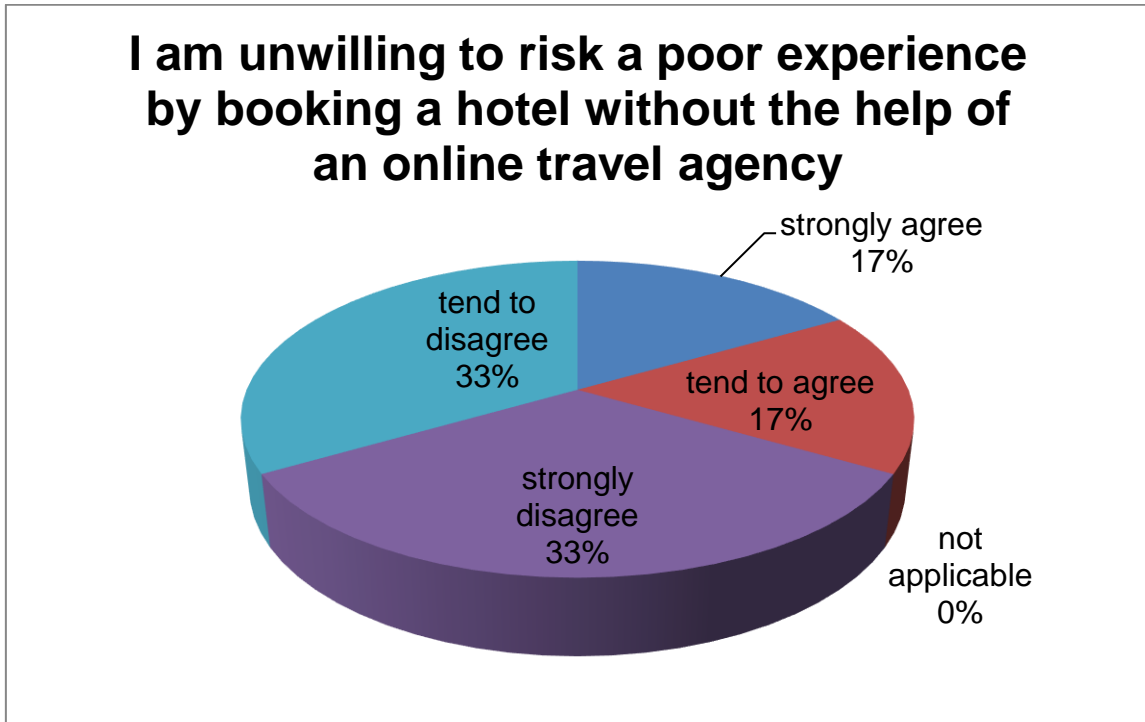


Figure 4.42: I am unwilling to risk a poor experience by booking a hotel without the help of an OTA, N=300, I=100%

Figure 4.42 shows that 17% (50) of respondents strongly agree that they are unwilling to risk a poor experience by booking a hotel without the help of an OTA, 17% (50) agree, 33% (100) strongly disagree, and 33% (100) disagree. The findings of the current study could not be verified from other relevant studies. The result is rather conclusive with a 66/34% split of responses, again suggesting that guests wish to manage their own reservations to ensure they get what they want .

Statement 31: The knowledge I have of a destination impacts whether I will use a hotel or an OTA to book a hotel

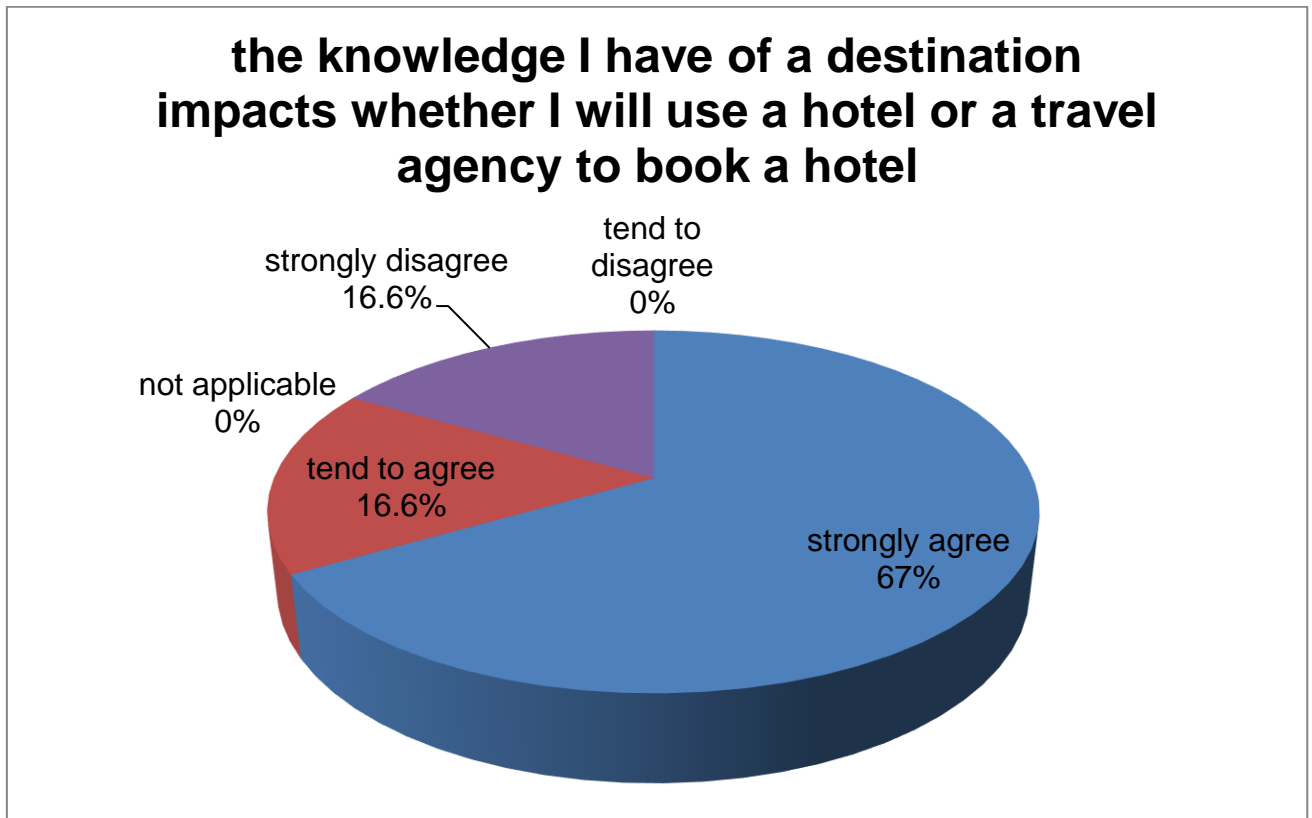


Figure 4.43: The knowledge I have of a destination impacts whether I will use a hotel or an OTA to book a hotel, N=300, I=100%

Figure 4.43 indicates that 67% (200) of respondents strongly agree that the knowledge they have of a destination impacts whether they will use a hotel or an OTA to book a hotel, 16.6% (50) agree, and 16.6% (50) strongly disagree. No verifying or contradicting data could be found. Therefore, the knowledge of a destination appears to affect the decision-making of either booking with the hotel or an OTA.

Statement 32: I believe that I am able to put together a luxury trip that is better suited to my tastes and experiential preferences than an intermediary such as an online travel agent

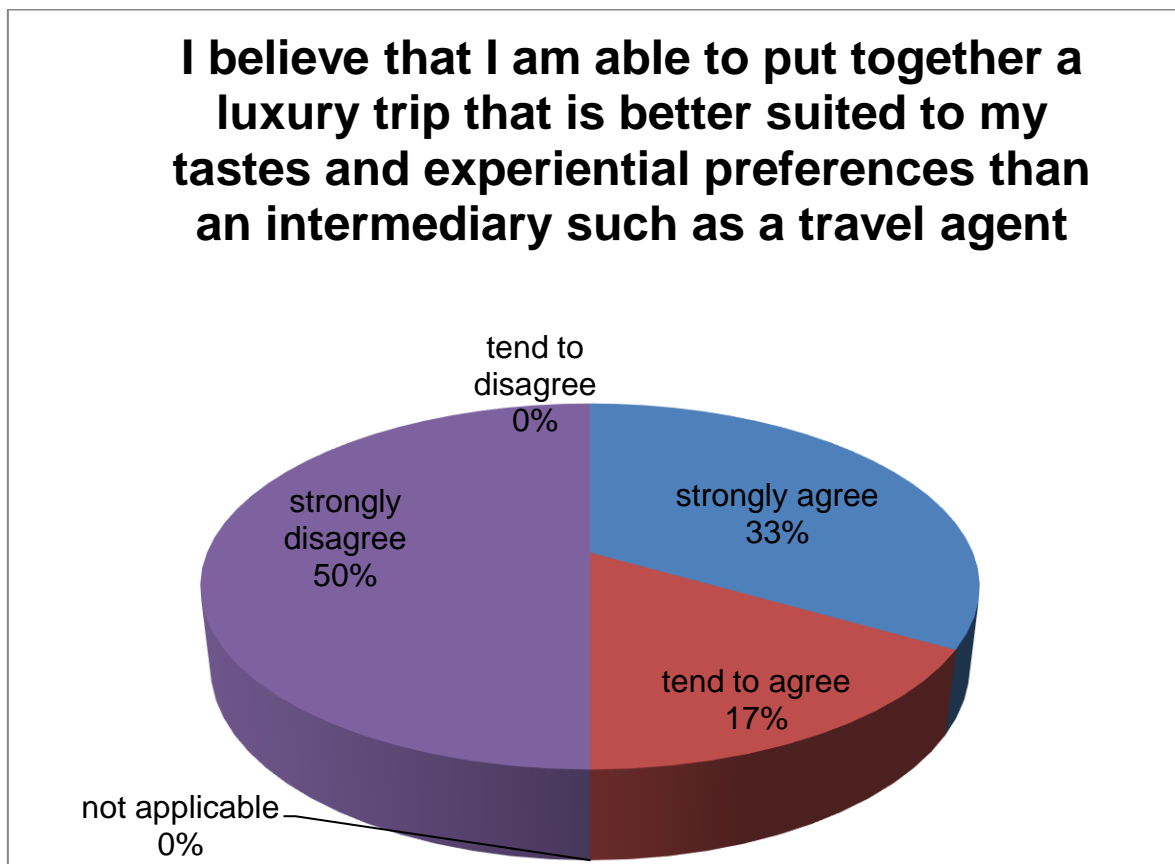


Figure 4.44: I believe that I am able to put together a luxury trip that is better suited to my tastes and experiential preferences than an intermediary such as an online travel agent, N=300, I=100%

Figure 4.44 shows that 50% (150) of respondents strongly disagree that they can put together a luxury trip that is better suited to their tastes and experiential preferences than an intermediary, such as an online travel agent, can do; 33% (100) strongly agree, and 17% (50) agree. This information could not be verified from other relevant studies. The results are inconclusive, indicating a 50/50 split on whether hotel guests can or cannot put together a luxury trip that better suits their tastes and preferences than an OTA can.

Statement 33: Recommendations or reviews motivate my choice of booking with an OTA or directly with the hotel

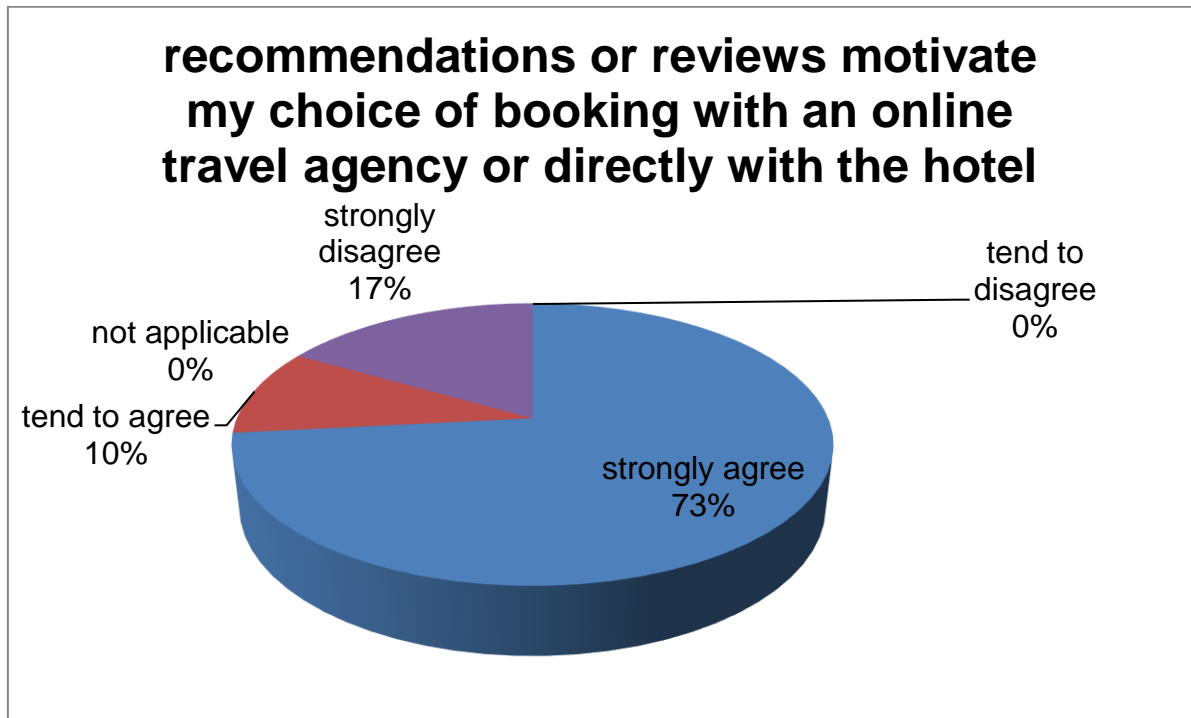


Figure 4.45: Recommendations or reviews motivate my choice of booking with an OTA or directly with the hotel, N=300, I=100%

Figure 4.45 shows that 73% (220) of respondents strongly agree that recommendations or reviews motivate their choice of booking with an OTA or directly with the hotel, 10% (30) agree, and 17% (50) strongly disagree. Relevant supporting studies were not available to verify the data in this study. Therefore, good or bad reviews DO impact the choice of booking with an OTA or with a hotel.

Statement 34: Finding specific travel information online is easy

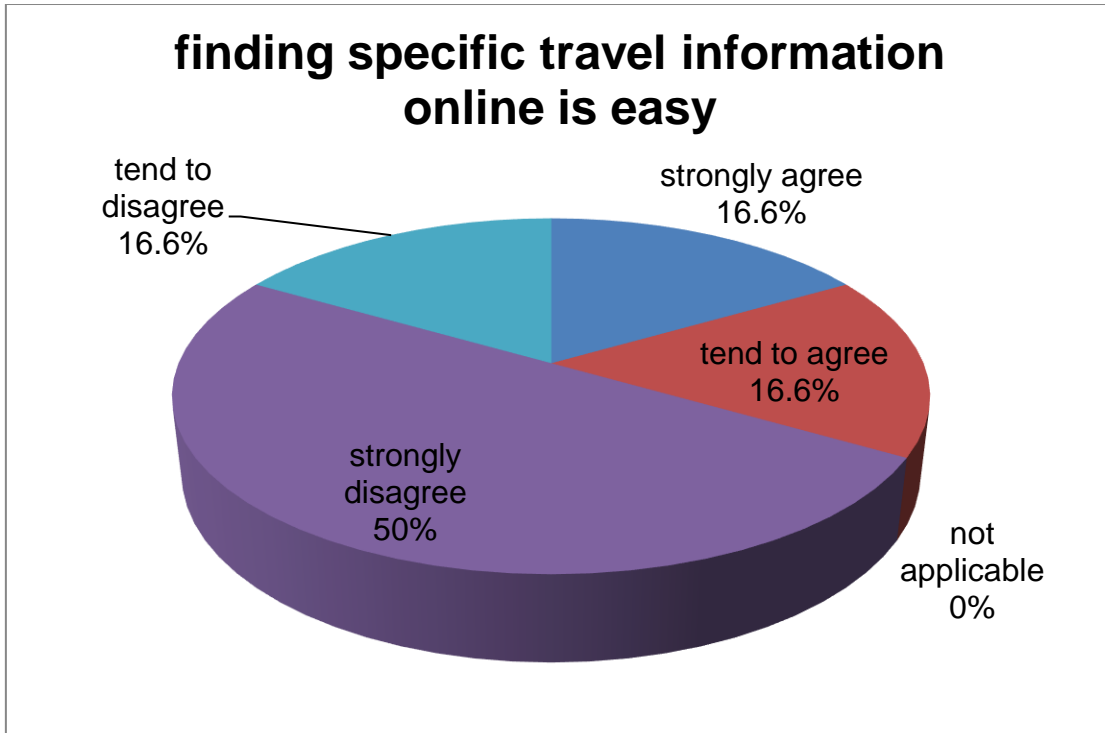


Figure 4.46: Finding specific travel information online is easy, N=300, I=100%

Figure 4.46 shows that 50% (150) of respondents strongly agree that finding specific travel information online is easy, 16.6% (50) disagree, 16.6% (50) strongly agree, and 16.6% (50) agree. Data presented show that most hotel guests in the participating Cape Town hotels agree that it is easy to find specific travel information online.

Statement 35: I need expert advice in choosing between hotels



Figure 4.47: I need expert advice in choosing between hotels, N=300, I=100%

Figure 4.47 shows that 50% (150) of respondents strongly agree that they need expert advice in choosing between hotels, 33% (100) strongly disagree, and 17% (50) agree. The results are inconclusive in that 50% agree and 50% disagree with the statement.

Statement 36: I compare prices between OTAs and hotel websites to book where it is cheaper

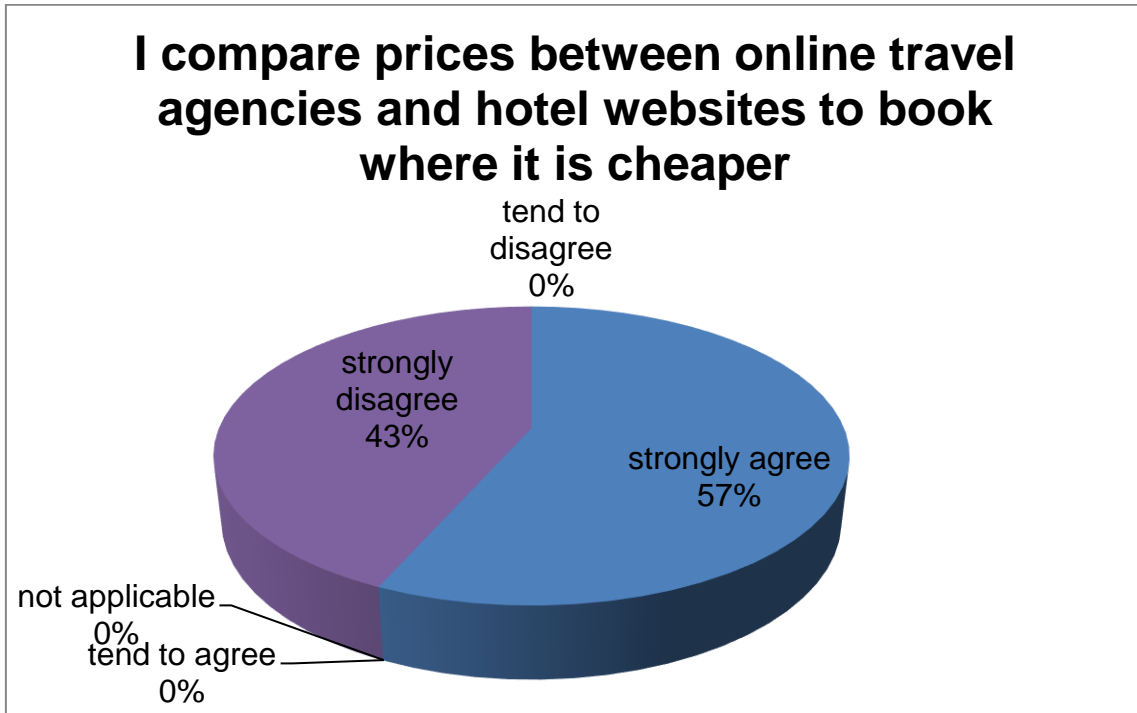


Figure 4.48: I compare prices between OTAs and hotel websites to book where it is cheaper, N=300, I=100%

Figure 4.48 shows that 57% (170) of respondents strongly agree that they compare prices between OTAs and hotel websites to book where it is cheaper, while 43% (130) strongly disagree. No verifying or contradicting information could be obtained for this statement. Based on the data, it is clear that hotel guests choose the option that is cheaper for them to book a hotel room.

Statement 37: I don't use an online travel agency. I can make my own arrangements with the hotel

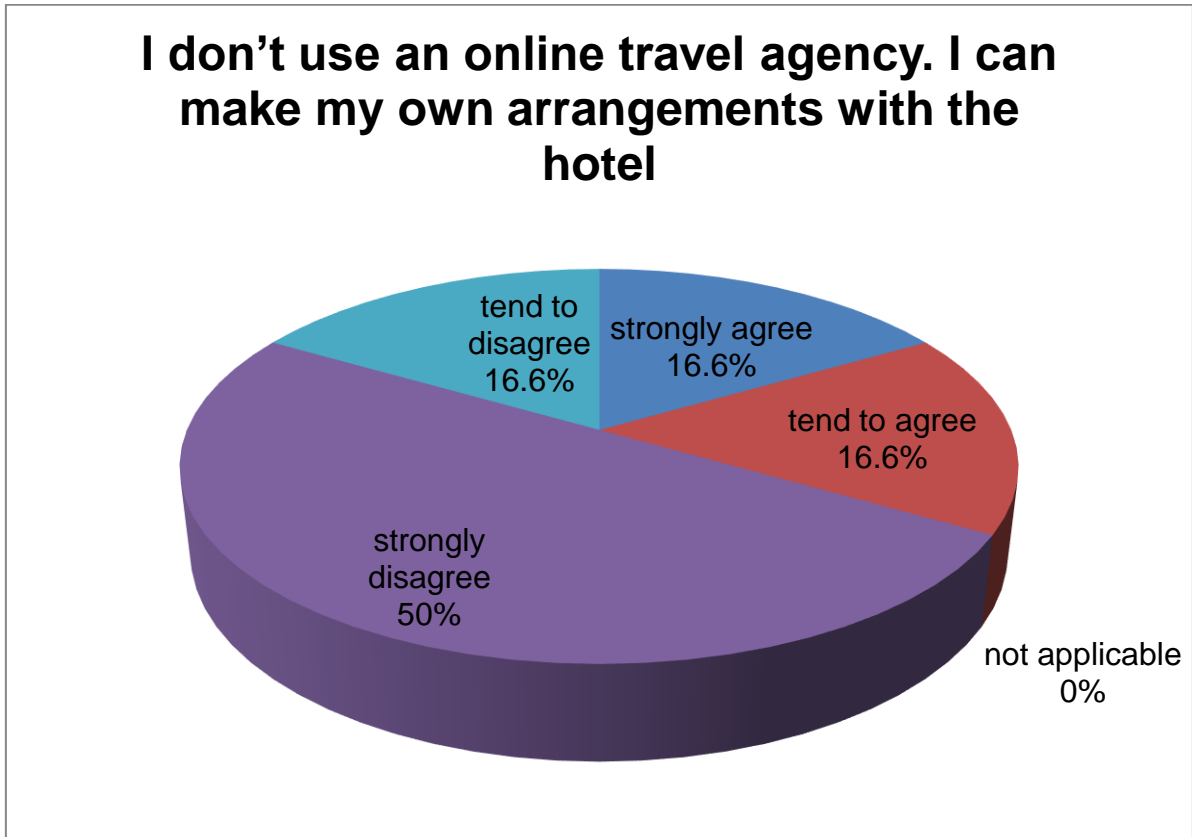


Figure 4.49: I don't use an online travel agency. I can make my own arrangements with the hotel, N=300, I=100%

Figure 4.49 shows that 50% (150) of respondents strongly disagree that they do not use an OTA and can make their own arrangements with the hotel, 16.6% (50) agree, and 16.6% (50) disagree, while 16.6% (50) strongly agree. As per the above data, it appears that hotel guests use an OTA to make reservations.

Statement 38: It is easier to amend a hotel reservation via an online travel agency



Figure 4.50: It easier to amend a hotel reservation via an OTA, N=300. I=100%

Figure 4.50 shows that 76% (220) of respondents strongly disagree that it is easier to amend a hotel reservation via an OTA, 17% (50) strongly agree, and 7% (20) agree. Most respondents in this study believe it is not easier to amend a hotel reservation via an OTA. As per the researcher's experience in the hotel industry, most hotel guests, for instance, who mostly book with Booking.Com, when they make a mistake on a booking, do not know how to amend the booking, hence they would call the hotel and ask them to amend it from their side. Unfortunately, because of the commission agreement, hotels cannot amend bookings that come directly from Booking.com, hence it is easier to book directly with the hotel, or when booking with Booking.Com, after making a booking they will send the guest an email with a confirmation number and a link, when the guest presses that link there is an option where the guest can amend or cancel the booking.

Statement 39: It easier to amend a hotel reservation directly with the hotel

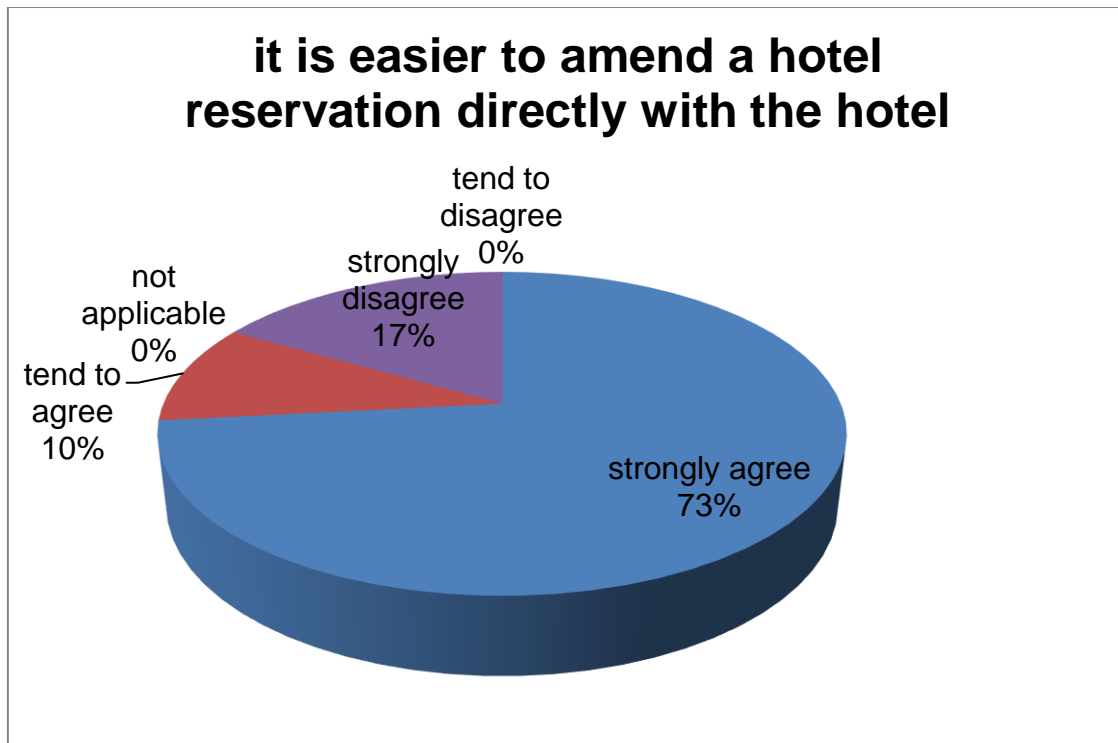


Figure 4.51: It is easier to amend a hotel reservation directly with the hotel, N=300, I=100%

Figure 4.51 shows that 73% (220) of respondents strongly agree that it is easier to amend a hotel reservation directly with the hotel, 10% (30) agree, while 17% (50) strongly disagree. Based on this data, most respondents agree that when booking with hotel directly it is easier to amend or change a booking. For example, if the participant has made a reservation directly with the hotel and for some reason cannot travel on those dates and the booking has already been paid, the hotel will give the guest two options—to either change the dates or keep the money already paid for future use. The hotel can also charge a cancellation fee, but they are usually lenient. However, with an OTA reservation it is complicated, and a cancellation fee will be charged. Also, because Booking.com is an international OTA, it is difficult to reach them via telephone. Therefore, making a booking directly with the hotel is much easier and stress free.

Statement 40: I prefer sharing and acquiring ideas or suggestions from a hotel agent and book directly

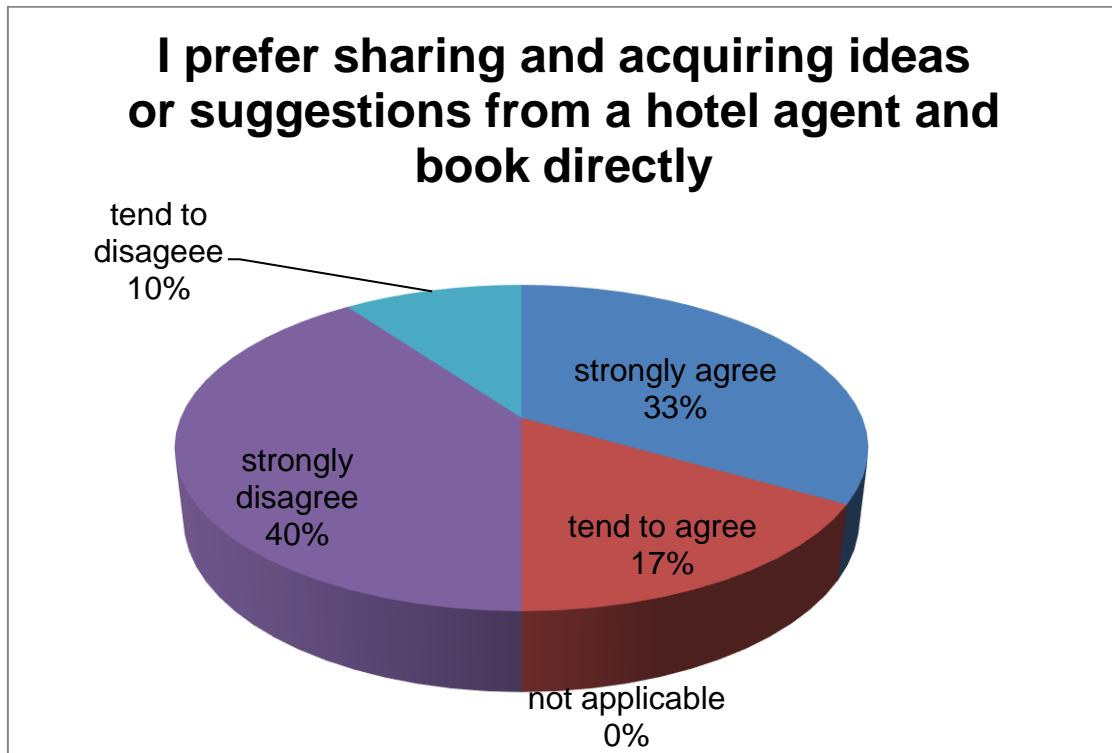


Figure 4.52: I prefer sharing and acquiring ideas or suggestions from a hotel agent and book directly, N=300, I=100%

Figure 4.52 shows that 33% (100) of respondents strongly agree that they prefer sharing and acquiring ideas or suggestions from a hotel agent and then book directly, 40% (120) strongly disagree, 17% (50) agree, and 10% (30) disagree. As with all the unique questions to the study in this section, it was not possible to find supporting or contradicting data in existing studies. The data presented show a 50/50 split in responses, 50% agree with the statement and 50% disagree. According to the researcher's experience in the hotel industry, it is imperative to acquire information from the hotel agent before booking a room, as this will prevent unnecessary complaints. For example, if a guest is travelling for the summer holidays with children, and a guest does not ask what the hotels do for children during the summer, the guest may be out-of-pocket when they find that activities are not included in the package price. In the summer, some hotels have family packages that they offer for guests who book directly with them.

Statement 41: I prefer sharing and acquiring ideas or suggestions from an OTA and then booking online

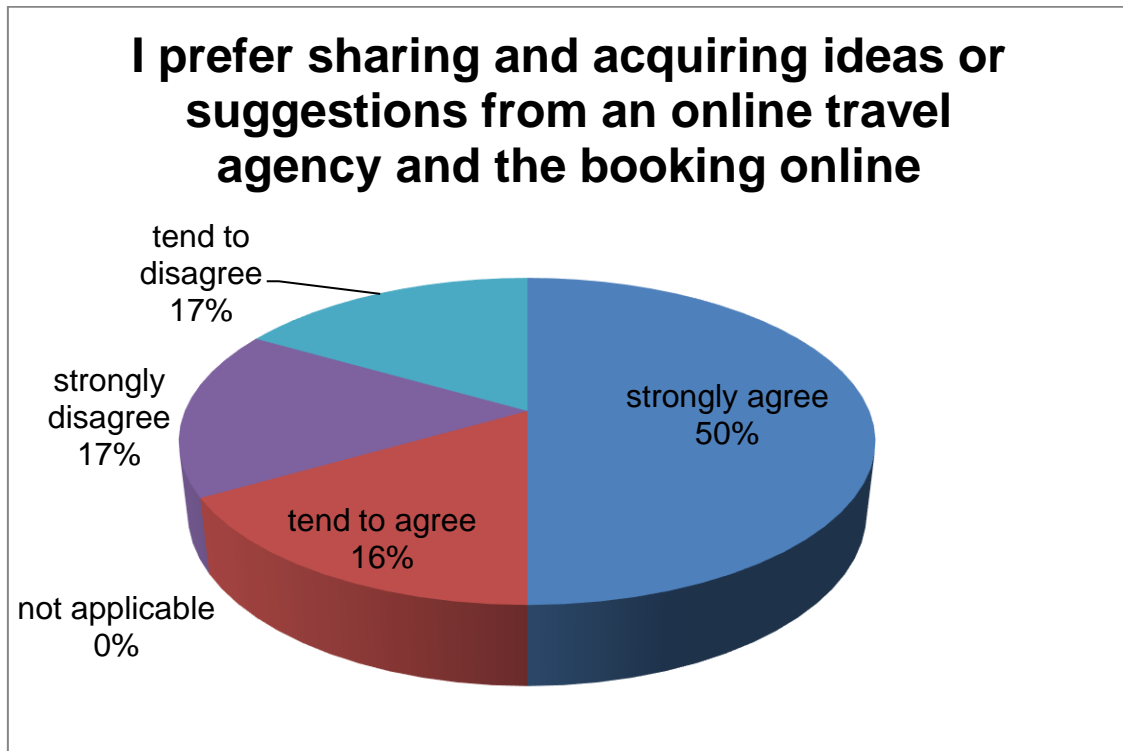


Figure 4.53: I prefer sharing and acquiring ideas or suggestions from an OTA and the booking online, N=300, I=100%

Figure 4.53 shows that 50% (150) of respondents strongly agree that they prefer sharing and acquiring ideas or suggestions from an OTA and then booking online, 16.6% (50) agree, 16.6% (50) strongly disagree, and 16.6% (50) agree. Statements 40 and 41 are unique to this study so no information was available from other sources to verify the findings.

The next section is a general discussion of the data collected in the study.

4.4 Discussion of the study results

This section discusses the data findings relevant to the objectives of the study.

4.4.1 To determine why hotel customers in the Cape Metropole think it is cheaper and more convenient to make reservations through online travel agents

The first research objective sought to determine why hotel customers in the Cape Metropole think it is cheaper and more convenient to make reservations through online travel agents. Several conclusions can be drawn from the results presented, which pertain to the research objectives.

In the literature review, Travelstart (2012:1) advertise booking on their website by saying that booking online saves the customers' time and money, and the customer is then their own travel agent. Jun-Joe (2014:13) states that "the price is often what pushes

customers to purchase a product". De Jager (2014:39) opines that booking a hotel room from the comfort of the tourist's home, rather than going to a traditional face-to-face travel agent, is perceived as a huge benefit and a physical convenience.

The results, as presented in Figure 4.48, show that 57% of respondents strongly agree that they compare prices between OTAs and hotels websites to book where it is cheaper, whilst 43% strongly disagree. Figure 4.41 shows that 66.67% of respondents strongly agree that time constraints in their daily lives makes them use OTAs to book a hotel, 16.6% agree, and 16.6% strongly disagree.

Figure 4.35 shows that 67% strongly agree that holiday packages arranged by online travel sites are convenient for them, 16.6% agree, and 16.6% strongly disagreed. Figure 4.30 shows that 67% of participants strongly agree that OTA prices are cheaper than hotel prices, 17% agree, 10% strongly disagree, and 6% disagree.

Conclusion from the study data

The conclusion drawn from this subsection is that based on the findings, customers think it is cheaper and more convenient to make a reservation through a travel agent because the packages arranged by OTAs are convenient for them. Prior to making the reservation, hotel customers chose the cheaper option between the hotel site and the OTA. From the researcher's experience of working at a hotel, and of the hotel industry, is that hotel customers generally think it is cheaper to book via an OTA because some OTAs include in their rates, for example, free airport shuttle services from the hotel to the airport, or vice versa, whilst if a traveller calls the hotel and books via them, the person will find that there is another extra charge that needs to be paid for the airport shuttle.

4.4.2 To investigate the affordability and convenience of direct and indirect bookings.

In the literature reviewed, De Jager (2014:40) states that consumers prefer an intermediary source which will be convenient for them when making booking comparisons and that consumers are prepared to pay for services that will be both convenient and affordable. De Jager (2014:41) further recognised that usually leisure travellers' behaviour is affected by price, as opposed to business travellers who are generally affected by time. "It is the balancing act between a quick, reliable and flexible online offering, and the personal, experienced, focused expertise of a travel agent that drives the convenience issue" (De Jager, 2014:27).

Figure 4.31 shows that 50% of participants strongly disagree that hotel prices are cheaper than OTAs prices, 16.6% disagree, 16.6% strongly agree, while 16.6% agreed.

Figure 4.30 shows that 67% of participants strongly agree that OTA prices are cheaper than hotel prices, 17% agree, 10% strongly disagree, and 6% disagreed.

Conclusion from the study data

To conclude this subsection, when investigating the affordability and convenience of direct and indirect bookings, the research suggested that hotel customers think it is cheaper to book via an OTA and that the prices are cheaper than the hotel price. As previously suggested by de Jager (2014:41), hotel customers will pay for services that are convenient and affordable. For business travellers, when they have back-to-back meetings, they do not need to call the hotel to reserve a room, as they can do it from a cell phone, or the comfort of the office via an OTA. The OTA does present more options, and does suggest different hotels, which is an added advantage.

4.4.3 To establish customers' behaviour when making bookings.

In the review of the literature, Williams and Balaz (2015:14) argue that consumers will seek as much information as possible about a product or service, including hotel accommodation, before making a final purchase decision. Greensill (2016:23) states that the attitude of consumers in connection with buying travel products through various distribution channels is also impacted by what consumers know, and what they think they know, of the destination being visited.

Conclusion from the study data

The customers' behaviour is established when making a booking, for example, the hotel customer will most of the time seek for information about the hotel they are going to book. For example, at the researcher's workplace, before booking, the hotel guest will contact the hotel and ask to book accommodation for a certain date. The hotel guest will then ask questions such as what facilities the hotel offer does, where is the hotel located, how close is it to any business or tourist attraction, if there is a complimentary shuttle to and from the airport. These types of questions are typical, where the hotel customer is seeking information before making the booking, wishing to see if the price he or she will pay is affordable.

4.4.4 To establish customer motivations in choosing a booking method

In the review of the literature, Ezeuduji and de Jager (2015:67) concluded:

- The decision-making is inter-related and that travellers measure the value of purchase by making use of an intermediary that they trust.
- Using a booking intermediary where they can save time, whether in terms of researching or transacting.

- Using an intermediary that is suited to a traveller's individual level of technological ability.
- Making use of the intermediary that will allow the greatest level of convenience, whether physically or electronically.
- Weighing up the price of a service against the benefits derived from a potential purchase.

All these statements support why customers are motivated in seeking an appropriate booking method.

Figure 4.16 shows that 67% (200) of respondents strongly agree that the price motivates their choice of booking method, 16.6% (50) agree, while 16.6% (50) strongly disagree. Figure 4.45 shows that 73% strongly agree that recommendations or reviews motivate their choice of either booking with an OTA or directly with the hotel, 10% agree, and 17% strongly disagree.

Conclusion from the study data

Based on the study findings, it is apparent that hotel customers are motivated by the price and recommendations of other hotel customers, when choosing a booking method. Based on the researcher's experience at the hotel where the researcher is employed, hotel guests are motivated by the price, especially those travelling for holidays as they seek an affordable room where they will still have some money over to engage in tourist activities, such as exploring and shopping.

4.4.5 Primary objective is to investigate why hotel customers use travel agencies for online reservations rather than booking directly with the hotel

The study data presented in this chapter strongly suggests that hotel customers use travel agencies rather than booking directly with a hotel because they think it is cheaper and more affordable.

The researcher disagrees that it is cheaper to book via an OTA, however, the study data does suggest that before making a booking through an OTA, travellers should peruse the hotel website to check and compare the price between the OTA and the hotel. In many cases the prices are the same as hotels have special deals which they offer, such as a complimentary upgrade. Travellers can also call the hotel to see if the hotel can honour the rate stipulated on the OTA's website and usually the hotel will honour the rate to avoid paying commissions to the OTA. When booking directly through a hotel it is easier to manage and/or amend the booking. For example, at the researcher's workplace there was an incident where the guest mistakenly made a booking for 7 nights instead of 2 nights and paid for it via Booking.com. Upon check-in the guest was told that the reservation was for 7 nights and then realised that she had made a mistake. The

guest wanted to be refunded for the 5 nights, however the booking was made via Booking.com as per the hotel policy and the hotel could not therefore amend or refund a guest because the reservation came from an OTA. If she had made the booking directly through the hotel, she would have been refunded and the reservation amended immediately.

4.5 Summary

From the data collected from the study, it would appear that customers think it is cheaper to book through an OTA rather than booking directly with a hotel. The results support the objectives detailed in Chapter 1. The majority of respondents agree that the price of a booking made through an OTA is cheaper than the hotel's price, and that price motivates visitors to make bookings. The study data clearly suggests that it is convenient and cheaper to book via an OTA

The next chapter summarises and concludes the study and offers recommendations for further research in this field.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter concludes the study with a summary of the research and recommends areas for further research based on the findings of this study. This chapter considers the objectives of the research stated in Chapter 1, in relation to possible further research.

The specific aim of this research was to investigate hotel customer motivations to use travel agencies for online reservations, so as to establish a mechanism for direct hotel reservation access. The main research objective of this study was to investigate why hotel customers use travel agencies for online reservations rather than booking directly with hotels. Specifically, the particular areas of the investigation included determination of why hotel customers in the Cape Metropole think it is cheaper and more convenient to make reservations through travel agents, to investigate the affordability and convenience of direct versus indirect bookings, and to establish customer behaviour when making bookings.

The population of this study was the hotel guests from selected hotels in the Cape Metropole who are frequent travellers and use OTAs or hotels to make their hotel bookings. A systematic sampling technique was chosen as the probability sampling method for hotel customer motivations for online reservations at travel agencies in selected hotels in the Cape Metropole because probability sampling ensures that most segments of the population are represented. Systematic sampling is a type of probability sampling method used where a chosen sample from a larger group is selected randomly but with a fixed periodic interval (Hayes, 2020:2). A questionnaire was used where the researcher set a list of questions which were short and clearly worded. Quantitative methodology was used in the study to collect and analyse data using a structured key informant questionnaire to collect the primary data.

The SPSS software was used to analyse the data collected and helped to reveal considerable insights into the responses to all survey questions

5.2 Study summary

The research considers the findings explained in Chapter 4, according to each research question listed in Chapter 1.

5.2.1 Why do hotel customers in the Cape Metropole have a perception that it is cheaper and more convenient to book through travel agencies?

- Hotel customers think it is cheaper and more convenient because hotel packages arranged by an OTA are convenient.

- Customers get the best value when booking via an OTA.
- OTA rates are cheaper than hotels.

The quantitative data analysis revealed that customers believe it is cheaper and more convenient to book through travel agencies. Figure 4.19 shows that 50% (150) of respondents strongly agree that it is convenient to make a hotel reservation through an OTA, and 17% (50) strongly disagree. Data from Figure 4.20 shows that 33.3% (100) of respondents strongly disagree that it is convenient to make a hotel reservation directly through a hotel's website, whilst 17% (50) strongly agree that it is convenient to make a hotel reservation directly through a hotel's website. Figure 4.23 shows that 77% (230) of respondents strongly agree that they ensure that they get the best value when booking a hotel online, and only 10% (30) strongly disagree. Figure 4.24 reveals that 33.3% (100) of respondents strongly agree that they always check the prices through online travel websites to ensure that they get the best value, whilst 23.3% of respondents (70) strongly disagree.

Figure 4.30 illustrates that 67% (200) of participants strongly agree that OTA prices are cheaper than hotel prices, and only 10% (30) strongly disagree. Figure 4.31 shows 50% (150) of participants strongly disagree that hotel prices are cheaper than OTAs prices, whilst 17% (50) strongly agree. Figure 4.35 reveals that 67% (200) of respondents strongly agree that holiday packages arranged by online travel sites are convenient for them, while 17% (50) strongly disagreed. While most respondents in the Cape Metropole agree that it is convenient to make a reservation through an OTA and that OTA prices are cheaper than the hotel prices, therefore booking through an OTA is perceived as cheaper and more convenient.

5.2.2 How convenient and affordable is it to book directly or indirectly?

- It is easier to search for products and price information on an OTA website.
- One can use one's phone and laptop to make a reservation from the comfort of the home; one does not need airtime to call and be transferred from one department to another.
- A customer gets the best value from affordable pricing from booking with an OTA

The quantitative data analysis revealed that it was convenient and affordable to book indirectly (via an OTA). Figure 4.34 shows that 90% (270) of respondents strongly agree that they can search for travel information at any place using the Internet. Figure 4.27 illustrates that 67% (200) of participants strongly agree that using online travel websites is convenient to search for product and price information; only 7% (20) strongly disagree. Figure 4.28 revealed that 33.3% of respondents (100) strongly agree that using the

hotel's website is convenient to search for products and services, whilst 43% (130) strongly disagree.

5.2.3 What influences customers in choosing to book between a travel agency or the hotel?

- Consumers are influenced by the price.
- They choose the option that is easier for them to use.

Figure 4.16 shows that 67% of respondents (200) strongly agree that the price motivates their choice of booking method, while only 17% (50) strongly disagree. Figure 4.18 shows that 67% (200) of participants strongly agree on the role of loyalty cards in booking hotels; only 7% (20) strongly disagree on the loyalty-card issue. Figure 4.19 reveals that 50% of respondents (150) strongly agree that it is convenient to make a hotel reservation through an OTA, while only 17% (50) strongly disagree. Figure 4.20 reveals that 33.3% of respondents (100) strongly disagree that it is convenient to make a hotel reservation directly through a hotel's website, and 33.3% (100) disagree (so there is no definite answer as to where best to make a hotel reservation).

Figure 4.36 shows that 40% (120) of participants strongly disagree that money is not an influencing factor in their decision to either use a travel agent or book a hotel product directly, while 17% (50) of participants strongly agree that financing is an influencing factor. Based on the above data, what influenced hotel customers to choose between an OTA or a hotel is that customers choose the option that is most convenient for them. Price and money are major influencing factors for choosing between the two options (through an OTA or direct with a hotel).

5.2.4 What motivates customers to choose a specific booking method?

- Level of convenience.
- The price of the reservation
- Reviews from other travellers who have previously used an OTA hotel's website.

Figure 4.30 reveals that 67% (200) of participants strongly agree that OTA prices are cheaper than hotel prices, with only 10% (30) strongly disagreeing. Figure 4.31 shows that 50% (150) of participants strongly disagree that hotel prices are cheaper than OTAs prices, while 17% (50) of participants strongly agree that hotel prices are cheaper. Figure 4.38 shows that 67% of respondents (200) strongly agree that using an OTA does not save time in the purchasing process as direct bookings can be performed almost instantaneously; only 17% (50) of respondents strongly disagree. Figure 4.40 shows that 67% (200) of respondents strongly agree that the financial outlay involved in booking a hotel influences their decision to make use of an online travel agent, while only 17% (50) strongly disagree. Figure 4.41 illustrates that 67% (200) of participants strongly agree

that time constraints in daily life make them use OTAs to book a hotel', while only 17% (50) strongly disagree. Figure 4.43 shows that 67% of participants (200) strongly agree that the knowledge they have of a destination impacts whether they will use a hotel or a travel agency to make a hotel reservation, while 17% (50) strongly disagree. Figure 4.45 demonstrates that 73% (220) of the respondents strongly agree that recommendations or reviews motivates their choice of either booking with an OTA or directly with the hotel, while 17% (50) of participants strongly disagree. Figure 4.17 shows that 50% (150) of participants strongly agree that the location motivates their choice of hotel, while only 10% (30) strongly disagree. Based on the above data, what motivates hotel customers to choose a specific option is the option that is cheaper and affordable for them, recommendations or reviews, and the options that help them to save time when making a booking.

5.3 Recommendations

This section makes recommendations based on the findings of this research. These recommendations are for hotel guests to book at the most convenient source of information.

- a) From the researcher's personal experience of working in the hotel industry in the Cape Metropole, every booking that comes from an OTA to a hotel reservation system requires that the hotel pays between 10% and 15% commission on the transaction. Hotels will avoid as far as possible paying commission; they would rather honour the rate that the OTA offers the guest. It is wise to first contact the hotel before making a reservation through an OTA. Hotels usually have some sort of negotiated and discounted rate that they offer to customers. It is difficult to cancel or amend a reservation made via an OTA but when a reservation is made directly through a hotel it is easier to cancel or amend. Depending on the occupancy at the time of change, the hotel can be more lenient. Therefore, it is recommended that hotel guests book directly through a hotel.
- b) Hotels need to advertise on social media platforms that they are running specials so that everyone can see what they are offering. Once a guest has checked in the hotel needs to hand over a loyalty program card to the guest and inform them that if they refer a guest to book directly with the hotel, they will receive a discount with a complimentary upgrade (Came, 2021:1).
- c) The hotel must keep in touch with guests who have previously checked out and send them emails of offers that they are running. Often hotels do not do this.
- d) When a guest calls a hotel to enquire about making a reservation, the switchboard operator needs to quickly transfer the call to Reservations as some potential clients

do not book with the hotel because they are transferred from one department to another.

- e) Hotels need to ensure that their website is as easy to use as an OTA's website and that information on the website is regularly updated and contains fresh pictures of rooms.
- f) Hotels need to offer better value by adding perks that OTAs do not offer, for example, a 25% discount on a dinner, free drinks of the patron's choice on the first day, complimentary room upgrades, or complimentary delivery of room service instead of paying a tray charge, or a complimentary shuttle to the Airport (Siteminder, 2021:1).
- g) Hotels could try and offer room packages, such as a summer package which will include a complimentary bottle of "bubbly" on arrival with a cheese board and a 90-minute couples massage for a cheaper rate to influence hotel guests to book directly with the hotel (David, 2017:1).
- h) Hotels need to ensure that guests can book in a safe and secure way. This means that when a hotel guest books on the hotel website there should be a safe and secure method to make payment to prevent frustration, and ensure a quick booking experience (Siteminder, 2021).

The results also demonstrate that demographic differences existed in consumers' booking behaviour. Of particular note, gender and age has an impact on consumer behaviour when booking a hotel. This could imply developing market segment strategies accordingly. These findings suggest that hotels should profile their customers in terms of gender and age to tailor appropriate promotional messages.

5.4 Limitations of the study

Due to the spread of the COVID-19 virus, which started during the study period, the researcher experienced some problems in getting feedback from hotel guests as all hotels were closed for four months from March until September 2020. However, specific efforts were made to include as many travellers as possible (that were travelling at that time) and some who were in quarantine during the study period. Because of the small response rate to the questionnaires distributed it was decided not to do cross tabulations of the data. Also, this research has a spatial limitation, given that it only focused on hotels in Cape Town. It is, therefore, impossible to compare the obtained results with other cities in South Africa.

5.5 Study demarcation

The aim of this study was to investigate hotel customer motivations to use travel agencies for online reservations to establish a pattern for direct hotel reservation access.

This study was conducted at selected hotels in the Cape Metropole, so the findings and recommendations only apply to these selected hotels and cannot be generalised, but the information obtained could be of interest to all similar hotels in South Africa. The population in this research were hotel guests from selected hotels in the Cape Metropole who often travel to Cape Town, using OTAs or direct hotel facilities to make their hotel bookings.

5.6 Future research

Although this study has the aforementioned limitations, it is those very limitations that can represent a starting point and guidelines for future research. The recommendation for future research is to conduct a survey questionnaire on a representative sample which will also encircle two and three-star hotels in South Africa in order to obtain fuller research results. Also, as the research is replicable and could be conducted in other hotels in other cities in South Africa, it could present a platform for comparative studies and new knowledge acquiring. Triangulation requirements could be considered by applying multiple methods (for example, guest interviews and focus group discussions) and multiple data sources (for example, data obtained from hotel management) in order to enhance the reliability and validity of the research (Leedy & Ormrod, 2010:92; Cohen, et al., 2011:31). Finally, this research only utilized a quantitative research method. Future studies could include a qualitative component which would be valuable in obtaining more in-depth information regarding consumers' psychological characteristics and behavioural tendencies.

This study was undertaken to evaluate why hotel customers assume that it is more affordable and convenient to make reservations through OTAs rather than booking directly with a hotel. Recommendations were given to hotel guests regarding the steps to take before booking via an OTA, as well as with hotels, regarding the steps they should implement to attract hotel guests to book directly with them (the hotel).

Future research on indirect versus direct bookings: hotel customer motivations for online reservations at travel agencies in the Cape Metropole should be done to compare, verify, and broaden the knowledge of direct booking

Areas in which to conduct future studies:

- Hotel customer motivations for direct booking in the Cape Metropole.
- The impact of reviews for choosing a booking method in the Cape Metropole.
- The impact of COVID-19 (or other major international pandemics) on hotels, OTAs, and hotel guests' purchasing decisions.
- How to influence or motivate hotel guests to book directly with a hotel; and

- The impact of credit card fraud from bookings made via OTAs on hotels.

5.7 Study conclusion

The aim of this research was to investigate why hotel customers use travel agencies for online reservations rather than booking directly with the hotel. While there is a significant increase in the number of consumers who book their hotel accommodations directly on the hotel websites or OTAs now, for the sustainable development of the hospitality industry, it is necessary to know the opinions of travellers about their hotel booking behaviours. The findings suggest that hotel customers assume that it is more affordable and convenient to make reservations through OTAs rather than booking directly with a hotel. In the literature reviewed, Jun-Joe (2014:13) stated that price is what pushes hotel guests into making decisions to purchase a product or service. De Jager (2014:40) reports that consumers prefer an intermediary that will be convenient for them when making booking comparisons. Frequently, the consumers are prepared to pay for services that will be both convenient and affordable, where “saving costs has been a major goal for suppliers of travel services” (Lee et al., 2012:11). OTAs buy travel products at a discounted rate and sell those products to the consumer at a higher price. This is where the OTA organisation will make accommodation arrangements and recover a percentage of the booking cost from the supplier as commission (Law et al., 2007:500; Lee et al., 2012:572).

In conclusion, investing to develop a hotel’s booking process is essential to increase direct booking. Hoteliers should keep up with the competition. They should consider the vital factors impacting their business and act to increase direct booking statistics which will cut down commission costs from OTAs and improve their business’ revenue.

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APPENDIX A: CPUT ETHICAL CLEARANCE



P.O. Box 1906 • Bellville 7535 South Africa • Tel: +27 21 4603291 • Email: fbmsethics@cput.ac.za
Symphony Road Bellville 7535


Office of the Chairperson Research Ethics Committee	Faculty: BUSINESS AND MANAGEMENT SCIENCES
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At a meeting of the Faculty's Research Ethics Committee on **11 June 2019**, Ethics **Approval** was granted to **Ngoie Marlene Kyomba (212273965)** for research activities of **M Tech: Business Administration** at Cape Peninsula University of Technology.

Title of dissertation/thesis/project:	INDIRECT VS, DIRECT BOOKINGS: HOTEL CUSTOMER MOTIVATIONS FOR ONLINE RESERVATIONS AT TRAVEL AGENCIES IN THE CAPE TOWN METROPOLE Lead Researcher/Supervisor: Prof J P Spencer
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Comments:

Decision: **Approved**

	12 June 2019
Signed: Chairperson: Research Ethics Committee	Date

APPENDIX B: QUESTIONNAIRE



Indirect versus direct bookings: Hotel customer motivations for online reservations at travel agencies in the Cape Metropole

Dear Participants

I would like to invite you to participate in my research study "Indirect vs direct bookings: Hotel customer motivations for online reservation at travel agencies in the Cape Metropole".

Kindly note that participants' names and hotel names will remain anonymous. The data collection is only for research purposes.

Please answer all the questions and do not skip any question as it will affect the validity of the data.

Should you have further queries please contact me on my email: mkyomba@gmail.com

Regards

Marlene Kyomba

Kindly mark the relevant box with an X. If your preference is not provided, please write it down. All data will remain strictly confidential to the researcher.

BASIC INFORMATION

1. Gender:

a. Male

b. Female

2. Nationality:

a. South African

b. Other (please state)

3. Occupation:

a. Employed

b. Unemployed

c. Student

d. Retired

e. Other

4. Age in years:

a. 18-30

b. 30-50

c. 50-80

5. I travel:

- a. Alone
- b. With family
- c. In a group
- d. With spouse:
- e. For work
- f. With a colleague

6. I travel for holidays domestically:

- a. Once a year
- b. Once every few years
- c. More than once a year

7. Please state your country of primary residence:

.....

8. What is your main purpose of travelling to Cape Town?

- a. Leisure
- b. Business

9. Is it your first time travelling to Cape Town?

- a. Yes
- b. No

10. What distribution channel did you use to book this trip?

- a. Booked directly with the hotel
- b. Online travel agent

11. How much time do you usually spend searching online for hotel information before your final booking decision?

- a. Less than 1 hour
- b. 1-3 hours
- c. 4-6 hours
- d. 7 hours or more
- e. Other

12. What is your highest level of education?

- a. High school
- b. College degree
- c. Diploma
- d. Degree
- e. Honour's degree
- f. Masters' degree
- g. PhD degree

- a) Please indicate your level of agreement with each of the below statements (1 being Strongly Agree and 5 being Strongly Disagree),
- b) Choose only one option, tick the box most applicable.
- c) Please complete all questions, even though some may not be applicable.

STATEMENT	Strongly agree	Agree	Not applicable	Disagree	Strongly disagree
1. I book my hotel accommodation online via the Internet	1	2	3	4	5
2. I use a hotel's own website to book my accommodation	1	2	3	4	5
3. I use OTAs to book my accommodation.	1	2	3	4	5
4. The price motivates my choice of hotel	1	2	3	4	5
5. The location motivates my choice of hotel	1	2	3	4	5
6. The hotel's loyalty card convinces me to make a booking directly from a hotel website instead of a travel agency	1	2	3	4	5
7. It is convenient to make a hotel reservation through an online travel agency	1	2	3	4	5
8. It is convenient to make a hotel reservation directly through a hotel's website	1	2	3	4	5
9. I use a laptop or computer to book my accommodation	1	2	3	4	5
10. I use my phone to book your accommodation	1	2	3	4	5
11. When I book a hotel online, I ensure that I get the best value	1	2	3	4	5
12. I always check hotel prices through online travel websites to ensure that I get the best value	1	2	3	4	5
13. I always check hotel prices on hotel websites to ensure that I get the best value	1	2	3	4	5
14. When purchasing a product, I always try to maximize the quality I get for the money I spend	1	2	3	4	5
15. Using online travel websites is convenient to search for product and price information	1	2	3	4	5
16. Using hotel websites is convenient to search for product and price information	1	2	3	4	5

STATEMENT	Strongly agree	Agree	Not applicable	Disagree	Strongly disagree
17. When I book hotel accommodation through a travel intermediary, I am concerned about sending my credit card details	1	2	3	4	5
18. OTA prices are cheaper than hotel prices	1	2	3	4	5
19. Hotel prices are cheaper than OTA prices	1	2	3	4	5
20. OTAs are trustworthy	1	2	3	4	5
21. Hotels are trustworthy	1	2	3	4	5
22. I can search for travel information at any place using the Internet	1	2	3	4	5
23. I find the holiday packages (flights, car rental & accommodation) arranged by online travel sites convenient for me	1	2	3	4	5
24. Money is not an influencing factor in my decision to use a travel agent or book a hotel product directly	1	2	3	4	5
25. The more I travel the more comfortable I feel to purchase luxury travel products directly from the hotel without going through an intermediary	1	2	3	4	5
26. Using an OTA does not save time in the purchasing process as direct bookings can be performed almost instantaneously	1	2	3	4	5
27. Using an OTA reduces the chances that I will be disappointed due to hotel specific tastes and expectations	1	2	3	4	5
28. The financial outlay involved in booking a hotel influences my decision to make use of an online travel agent	1	2	3	4	5
29. Time constraints in my daily life make me use an OTA to book a hotel	1	2	3	4	5
30. I am unwilling to risk poor experience by booking a hotel without the help of an online travel agency	1	2	3	4	5
31. The knowledge I have of a destination influences whether I will book directly with a hotel or use a travel agency to book	1	2	3	4	5
32. I believe that I am better able coordinate a luxury trip that is suited to my tastes and experiential preferences than an intermediary such as a travel agent	1	2	3	4	5

STATEMENT	Strongly agree	Agree	Not applicable	Disagree	Strongly disagree
33. Recommendation or reviews motivate my choice between booking with an OTA or directly with the hotel	1	2	3	4	5
34. Finding specific travel information online is easy	1	2	3	4	5
35. I need expert advice in choosing between hotels	1	2	3	4	5
36. I compare prices between OTAs and hotel websites to book where it is cheaper	1	2	3	4	5
37. I don't use an online travel agency; I can make my own arrangements with the hotel	1	2	3	4	5
38. It is easier to amend a hotel reservation via an online travel agency	1	2	3	4	5
39. It is easier to amend a hotel reservation directly with the hotel	1	2	3	4	5
40. I prefer sharing and acquiring ideas or suggestions from a hotel agent and book directly	1	2	3	4	5
41. I prefer sharing and acquiring ideas or suggestions from an OTA and book online	1	2	3	4	5

APPENDIX C: PERMISSION LETTER – CAPE GRACE HOTEL

CAPE GRACE
ON CAPE TOWN'S WATERFRONT

Dear Prof Simeon Davies

Chair person: Faculty of Business Ethics Committee

RE: Permission to conduct research regarding Indirect booking vs. Direct booking: Hotel Customer motivations for online reservations at travel agencies in Cape Town Metropole.

Warm Greetings from the Cape Grace

Ms. Marlene Kyomba (212273965) has requested permission from our Hotel to conduct surveys for her Masters studies.

This letter serves as a notification of approval for her request.

Warm Regards,

Nicole Masekwameng / Signal Floor Manager

[T] +27 (21) 410 7100 [F] +27 (21) 419 7622

[E] nicole@capegrace.com [W] www.capegrace.com

APPENDIX D: PERMISSION LETTER – NEWMARK HOTELS

Prof Simeon Davies

Chair person: Faculty of Business Ethics Committee

RE: Permission to conduct research regarding Indirect booking vs. Direct booking: Hotel Customer motivations for online reservations at travel agencies in Cape Town Metropole.

Ms. Marlene Kyomba (212273965) has requested permission from your Hotel to conduct surveys for her Masters studies.

This letter serves as a notification of approval for her request.

Regards

NEWMARK HOTELS
P.O. BOX 50553
WATERFRONT, 8002
REP. OF SOUTH AFRICA

N Majied
12/2019

APPENDIX E: PERMISSION LETTER – PEPPER CLUB HOTEL & SPA

Prof Simeon Davies

Chair person: Faculty of Business Ethics Committee

RE: Permission to conduct research regarding Indirect booking vs. Direct booking: Hotel Customer motivations for online reservations at travel agencies in Cape Town Metropole.

Ms. Marlene Kyomba (212273965) has requested permission from the Pepper club Hotel & Spa to conduct surveys for her Masters studies.

This letter serves as a notification of approval for her request.

Regards



Page

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APPENDIX F: GRAMMARIAN LETTER

22 Krag Street
Napier
7270
Overberg
Western Cape

30 August 2021

LANGUAGE & TECHNICAL EDITING

Cheryl M. Thomson

INDIRECT versus DIRECT BOOKINGS: HOTEL CUSTOMER MOTIVATIONS FOR ONLINE RESERVATIONS AT TRAVEL AGENCIES IN THE CAPE METROPOLE

Supervisor: Prof JP Spencer

This is to confirm that I, Cheryl Thomson, executed the language and technical editing of the above-titled Master's dissertation of **Marlene Ngoie Kyomba**, student number **2122739165**, at the CAPE PENINSULA UNIVERSITY OF TECHNOLOGY in preparation for submission of this dissertation for assessment.

Yours faithfully



CHERYL M. THOMSON

Email: cherylthomson2@gmail.com

Cell: 0826859545