Attitudes towards E-Travel Services in Saudi Arabia

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Abstract. The Internet revolution has led to vital changes in providing travel services. E-travel services play a significant role for travel services providers. The aim of this paper is to study the online consumer behavior in the context of Saudi Arabian travelers. It examines the current usage of the Internet for searching travel information and shopping for travel deals among Saudis. It identifies the common characteristics of Saudi travelers and their behavior during planning their trips online. Moreover, it evaluates the level of adoption of e-travel services among Saudi travelers by assessing satisfaction toward these services and the intention to use them in the future. A survey conducted among Saudi Arabian adult Internet users shows that approximately 74% have used e-travel services at least once. Findings indicate that men with higher monthly income and higher Internet experience are more likely to use the Internet for online purchase of travel products.

Keywords: consumer behavior, Internet usage, e-tourism, e-travel, e-commerce

1. Introduction

Information Technology (IT) is rapidly growing in The Kingdom of Saudi Arabia (KSA). PC sales are the largest in the Arab world. Saudi Arabia's IT sector is growing at a rate of 9.3% [1]. According to Wikipedia, the currently estimated population of Saudi Arabia is around 28 million [2]. The use of e-commerce services is increasing quickly by Saudi Arabian population. The most recent research showed that 3.5 million internet users or 14.26% of the Saudi population were engaged in e-commerce transactions [3]. The results of the report indicate the country's emergence as an ideal market for e-commerce activities among the developing countries in the Middle East region [4].

Information and communication technologies (ICT) have led to an increasing impact on the tourism industry. With the advent of new forms of ICT, a novel type of tourism, e-tourism, has emerged and transformed the international tourism industry [5]. Now, e-tourism occupies a prominent place in the electronic market. The low cost of e-commerce gives both businesses and consumers a new and powerful channel for information and communication [6]. Travel products and services appear to be well suited to online selling because they own the characteristics that can function in the electronic environment. Surveys have shown that travel products are among the most popular products to buy on-line due to the intangible and digital character of the distribution of tourism products [7]. The Internet is a medium to provide on line access to travel industry consumers at worldwide destinations [8].

Online Consumers' behaviour is different in nature from traditional consumers' behaviour due to the unique characteristics and interaction of technology and culture [9]. As online channels are becoming increasingly important for businesses worldwide, researchers and marketers try to understand customers' online behavior.

This paper studies the online consumer behavior in the context of Saudi Arabian travelers. It explores the current usage of the Internet for searching travel information and shopping among Saudi Arabian travelers. It identifies the common characteristics of Saudi travelers and their behavior during planning their trips.

Moreover, it evaluates the level of success of e-travel services among Saudi travelers. The findings will help generate an understanding of the factors that are associated with the success of e-travel services, thus enabling policy makers and retailers to develop better strategies that will improve e-travel services for future users while keeping existing customers.

The rest of this paper is organized as follows. Section2 presents a brief review of the literature related to the topic. Section 3 describes the methodology of this study. Section 4 describes the collected data. Section 5 is the main part of this paper and it provides analysis and results of our survey. Finally, section 6 presents the main conclusions.

2. Literature Review

2.1 E-travel Services

E-tourism industry has been ranked as a prime sector in e-commerce where the Internet has changed the traditional way of providing travel services by developing e-travel services and enabling consumers to interact directly with tourism providers [10]. Today, travelers can look for travel information, book hotels and purchase airline tickets via the Internet. Parallel to the change in the tourism industry, there is also a change in consumer attitudes towards the development of the Internet [11]. Nowadays, more travelers prefer to make their travel plans and use travel services via the Internet due to its' convenience, low prices, simplicity of looking for information as well as its ability to save time. Internet has introduced a lot of possibilities that changed the consumers' behavior. Consumers are able to interact directly with services providers, which allows them to identify and satisfy their continually changing needs for tourism products. Plus, it is possible to reduce the ambiguity related to the products via forums, or to make use of an immediate control over the quality of products supplied [12]. Travel service providers are motivated to deliver online travel services that enable them to obtain a greater share of the travel marketplace [13]. Travel service providers are increasingly tending to deliver comprehensive, personalized and up-to-date online travel services in order to meet their customers' demands [10]. With the increasing adoption of e-commerce, online transactions in the tourism industry are continuously growing [14]. According to the results released by Forrester Research about the travel industry, about 66% of travelers in the USA and 69% of travelers in Europe booked their trip online in 2009.

2.2 The impact of the Internet on the tourist's behavior

Many studies in online consumer behavior have run to explore how consumers adopt and use online purchases. Specifically, the emphasis was on the antecedents of consumer online purchasing intention and adoption. Companies, however, have started to realize that the first step towards overall success is the initial adoption by consumers, and they should maintain a long-term relationship with loyal customers by considering the consumer continuance behavior (repurchase) [11]. The online consumer behavior encompasses three main elements: Intention, Adoption, and Continuance. Christy et al. associated the three elements together and formed a base model for the development of an online consumer behavior framework[11].

The topic of online tourist behavior in terms of Internet use for travel planning has been examined under various contexts. Hongxiu determined the factors influencing user's continuance intention to use e-travel services [15]. The results of his study highlighted the importance of satisfaction in predicting the continuance intention to use e-travel services. Another study is conducted to examine the relationship between consumer's perception of e-shopping characteristics and their intention to adopt e-travel shopping [9]. Additionally, some studies addressed the tourist behavior in particular countries. Kamarulzaman studied the Internet shopping adoption for travel services in the UK, he identified the profile of Internet shoppers and the antecedents of Internet shopping adoption for UK travelers [16]. Garín-Muñoz et al. examined the Internet usage for travel information and shopping in Spain [17]. They emphasized the factors that influence the use of e-travel services. Moreover, Vincent has studied the international travelers' behavior in using the Internet, and applied his study to travelers from many countries [18]. He concluded that time savings and convenience are the two main considerations of Internet users.

2.3 Characteristics of Saudi Arabia

Saudi Arabia is one of the most important markets in the Arab world. In the year 2004, the number of Saudi Internet users was about 1.6 million [19]. This number reached 3.5 million in 2009 which represents a sharp increase in the user penetration rate, 23.8% over the five years from 2004 to 2009 [1]. This sharp rise in the number of Internet users can be attributed to increasing purchase power of Saudi people and the development of the Saudi information and communications technology infrastructure as a result of the sharp rise in crude oil prices between 2004 and 2009 [4].

Obviously, e-commerce transactions are growing in the Middle East (19.5 million Internet users) and in the Gulf States. In Saudi Arabia, online transactions increased by 100%, from $278 million in 2002 to $556 million in 2005 [20].

According to the World Internet Users and Population Stats (2009), 22.7% of the Saudi population are using the internet. A new survey of Internet users conducted by The Arab Advisors Group (2011) revealed that around 39% of adult Internet users in Saudi Arabia buy products online [3]. Electronics are the most popular products bought online, followed by software. The Arab Advisors Group conservatively estimates the number of these users to be around 3.1 Million which is around 12% of the total population in Saudi Arabia. These e-commerce users have spent an estimated US$ 3 billion on buying products and paying for services through e-commerce transactions in 2010 [3].

3. Methodology

The research method used for gathering experimental data was a quantitative method. In order to investigate the behavior of Saudi Arabian Internet users towards e-travel services, an on-line survey questionnaire was conducted. Questionnaires have been the most common method to investigate Internet behaviors in previous research. Cao and Mokhtarian, argued that intentions and attitudes are best assessed through information from the users themselves [21].

The survey questionnaire consisted of three parts. The first part included demographic characteristics, including gender, age, educational level, and monthly income. Followed by a question to determine whether the respondent has used e-travel services before or not? The answer will enable us to discriminate between users and non users of e-travel services. The second part included general questions regarding Saudi customer usage of the Internet for travel planning. Finally, the third part aimed to seek Saudi e-travel customer opinions to measure the level of success of e-travel services among them.

Saudi consumer experiences with e-travel services were measured using a set of 14 scale items in the questionnaire. Some of the scale items were developed from previous research while others added by the researchers to meet the requirements of this research. The perceived usefulness and intention to use items were derived from Bhattacherjee [22]. Perceived ease of use is a measure from Davis [23]. The satisfaction items were adapted from Spreng et al. [24]. All of the scale items were measured using a five-point Likert-type scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree).

The questionnaire was distributed using e-mail, and Facebook. The advantage of using mail questionnaires survey is that they are efficient and relatively inexpensive. Another advantage is the ease to administer, fast delivery, and respondents can answer at their convenience [25]. The duration for the distribution of the questionnaire was one week. Data collection was carried out on June, 14th, 2011.

4. Data Collection

The survey sample consists of a random set of Saudi people. The unit of analysis is the individual adult Saudi consumer who has experience with using the Internet. To guarantee getting a random sample, the questionnaire was sent by e-mail, and posted on Facebook. The developed online survey is suitable for targeting online shoppers and collecting data from large geographical areas. So, the sample can be considered a good representation of the population of Saudi Arabia.

A total of 319 responses were received, resulting in 295 usable surveys. The discarded responses were either filled by non adult people (5) or contained the same answer to all the questions (18) in the survey instrument. Therefore, the usable rate was 92%.

5. Analysis and Findings

Detailed analysis is presented as frequencies that provide statistics and graphical displays. These are useful for describing many types of dimensions and variables. From a quick look at results, frequency analysis gives immediate indications.

5.1 The current usage of e-travel services

Of the respondents of the questionnaire, 216 (73%) are males, and 79 (27%) are females, and all of them are Internet users. The results are in consistent with the current condition of Internet use in Saudi Arabia where males use the Internet more than females. As regards to online travel services booking experience, 74% of them reported that they had purchased travel services online at least once, and 26% had not. The data revealed that there is a significant difference between groups with different gender and in different age on the variable of online travel booking experience.

The male respondents had adopted online travel service booking more extensively than the female respondents (see Figure 1) which is in contrast with previous studies in other countries [17]. This contradiction is due to the particular social structure of Saudi Arabia where the travel arrangement responsibilities typically lie with the male members of the family.

Concerning the age of respondents, the percentage of users and non users of online travel services is relatively the same within the age groups 26-35 and 36-45 (see Figure2). In contract, the respondents greater than 45 years old have significantly higher percentage with respect to being users of online travel services. This may be because this age group more established financially. On the other hand, percentage of those who use e- travel in the 18-25 age group is much less than others.
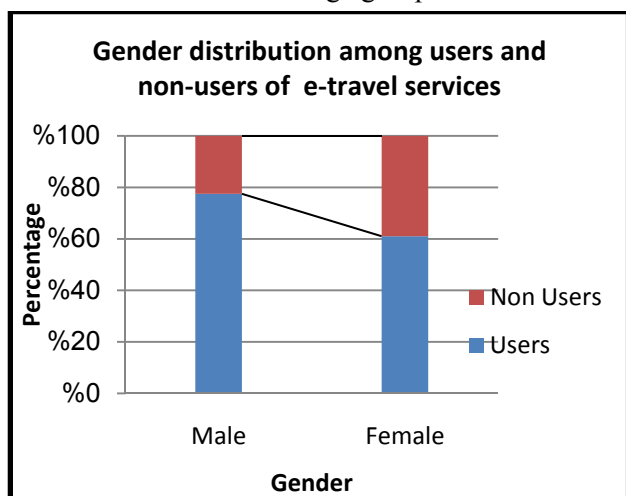

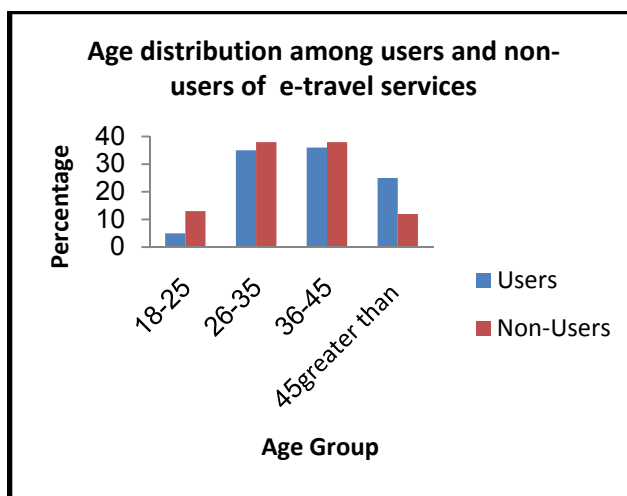Figure 1. Gender of respondents

Figure 2. Age of respondents

Contrary to our expectations, the level of education has not a significant impact on adopting online travel services. The reason for this may be that Internet use is now equally available across different education levels, while it was before reserved for highly educated people.

Regarding the Internet experience, we found that this factor has high influence on e-travel services adoption among Saudi people (Figure 3). Most of the users of e-travel services have experience in using the Internet more than six years. This is because experienced Internet and Computer users, i.e., those who have used the Internet and its wide array of services extensively, are more convinced with the importance of e-commerce than those with limited experience. Online experience of an individual also considerably affects his/her preference towards e-commerce. It means that the more contact and consequent experience with the Internet, users would be more tending towards e-commerce [26].

For monthly income, the result is consistent with previous research [17], as monthly income does not have much effect on the decision of using the Internet in looking for travel information or booking for airlines or hotels (Figure 4). Monthly income has a significant influence especially on those with less than 5000 SR. This is reasonable, because travel is a luxury and it demands good budget.
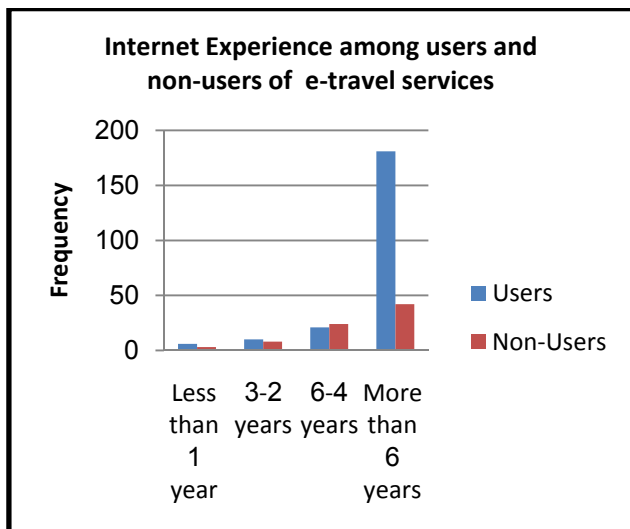

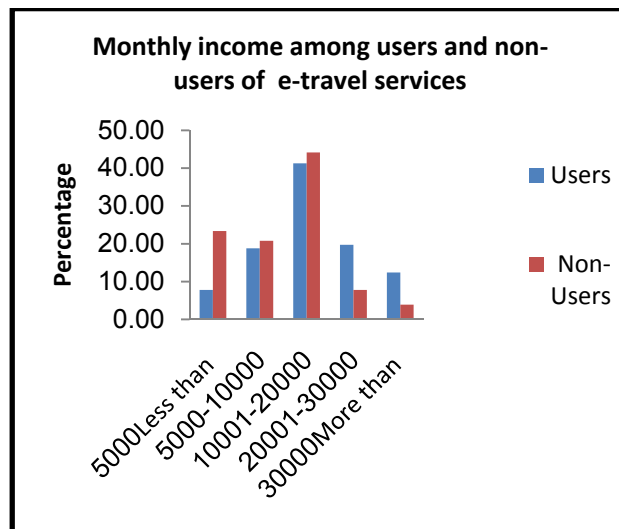Figure 3. Internet experience of respondents

Figure 4. Monthly income of respondents

In conclusion, we can summarize the common characteristics of Saudi travelers who use e-travel services. The majority are adults and in the age group of more than 25 years. Regarding gender, males tend to use these services more extensively than females. The Internet experience of the majority of users is more than six years. Finally, the monthly income of most e-travel consumers is more than 5000 SR.

5.2 Travel-Related Behaviours

On average, respondents used the Internet to book 2.2 trips during the last 12 months. However, 47% of them relied on the Internet for booking both international and domestic trips while 14% used it for international trips only. On the other hand, varied views of the respondents on the most important feature provided by e-travel services websites exist. The majority (37%) agreed that "easily search for travel information and price comparison" is the most important one, followed by "save time and effort of having to go to traditional travel agents".

Perceived ease of use and perceived usefulness determine both user's initial acceptance of Information Systems (IS) and the intention to continue using IS [27]. Perceived usefulness is the primary prerequisite for market technology acceptance, which depends on consumers' expectations about how technology can improve and simplify their lives" [28]. Perceived ease of use refer to " the degree to which the prospective user expects the target system to be free of effort" [27]. From Table 1, we can observe the perceptions of ease of use and usefulness of using e-travel services among people understudy. The majority are convenience of the statement "using online travel services can save me time" while a smaller number of people agree that they can get lower prices in e-travel sites. This is may be due to a significant difference between prices at diverse web sites.

Table 1. Perceptions of usefulness and ease of use of e-travel services

	Completely disagree	Disagree	Undecided	Agree	Completely agree	Mean
Online travel services are convenient.	1.	3.	9.	59.	28.	4.1.
It is easy to look for travel information.	0.	3.	5.	53.	38.	4.23.
It is easy to complete the purchase.	0.	4.	11.	51.	34.	4.15.
Using online travel services can save me time.	0.	0.	2.	36.	61.	4.55.
Electronic travel services are less expensive than services offered by traditional travel agencies.	2.	4.	29.	32.	32.	3.85.

Considering the behavior of people under study when planning their trips (Table 2), we found that there was no significant difference between the percentage of those who prefer to buy from e-travel services sites and those who prefer to buy from the specific websites of airlines and hotels. The mean value was (3.48) which is very close to the midpoint value of the five points scale. As expected, "dealing with just one e-travel services website" is ranked far less than the midpoint (mean = 2.63). It seems that Saudi travelers have no loyalty to particular websites. They prefer to compare between results in different number of e-travel sites before they decide to purchase (mean = 4.33). Moreover, they don't rely heavily on the opinions of other travelers in determining residence (mean = 3.68).

Table 2. Behavior of respondents when planning trips

	Completely disagree	Disagree	Undecided	Agree	Completely Agree	Mean
I prefer to deal with e-travel services sites instead of dealing with the websites of the airlines or hotels.	5.	10.	30.	37.	17.	3.48.
I prefer to deal with just one e-travel services site.	18.	31.	25.	17.	8.	2.63.
I prefer to compare between results in different number of e-travel sites before purchasing.	5.	2.	12.	42.	44.	4.33.
I rely heavily on the opinions of other travelers in determining residence.	4.	8.	23.	41.	23.	3.68.

5.3 Success of E-Travel Services

Continued IS usage plays important role in IS success. Bhattacherjee highlighted the importance of IS continuance in assuring a successful IS implementation and argued that IS success depend on users' continued use rather than first-time use of that IS [29]. Saudi users' attitudes and behavioral intentions in respect of e-travel services confirm the information success model.

Majority of the respondents reported positive attitudes towards e-travel services. As shown in (Figure 5), 89 % of respondents are satisfied with using online travel services , while 8% are undecided. As a result to this high level of satisfaction, the majority intend to continue using these services (Figure 6). Hence, the conclusion is that the advantage of online travel services as perceived by Saudi Internet users would positively affect their preference to adopt online travel services. This finding is in line with earlier studies reported in the adoption of e-shopping in Saudi Arabia [26].
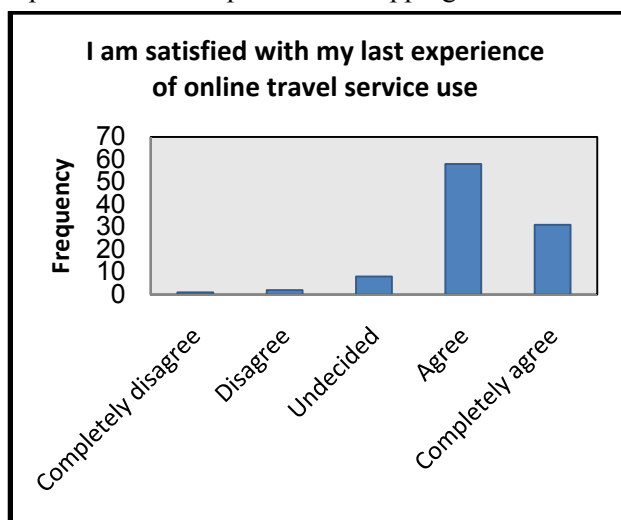

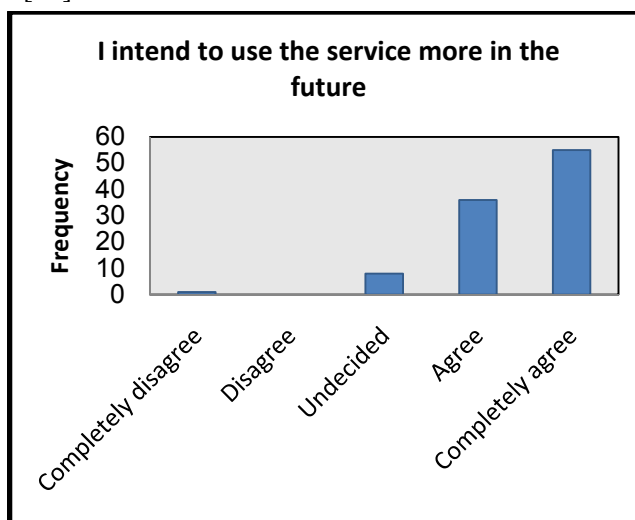Figure 5. Level of satisfaction about e-travel services

Figure 6. Continuance intention of e-travel services

6. Conclusion

The effect of the Internet on the tourism industry has increased rapidly in the past few years. Understanding the behavior of travelers is of great importance for policy makers and retailers to develop

better strategies that will improve e-travel services for future users while keeping existing customers. This study explored the current usage of the Internet for searching travel information and shopping among Saudi Arabian travelers. It explored the common characteristics of Saudi travelers and their behavior during the planning of trips. Moreover, it evaluated the level of success of e-travel services among Saudi travelers. In order to investigate the behavior of Saudi Arabian Internet users towards e-travel services, an on-line survey questionnaire was conducted. Findings of this survey can be summarized as follows:

First, regarding to demographic information, we found that there is an influence of gender and age group on using e-travel services. Men have a greater tendency to use these services than women. The 18-25 age group has the lowest percentage of travel related Internet activities. On the other hand, the education level has no significant impact.

Second, in terms of Internet experience, we found that this factor has high influence on the e-travel services adoption among Saudi people. Most of e-travel services users have experience in using the Internet more than six years.

Third, e- travel services experienced great success among Saudi travelers who have ever used it. This success is evaluated by the level of satisfaction among travelers and the intention to continue using these services in the future.

Finally, this research recommends the Saudi travel agencies to penetrate the e-tourism market to take advantage of this great success and to retrieve a part of the number of customers who miss out in favor of e-travel sites.

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