

# ONLINE MARKETING MIX AFFECTING DECISION TO BOOK ACCOMMODATION VIA ONLINE TRAVEL AGENTS

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## ABSTRACT

Abstract— The purpose of this research was to study the decision-making behavior to book accommodation via Online Travel Agents (OTA) of traveler compared by demographic characteristics, and to study the online marketing mix factors that affected the decision to book accommodation via Online Travel Agents of traveler. The sample consisted of 350 Thai traveler who had used online booking service through a questionnaire as a data collection tool. Statistics used in data analysis were percentage, mean, standard deviation, and multiple regression analysis. The results showed that demographic factors such as age, education level and incomes had differently affected the decision to use online booking service. In addition, the research found that the online marketing mix factors in terms of product, price, distribution channels, and marketing promotion affected the decision to use the booking service through online hotel booking service with a statistical significance level of .05. However, the online marketing mix factors in terms of personalization, and privacy factor did not affect the decision to use the online hotel booking service.

Keywords— Decision behavior, Online Travel Agent, Online marketing mix

## INTRODUCTION

Tourism is a key industry that drives continuous growth and plays an important role in the stability, economic and social system of Thailand. The tourism industry consists of various types of businesses both directly related businesses such as transportation, accommodation, tourism business and indirectly related businesses such as production and sale of goods, etc. It makes the tourism industry an important source of income as it brings in foreign currency, career creation, and distribution of economic benefits to various regions. Most of Thailand attaches great importance to domestic tourism. Whether it's every region, central, north, south, northeast that has tourist attractions in the country. Because it is an industry that generates the most income for Thailand compared to other industries, resulting in the majority of tourists each year traveling to different places. It stimulates the economy to circulate and causes various businesses to grow more from tourism (Economics Tourism and Sports Division, 2020).

For the year 2023, Thai tourism is expected to continue to grow with a number of tourists are 226 million people per trip. As economic activities begin to return to normal, this has a positive effect on Bangkok and its vicinity compared to 2022, including the start of the return of foreign tourists in 2023, helping to increase the vitality of foreign tourists in the destination region. However, in the dimension of income, the average expenditure per trip is expected to increase due to inflation and an increase in accommodation costs from the previous lower level but still below the level before the COVID-19 situation. As a result, Thai tourism, Thai tourism is expected to generate approximately 820 billion baht in 2023 (Economic Analysis Center TTB Bank, 2023).

With today's digital technology, it is undeniable that most people's behavior conducts transactions via the Internet or Online because it is convenient, fast and can be done anywhere there is an internet signal. As a result, the intermediary business provides room booking services including various travel services or Online Travel Agents (OTAs) are very popular. As a result of being a business that provide services for members to meet with accommodation providers plane tickets, various travel services, and manage hotel reservations by offering special privileges and special prices to consumers. It also conducts online marketing and develops effective technology systems. This responds to the behavior of modern consumers who search for information and compare prices of accommodation before making a booking decision in order to get the best price that can be accepted. Including consumers in the digital age, they can access information easily and quickly. Because it not only allows consumers

to use the service comfortably. More importantly, it also stimulates the tourism market to generate cash outflows, gain a customer database and expand into new markets around the world.

The hotel business has therefore created an intermediary between hotels and consumers called Online Travel Agency (OTA), which is a company that provides booking services through a large number of websites. It can be divided into foreign companies such as AgodaAgoda.com, Expedia Expedia.com, Booking Booking.com, Tripadvisor.com, Yelp Yelp.com, etc. Including companies have originated in Thailand such as Hotel2thailand.com, R24.org, PattayaHoliday.biz, etc. In addition, the hotel's own website that can make reservations as well which these websites help to facilitate tourists in terms of hotel information and room rates at all times. Whether at home, at work, or any place that can connect to the Internet which this booking system online can inform status immediately or instant confirmation and hotels can adjust prices and promotions according to the needs of demand at that time (Suteeratrissana. 2017). Phocuswright's research reveals that for the U.S. core OTA business, expedia and booking collectively accounted for roughly 93% of the OTA leisure and unmanaged travel business market in 2021 (PhocusWire, 2022).

Due to the number of tourists, the tourism industry tends to grow continuously, together with the increasing of online booking service through intermediaries, including the changing behavior of consumers in the digital world. Travelers' travel needs require convenience and speed making the online room booking industry very competitive. Each entrepreneur therefore needs to create a strategy that is different from competitors, such as developing a system that is stable, easy to use, and digital communications. Tourism entrepreneur must create pricing and promotion strategies to meet the needs and reach a wide range of consumers.

However, competition in the tourism industry is growing along with the hotel business. But there is still a small amount of research that can indicate the improvement, correction and development of the online booking system. Therefore, the researcher would like to study the factors affecting the decision to use the online booking service to know the behavior and attitude of users of booking services through online intermediaries. The results of the study have taken the information for hotel business to develop their own online booking system to be more efficient and can be applied as a guideline for creating marketing strategies to increase long-term sustainable competitiveness.

## **LITERATURE REVIEWS**

Online travel agents (OTAs) are intermediaries between consumers and service providers for hotel and air ticket reservations which companies that are OTAs must have an agreement with their partners. The intermediary business provides accommodation booking services including various travel services are very popular. As a result of being a business that provide services for members to meet with accommodation providers plane tickets, various travel services, and manage hotel reservations by offering special privileges and special prices to consumers. It also conducts online marketing and develops effective technology systems. This responds to the behavior of modern consumers who search for information and compare prices of accommodation before making a booking decision in order to get the best price that can be accepted. Including consumers in the digital age, they can access information easily and quickly. Because it not only allows consumers to use the service comfortably. The price displayed on the website or application must be cheaper or equal to other websites and have different promotions for each person. It makes some OTAs have marketing strategies for selling packages such as plane tickets combined with rooms, etc., resulting in the total price being cheaper than buying plane tickets and rooms separately.

The concepts and theories about online marketing mix factors are used as marketing strategies for businesses that sell products or services online, therefore online marketing is online communication for marketing. The main objective is to make consumers more aware of products and services. It is also a channel to communicate with consumers at all times which uses various methods in website for advertising the sale of products and make it reach consumers in the right target group. The concept of online marketing mix factors which is an important factor from the original 4P marketing mix factors of Kotler (2000) consisting of Product, Price, Place or distribution channel, and Promotion. But online marketing mix, or 6P, has added a new element, 2P, which is Personalization and Privacy. The concept of electronic marketing mix is a new marketing component where all components are related and equal. It is very important in the operation of electronic business. which contains the following components. *Product* is anything that is presented to the market to meet the needs of customers and

must create value to occur which divided into three categories: physical goods, digital goods, and services. *Price* is the total cost that customers have to pay in exchange of goods and services, including time, effort in thinking and the behavior that must be paid with the price of the product in money. Pricing must take into the market price as the main including the price of shipping and the convenience of ordering. Therefore, price plays a role in determining whether customers will buy the product or not and also influences the profitability of the product (Mathong, 2019). *Place* or Distribution channels is a process that brings goods or services to the market in order for consumers to consume the goods or services as needed. When technology is applied, it results in the delivery of goods and services easier for both manufacturers and customers, such as having an ordering system, payment system, a subscription system, searching for information, etc. (Saengsa-ngiam, 2021). *Promotion* is marketing communication that ensures that the target market understands and values what is being offered. Marketing promotion encourages customers to act according to what we expect, namely knowing and being aware of the product or service, a need to use, decide to buy and come back to buy again which rely on different tools such as advertising banners, advertising via email, advertise with a member referral system, advertise by exchanging links with other websites, advertising on search engines, etc. *Personalization* is the process of presenting content or services and products by considering the behavior of the service users. It should be a collaborative interactive service style between entrepreneurs and customers in a specific way called one-to-one marketing to present what meets the needs of customers, facilitate customers and make a friendliness and impression (Maopraman & Pasunon, 2022). *Privacy* is a policy that organizations have announced to the public how they will protect personal data collected and should set policies to build credibility (Limrojnukul, 2017). So that it can be applied to traditional marketing elements by combining with technological capabilities until creating a new marketing element.

## METHODS

The target population used in this research is tourists who are interested or intent to book accommodation through online hotel booking agents and living in Bangkok which cannot determine the exact population. Therefore, the number of samples is calculated using the Yamane formula (1973) at 95 percent confidence level. The sample size consisted of 350 tourists and sampling with using a multi-stage sampling method. In this study, the researcher used a quantitative method using a questionnaire whose validity and reliability were tested. The content of the questionnaire consisted of a measure of the variables contained in the conceptual framework, which the question characteristics were closed-ended questions using a rating scale. The pilot test was conducted with a sample group close to the population of 40 sets. The results of the confidence check revealed that the confidence value of each question was between 0.7-1.00 and the total confidence was 0.859, which passed the reliability criteria (Hair et al., 2010).

Statistics used in data analysis was descriptive statistics to describe the demographic characteristics such as frequency, percentage, mean and standard deviation. As well as the inferential statistical analysis was used to test research hypotheses by using Pearson correlation coefficient analysis and Multiple regression analysis.

## RESULTS

The demographic characteristics of a total of 400 samples, can be concluded that most of the studies were female, representing 56.5 percent, aged between 31-40 years, representing 46.9 percent, having a bachelor's degree, representing 35.6 percent, work as employees of private companies, representing 45.4 percent and having a current income per month between 30,000-40000 baht, representing 39.45 percent.

The behavior of consumers in choosing to use the booking service through online intermediaries found that most of the sample group chose the level of the hotel as a 3-star hotel, representing 45 percent. The frequency of booking rooms through online intermediaries in the past year was 1-2 times per year, representing 57 percent. The average number of days to book a hotel room each time is 1-2 nights, representing 77 percent. The person who has the most influence on the decision to book a room is themselves, representing 49 percent. Online intermediary website or application which most frequently used was Agoda, representing 55 percent. The main reason for

deciding to use an online intermediary booking service is the ability to compare information on rates, locations and rooms from various hotels, representing 34.5 percent.

The online marketing mix factor affecting decision to book accommodation through online hotel booking agents of tourists found that tourist had the opinion on online marketing mix factor as a whole was at a high level. When considering in each aspect, it was found that all aspects were at a high level and gave the most importance to distribution channels aspect, followed by price, product, marketing promotion, privacy and personality, respectively.

The hypothesis testing results to compare demographic characteristics such as sex, age, education, occupation, income and decision to use online hotel booking service. The results showed that demographic factors such as age, education level and incomes had differently affected the decision to use online booking service. While demographic factors such as gender and occupation had not differently affected the decision to use online booking service.

In addition, the hypothesis testing results on factor affecting the decision to book accommodation through online hotel booking agents found that the online marketing mix factors in terms of product, price, distribution channels, and marketing promotion affected the decision to use the booking service through online hotel booking service with a statistical significance level of .05. However, the online marketing mix factors in terms of personalization, and privacy factor did not affect the decision to use the online hotel booking service. The 6 variables of the online marketing mix factor can together predict the decision to book accommodation through online hotel booking agents of tourists with statistical significance at  $F=30.45$ . All variables can explain the variability of decision to book accommodation through online hotel booking agents ( $R^2$ ) accounted for 52.56 percent. When considering standardized coefficients, the aspect of place or distribution channel had the highest multiple regression coefficients ( $\beta=.321$ ), followed by price ( $\beta=.278$ ), product ( $\beta=.241$ ), promotion ( $\beta=.176$ ), respectively.

## CONCLUSION AND FUTURE WORK

### *Conclusion and discussion*

From the findings of the research results, the researcher brought important issues to discuss the results according to the following details. The results of the demographic factor analysis revealed that the age, education level, and monthly income that were different affecting the decision to use the booking service through online hotel booking agents was not significantly different. Due to advanced technology that makes everyone able to access online transactions via the Internet conveniently without limits. Along with tourism is something that all ages, all levels of education, and all income levels are interested and prefer to plan before traveling. Therefore, it is necessary to search for location information and book a room through the Internet, which has websites and applications that are accessible and easy to use. Resulting in differences in demographic characteristics in terms of age education level and income affects the decision to use the online booking service that is different. This consistent with partial results of [Maopraman & Pasunon \(2022\)](#) about factors affecting the decision to choose an online booking service of tourist case study of Phuket Sandbox, found that personal factors in the aspect of age, education level and average monthly had differently affected the decision to use online booking services but gender and occupation had no effect on the decision differently. It is consistent with the concept of Sereerat et al. (2009) that describes the population characteristics or demographic factor consisting of sex, age, education, income and occupation are important to marketing services. It shows that service users with age, education, income and occupation are one of the factors affecting ideas, ideologies, values, tastes and needs that are different for things and behaviors that are the same or different. Because the service will be able to meet the needs of consumers with different demographic characteristics. As a result, marketers have searched for the needs of the niche market by focusing on the target customers.

The hypothesis testing results on factor affecting the decision to book accommodation through online hotel booking agents found that the online marketing mix factors in terms of product, price, distribution channels, and marketing promotion affected the decision to use the booking service through online hotel booking service with a statistical significance level of .05. However, the online marketing mix factors in terms of personalization, and privacy factor did not affect the decision to use the online hotel booking service. Because nowadays, there are

many websites or applications that are online intermediaries for booking services including the change in consumer behavior in terms of education and always more research before planning a trip. Resulting in consumers wanting to clearly compare the price difference from the normal price of each location in order to make decision in choosing an online booking service that has a reasonable price and is worth the quality and service received. In conjunction with sales promotion activities by creating promotions and special privileges such as discounts, freebies, etc., or organizing activities to coincide with the seasons and festivals. It shows the importance of consumers and builds loyalty in order to persuade customers to use the service again and again (Suvunniponth, 2022). Because if the price is the same but receive services or privileges that are different from those others consumers will feel the value and decide to use the service more than others. In addition, the speed in solving problems and maintaining the confidentiality of information such as system usage, keeping customer history and payment information is important for consumers to keep in mind. If the system is fast in handling and solving customer problems quickly. It is considered to be impressive and shows the efficiency of the system. As a result, customers are told and come back to use the service again and again. It includes the security and reliability of the system to maintain the confidentiality of the customer's sensitive information. In addition, it should provide individual customer service because each customer has different needs. These online marketing mixes will influence the customer's decision to use the online intermediary booking service. This result was consistent with the study of many researchers such as Limrojnukul (2017) about factors affecting consumer of online travel agencies in Thailand, found that factors in price comparison, promotion, speed of problem solving and confidentiality of information and public relation factors and individual needs affecting the decision to use the service of booking a room through an online intermediary. This related the study of Sorasuchat (2019) found that attitudes of ease of use, convenience to use, security in use, and price comparison, all have a positive impact on the choice of online hotel booking services. In addition, the study of **Maopraman & Pasunon (2022) found that the personalization factor and privacy factors affected the decision to use the online booking service of tourist case study of Phuket Sandbox**. Including the study of Saengsa-ngiam (2021) on marketing factors that influence Bangkok tourist to use Online Travel Agents (OTAs) for hotel booking during Covid-19 situation, found that price as one of the marketing factors substantially affected the decision to book a room through online intermediaries during the COVID-19 outbreak. This related the study of Suteeratrissana (2017) found that the sample group made hotel reservations through online channels because this channel increased convenience for consumers without having to use the phone to chat with employees and can receive confirmation of booking immediately, including the price is cheaper than the hotel's website directly.

#### ***Recommendations and future work***

Recommendations from the results of statistical analysis are presented as guidelines for entrepreneurs to apply and plan strategies to build their business competitiveness in the future. Due to the current consumer behavior, there is more study and research before planning travel because consumers want value for money, quality of products and services that are appropriate. Entrepreneurs should compare information, prices, rooms and locations of each with clear details on the website or application. Including a survey of the room price of the hotel website to set the price of the room cheaper than booking directly through the hotel. In addition, entrepreneurs need to design work processes for providing services and solving consumer problems to be fast and convenient in order to meet the needs of consumers immediately. Moreover, most consumers are doing more online transactions therefore they want security and credibility from that website or application. So, entrepreneurs should build a brand that is reliable and keep consumer information safe. Including there should be a way for consumers to express their opinions by directly reviewing the experience of consumers using the service. Resulting in stimulating consumers to perceive value and a good image for the business and attracting consumers to decide to use the online booking service. Entrepreneurs should do advertising and public relations continually, update of new information, and communication to match the target group clearly. This is to stimulate awareness and create incentives for consumers. In addition, rooms should be presented to meet the needs of each consumer from the history of usage and visits of consumers to analyze data and behavior to determine what type of room consumers are interested in and can allow consumers to report their individual special needs in detail when making a room reservation. This shows the importance and attention of each consumers personalization.

Suggestions for future research, it may be studied in conjunction with other factors that are relevant or expected to influence the decision to book accommodation through online hotel booking agents to gain insights covering all dimensions and all relevant concepts. Addition, it should study in the scope of other population groups or another area apart from Bangkok.

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