

## Investigating the Potential of the Internet as a Tourism Distribution Channel.

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### Abstract

Since the 1990's, the Internet has become a potential distribution channel for the travel and tourism industry. It has positive and negative implications for all players in the tourism distribution mechanism. Much information, especially visually-derived information can be obtained from the Internet, decreasing the ever-present intangibility of a travel product. Worldwide Internet access at any time facilitates communication between tourism providers, their corporate partners and their clients. The success of online travel providers is dependent on a number of factors, in particular trust inducing websites that convince users their personal and financial information is safe. The complexity of travel products and services is another influential component of successful relationships between travel providers and their customers.

In order to gain greater insight into the potential of the Internet as a tourism distribution channel, this study explores the profile and characteristics of Internet users and travel website users. Furthermore, their online search, book and purchase behaviour for various travel products are also examined along with customers' perceptions of strengths and weaknesses of travel service attributes for offline the travel providers. Using the WebQual model (Loiacono, Watson & Goodhue 2002), the quality of the website of Discover New Zealand (DNZ) was analysed for its successful message delivery and trust inducement.

To meet the study's aim and objectives, a web-based survey was selected as the most appropriate option. Data was collected from DNZ's online customer database and resulted in an effective overall response rate of 20.2 percent. Frequencies, mean scores and cross-tabulations were created for data analysis. The results suggest that the Internet is significantly preferred when the focus is low prices and the need to obtain up-to-date travel information quickly. However, accurate information is found to be the significant strength of traditional travel providers. Many more respondents use the Internet for information searches (52.6 percent) rather than for bookings (24.8 percent) and payments (22.6 percent), especially in relation to 'high- complexity' products. The results of this study confirm previous research in finding that the ability to trust online travel providers appears to be a major concern. Nevertheless, differences are noted which demonstrate that traditional travel services are not always trusted either. This study sample exhibits similar characteristics to the broader online (travel) population and a trend towards a more specific segment. Altogether, this thesis establishes a fundamental understanding of the Internet and its role and effectiveness in tourism distribution.

Loiacono, E.T., Watson, R.T. and Goodhue, D.L. 2002, '*WebQual: A Measure of Website Quality*', paper presented at the American Marketing Association (AMA) 2002.