Information Search and Evaluation of Alternatives in Online Airline Ticket Purchase
Two case studies investigating consumers’ online purchase decision-making process and influence of education

Yasir Kazmi
Mohammed Abdul Rahman

Luleå University of Technology
Master Thesis, Continuation Courses
Marketing and e-commerce
Department of Business Administration and Social Sciences
Division of Industrial marketing and e-commerce
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Yasir Kazmi

Abdul Rehman
Abstract:
The first stage in the consumer buying process is generally recognized by the information search. In particular, the ability to collect product/service information and evaluate the different product offerings from different providers is often viewed as one of the main competitive challenges of e-commerce. Online purchase intention has been investigated using two different consumer perspectives: a highly-educated and a less educated. An empirical study in which contribution of both perspective are investigated is reported.

Two study groups each constituting of 100 participants, representing highly educated and less educated consumers, were selected. Data were collected through interviews and a specifically designed questionnaire. Responses of provided by the participants were analyzed both quantitatively and qualitatively. This analysis allowed us to investigate various factors effecting consumer’ decision making process for two stages: online search information and evaluation of alternatives.
1 Introduction

In this first chapter, a background to the research area will be presented. Thereafter follows the statement of the research purpose as well as the research questions of this study. Finally, the demarcations of the research area will be presented.

1.1 Background

The Internet has emerged as a major, perhaps eventually the major, worldwide distribution channel for goods, services, managerial and professional jobs. This is profoundly changing economics, markets and industry structure, products and services and their flow, consumer segmentation, consumer values, consumer behavior, jobs, and labor markets. The impact may be even greater on societies and politics, and on the way we see the world and ourselves in it. (Turban et al., 2004)

When the Internet commercialized and users began flocking to participate in the World Wide Web in the early 1990s, the term Electronic Commerce was coined. EC applications rapidly expanded. A large number of so-called dot-coms, or Internet start-ups also appeared. (Turban et al., 2004)

According to Turban et al. (2004), Electronic commerce (EC, e-commerce) is a process of buying, selling, transferring, or exchanging products, services, and/or information via electronic networks and computers. (Turban et al., 2004)

According to Drucker (2002), the impact of electronic commerce on decision-making regarding procurement, shopping, business collaboration and customer services as well as on delivery of various services is so dramatic that almost every organization is affected. E-commerce is changing all business functional areas and their important tasks, ranging from advertising to paying bills. It is also changing the face of IT in general. The nature of competition is also changing drastically, due to new online companies, new business models, and the diversity E-commerce related products and services. E-commerce provides unparalleled opportunities for companies to expand worldwide at a small cost, increase market share, and reduce costs. (Turban et al., 2004)

According to Smith and Chaffey (2005), two major types of e-commerce classified by transactions are:

1) Business-to-consumer (B2C): Commercial transactions are between an organization and consumers.

2) Business-to-business (B2B): Commercial transactions are between an organization and other organizations.

E-commerce has been defined from the following seven perspectives: 1) Communications 2) Commercial 3) Business process 4) Service 5) Learning 6) Collaborative 7) Community. Here are the elaborations of the most applicable ones in this study: Communications: delivery of goods, services, information, or payments over computer networks or any other electronic means. Commercial (trading): provides capability of buying and selling products, services, and
information on the Internet and via other online services. **Business process:** doing business electronically by completing business processes over electronic networks, thereby substituting information for physical business processes. **Service:** a tool that addresses the desire of governments, firms, consumers, and management to cut service costs while improving the quality of customer service and increasing the speed of service delivery. (Turban *et al.*, 2004)

The E-commerce field is a diversified one, involving many activities, organizational units, and technologies. Therefore a framework that describes its content is useful. Figure 1.1 shows the E-commerce applications which are supported by infrastructure and by five support areas: 1) People, 2) Public policy, 3) Marketing and advertising, 4) Support services, 5) Business partnerships. (Turban *et al.*, 2004)

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**Figure 1-1: A Framework for Electronic Commerce.**

*Source: Turban *et al.*, 2004, p.6*

As Smith and Rupp (2003) described understanding the complexities of online shopping behavior is important to providers of online products/suppliers. Presently, online-consumer behavior is no longer a novelty and companies are still learning how to effectively market in new media. The typical questions of consumer behavior still emerge. What are effective strategies to attract customers, increase involvement and purchases, and ensure repeat visits to online or physical stores? How do consumers behave in online auctions, respond to novel forms of advertising and presentation of product and store information? (Smith & Rupp, 2003)
There is an increasing interest in understanding the effects of computer-mediated shopping environments on consumer behavior. For decades, market researchers have tried to understand consumer behavior, and they have summarized their findings in various models. The purpose of a consumer behavior model is to help vendors understand how a consumer makes a purchasing decision (Hoffman & Novak, 1996). Turban et al. (2004) developed a model of steps in the decision making process. (See Figure 1.2)

According to Turban et al. (2004) the stages of web-based consumer decision-making in buying process are as followings: The first phase, need identification, occurs when a consumer is faced with an imbalance between the actual and the desired states of a need. Information search: after identifying the needs, the consumer searches for the information (phase 2) on the various alternatives available to satisfy the need. Here, we differentiate between to decisions: what product to buy (product brokering) and from whom to buy (merchant brokering). These two decisions can be separated or combined. The would-be buyer will further evaluate the alternatives (phase 3) and, if possible, will negotiate terms. In this phase, a consumer will use the collected information to develop a set of criteria. These criteria will help the consumer evaluate and compare alternatives. In phase 4, the consumer will make the purchasing decision, arrange payment and delivery, purchase warranties and so on. The final phase is a post-purchase phase (phase 5), which consists of customer service and evaluation of usefulness of the product. (Turban et al., 2004)

As shown in Figure 1.1, one of the EC applications is Online Travel Services. The Internet is an ideal place to plan, explore, and arrange almost any trip. Convenience and potential savings are
available through special sales and the elimination of travel agents by buying directly from service providers. The on-line purchase of travel tickets has been one of the real growth areas related to the Internet. A survey by the Travel Industry Association of America found that more than 64 million Americans used the Internet in 2003 to get information on destinations or to check prices or schedules, resulting in 42.2 million actually booking their travel arrangements online. It is expected that these figures will continue to increase. (Turban et al., 2004; Standing et al., 2004)

In the airline industry, airlines sell electronic tickets over the Internet where the ease of description and commodity-like nature of many travel products (i.e. airline seats or hotel rooms) also favor the development of EC Travelers can directly book their tickets from suppliers. When a person purchases an electronic ticket online (or by phone), all they have to do when they arrive at the airport is enter their credit card at an electronic kiosk and they will get their boarding pass. Alternatively, the traveler can get the boarding pass at the ticket counter. (Turban et al., 2004; Heung, 2003)

According to a study released by JupiterResearch, Online retail sales are expected to grow from $81 billion in 2005 to $144 billion in 2010 (www.ecommerce-guide.com). Online air ticket sales reached approximately $14.2 billion in 2002 (Foss, 2003). Travel business on the internet accounts for about 15% of overall travel sales; about one half of that spent on airline ticket sales. Compared to e-retail sales, which accounts for only 1.5% of all retail sales (US Census Bureau, 2003), the growth of Internet airline services has proved astounding. A survey of 1,501 people from March 2000 to 2001 (Pew Report, 2002) shows that the share of Internet users who had purchased travel services had grown from 34 to 42 percent. (Cunningham et al., 2005)

Apart from the convenience and cost saving in airline industry, Lewis and Semejin (1998) also note that knowledge of consumer behavior including buying profiles and purchasing habits for related products (such as rental cars), is important information that serves as the basis for developing marketing strategies. As today’s consumers are more focused on time saving and are more likely to access a greater proliferation of product information, the internet appears to have several advantages over other medias as an information gathering tool. Apart from information search, internet users can also make bookings or purchase products and services through this new channel. (Heung, 2003)

The European no-frills (cheap tickets) airline sector and its Internet activities are among the most successful Internet sellers in Europe. One reason for this success of no-frills airlines is the non-payment of commission that arises from direct relationships with the customer. Indeed, many airlines offer discount fares that are available exclusively to online users and are promoting the use of electronic tickets, thereby minimizing the number of intermediaries, reducing the amount of commission paid and being able to offer attractive prices to clients. Many airlines offer “specials” or “cyber offers” on their websites (e.g.cathypacific.com). Airlines such as Scandinavian Airlines offer booking, seat selection, web check-in, automated flight status service via SMSs and, frequent-flyer point claiming, personalized services, and more (sas.se). (Heung, 2003; Turban et al., 2004)
1.2 Problem Discussion

*Information search*, the second step of purchase decision-making process, occurs when customers search for a product or service that satisfies their need, along with outlets that can provide it. Since an information search is the second step in a consumer’s purchase decision-making process, an understanding of online search phenomenon is vital for e-commerce success. This stage is recognized to be an important phase during which promotional messages should reach the intending consumer. (O'Keefe & McEachern, 1998; Rowley, 2000b; Kulviwat *et al.*, 2004)

A key difference between online and offline shopping is the ability of online consumers to obtain more information (Alba *et al.*, 1997). In the electronic market, technology helps consumers find information more easily, thereby reducing the problems of imperfect information (Bakos, 1997). (Kulviwat *et al.*, 2004)

Technology helps information integration and information processing with the aim to improve consumer decision making by providing the right information at their fingertips (Burke, 1998). Information technology has the potential to alter multiple dimensions of a consumer’s information search process, including amount of total search, the number and types of sources consulted, and the distribution and weighting of information gathered from these sources (Klein, 1998; Bakos & Brynjolfsson, 2000). (Kulviwat *et al.*, 2004)

World Wide Web creates a platform where people can access vast amounts of information at their fingertips. The Web does not generate new information, but it simply facilitates information exchange. The more information the consumer has, the better decision he/she will make. However, this does not imply that consumers will endlessly search for information or dig up every piece of information in the information set before making a decision. (Kulviwat *et al.*, 2004)

The Internet has the potential to lower the cost of searches for alternative and substitute products in a commodity like bargaining atmosphere, thereby encouraging greater price competition for relatively generic products (Hanson, 2000). (Rowley, 2000a)

Like many other stages of the buying process, information seeking becomes more structured and constrained in the e-shopping environment. In particular, the ability to collect product information and make comparisons between the different product offerings from different providers, possibly across national and currency boundaries, is often viewed as one of the main competitive challenges of e-shopping (Gupta & Chatterjee, 1997). The Consumers must assess the level of information necessary to make an informed choice, which will obviously depend upon the monetary size of the purchase and the existence of their previous experiences. (O'Keefe & McEachern, 1998; Rowley, 2000a)

There are two types of information search: *Pre-purchase search* which a consumer may recognize a need and then search the marketplace for specific information and *ongoing search* which many consumers enjoy browsing just for fun of it, or because they like to stay up-to-date on what’s happening in the marketplace. Information sources can be roughly broken down into two types: *internal* and *external*. When confronted with a purchase decision, consumers may engage in *internal* search by scanning their own memory banks to assemble information about
Introduction

different product alternatives. Usually, though, even those of consumers who are the most market-savvy need to supplement this knowledge with external search, by which information is obtained from advertisements, friends, or just plain people watching. (Solomon, 2004)

Not all of the information that a user brings to a purchase decision is to be found in formal printed or electronic sources that they consult at the time of the decision. Other potential sources of information are: their own previous experience with a product or brand; recommendations (word-of-mouth) from family, friends and colleagues; previous imprinting as a result of promotion, usually in association with specific brands. Nevertheless, particularly if consumers are considering a significant purchase, they may well seek out recommendations and information from the trade press, consumer magazines, retailers and electronic and print marketing literature. Ultimately, then, consumers are likely to gather information from a variety of different information sources in the process of making consumer decisions. The information available over the Web is only one of those sources, and cannot be viewed in isolation. (Rowley, 2000b)

The information seeking process, which may involve a complex mix of interpersonal sources, print sources and the Internet, may be iterative. Consumers may start with one understanding of their needs, and refine this as they gather more information. Marketers will be concerned to control as much of this process as possible, whether through electronic, or other media channels. Users have a wide range of different educational backgrounds and levels of experience with the system. (Ibid)

Evaluation of alternatives, the third step of purchase decision-making process, occurs when customers use decision heuristics to evaluate and compare goods, often using substitute measures where limited information is available (for example, price is frequently used as a substitute for quality.) Trial (such as test driving a car), interaction with salespeople, and questioning of previous customers may occur here. Also, a customer must evaluate the financial consequences of any decision. (O'Keefe & McEachern, 1998)

Modern consumer society abounds with choices. In some cases, there may literally be hundreds of different brands (as in cigarettes) or different variations of the same brand (as in shades of lipstick), each screaming for our attention. (Solomon, 2004)

Consumers want to know that the e-merchant with whom they are transacting an order is reliable, and will deliver the product as specified to the delivery schedule indicated, maintain confidentiality, have effective product packaging and handling arrangements. Consumers are also concerned with the quality of the product. Product information which assists in the evaluation of the product, and consumer's comment may be useful in this context. Comparison shopping through evaluation process is possible, but time consuming, since it will be necessary to visit a number of different sites to compare the products on offer from different merchants. (Rowley, 2000a)

Coupey (2001) cited the reaching out and chatting with someone as one of the major uses of the Internet. E-shoppers can turn to each other for the advice that their grandparents relied upon in their traditional relationships with small shopkeepers. (Jayawardhena et al., 2003)
It is of crucial importance for the Airlines companies to understand how customers use the new media in their purchase decision-making process. Airline reservation usage is amongst the heaviest of all Internet product and service categories. As a self-service technology, Internet airline reservation places a significant burden and responsibility on the consumer. The consumer is responsible for searching multiple carriers for fares, comparing prices, and proper booking (Law & Leung, 2000). Mistakes are the sole blame of the consumer who has very limited recourse for correcting errors. (Cunningham et al., 2005)

An internet user will intend to purchase an air ticket over the Internet if he/she:

- Evaluate the act of purchasing the ticket over the Internet positively;
- Believes that important others think that he/she should perform the act or behavior; and
- Think that resources and opportunities are available to perform the behavior. (Athiyaman, 2002)

Although the growth of the Internet based airline services has been rapid, Internet sales have generally experienced low growth because of barriers such as perceived risk. Weber and Roehl (1999) find that the most frequently cited reasons for not purchasing travel products online are in order of precedence “credit card security”, “no assessment of product quality”, “privacy issues” and “rather purchase locally”. (Heung, 2003; Cunningham et al., 2005)

Some performance issues remain unresolved for the consumer as the purchase process reaches to the final steps. For example, the consumer may consider the possibility of double booking, poor seating choices, failure to obtain electronic receipts or timely delivery of ticket, or paying too much for a non-transferable, non-refundable ticket. (Cunningham et al., 2005)

1.3 Purpose and Research Questions

The purpose of this study is:

“\textit{To provide a better understanding of role of the information search and evaluation of alternatives in online purchase decision-making process for airline ticket purchasing}”

To reach this purpose the following research questions are stated:

Research Question 1: How consumers search information online for airline ticket purchasing?

Research Question 2: Discuss factors influencing consumers’ evaluation of alternatives in online airline ticket purchasing?

1.4 Demarcations

Due to time constraints for this study, an attempt has been made to narrow down the focus as much as possible. Therefore, this study will concentrate just on two above-mentioned steps in online airline tickets’ purchase decision-making process and the factors which are considered to be influential on those steps from a (highly-educated and less-educated) consumer perspective. The study mainly concentrates on the people buying online local airline tickets.
1.5 Outline of Thesis
This thesis consists of six chapters. Chapter one started with a background to the subject of this thesis and then moved on to a problem discussion, which ended in a purpose with three research questions. Chapter two provides information about previous studies relevant to the subject, and the third chapter provides a conceptual framework. How the research and the methodology were conducted is described in chapter four. Chapter five presents the collected empirical data. In chapter six we analyze the data and compare it to existing studies. Finally, chapter seven will answer the stated research questions and discuss the findings and conclusions.

Figure 1-3: Outline of the thesis.
2 Literature Review

This chapter presents a review of literature and theories related to each of two stated research questions.

2.1 Factors Influencing the Consumers’ Online Information Search

The Web allows for the amassing, analysis, and control of large quantities of specialized data, which enables comparison shopping and speeds the process of finding items. The Web also facilitates trials and can provide instant gratification; customers can test products online, which may stimulate purchase. Ease of use of technology, effectiveness of online search, and user satisfaction are antecedents of the perceived benefits of information search (Kulviwat et al., 2004). Each of these factors is shown in Figure 2.1 and discussed next.

![Figure 2-1: An Online Information Search Model. Source: Kulviwat et al., 2004, p. 248](image-url)

2.1.1 Ease of Use

Ease of use in the context of online search includes Web design, format, template, and user-friendly program. One key feature is interactivity, which allows consumers to personalize their information search, thereby increasing the perceived benefits of a search (Widing & Talarzyk, 1993). In fact, research shows that ease of use is a critical factor in the adoption of a new communication or information medium (Hiltz & Johnson, 1990) because ease of use facilitates information exchange. According to Alba et al. (1997) and Bakos (1997), the amount of information search online is dependent upon the consumer's ability to screen information effectively. (Kulviwat et al., 2004)
The combination of interactive search, screen, and comparison features should prompt consumers to make decisions more rapidly (Greenleaf and Lehmann, 1995). Consumers can easily specify the kind of information they need to make an informed choice. Lowered search costs for quality information and easier store comparison should improve search efficiency and ultimately increase user satisfaction (Lynch & Ariely, 2000). (Ibid)

2.1.2 Effectiveness of Search
Effectiveness of search can be defined as the consumer's ability to acquire and utilize relevant information from the external environment (Punj & Staelin, 1983). Interactive decision aids on the Internet (e.g. a wide variety of software tools including search engines), help consumers locate useful information (Bradlow & Schmittlein, 2000; Haubl & Trifts, 2000), such as screening alternatives and organizing pieces of messages to form a viable consideration set (Alba et al., 1997). As mentioned earlier, Internet technology allows consumers to access vast amounts of information if necessary, and at the same time, enables consumers to perform a highly targeted information gathering, making an online search more effective which is crucial to maintain information quality (DeLone & McLean, 1992). (Ibid)

2.1.3 User Satisfaction
User satisfaction can be defined as an individual's positive and/or negative reactions to the use of information or computer technology (Bailey and Pearson, 1983). User satisfaction is such an important measure in behavioral research in MIS that it is often used to gauge a new information system's success (DeLone & McLean, 1992; Myers et al., 1997). (Ibid)

Information search requires less effort online than offline. Alba et al. (1997) contend that a significant benefit of online search and shopping is the vast number of alternatives accessible to consumers without physical strain in a brick-and-mortar retail environment. For example, it takes far less time and effort to visit a virtual store than a local retail outlet. This great flexibility, in the electronic shopping environment, increases consumers’ satisfaction (Ariely, 1999). (Kulviwat et al., 2004)

2.1.4 Perceived Cost of Information Search
Perceived costs consist of monetary, temporal (time), mental, psychological, and behavioral (physical) effort required in a search process. Studies (Punj & Staelin, 1983; Srinivasan, 1990) found that search costs negatively affected search activity as predicted by theory (Stigler, 1961). After all, online search is not effortless. In fact, it can be stressful as some may experience information overload. (Kulviwat et al., 2004)

Bhatnagar et al. (2000) suggest that shopping online is perceived to be quite risky. Perceived risk includes fear of technology use and information overload, feeling of uncertainty and confusion, and feeling of insecurity when engaging in online transactions (e.g. credit card fraud). Because technology for secure transactions (e.g. online payment) is not yet mature, security and privacy are major issues that should be addressed satisfactorily in this medium. Hence, perceived risk will induce a perception of increased cost in searching online that discourages motivation to search information online (Klein and Quelch, 1997). (Ibid)
2.1.5 Ability to Search
In addition to perceived benefit and cost, we also include ability to search as a major determinant of information search online because it is right on target in dealing with large issues such as digital divide and technology fear. Ability to search is rooted in self-efficacy theory. Bandura (1977) defined self-efficacy as people's judgments of their capabilities to organize and execute courses of actions required to achieve certain performances. Self-efficacy involves mainly the individuals’ beliefs about their ability and motivation to perform specific tasks. It is concerned not with the skills one has, but with judgments of what one can do with whatever skills one possesses (Bandura, 1982). (Ibid)

Capability to search is related to knowledge, education, and experience (Schmidt & Spreng, 1996). Alba and Hutchinson (1987) defined dimensions of knowledge as consisting of expertise and familiarity (in term of online experience). While knowledge and skills are technological proficiency, user experience is related to experience with the Internet. Online search is directly involved with consumers’ ability to navigate in an online environment or the ability to use the Internet with proficiency (Klein & Ford, 2003; Hoffman & Novak, 1996). Research shows that a consumer's ability to search increases search activity (Bettman & Park, 1980; Srinivasan, 1990; Klein & Ford, 2003). (Ibid)

Knowledge
Previous studies have examined the moderating effects of domain knowledge or expertise on purchasing behavior (Alba & Chattopadhyay, 1985; Bettman & Park, 1980). According to Alba and Hutchinson (1987) and Moorthy et al. (1997), expertise is viewed as a component of knowledge. Knowledge consists of product and technology knowledge. While product knowledge is the consumer's perception of how much he/she knows about the value proposition of various alternatives under consideration (Brucks, 1985), technology knowledge refers to the Web consumers’ capacity for action during the online navigation process and control (Novak et al., 2000). Domain knowledge (i.e. experience with the interactive environment) and skills such as computer familiarity and typing could prove to be an important factor in determining what sorts of activities consumers engage in online. (Kulviwat et al., 2004)

Compared to non-users, Internet users are more interested in technology because technology is not only important, but also fun to them (Hoffman and Novak, 1996). Users readily see benefits from the new technology, especially information/time saving benefits. Internet users accumulate knowledge, both subjective and objective knowledge (Brucks, 1985), and knowledge affects external search (Punj & Staelin, 1983). Also, knowledge boosts confidence and reduces perceived risk (Bhatnagar et al., 2000). (Ibid)

Education
Previous research has extensively studied education as a determinant of information search. Higher levels of education lead to increased search activity (Kiel and Layton, 1981). Further, as the education level increases, consumers will gain greater knowledge, which serves as an input to produce ability to search. Ratchford et al. (2003) found that Internet users have higher education than the non-users. Education enhances one's ability to identify, locate, and assimilate relevant information (Sohn et al., 2002). (Ibid)
Experience

Experience can be categorized as product and technology experience. Newman and Staelin (1971) found that product satisfaction and purchasing experience interacted to reduce purchase decision times. The dissatisfaction or lack of experience with the product induces more information search. Conversely, experience with technology encourages search mainly by improving one's ability to search. A user's experience is related to knowledge (Novak et al., 2000). Thus, experience with the Internet enhances consumers’ maneuverability with the technology, facilitating search online. Park et al. (1994) specified experience as a distinct construct that is antecedent to knowledge. They found that experience had differential effects on knowledge and knowledge could influence experience by having different antecedents of related experiences. Thus, experience and knowledge are related to each other. Also, experience or familiarity with technology tends to reduce the perceived risk of using it. Bhatnagar et al. (2000) proposed that the likelihood of online purchase increases as the consumer’s experience with the Internet accumulates. (Ibid)

2.1.6 Buying Strategies

Buying strategies can be conceptualized as either simplifying or optimizing in information gathering (Wright, 1975). One way of simplifying the decision-making process concerns whether consumers develop brand and Web site preferences or not (Beatty and Smith, 1987). Customer satisfaction has been found to negatively influence information search (Newman & Staelin, 1971; Punj & Staelin, 1983). Kiel and Layton (1981) found that consumers satisfied with their previous purchases searched less information for the next purchase. Also, people seem to visit fewer stores online despite the fact that they are “just a mouse click away” from other stores. This is consistent with the idea that consumers are limiting their search to just a few of the most popular sites. Johnson et al. (2000) found that the top 1 percent of Web sites captures 50 percent of all visits to the Web. (Ibid)

2.1.7 Situational Factor

Urgency and time pressure are situational variables. An immediate need shortens purchase decision time and therefore reduces information seeking. Time pressure reflects the consumer's perception of time availability and sacrifice (e.g. ability to do something else or delayed use of the product). In a study of consumer electronic appliances, Beatty and Smith (1987) found that information search increases with greater time availability. Presumably, consumers spend more time searching for products (and evaluating information) when their current product is still in operating order. The notion that constraints on one's time lead to less information search has been confirmed by numerous studies (Newman & Staelin, 1971; Payne et al., 1988; Wilkie and Dickson, 1985; Bellman et al., 1999; Weening & Maarleveld, 2002). (Kulviwat et al., 2004)

2.1.8 Personal Factor

Research (Hoffman & Novak, 1996) found that information search is positively related to enjoyment of shopping. In the Internet environment, the extent to which potential goal-directed shoppers can find relevant and reliable information with ease should be a key determinant in their repeated use of the Web. Those browsing for fun (intrinsic enjoyment), without any shopping purpose, will be less concerned with ease of access or with reliable information. However, they may be more concerned with whether the process gives them sufficient stimulation, new interests and fun to keep them coming back. Consumers use different strategies to navigate through a shopping environment depending upon the task of the shopping trip (Hirschman and Holbrook,
According to Babin et al. (1994) and Baumgartner and Steenkamp (1996), shopping should not be evaluated solely in terms of the goods or services acquired because it can involve experiential as well as utilitarian outcomes. If the purpose of a shopping trip is to locate a particular item, then the search process tends to be of a utilitarian (problem solving) nature; if the trip is more fun oriented, then the search strategy involves more hedonic (experiential) behavior (Bloch et al., 1989; Titus & Everett, 1995). (Ibid)

Although many consumers use the Internet for transaction purposes, a lot of them still get online just for information search or pure enjoyment (Katerattanakul, 2002). As such, browsing is an important activity among Internet users. Bloch et al. (1989) define browsing as “an ongoing search activity that is independent of specific purchase needs or decisions”. Importantly, they propose that the triggers of browsing activities can be both recreational and a search for information (i.e. fun as well as work). Johnson et al. (2000) propose that there exist differences between active and less active shoppers online. More active households with high levels of activity search more store sites than the less active households. (Ibid)

2.1.9 Motivation to Search

Schmidt and Spreng (1996) define motivation as the desire to expend effort in gathering and processing information, which is characterized by both direction (which pieces of information are collected and processed) and intensity of the effort (the level of goal-directed arousal). Internet users appear to be primarily motivated by communication/ information needs, but do not necessarily feel shortage of time compared to non-users. Perceived cost and perceived benefit of search have an impact on information search by influencing motivation to search (Moorthy et al., 1997). That is, lower (higher) search costs and higher (lower) search benefits can increase (decrease) motivation to search. As discussed earlier, the ability to search seems to have a positive effect on the motivation to search. Consequently, the effects of perceived benefit, perceived cost, and ability to search should be mediated by motivation to search. (Kulviwat et al., 2004)

Early e-shoppers were largely bargain hunters, expecting the lowest prices as a reward for their risk taking. Amazon and other early e-businesses used the lure of cheaper prices to attract the shoppers online. Things have now moved on and, according to the Goldfish e-Tail Price Index, online prices rose by 4 percent in the year up to February 2002(Goldfish.com, 2002). (Jayawardhena et al., 2003)

The Internet has unique features for the communication of promotionally priced fares to both business and general travelers. The use of the Internet by airlines to communicate information is becoming prevalent, from relatively slow beginnings in the middle years of the decade. This relates both to hard information, in the form of schedules and the availability of fare information, and to the softer areas of more general company information. Web presence is itself significant but the design of the site even more important. From a consumer perspective it must be relevant and useful, with easy navigation features so that the time spent on a visit is fruitful. Moreover, the site should invite revisiting is a critical difference in the initial motivation to visit and to contact again. In principle, the site offers a one-to-one relationship to the visitor and should have immediately communicable positive features. (Driver, 1999)
2.2 Factors Influencing the Consumers’ Online Evaluation of Alternatives

The online and offline theories will be reviewed in this part in order to come to a shared vision of two situations on this step of purchase decision-making process.

2.2.1 Evaluation of Alternatives in Offline Environment

The first part of this stage is identifying alternatives. The main question arise in this part is: How do we decide which criteria are important, and how do we narrow down product alternatives to an acceptable number and eventually choose one in preference to others? The answer varies depending upon the decision-making process used. A consumer engaged in extended problem-solving may carefully evaluate several brands, while someone making a habitual decision may not consider any alternatives to their normal brand. Some evidence indicates that more extended processing occurs in situations where negative emotions are aroused due to conflicts among the choice available. (Solomon, 2004)

The alternatives actively considered during a consumer’s choice process are his or her evoked set. The evoked set is composed of those products already in memory (the retrieval set), plus those prominent in retail environment. The alternatives that the consumer is aware of but would not consider buying are his or her inept set, while those not under consideration at all comprise the inner set (see Figure 2.2). Consumers often include a surprisingly small number of alternatives in their evoked set. However one study combine results from large-scale investigations of consumers’ evoked sets found the number of products included in these sets was limited, although there were some marked variations by product category and across countries. A product is likely to be placed in the evoked set after it was previously being considered and rejected. Indeed, a new brand is more likely to be added to the evoked set than is an existing brand that was previously considered but passed over, even after additional positive information has been provided for that brand. (ibid)

Categorization is a crucial determinant of how a product is being evaluated. The products in consumer’s evoked set are likely to be those that share similar features. It is important to understand how this knowledge is represented in a consumer’s cognitive structure, which refers to a set of factual knowledge about products (i.e. beliefs) and the way these beliefs are organized in people’s mind. (Solomon, 2004)

Once the relevant options from a category have been assembled and evaluated, a choice must be made among them. Evaluating criteria are the dimensions used to judge with the merits of competing options. Another important point is that criteria on which products differ from one another carry more weight in the decision process than those where the alternatives are similar. If all brands are being considered equally well on one attribute, consumers will have to find other reasons to choose one over another. The attributes actually used to differentiate among choice are determinant attributes. (Solomon, 2004)
The decision about which attributes to use is the result of *procedural learning*, in which a person undergoes a series of cognitive steps before making a choice. These steps include identifying important attributes, remembering whether competing brands differ on those attributes, and so on. When limited problem-solving occurs prior to making a choice, consumers often fall back on *heuristics*, or mental rules-of-thumb that lead to a speedy decision. These rules range from the very general (e.g. “higher-priced products are higher-quality products” or “buy the same brand I bought last time”) to the very specific (e.g., “buy Domino, the brand of sugar my mother always bought”). (Solomon, 2004)

According to Solomon (2004) consumers often form assumptions about companies, products, and stores. These market beliefs then become shortcuts that guide their decisions-whether or not they are accurate. A large number of market beliefs have identified. Some of these are: brand, store, price/discounts/sales, advertising and sales promotion, and product/package. The assumption of a price-quality relationship is one of the most pervasive market beliefs. Novice consumers may in fact consider price as the only relevant product attribute. Experts also consider this information, although in these cases price tends to be used for its informational value, especially for products that are known to have wide quality variations in the market place. When this quality level is more standard or strictly regulated, experts do not weigh price in their decisions. For the most part, this belief is justified: you do tend to get what you pay for. However, let the buyer be aware: the price-quality relationship is not always justified.

Branding is a marketing strategy that often functions as a *heuristic*. People form preferences for a favorite brand, and then they literally may never change their minds in the course of a lifetime. Many people tend to buy the same brand just about every time they go to the store. This consistent pattern is often due to *inertia*- a brand is bought out of habit mealy because less effort is required if another product comes along that is for some reasons easier to buy (e.g., it is cheaper or the original product is out of stock), the consumer will not hesitate to do so. A competitor who is trying to change a buying pattern based on inertia often can do so rather easily, because little resistance to brand switching will be encountered if the right incentive is offered. (Solomon, 2004)
**Literature Review**

*Brand loyalty* is a form of repeat purchasing behavior reflecting a conscious decision to continue buying the same brand. For brand loyalty to exist, a pattern of repeat purchase must be accompanied by an underlying positive attitude toward the brand. Brand loyalty may be initiated by customer preference based on objective reason, but after the brand has been around for a long time and is heavily advertised it can also engender an emotional attachment, either by being incorporated into the customers self-image or because it is associated with prior experiences. (Solomon, 2004)

A comprehensive model of evaluation of alternatives’ factors has been developed according to Solomon *et al.* (2002, p.249): Identifying Alternatives, Solomon (2004, p.313): Common Market Beliefs and Liang and Lai (2002): Online Evaluation of Alternatives, to show this step of consumers’ purchase decision-making process (see Figure 2.3).

![Evaluation of Alternatives Model](image-url)

**2.2.2 Evaluation of Alternatives in Online Environment**

An online shopping site may provide functions that support customer evaluation of products and help to build trust. (Liang & Lai, 2002)
2.2.2.1 Support of Product Evaluation

Customers often compare candidates using attributes, inquiries to staff, and bargaining for a better price. It helps if a store provides the following:

Comparison of prices and other attributes: Price is a key attribute that most consumers consider in their purchase decision. A mechanism for online comparison of prices and other features may help. An online shopping site may provide functions that support customer evaluation of products and help customers often compare candidates using attributes, inquiries to staff, and bargaining for a better price. (Liang & Lai, 2002)

Online Evaluation of Alternatives and Perceptions of Price

It has been argued that actual price results in a subjective internal representation (i.e., perceived price) which provides some meaning to the consumer (Monroe, 1990). Furthermore, consumers may use price as an indicator of product quality, i.e., the higher the price, the higher the perceived quality. Such an association between price and perceived quality is essentially a heuristic that enables consumers to use an extrinsic attribute like price to make judgments about a product’s quality (Pechmann and Ratneshwar, 1991). However, price information plays a dual role in consumers’ judgments. Consumers use price not only to infer a product’s quality but also to determine the monetary sacrifice associated with the purchase of that product (Monroe, 1990, p. 73, Leszinski and Marn, 1997). Rao and Monroe’s (1988) study demonstrated that consumers are less likely to use price as an indicator of quality when they have the ability and motivation to process other relevant cues that might help them evaluate a product’s quality. In such situations, it is likely that price will serve more as an indicator of sacrifice than as an indicator of quality. Thus, when situations allow consumers to systematically process the given information, price will be used more to infer sacrifice than quality. On the other hand, when situations promote heuristic processing of information, price information will be used more to infer quality than sacrifice. If perceived value represents a tradeoff between perceived sacrifice and perceived quality (Grewal et al., 1998, Monroe, 1990, p. 73), then we would expect that judgments of value will reflect the relative differences in weights consumers place on the price–quality and price–sacrifice relationships. Hence, judgments of perceived value will behave in a manner similar to judgments of perceived quality when the price–quality heuristic dominates. When price information is processed systematically, greater weight will be placed on the price–sacrifice relationship and judgments of value will behave in a manner similar to judgments of perceived sacrifice. (Suri et al., 2003)

Customer Interaction

Consumers often seek opinions from their friends or other consumers before making a final decision. Functions allowing customers to access other customers’ comments or opinions directly may help. (Liang & Lai, 2002)

2.2.2.2 Building Trust in the Electronic Environment

For customers who are not familiar with electronic purchasing, it is important to build their confidence. Possible mechanisms include the following:
Claiming Security of Transactions

Since the seller and the buyer do not actually see each other in the virtual market, Internet security is a major concern. Therefore, adopting proper security mechanisms, such as secured electronic transactions, and making announcements may help. (Ibid)

Offering a VIP System

VIPs are a special group of customers. Offering VIP memberships is useful in retaining regular and well paying customers. (Ibid)

Providing Adequate Service Phone Numbers

To reduce the feeling of uncertainties while purchasing, it is helpful to make service phone numbers and other contact information available. (Ibid)

Communication is only relevant if it leads eventually to some expression of consumer behavior in brand selection or in terms of purchase. The Internet has the unique ability to marry these two aspects and to make action possible on the receipt of information. (Driver, 1999)

Services are generally intangible, non-standardized, usually sold without guarantees, and need to be experienced before they can be assessed. Consumers find themselves trying to evaluate virtually indistinguishable service alternatives and providers. As a result, service purchasers rely less on brand loyalty (Mitra et al., 1999) and more heavily upon personal information sources and recommendations during the pre-purchase interval (Murray, 1991; Murray and Schlater, 1990). Although airline services themselves have tangible components, e.g. aircraft (Santos, 2002), Shostack (1977) argues that airlines services are basically intangible. (Cunningham et al., 2005)

There are several academic studies dealing with internet airline reservations systems specifically. Initial research focused on bias in reservation systems (Friedman and Nussenbaum, 1996) that favored certain carriers and the effectiveness of the electronic marketplaces to increase price competition and reduce seller monopoly power (Bakos, 1997). Card et al. (2003) studied individual differences between travel internet shoppers and non-shoppers. Focusing on the alternative evaluation stage, they conclude that although both groups view the internet shopping environment similarly, the choice to shop online is based on personal characteristics, opinion leaders and involvement. Of course, similar concerns are applicable to a wide range of internet services and shopping situations, and are not limited to airline reservations. (Cunningham et al., 2005)
3 Conceptual Framework

In this chapter, the conceptual framework for the literature reviewed in the second chapter will be presented with the intention to answer the research questions considering specific and appropriate variables.

3.1 How Consumers Search Information in Online Airline Ticket Purchasing?
The objective of first research question is that how consumers get benefit from internet for purchasing online airline tickets. The Web allows for the amassing, analysis, and control of large quantities of specialized data, which enables comparison shopping and speeds the process of finding items (Kulviwat et al., 2004).

3.1.1 Perceived Benefits of Online Information Search
The Web also facilitates trials and can provide instant gratification; customers can test products online, which may stimulate purchase (Ibid)

Ease of Use of Technology:
Ease of use in the context of online search includes Web design, format, template, and user-friendly program (Widing & Talarzyk, 1993). (Kulviwat et al., 2004)

User Satisfaction:
User satisfaction can be defined as an individual's positive and/or negative reactions to the use of information or computer technology (Bailey and Pearson, 1983). (Ibid)

3.1.2 Capability to Search
Capability to search is related to:

Knowledge:
Expertise is viewed as a component of knowledge. Knowledge consists of product and technology knowledge Alba and Hutchinson (1987). (Ibid)

Education:
Enhances one's ability to identify, locate, and assimilate relevant information (Sohn et al., 2002). (Ibid)

Experience:
A user's experience is related to knowledge (Novak et al., 2000). Thus, experience with the Internet enhances consumers’ manoeuvrability with the technology, facilitating search online (Schmidt & Spreng, 1996). (Ibid)

3.1.3 Situational factor:
Urgency and time pressure are situational variables. An immediate need shortens purchase decision time and therefore reduces information seeking. Time pressure reflects the consumer's perception of time availability and sacrifice (e.g. ability to do something else or delayed use of the product). (Kulviwat et al., 2004)

3.1.4 Motivation to Search
Lower (higher) search costs and higher (lower) search benefits can increase (decrease) motivation to search. The ability to search seems to have a positive effect on the motivation to search.
Consequently, the effects of perceived benefit, perceived cost, and ability to search should be mediated by motivation to search. (Kulviwat et al., 2004)

Considering the above-mentioned categories influencing the online information search, this study is going to focus on the following variables included in Table 3.1.

Table 3-1 Elements of Online Information Search

<table>
<thead>
<tr>
<th>Type</th>
<th>Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Benefits</td>
<td>Ease of Use and user satisfaction</td>
</tr>
<tr>
<td>Ability To Search</td>
<td>User Experience, Knowledge and education</td>
</tr>
<tr>
<td>Situational Factor</td>
<td>Urgency, time pressure</td>
</tr>
<tr>
<td>Motivation</td>
<td>Perceived Benefits, Ability To Search, Situational Factor</td>
</tr>
</tbody>
</table>

3.2 Discuss Factors Influencing Consumers’ Evaluation Of Alternatives In Online Airline Ticket Purchasing?

(Solomon, 2004) raised this question: How do we narrow down product alternatives to an acceptable number and eventually choose one in preference to others? This question leads us to the following factors influencing the evaluation of alternatives.

Evaluation of Alternatives

The alternatives actively considered during a consumer’s choice process are:

- Evoked set: The evoked set is composed of those products already in memory
  - Retrieval Set
  - Prominent Products

Support of product evaluation

Customers often compare candidates using attributes, inquiries to staff, and bargaining for a better price. (Liang & Lai, 2002)

- Comparison of prices and other attributes. Price is a key attribute that most consumers consider in their purchase decision. Furthermore, consumers may use price as an indicator of product quality, i.e., the higher the price, the higher the perceived quality. (Ibid)
- Customer interaction. Consumers often seek opinions from their friends or other consumers before making a final decision. (Ibid)

Considering the above-mentioned categories influencing the online information search, this study is going to focus on the following variables included in Table 3.2.

Table 3-2 Elements of Evaluation of Alternatives

<table>
<thead>
<tr>
<th>Type</th>
<th>Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>All alternatives</td>
<td>Building trust, Evoked set: Retrieval Set and Prominent Products</td>
</tr>
<tr>
<td>Online Additional Alternatives</td>
<td>Support of Product evaluation: Comparison of prices and Customer interaction.</td>
</tr>
</tbody>
</table>
3.3 Emerged Frame of Reference
In chapter 2 relevant theories have been conceptualized. This emerged frame of reference (see figure 3.1) has been developed by merging different models of (Solomon et al., 2002, p.249) and (Solomon, 2004, p.313) and other factors mentioned by (Liang & Lai, 2002), in order to understand how our research questions relate to one another and will all serve as a base to reach our research purpose.

![Figure 3-1 Emerged Frame of Reference](image_url)

- **Ease of use** → **User Satisfaction** → **Perceived Benefits**
- **User Experience** → **Knowledge** → **Online Information Search**
- **Motivation** → **Situational Factor** → **Ability to Search**
- **Customer Interaction** → **Price Comparison**
- **Building Trust** → **Support of Product Evaluation**
- **Negotiation** → **Online Evaluation of Alternatives**
- **Evoked Set** → **Prominent Products**
- **Evoked Set** → **Flow of Alternatives**

**RQ 1**
- **Information Search**
- **Evaluation, Negotiation, Selection**
- **Purchase, Payment, Delivery**
4 Methodology

The purpose of this chapter is to provide a brief introduction to the research approach and methods. The chosen research approach and methods for achieving the research objectives are discussed. This study has followed some steps consecutively considering simultaneously the validity and reliability criteria to make sure that the study fulfils certain standards (Foster, 1998). These steps are displayed in 4.1.

Research can be defined as any organized inquiry carried out to provide information for solving problems. Business research is a systematic inquiry whose objective is to provide information to solve managerial problems or management dilemma: the problem or opportunity that requires a management decision. (Cooper & Schindler, 2003)

4.1 Research Purpose

The purposes of social research may be organized into three group based on what the researcher is trying to accomplish: explore a new topic, describe a social phenomenon, or explain why something occurs. Studies may have multiple purposes (e.g., both to explore and to describe), but one is usually dominant (See table 4.1). (Neuman, 2003)

<table>
<thead>
<tr>
<th>Exploratory</th>
<th>Descriptive</th>
<th>Explanatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Become familiar with the basic facts, setting, and concerns.</td>
<td>- Provide a detailed, highly accurate picture.</td>
<td>- Test a theory’s predictions or principle.</td>
</tr>
<tr>
<td>- Create a general mental picture of conditions.</td>
<td>- Locate new data that contradict past data</td>
<td>- Elaborate and enrich a theory’s explanation.</td>
</tr>
<tr>
<td>- Formulate and focus questions for future research.</td>
<td>- Create a set of categories or classify types.</td>
<td>- Extend a theory to new issues or topics.</td>
</tr>
<tr>
<td>- Generate new ideas, conjectures, or hypotheses.</td>
<td>- Clarify a sequence of steps or stages.</td>
<td>- Support or refute an explanation or prediction.</td>
</tr>
<tr>
<td>- Determine the feasibility of conducting research.</td>
<td>- Document a causal process or mechanism.</td>
<td>- Link issues or topics with a general principle.</td>
</tr>
<tr>
<td>- Develop techniques for measuring and locating future data.</td>
<td>- Report on the background or context of a situation.</td>
<td>- Determine which of several explanations is best.</td>
</tr>
</tbody>
</table>

As the research questions and research purpose of this study indicates, it is primarily descriptive. The study provides a background of a situation and also a detailed relatively accurate picture;
therefore, it is descriptive. This study is also exploratory since the reader becomes familiar with the basic facts, setting, and concerns. Eventually the study will be explanatory since it elaborates and enrich and support the previous theories through comparing our answers with research questions.

### 4.2 Research Approach

Different approaches can be taken such as deductive or inductive, or if it is qualitative or quantitative.

Deductive research starts with existing theories and concepts and formulates hypotheses that are subsequently tested; its vantage point is received theory. Inductive research starts with real-world data, and categories, concepts, patterns, models, and eventually, theories emerge from this input. After the initial stages, all types of research become iteration between the deductive and the inductive. This is sometimes referred to as adductive research. (Gummesson, 2000)

A qualitative approach is one in which the inquirer often makes knowledge claims based primarily on constructivist perspectives (i.e., the multiple meanings of the individual experiences, measuring socially and historically constructed, with an intent of developing a theory or pattern) or advocacy/ particularly perspectives (i.e. political, issue-oriented, collaborative, or change oriented) or both. It also uses strategies of inquiry such as narratives, phenomenology, ethnographies, grounded theory studies, or case studies. The researcher often collects open-ended, emerging data with the primary intent of developing themes from the data. (Creswell, 2002)

Since our research purpose and research questions were developed on existing theories and concepts, it is deductive. As the purpose of this study is to gain a better understanding of the role of the information search and evaluation of alternatives in online purchase decision-making process, the selection of qualitative approach was found to be more appropriate to fulfill the stated purpose. Also as this study is intended to explore and describe and find as many as detailed and complete information as possible, the qualitative approach is found the most appropriate method of study. Thus, the aim of this study is to establish a closer contact with the studied objects and not to make any generalizations.

### 4.3 Research Strategy

A research strategy may be thought of as providing the overall direction of the research including the process by which the research is conducted (Remenyi & Williams, 1998).

Yin (2003) describes five different research strategies to apply when collecting and analyzing empirical evidence: experiments, surveys, archival analysis, histories, and case studies. Yin (2003) also provides three conditions to apply in order to decide upon which strategy to use: 1) The type of research question posed. 2) The extent of control an investigator has over actual behavioral events. 3) The degree of focus on contemporary, as opposed to historical, events. The first and most important condition for differentiating among the various research strategies is to identify the type of research question being asked. A basic categorization scheme for the types of questions is the familiar series: ‘‘who’’, ‘‘what’’, ‘‘where’’, ‘‘how’’, and ‘‘why’’. ‘‘How’’ and ‘‘why’’ questions are more explanatory and likely to lead to the use of case studies, histories, and experiments as the preferred research strategies. (Yin, 2003)
To achieve the research purpose of this study, the following questions should be answered:

- **Research Question 1**: How consumers search information in online airline ticket purchasing?
- **Research Question 2**: Discuss factors influencing consumers’ evaluation of alternatives in online airline ticket purchasing?

Considering the above-mentioned research questions and according to Yin (2003) possible research strategies are hence experiment, history, or a case study. We have chosen the case study strategy since it may deal with the same kinds of evidence as the history, but adds the possibility of making interviews and direct observations. Case studies are preferred strategy when ‘‘how’’ and ‘‘why’’ questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within real-life context. (Yin, 2003)

A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. The case study allows an investigation to retain the holistic and meaningful characteristics of real-life events. A case study can involve a single and a multiple-case study. The single case study makes an in-depth investigation regarding only one entity but in multiple-case study two or more entities are being investigated which gives the opportunity of comparisons. (Yin, 2003)

The multiple-case have chosen study due to the fact that it was giving us the opportunity have a thorough study to compare the cases; therefore, it enables us to see the differences and similarities among the cases.

### 4.4 Data Collection

Data are the empirical evidence or information that one gathers carefully according to rules or procedures. Every researcher collects data using one or more techniques. The techniques may be grouped into two categories: quantitative, collecting data in the form of numbers, and qualitative, collecting data in the form of words, pictures. Some techniques are more effective when addressing specific kinds of questions or topics. It takes skill, practice, and creativity to match a research question to an appropriate data collection technique. (Neuman, 2003)

The data that will be collected is expected to be mainly of a qualitative nature, due to the chosen units of analysis.

Yin (2003) discusses six main sources of evidence to apply in a case study. These sources of evidence are documentation, archival records, interviews, direct observations, participant-observations, and physical artefacts. In this study, the two sources of evidence that are considered valuable are documentation and interviews and will be described. An overview of documentation and interviews sources and their comparative strengths and weaknesses may be found in Table 4.2.

According to Yin (2003) information found in documents is likely to be relevant for nearly every case study topic, especially for confirming and supplementing evidence from other sources. Documents are important in the data collection stage in a case study, due to their overall value. However, care must be taken in the interpretation of documents, since they are often prepared for another purpose and audience than that of the case study (Yin, 2003).
Table 4-2: Two Sources of Evidence and their Comparative Strengths and Weaknesses.
(Adapted from Yin, 2003, p. 86)

<table>
<thead>
<tr>
<th>Source of Evidence</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
</table>
| Interviews         | • Targeted – focus directly on case study topic
                     • Insightful – provide perceived causal inference | • Bias due to poorly constructed questions
                     • Response bias
                     • Inaccuracies due to poor recall
                     • Reflexivity – interviews give what interviewer wants to hear |

Yin (2003) states that interviews are one of the most important sources of case study evidence and defines the interview as a two-way conversation that gives the interviewer the opportunity to participate actively in the interview. The interview is structured and based on predetermined questions. According to Yin (2003) there are three types of interviews: open-ended, focused, and structured. The most commonly used interview method is open-ended, where the researcher asks the respondent unstructured questions, thus allowing the interview to be more of a discussion. The respondents can be asked for facts as well as their own personal opinion. When a focused interview takes place, the respondent is interviewed during a brief period of time—an hour, for example. The purpose with a focused interview could be to confirm certain facts that are already known to the researcher. The third form of interview, survey, is more of a combination of an interview and a survey and entails more structured questions along the lines of a formal survey. According to Saunders et al., (2003) most qualitative interviews occur on a one-to-one, face-to-face basis.

Interviews are used as data collection method for this study. Since we need to explore the consumers’ ideas about our research questions, face-to-face interviews are used as primary data collection method. As the aim with this study is to look at the research topic from a consumer perspective, thereby gaining insight to consumers’ attitudes, perceptions, and opinions within the subject area, conducting individuals’ interviews is found to be the most suitable alternative for collecting primary data for this research. This is since it will allow perceptions and opinions of the participants to be studied and if conducted properly the individual participation may be enhanced. The interviews were conducted in English. In addition, a short questionnaire will be given out to interviewees at the end of the interview. We constructed a questionnaire which can be found in It can be found in Appendix B. that had the similar set of questions asked in the interview guide. The questionnaire can be constructed in a combination of grading scales, multiple choices and open-ended questions. We tried to make the questionnaire more structured, with just a few open-ended questions. This would make it somewhat possible to compare and verify data collected from each interviewee. This can be considered as a form of primary documentation. (Yin, 2003) This is intended to provide general information about the interviewees as well as their education.

A common question about doing interviews is whether to record them. Using a recording device in interviews helps the researcher to minimize the possibility of losing information and also gives him/her the capability to recheck the collected data. Using recording devices is in part a matter of
personal preference. Audiotapes certainly provide a more accurate rendition of any interview than any other method (Yin, 2003). During the interview, a recording device was used.

4.5 Sample Selection
According to Saunders et al. (2003) sampling techniques provide a range of methods that enable you to reduce the amount of data you need to collect by considering only data from a subgroup rather than all possible cases or elements. Qualitative researchers rarely draw a representative sample from a huge number of cases to intensely study the sampled cases— the goal in quantitative research. For qualitative researchers, it is their relevance to the research topic rather than their representativeness which determines the way in which the people to be studied are selected (Neuman, 2003). Non-probability or judgmental sampling is more frequently used for case study research. Purposive or judgmental sampling enables you to use your judgment to select cases that will best enable you to answer your research question(s) and to meet your objectives. This form of sample is often used when working with very small samples such as in case study research and when you wish to select cases that are particularly informative. (Saunders et al., 2003)

Multiple-case sampling is used in this study due to the fact that it can increase the level of assurance to findings. The criteria for sample selection have consisted of consumers who are currently practicing actively the purchase of airline tickets online. The above-mentioned consumers were located mostly in Luleå (Sweden) and Islamabad, capital city of Pakistan. Two groups of hundred (100) people had selected for the cases of this study: one group labeled as less educated) with education lower than (Bachelor) or just appeared in any high school and other group with higher education rate (Bachelor and Master Degree holders or PhD student) and PhD graduate labeled as (highly-educated group).

4.6 Data Analysis
Data analysis is one step, and an important one, in the research process. Researchers generate information by analyzing data after its collection (Cooper & Schindler, 2003). According to Miles & Huberman (1994), the analysis of qualitative data consists of three activities: data reduction, data display, and conclusion drawing.

Data reduction refers to the process of selecting, focusing, simplifying, abstracting, and transforming the data that appear in written-up field notes or transcriptions. Data reduction is not something separate from analysis. It is part of analysis. Qualitative data can be reduced and transformed in many ways: through selection, through summary or paraphrase, through being subsumed in a larger pattern, and so on. (Miles & Huberman, 1994)

Display, generically, is an organized and compressed assembly of information that permits conclusion drawing and action. Looking at displays helps us to understand what is happening and to do something—either analyze further or take action-based on that understanding. Better displays are a major avenue to valid qualitative analysis. As with data reduction, the creation and use of displays is not separate from analysis, it is a part of analysis. (Ibid)

Conclusion drawing and verification is the third stream of analysis activity. From the start of data collection, the qualitative analyst is beginning to decide what things mean and the competent researcher holds these conclusions lightly, maintaining openness and skepticism. Final conclusions may not appear until data collection is over. Conclusions are also verified as the analyst proceeds. The meaning emerging from data have to be tested for their plausibility, their
sturdiness, their conformability—that is their validity. Otherwise we are left with interesting stories about what happened, of unknown truth and utility. (Ibid)

The above-mentioned three steps were followed for data analysis. First, the data will be reduced through a within-case analysis where the cases compared with the frame of reference. Secondly, all of the data was further will be reduced further through being displayed in order to have a cross-case comparison. Finally, conclusions will be drawn based on the within-case and cross-case analysis.

4.7 Reliability and Validity
Reliability means dependability or consistency. It suggests that same thing is repeated or recurs under the identical or very similar conditions. Validity is concerned with whether or not the item actually elicits the intended information. Validity suggests fruitfulness and refers to the match between a construct, or the way a researcher conceptualizes the idea in a conceptual definition, and a measure. It refers to how well an idea about reality “fits” in with actual reality (Neuman, 2003).

As Neuman (2003) states reliability is necessary for validity and is easier to achieve than validity. Although reliability is necessary in order to have a valid measure of a concept, it does not guarantee that a measure will be valid. It is not a sufficient condition for validity. Figure 4.2 illustrates the relationship between the concepts by using the analogy of a target. The bull’s-eye represents a fit between a measure and the definition of the contract.

![Figure 4-2: Illustration of Relationship between Reliability and Validity](source: Neuman, 2003, p.186)

Yin (2003) discusses four different tests of judging the quality of research design: 1) Construct validity: establishing correct operational measures for the concepts being studied. 2) Internal validity: establishing a causal relationship, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships. 3) External Validity: establishing the domain to which a study’s findings can be generalized. 4) Reliability: demonstrating that the operations of a study-such as the data collection procedures can be repeated, with the same results. (Yin, 2003)

According to Yin (2003), every case study project should strive to develop a formal, presentable database, so that, in principle other investigators can review the evidence directly and not be limited to the written reports. In this manner, a case study database markedly increases the reliability of the entire case study. For case studies, notes are likely to be the most common
component of a database. The notes may be a result of an investigator’s interviews, observations, or document analysis. (Yin, 2003)

In order to increase the validity of this research, the interviewees were contacted in advance about the matters were going to be discussed and to assure they are qualified for our interviews. To increase the external validity and replication logic in multiple-case studies, an interview guide which can be found in Appendix A is developed and followed through the study. In order to increase the reliability of our study, the researchers will try to avoid leading and subjective questions and also will take notes during the interviews. Also all the interviews were recorded by a voice recorder. Data is also collected through a questionnaire, provided in Appendix A.
5 Data Presentation

In this chapter, the empirical data will be presented. Data is elicited from the result of questionnaire and responses to the interview. First section describes the construction of our two focus groups highly-educated and less-educated. The rest of the chapter is divided into two sections, each providing case study related to our focus groups. Each group is individually discussed with reference to the two research questions, provided previously.

5.1 Groups Statistics
Two groups of each of 100 individuals were selected. Groups were identified as ‘highly educated’ and ‘less-educated’ group, for the purpose of study. Highly educated subjects of study comprised of individuals with at least graduate degree, or a Masters or a PhD degree. Less educated individuals were either Secondary school certified or persons who even have no formal degree, but can read and write local language fluently and they were actively participating in social and economic activities.

To obtain unbiased point of view, both group participants were selected such that they represent a diverse group of people in terms of occupation, experience, gender, age and locality. Initially two groups, each of hundred persons were selected and their responses were gathered. Among these, 184 were considered valid and 18 responses (3 from highly-educated group and 13 from less-educated group) were found incomplete, inconsistent or didn’t fulfill the initial criteria, were rejected.

Highly-educated group comprised of 32 Professionals, 26 Masters/PhD Students, 14 Self-employed persons and 25 Business Person. Our less-educated group consisted of 41 students, 9 self-employed persons, 21 Business persons and 16 employees. The gender distribution of the participants was not under consideration; however our interviewees were 119 men and 63 women. The age distribution of our less-educated group was between 16 and 66. The age distribution of the highly-educated group was between 26 and 56 years. Eighty Nine of our interviewees were living in Sweden and one hundred eleven participants were residing in Islamabad, Pakistan. Resident of Islamabad were selected as Islamabad, is capital city of Pakistan where internet usage, education rate, by-air travel per year and income status is relatively high as compare to other parts of country.

The pre-requisite for interviewee was that they all were well-versed with internet usage and use internet averagely for more than 2 hours daily. More than half of interviewees have more than two years experience with internet. Further, all participants had flown by airline at least once in the year and had purchased online airline ticket at least once in a year averagely.

All of interviews were conducted in Luleå city, Luleå University campus, Rawalpindi and Islamabad. First participants were asked to fill the questionnaire. Interview of selected individuals were performed for each case. The interview took approximately 20 minutes. We had tried to conduct the interview in a comfortable environment.
First we explained the purpose of our study and the purchase decision-making process and the relationship of our two focused steps with online situation in general and specifically the online airline ticket purchase for local journey within country, just for recreation or any other activity like business or study tours etc. Our sample persons were travelers who are resident of Sweden or Pakistan. Most of them were flying from Luleå (Sweden) to elsewhere with basically two (different) options: SAS and FlyNordic, and in Pakistan Islamabad to Elsewhere with two options AirBlue, PIA.

More than fifty (50) % of our respondents use the internet six hours to eight hrs per day while the twenty-two (22) % used the internet for four to six hours per day and rest used for a minimum of two hours. 17.4 % of the participants were flying eight to twelve time per year and 76 persons out of 184 traveled by air four to eight times per year. An equal number of people, that is to 76, at least traveled by air, once a year.

32 persons out of 184 made online ticket purchase for more than 6 times a year. 13.6% of our respondents bought tickets online 4 to 6 times per year. 30.5 % used online channel for ticket purchase for 2 to 4 times per year, rest of the respondents purchased online ticket only once or twice in a year. A brief presentation of our data is shown in Table 5.1.

Table 5-1 Overall Groups Data Presentation

<table>
<thead>
<tr>
<th>Profession</th>
<th>Number</th>
<th>Internet Usage (hours/s per day)</th>
<th>Air Travel (times per year)</th>
<th>Online Airline Ticket Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionals</td>
<td>32</td>
<td>6 to 8</td>
<td>8 to 12</td>
<td>&gt; 6</td>
</tr>
<tr>
<td>Masters/PhD Student</td>
<td>26</td>
<td>6 to 8</td>
<td>1 to 4</td>
<td>2 to 4</td>
</tr>
<tr>
<td>Self-Employed (Edu.)</td>
<td>14</td>
<td>2 to 4</td>
<td>4 to 8</td>
<td>2 to 4</td>
</tr>
<tr>
<td>Business Person (Edu.)</td>
<td>25</td>
<td>4 to 6</td>
<td>4 to 8</td>
<td>4 to 6</td>
</tr>
<tr>
<td>Students</td>
<td>41</td>
<td>6 to 8</td>
<td>1 to 4</td>
<td>1 to 2</td>
</tr>
<tr>
<td>Self-Employed</td>
<td>9</td>
<td>2 to 4</td>
<td>1 to 4</td>
<td>1 to 2</td>
</tr>
<tr>
<td>Business Persons</td>
<td>21</td>
<td>2 to 4</td>
<td>4 to 8</td>
<td>1 to 2</td>
</tr>
<tr>
<td>Employees</td>
<td>16</td>
<td>4 to 6</td>
<td>4 to 8</td>
<td>2 to 4</td>
</tr>
</tbody>
</table>
5.2 Case One: A Less-educated Perspective

The first group study was conducted through an interview containing sixteen apprentices at Luleå city, twelve students from National University of Science and Technology, Islamabad, 13 students from FG College for men, Islamabad, six employees from LKB mines, ten employees from Punjab Bank, 9 self-employed and 21 business professionals.

The participants were with different background culture and even resident of different cities of different countries. The gender distribution of the participants was not under consideration but it in 4:1 ratio; four men and one woman. All of interviews were conducted in Luleå city, Luleå University campus, Rawalpindi and Islamabad. Before starting each interview, the interviewee was informed about the purpose of the study.

Less than half of the respondents used the Internet for six to eight hours per day, 34.48% of respondents internet usage was in the range of four to six hours per day while rest used in the range of two to four hours per day. 42.53% of our respondents travel at least four times and more in a year by airplane and rest of the respondents traveled less than four times a year. Group statistics for online ticket purchase showed that 18.4% of respondents purchased online ticket at least twice in a year and a maximum of four times a year. Remaining 81.6% of respondent at least purchased online ticket once a year. Group data is presented in Table 5.2.

<table>
<thead>
<tr>
<th>Profession</th>
<th>Number</th>
<th>Internet Usage (hours/s per day)</th>
<th>Air Travel (times per year)</th>
<th>Online Airline Ticket Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>41</td>
<td>6 to 8</td>
<td>1 to 4</td>
<td>1 to 2</td>
</tr>
<tr>
<td>Self-Employed</td>
<td>9</td>
<td>2 to 4</td>
<td>1 to 4</td>
<td>1 to 2</td>
</tr>
<tr>
<td>Business Persons</td>
<td>21</td>
<td>2 to 4</td>
<td>4 to 8</td>
<td>1 to 2</td>
</tr>
<tr>
<td>Employees</td>
<td>16</td>
<td>4 to 6</td>
<td>4 to 8</td>
<td>2 to 4</td>
</tr>
</tbody>
</table>

5.2.1 Factors Influencing Consumers’ Information Search in Online Airline Tickets’ Purchase

Regarding the role of the Internet in searching of information for purchasing airline tickets, more than half respondents believed that the Internet assisted them in getting the entire related information search such as comparing of prices, suitability of time, booking of e-tickets. One of the respondents stated the Internet helped him get special information which was very difficult to get it directly from the airport without going there. Another respondent added that she found internet less expensive comparing to phone call and other mobility expenses. 8 respondents found
they presented the view that directly negotiating with offline airline services remained more effective mean to get relevant information instead of navigating hundreds of web pages. Overall, more than half in this study group used both online and offline means for information search, 10.2% completely relied for information on internet while 34.3% preferred offline means to get relevant information.

Respondents favored online search termed internet as a convenient medium to gather information. While discussing the reasons for internet usage, 49 respondents stated that convenience is the most important factor for favoring online information search. 12 of such respondents found internet an interesting medium and preferred online search over offline medium to gain new technology experience. 26 appreciated online search for price comparison and money saving.

Regarding the frequency of online airline tickets purchase, 13 respondents replied that they were always purchasing airline tickets online while 45 of them was also using offline channels like travel agents several years ago for information search. 29 of them used to for ticket purchase offline due to less availability of online channels.

Table 5-3: Factors Influencing Perceived Benefits of Online Information Search

<table>
<thead>
<tr>
<th>Why Internet /online?</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Technology Experience</td>
<td>Convenience</td>
<td>Saves Money</td>
<td></td>
</tr>
<tr>
<td>(12)</td>
<td>(49)</td>
<td>(26)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Language/Interface Effects</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Always concerned</td>
<td>First time effect</td>
<td>Not concerned</td>
<td></td>
</tr>
<tr>
<td>(25)</td>
<td>(44)</td>
<td>(18)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ease Of Use As An Important Factor In Adoption Of Online Information Medium</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Important</td>
<td>Important</td>
<td>Not Important</td>
<td></td>
</tr>
<tr>
<td>(45)</td>
<td>(31)</td>
<td>(11)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Convenience of Online Versus Offline Purchase</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, a lot</td>
<td>Somewhat</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>(24)</td>
<td>(27)</td>
<td>(36)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>User Satisfaction (Website Content)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Completely satisfied</td>
<td>Partially satisfied</td>
<td>Not satisfied</td>
<td></td>
</tr>
<tr>
<td>(29)</td>
<td>(34)</td>
<td>(24)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Success In Getting Required Information (Ability to Search)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>Often</td>
<td>Rarely</td>
<td>Never</td>
</tr>
<tr>
<td>(9)</td>
<td>(50)</td>
<td>(19)</td>
<td>(9)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Prior Internet Experience Effects</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, a lot</td>
<td>Somewhat</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>(62)</td>
<td>(9)</td>
<td>(16)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Prior Product Experience Effects</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, a lot</td>
<td>Somewhat</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>(86)</td>
<td>(0)</td>
<td>(1)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Situational Factors Reduce Online Search Time</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, a lot</td>
<td>Somewhat</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>(49)</td>
<td>(30)</td>
<td>(8)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>‘Ability To Search’ Versus ‘Motivation For Search’</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, a lot</td>
<td>Somewhat</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>(52)</td>
<td>(10)</td>
<td>(25)</td>
<td></td>
</tr>
</tbody>
</table>

Regarding the ‘ease of use’ of airlines websites, 44 respondents agreed that website design and usability effects mostly first time they visited the website. 25 remained always concerned. 18 respondents were not concerned. They supported that language and design of web site makes
online search a bit tedious but it had not affected in a way that as if they were unable to get required information. Six respondents who had either mother tongues different than website language or were not very proficient with internet stated that website design and language effected them only first time using the web site, but since then that they had used several times the website, it did not influence their further progress towards purchase. One of the respondents stated one famous airline website was good for him and he never checked other web site because this website adequately suited him. Other respondent stated that if web site was more structured and also had fewer fields to fill in then he prefer it on others sites, they further added the other problem can be website language barrier. All the respondents were using the web sites of the airlines as the main browser but 15 respondents mentioned they were using search engines or other search tools such as Google and Priceline.com in addition to using airline websites, for price comparison. 76 of respondents regarded ease of use of website as an important or a very important factor in adoption of technology.

User satisfaction is considered as a very important metric for an information system. Only 29 respondents in this study group based on their previous online ticket purchase are satisfied with website information and available tools. 24 respondents considered online purchase of ticket as lot convenient then offline purchase.

9 respondents out of 87 stated that they were able to perform search successfully always. 50 respondents considered their success rate fairly well. 19 rarely succeed. 9 found it quite cumbersome to search online. 62 respondents agreed that their online experience, internet usages and prior experience of online purchase affects their effectiveness of search. More time they spend online or doing online business, more effective their search becomes.

Regarding the ‘prior product experience influence’ on airline information search, 86 of the respondents stated that they were positively influenced. Out of the above-mentioned, three respondents added that their experiences with one specific airline were always good because of the nice service, so they always tried to fly with that and try to earn “miles and miles” advantage through their frequent flyer programs. A respondent stated that one oldest airline was always found better so that was his first option because it is an old company and more reliable than newer. One of them disagreed and added that most of times he checked every websites of airline to get better price and time

The respondents replied that they had always performed information search online before moving to the other steps of purchase process. Only one of the respondents replied that he had used different shopping bots (i.e. bestdeals.com, mrjet.se, kilroy.se) for information search and also for price comparison. One of the respondents stated that he would perform the information search at least three weeks before travel.

49 participants accepted that situational variables like urgency and time pressure affects their online search time, greatly. 30 respondents think that situational factors reduce online search time a little. 8 respondents can see no effect. A respondent stated if he has to urgently travel, he resorts to airline, he already traveled with and do not spend much time searching information online.

52 of respondents stated that there success rate in getting desired information, motivates them to use online channel rather than offline. 25 saw no effect. 10 agreed to a little effect.
Summary. More than half of our participants agreed that simpler and intuitive design of website facilitates the online search experience; however they also stated that effect is more pronounced on first time use. Frequent use of website somewhat diminishes the effect. Ease of use was also a major concern for the people and considered as a major factor in adoption of online information medium. Respondents who were satisfied with airline websites were also favoring online purchase versus offline. That indicates that user satisfaction playing a major role in adoption of new technology. In terms of technology and product knowledge, majority of our respondents were positively influenced with prior experiences with both technology and airlines. Respondents also agreed to the effect of situational variables on time spent online for information search. Ability to search also had a positive influence on motivation to search.

5.2.2 Factors Influencing Consumers’ Evaluation of Alternatives in Online Airline Tickets’ Purchase

About the effect of prior experience of product on a faster and shorter decision making, all the respondents were unanimous on “Yes”, but they had different ideas. One of them stated that as he was well aware about the quality of service of one oldest airline of Pakistan, he made a shortcut on the purchase process going directly to its website. One of the other respondent added he always looked for Special Offers, wherever he find better price, he would book it with that. Other stated that prior experience had its own value but other factors such as time of available flight, next connecting flight time, also form important factors in the choice. Out of the above-mentioned, three respondents added that their experiences with one specific airline were always good because of the nice service, so they always tried to fly with that and try to earn “miles and miles” advantage through their frequent flyer programs. None of our respondents in this group stated that they were not influenced by prior experiences; A participant stated that one oldest airline was always found better so that was his first option because it is an old company and more reliable than newer. Another person stated that he was always traveling with new airline because of the satisfaction of the service.

Table 5-4: Factors Influencing Evaluation of Alternatives

<table>
<thead>
<tr>
<th>Factors</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airline Service Experience</td>
<td>(87)</td>
<td>(0)</td>
</tr>
<tr>
<td>Price Effects</td>
<td>(76)</td>
<td>(11)</td>
</tr>
<tr>
<td>Brands</td>
<td>(69)</td>
<td>(18)</td>
</tr>
<tr>
<td>Negotiation before purchasing</td>
<td>(9)</td>
<td>(78)</td>
</tr>
<tr>
<td>Recommendations from friends or other consumers</td>
<td>(65)</td>
<td>(22)</td>
</tr>
</tbody>
</table>

On the importance of ‘brand’ while evaluating different online airline tickets, three of the respondents stated that one specific airline was important brand for them in evaluation of
alternatives because it was reliable, comfortable, older company and more trustworthy than other newer while two of respondents stated that brand did not affect them because they had considered convenience, less expensive fares and quality of service and saving of time. All of our respondents stated they traveled with all available airlines. 69 of our respondents considered prominent brands first.

Regarding the comparing of price through Internet, all the respondents except eleven believed that the Internet helped them in getting more competitive prices. One of the respondent argued that within few minutes by clicking the mouse, he would be able to see many price options. Other stated that the internet saved his money and time instead of going to agents. Some respondent added that it was very easy to compare prices online as there were many options available at the same time. One of the other respondent added that SAS, Travelpartner.se, and kilroy.se web site helped her in comparing prices.

All the respondents believe that price always affected their evaluation of alternatives in online airline ticket purchase process but 11 respondents argued that price alone in nothing it is directly correlated with services offered. One of the respondent mentioned that price is crucial factor for him since he is student and if flight time was not suitable for him then he would choose the higher price. One of respondent argued that if price were same, then he would go for comfort and convenience. One of the respondent added that price was important but he was also considering other factors such as waiting time at airport as he was traveling normally to other cities in Sweden. Other respondent stated that as his flight time is about 1 hour and 10 minutes, so service was less important than price. Other respondent were considering the cheaper price unless the price range did not make significant difference.

Regarding the consideration of opinions and recommendations from friends and other consumers for ultimate decision, 65 of respondents stated that they solicited advice from friends, who had already traveled with the airline, for the first time. They also considered online reviews of other consumers of the service. They agreed that it greatly affected their decision and they found such independent reviews very useful. However, with time when their experience with an airline had increased such reviews became less important. 23 of respondent further added that they still value online reviews and read them whenever they were selecting new destinations. 24 of the participant sought advice but could not see any effect on their decision. Only 22 of the respondents stated that they did not consider opinions from friends and other consumers because they thought traveling is a very personalized experience and experiences of other persons did not provide much information. Overall 74.7 % respondents used to look for other customers interaction.

Negotiating before shopping is not much important factor for our less educated respondents, as most of them don’t know how they can perform it at online environment only 9 respondents attempted bargaining before making for final decision.

Summary. Prior experience made the overall evaluation of alternatives and purchase of our respondents faster. If they were all ready satisfied about the service or price of an airline, as their first option they were going directly to their websites to purchase tickets. Brand was an important factor for more than half of our respondents in evaluation of alternatives. Customer interaction was considered by more than half of our respondents, especially when they were using the
airlines and their web sites for the first time while 22 of our respondents did not consider the opinions and recommendations of friends and other consumers at all. The majority of respondents also saw price as a very important factor in evaluation of alternatives in purchasing online airline tickets in our case. However negotiations and bargaining is not popular among respondent of this group.

5.3 Case Two: A Educated Perspective

The second group study was conducted through an interview containing 100 individual, from which 97 responses were considered valid. The study group under consideration thus constituted of 32 Professionals, 26 Masters/PhD students, 25 business persons and 14 self-employed persons. All of the interviews were conducted in comfortable environment. The Masters/Bachelors participants and students had same educational background about airline industry. Before starting each interview, the interviewee was informed about the purpose of the study.

More than half of the respondents used the Internet for six to eight hours per day, 14.4% of respondents internet usage was in the range of four to six hours per day while rest used in the range of two to four hours per day. 33.0% of our respondents travel at least eight times and more in a year by airplane, 41.2% respondents air travel remained in the range of four to eight times a year and rest of the respondents that is 26.8% traveled less than four times a year. Group statistics for online ticket purchase showed that 33.0% of respondents purchased online ticket more than 6 times per year, 25.8% of respondents purchased online ticket within the range of four to six times per year, 41.2% of respondents purchased online at least twice in a year and a maximum of four times a year. Group data is presented in Table 5.5.

Table 5-5 Highly-educated Group Data Presentation

<table>
<thead>
<tr>
<th>Profession</th>
<th>Number</th>
<th>Internet Usage (hour/s per day)</th>
<th>Air Travel (times per year)</th>
<th>Online Airline Ticket Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionals</td>
<td>32</td>
<td>6 to 8</td>
<td>8 to 12</td>
<td>&gt; 6</td>
</tr>
<tr>
<td>Masters/PhD Student</td>
<td>26</td>
<td>6 to 8</td>
<td>1 to 4</td>
<td>2 to 4</td>
</tr>
<tr>
<td>Self-Employed</td>
<td>14</td>
<td>2 to 4</td>
<td>4 to 8</td>
<td>2 to 4</td>
</tr>
<tr>
<td>Business Person</td>
<td>25</td>
<td>4 to 6</td>
<td>4 to 8</td>
<td>4 to 6</td>
</tr>
</tbody>
</table>

5.3.1 Factors Influencing Consumers’ Information Search in Online Airline Tickets’ Purchase

Regarding the role of online information search in purchasing airline tickets, more than 80% respondents believed that the Internet helped them to get comprehensive information such as price, time, and flight number easily and with just some clicks from either home or office. 34 of
the respondents stated the Internet provided the search availability round the clock for the airlines, right from the comfort of their homes, at their own convenient time. Majority of respondents appreciated the role of internet in simplifying travel planning and the ticket purchase process. One of the respondent stated that after first online ticket purchase two year back, she was so satisfied with the experience that she never returned back to buying ticket offline. Another respondent added information content placed on website also helped him in process of offline purchase. In this study group, 61 respondents selected convenience as the most important aspect of online purchase. 30 respondents favored online purchase for money saving. 6 respondents attempted it for new technology experience.

Regarding the frequency of online airline tickets purchase, our respondents mentioned that they purchased their tickets mostly online while 11 of them also are using offline channels like travel agents. One of our respondents stated that he started purchasing the airline tickets online only since last year.

Table 5-6: Factors Influencing Perceived Benefits of Online Information Search

<table>
<thead>
<tr>
<th>Why Internet /online?</th>
<th>Convenience (61)</th>
<th>Saves Money (30)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Technology Experience (6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Language/Interface Effects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Always concerned (29)</td>
<td>First time effect (65)</td>
<td>Not concerned (3)</td>
</tr>
<tr>
<td>Ease Of Use As An Important Factor In Adoption Of Online Information Medium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very Important (64)</td>
<td>Important (27)</td>
<td>Not Important (6)</td>
</tr>
<tr>
<td>Convenience of Online Versus Offline Purchase</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, a lot (65)</td>
<td>Somewhat (23)</td>
<td>None (9)</td>
</tr>
<tr>
<td>User Satisfaction (Website Content)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completely satisfied (61)</td>
<td>Partially satisfied (12)</td>
<td>Not satisfied (24)</td>
</tr>
<tr>
<td>Success In Getting Required Information (Ability to Search)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Always (23)</td>
<td>Often (49)</td>
<td>Rarely (19)</td>
</tr>
<tr>
<td>Prior Internet Experience Effects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, a lot (66)</td>
<td>Somewhat (21)</td>
<td>None (10)</td>
</tr>
<tr>
<td>Prior Product Experience Effects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, a lot (89)</td>
<td>Somewhat (6)</td>
<td>None (2)</td>
</tr>
<tr>
<td>Situational Factors Reduce Online Search Time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, a lot (56)</td>
<td>Somewhat (34)</td>
<td>None (7)</td>
</tr>
<tr>
<td>‘Ability To Search’ Versus ‘Motivation For Search’</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, a lot (59)</td>
<td>Somewhat (23)</td>
<td>None (15)</td>
</tr>
</tbody>
</table>

Regarding the ease of use of airlines’ web sites, the respondents were overall satisfied about the airlines websites design and interface. They considered them reasonably well structured and appropriately designed. Thus web site design did not particularly stimulate or hinder their progress towards e-ticket purchase. However, more than half did not ruled out the possibility to improve. They recommended providing user more control with a proactive assistance by adding
more web tools. One respondent suggested performing online surveys to introduce more user friendly functions in web site design. All of the respondents agreed that ease of use is significant aspect of online search. However, 65 respondents felt that this effect is more pronounced on first time use of the website. 29 remained always concerned. Only 3 respondents could not see website interface and language effect. 91 of respondents considered ease of use as an important or a very important factor in adoption of online medium.

Regarding user satisfaction metric, 65 out of 97 of our respondents in this study group, based on their previous online ticket purchase experience, considered online purchase of ticket as lot convenient then offline purchase. Respondents were also satisfied with website information and available tools. They appreciated the information present on the websites. 73 respondents were completely or partially satisfied with the airline website they had used.

23 respondents out of 97 stated that they were able to perform search successfully always. 49 respondents considered their success rate fairly well. 19 rarely succeed. 9 found it quite cumbersome to search online. 66 respondents agreed that their online experience, internet usages and prior experience of online purchase improves their effectiveness of search. More time they spend online or doing online business, more effective their search becomes, more easily they get their desired information.

Regarding the role of prior experiences with an airline and its influence of their information search, the respondents mentioned about experiences regarding price, time and service as important factors influencing their information search. Timing and reliability of old airlines (SAS & PIA) and less expensive prices of newer airlines (Airblue & Flynordic) were mostly mentioned answers. 7 of the respondents mentioned about flight delay as a problem compared to others service matters. 89 of the respondents believed that prior product experience greatly influence their information search. One respondent enforced that a person’s first hand experience always had more weight in his mind then information available in print. 8 participants indicated that they prefer to use online search because they were skillful in online search and felt comfortable purchasing online without the hassle of over the counter negotiation and distractions provided by the salesperson.

Regarding the reasons of purchasing the airline tickets online, the respondents stated that it was easier, simpler, less expensive and saving time. Also one of the respondents added the convenience factor and avoiding go out of home or work (lack of mobility) to purchase the airline tickets. One other respondent argued the 24-hour availability of the purchase option through the airline websites. Full non-refund of e-ticket was another reason which one of the respondents argued as disadvantage. Our respondents agreed that they prefer online information search for ticket purchasing as along with providing unbiased price comparison, it also provide opportunity to pre-plan their travels and holidays. 3 respondents particularly mentioned the availability of online tools to plan their own travel itinerary. This feature helped them to take advantage of value deals or optimized travel distances. Regarding service comparison, nearly all of our respondents were of the view that online information can provide only a hypothetical view of service but it is not a substitute of a person’s first hand experience.

The respondents mentioned that they always perform information search before moving to other steps of purchase process. Most of them except 11 were using airlines’ websites to do information
search. Thirty of the respondents were using price runner, priceline and other supporting sites to collect the related information. 9 of the respondents stated that they would perform the information search only after checking the prices and other options with offline travel agents. 30 of respondents mentioned that they frequently check prices, weeks ahead of their travel plan to pre-plan and take advantage of special time or money saving offers. They added that this was only possible with online information availability.

56 participants accepted that situational variables like urgency and time pressure plays an important role which reduces their online search time, greatly. 34 respondents think that situational factors reduce online search time a little. 7 respondents can see no effect. Respondents agreeing to the importance of situational factors justified that whenever they had less time on hand to make a decision, they tend to search web sites of limited number of well trusted airlines. Urgency did require them to make decision faster. A respondent also added if time is no issue, he even visited web sites of less familiar web sites, which he never planned to travel.

59 of respondents stated that there success rate in getting desired information, motivates them to use online channel rather than offline. 23 agreed to a little effect 15 saw no effect. Nearly 8 respondent in this study group mentioned that they are so skilful in searching desired information on the web, that they always prefer online channel over offline. A respondent pointed out that web contains hoards of information which could be relevant or irrelevant in different situations, sorting out right kind of information improves with experience online. She considered gaining experience as her major motivation to perform online searches. In her view, ability to search should be considered as the artefact of motivation.

**Summary.** The respondents agreed to *ease of use* have any influence on their online information search. They further added that web site design did not particularly stimulate or hinder their progress towards e-ticket purchase. Respondents were favored online purchase and were also satisfied with website information and available tools. They appreciated the information present on the websites. Respondents agreed that their online experience, internet usage and prior experience of online purchase improves their effectiveness of search. Prior technology experience and product experience both had been found having effect on respondents search abilities. In terms of product knowledge, all of our respondents mentioned they are influenced by different factors such as price, service and they are frequently purchasing airline tickets online. Respondents also confirmed that if they had less time on hand to make a decision, they tend to search web sites of limited number of well trusted airlines. Our respondents mentioned different motivational factors choosing the internet in an online information search of airline tickets such as price comparison, service comparison etc.. They also respective ability to search as a positive influence on motivation to search online.

### 5.3.2 Factors Influencing Consumers’ Evaluation of Alternatives in Online Airline Tickets’ Purchase

Regarding the relationship between prior experiences and faster decision-making in Information search, 92 of our respondents mentioned reliability and better service and overall better experiences with specific airline make them choose the airline. 5 of our respondents mentioned they were still checking all airlines options in terms of time and price.

Regarding the reasons of purchasing the airline tickets online, our respondents stated that the main reasons for online airline ticket purchase was that it was easier to compare flight time and
price, and save time than offline channels and normally the fares are cheaper. Another respondent mentioned that the facility of automated check-in was also one of most important factors for purchasing online air ticket.

Regarding the role of brands in evaluating different online airline tickets, 53 of our respondents stated that they consider brands and 44 said they did not consider. The respondents who considered brands, also stated that they can associate brands with reliability and safe trip and good services in their mind or some brand only mean cheap prices to them.

Table 5-7: Factors Influencing Evaluation of Alternatives

<table>
<thead>
<tr>
<th>Airline Service Experience</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes (92)</td>
<td>No (5)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Price Effects</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes (87)</td>
<td>No (10)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Brands</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, I consider (53)</td>
<td>No (44)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Negotiation before purchasing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, I do (42)</td>
<td>No (55)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recommendations from friends and other consumers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, I consider (43)</td>
<td>No (54)</td>
</tr>
</tbody>
</table>

Regarding the opinions and recommendations from friends and other consumers, for first time travel with an airline less than half of our respondents consulted online reviews and friends, but also added that it had no significant effect on their final decision. Other factors like price, service quality were of more importance.

Negotiating is rather important factor, but at online environment it is awfully not easier said than done so it takes time and efforts. 42 of our respondents do negotiate before proceeding to ultimate decision.

Regarding the role of the Internet to compare different prices, all of the respondents emphasized on the power the Internet gave them to see they are just a few clicks away from having many prices options on their screens instead of more difficult options such as calling and traveling to the airlines office or travel agents office and inquire the information. Internet brings luxury of evaluating various alternatives in the comfort of their homes or workplaces.

Regarding the role of price in evaluation of alternatives, 87 of our respondents mentioned it as an important factor in their evaluation of alternatives. However, 24 of our respondents mentioned the other advantages they are getting from Airline are equally important as price. Our 11 respondents stated that if the flight inter-city and flight time is not more than two hours, the price factor plays very important role and quality of service becomes less important. One of our respondent mentioned success of no-frill airline as a proof to this argument. 10 of our respondents provided argument that price is not always the most important factor, service and reliability are more important issues in evaluation of alternatives. On respondent quoted that service especially gain more significance then price in long trips. They supported use of travel plan web sites for long
trips along with using airline website. Online planning tools that enabled them personalize their search and plan travel itinerary and stop-over, according to their specific needs. One respondent stated that she also used help from a web site to determine comfortable seats for long journey, and kept this in consideration while purchasing online ticket.

Summary  Prior service experience considered as an important factor in evaluation of alternatives and purchase. More than half respondents saw brand as an influential factor in evaluation of alternatives. 87 respondents saw the price as a very important factor in evaluation of alternatives in purchasing online airline tickets while the only 10 had put less emphasis on the importance of price stated that they might consider the other advantages of purchasing more expensive online airline tickets. Customer interaction was considered by 43 of our respondents in online evaluation of alternatives. It had also been discussed that determinant attribute of a person’s evoked set changes while making decisions in long and short trips.
6 Data Analysis

In this chapter the data presented in the previous chapter will be analyzed. The data will be analyzed first within each case by comparing to the previous research utilized in our conceptual framework. The data will then be analyzed across the two cases, followed by a cross-case analysis for each of the research questions.

6.1 Factors Influencing Consumers’ Online Information Search in Airline Tickets’ Purchase

The first research question focuses on the factors influencing consumers online information search in airline ticket purchasing process.

6.1.1 Within-Case Analysis

6.1.1.1 Case One: A Less-Educated Perspective

According to Kulviwat et al. (2004) ease of use of technology, effectiveness of online search and user satisfaction are antecedents of the perceived benefits of information search. The Web facilitates trials and can provide instant gratification; customers can test products online, which may stimulate purchase. One key feature of ease of use is interactivity which allows consumers to personalize their information search, thereby increasing the perceived benefits of a search. In fact, research shows that ease of use is a critical factor in the adoption of a new communication or information medium. 56.32% of respondents favored internet for reason of convenience. 87.36% respondents in this study group regarded ease of use of website as an important or a very important factor in adoption of technology. Regarding website design usability factor, only 20.69% respondents were not concerned, while rest of the respondents agreed to its importance, however they differ in first time effect or always concerned. Thus, nearly 80% of our respondents supported theory about ease of use factor.

Figure 6-1: Factors affecting Consumer's Online Search (Less-educated Perspective)
Kulviwat et al. (2004) defined *user satisfaction* as an individual's positive and/or negative reactions to the use of information or computer technology. Information search requires less effort online than offline and it takes far less time and effort to visit a virtual store than a local retail outlet. This great flexibility, in the electronic shopping environment, increases consumers’ satisfaction. User satisfaction was not very prevalent in this study group, only 27.59% of users can see the benefits of online purchase. Respondents in this study group were also not satisfied with the information and function provided on the web site. Result of lesser user satisfaction can be seen in comparatively less online ticket purchase. Thus this behavior is in accordance with the theory stated.

According to Schmidt & Spreng (1996) capability to search is related to knowledge, education, and experience. While knowledge and skills are technological proficiency, user experience is related to experience with the Internet. Online search is directly involved with consumers’ ability to navigate in an online environment or the ability to use the Internet with proficiency (Klein & Ford, 2003; Hoffman & Novak, 1996). (Kulviwat et al., 2004).

Knowledge consists of product and technology knowledge. While product knowledge is the consumer's perception of how much he/she knows about the value proposition of various alternatives under consideration (Brucks, 1985), technology knowledge refers to the Web consumers’ capacity for action during the online navigation process and control (Novak et al., 2000). Users readily see benefits from the new technology, especially information/time saving benefits. (Kulviwat et al., 2004). Respondents stated that the main reasons for online airline ticket purchase were that it is easier to compare flight time, price and save time which is fully supporting the above-mentioned theory.

Higher levels of education lead to increased search activity (Kiel and Layton, 1981). Further, as the education level increases, consumers will gain greater knowledge, which serves as an input to produce ability to search. Education enhances one's ability to identify, locate, and assimilate relevant information (Sohn et al., 2002). (Kulviwat et al., 2004). Respondents’ ability to search varied. Education, alone, cannot be distinguished as determinant attribute on consumer’ online search behavior, in this study group. The behavior is not completely inline with the above mentioned theory.

Experience can be categorized as product and technology experience. Newman and Staelin (1971) found that product satisfaction and purchasing experience interacted to reduce purchase decision times. The dissatisfaction or lack of experience with the product induces more information search. Conversely, experience with technology encourages search mainly by improving one’s ability to search. A user’s experience is related to knowledge (Novak et al., 2000). Thus, experience with the Internet enhances consumers’ maneuverability with the technology, facilitating search online. Park et al. (1994) specified experience as a distinct construct that is antecedent to knowledge. They found that experience had differential effects on knowledge and knowledge could influence experience by having different antecedents of related experiences. Thus, experience and knowledge are related to each other. Bhatnagar et al. (2000) proposed that the likelihood of online purchase increases as the consumer’s experience with the Internet accumulates. (Kulviwat et al., 2004). 67.82% respondents considered their success rate in searching information online fairly well. 71.26% respondents agreed that their online experience, internet usages and prior experience of online purchase affects their effectiveness of search. More
time they spend online or doing online business, more effective their search becomes. Regarding the ‘prior product experience influence’ on airline information search, an overwhelming 98.85% of the respondents agreed to be positively influenced. This behavior is completely inline with above stated theory.

According to Kulviwat et al. (2004) urgency and time pressure are situational variables. An immediate need shortens purchase decision time and therefore reduces information seeking. Time pressure reflects the consumer's perception of time availability and sacrifice. Beatty and Smith (1987) found that information search increases with greater time availability. The notion that constraints on one's time lead to less information search has been confirmed by numerous studies (Newman & Staelin, 1971; Payne et al., 1988; Wilkie and Dickson, 1985; Bellman et al., 1999; Weening & Maarleveld, 2002). 56.32% of our respondents accepted that situational factors greatly reduce their search online time and 34.84% agreed to little effect. Respondents partially supported the previous studies on situational factors as stimulating reasons which leading to faster and shorter online airline purchase.

Schmidt and Spreng (1996) define motivation as the desire to expend effort in gathering and processing information, which is characterized by both direction (which pieces of information are collected and processed) and intensity of the effort (the level of goal-directed arousal). According to Kulviwat et al. (2004) lower (higher) search costs and higher (lower) search benefits can increase (decrease) motivation to search. As discussed earlier, the ability to search seems to have a positive effect on the motivation to search. Consequently, the effects of perceived benefit, perceived cost, and ability to search should be mediated by motivation to search. Our respondents in this study group agreed to the fact that as ability to search increases, motivation for search also increases. Thus theory is partially supported in this group.

6.1.1.2 Case Two: An Educated Perspective

One key feature of ease of use is interactivity which allows consumers to personalize their information search, thereby increasing the perceived benefits of a search. (Kulviwat et al., 2004) 62.89% of respondents favored internet for reason of convenience. 93.81% respondents in this study group regarded ease of use of website as an important or a very important factor in adoption of technology. Regarding website design usability factor, only 3.09% respondents were not concerned, while rest of the respondents agreed to its importance, however they differ in first time effect or always concerned. Thus, more than 90% of our respondents supported theory about ease of use factor.
Data Analysis

75.26% of respondents were completely or partially satisfied with the airline website they had used. 67.01% of our respondents agreed to the flexibility and convenience of online ticket purchase. which are in accordance with the theory of user satisfaction by Kulviwat et al. (2004) which stated that it takes far less time and effort to visit a virtual store than a local retail outlet. This great flexibility, in the electronic shopping environment, increases consumers’ satisfaction. Comparatively higher level of user satisfaction had been demonstrated in a higher ratio of online ticket purchase. This behavior is completely in accordance with stated theory.

According to Schmidt & Spreng (1996) capability to search is related to knowledge, education, and experience. While knowledge and skills are technological proficiency, user experience is related to experience with the Internet. Online search is directly involved with consumers’ ability to navigate in an online environment or the ability to use the Internet with proficiency (Klein & Ford, 2003; Hoffman & Novak, 1996). (Kulviwat et al., 2004).

Knowledge consists of product and technology knowledge. While product knowledge is the consumer's perception of how much he/she knows about the value proposition of various alternatives under consideration (Brucks, 1985), technology knowledge refers to the Web consumers’ capacity for action during the online navigation process and control (Novak et al., 2000). Users readily see benefits from the new technology, especially information/ time saving benefits. (Kulviwat et al., 2004). All respondents stated that the main reasons for online airline ticket purchase were that it is easier, simpler and saving time meaning they had appropriate knowledge about the product and technology which is fully supporting the above-mentioned theory.

Higher levels of education lead to increased search activity (Kiel and Layton, 1981). Further, as the education level increases, consumers will gain greater knowledge, which serves as an input to produce ability to search. Education enhances one's ability to identify, locate, and assimilate relevant information (Sohn et al., 2002). (Kulviwat et al., 2004). 74.23% of respondents’
considered their success rate to get desired information online fairly well. This is greater than the overall percentage of less-educated group participants, but even then education, alone, cannot be distinguished as determinant attribute on consumer’ online search behavior, in this study group. The behavior is not completely Inline with the above mentioned theory.

Experience can be categorized as product and technology experience. Newman and Staelin (1971) found that product satisfaction and purchasing experience interacted to reduce purchase decision times. The dissatisfaction or lack of experience with the product induces more information search. Conversely, experience with technology encourages search mainly by improving one’s ability to search. A user’s experience is related to knowledge (Novak et al., 2000). Thus, experience with the Internet enhances consumers’ maneuverability with the technology, facilitating search online. Park et al. (1994) specified experience as a distinct construct that is antecedent to knowledge. They found that experience had differential effects on knowledge and knowledge could influence experience by having different antecedents of related experiences. Thus, experience and knowledge are related to each other. Bhatnagar et al. (2000) proposed that the likelihood of online purchase increases as the consumer’s experience with the Internet accumulates. (Kulviwat et al., 2004). 74.23% respondents considered their success rate in searching information online fairly well. 68.04% respondents agreed that their online experience, internet usages and prior experience of online purchase affects their effectiveness of search. More time they spend online or doing online business, more effective their search becomes. Regarding the ‘prior product experience influence’ on airline information search, 91.75% of the respondents agreed to be positively influenced. This behavior is completely inline with above stated theory.

**Urgency and time pressure** are situational variables. An immediate need shortens purchase decision time and therefore reduces information seeking. Time pressure reflects the consumer's perception of time availability and sacrifice, Beatty and Smith (1987) found that information search increases with greater time availability. The notion that constraints on one's time lead to less information search has been confirmed by numerous studies (Newman & Staelin, 1971; Payne et al., 1988; Wilkie and Dickson, 1985; Bellman et al., 1999; Weening & Maarleveld, 2002). (Kulviwat et al., 2004). 57.37% of our respondents accepted that situational factors greatly reduce their search online time and 3.05% agreed to little effect. Respondents partially supported the previous studies on situational factors as stimulating reasons which leading to faster and shorter online airline purchase.

Schmidt and Spreng (1996) define motivation as the desire to expend effort in gathering and processing information, which is characterized by both direction (which pieces of information are collected and processed) and intensity of the effort (the level of goal-directed arousal). According to Kulviwat et al.( 2004) lower (higher) search costs and higher (lower) search benefits can increase (decrease) motivation to search. As discussed earlier, the ability to search seems to have a positive effect on the motivation to search. Consequently, the effects of perceived benefit, perceived cost, and ability to search should be mediated by motivation to search. Our respondents in this study group agreed to the fact that as ability to search increases, motivation for search also increases. Thus theory is fully supported in this group by 60.82% of respondents.
6.1.2 Cross-Case Analysis

Both similarities and differences were detected while comparing two cases for research question one. These similarities and differences will be shown in Table 6.1 and will be discussed after the table.

Table 6-1 Factors Influencing Online Airline Tickets’ Information Search

<table>
<thead>
<tr>
<th>Variables/Groups</th>
<th>Less-EDU Group</th>
<th>EDU Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Ease of Use</td>
<td>++++</td>
<td>++++</td>
</tr>
<tr>
<td>- User Satisfaction</td>
<td>+++</td>
<td>+++</td>
</tr>
<tr>
<td>Ability to Search</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Knowledge</td>
<td>++++</td>
<td>++++</td>
</tr>
<tr>
<td>- Education</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>- Experience</td>
<td>++++</td>
<td>++++</td>
</tr>
<tr>
<td>Situational Factors</td>
<td>+++</td>
<td>++</td>
</tr>
<tr>
<td>Motivation</td>
<td>+++</td>
<td>+++</td>
</tr>
</tbody>
</table>

Coding: Fully supported to have an influence (> 80%) = ++++
Supported (majority) to have an influence (60% - 80%) = +++
Partially supported to have an influence (20% - 60%) = ++
Not supported (< 20%) = +

The first theory reviewed was perceived benefits of online information search with two parameters of ease of use and user satisfaction. In both study groups, more than 80% of the respondents agreed to the effect of ease of use of technology and website interface/language, as a major influence in adoption of new technology. This fully supports the positive effect of ease of use on consumer’s online search behavior.

User satisfaction was another parameter discussed over here. Our less-educated and highly-educated study group exhibited different level of user satisfaction in the online phenomena. Relative level of user satisfaction is also exhibited in frequency of online ticket purchase of both groups. However, data results do not specify user satisfaction as only determinant attribute that affects number of online purchases. This behavior also partially supports the theory that user satisfaction influences user online information search.

Ability to search consists of three variables: knowledge, education and experience. Knowledge consists of product knowledge and technology knowledge. Both the Less-Educated group and Highly-educated group had reasonable airline travels and Internet knowledge and online airline ticket purchase. Education theory asserts that as the levels of education increases, the search activity also increases. Experience can be categorized as product and technology experience. In both groups effectiveness of research and ability of search varies. As user can perform online search more effectively, his tilt towards using the online medium increases. Respondents in both group agreed to the effect of technology and product knowledge and experience. Bhatnagar et al. (2000) proposed that the likelihood of online purchase increases as the consumer’s experience with the Internet accumulates. Group statistics table displays this effect that as users become more proficient in internet usage, they tend to favor online medium and respective purchase of online tickets increased.
Level of education alone does not have a pronounced affect on respondents’ internet activity and ability to carry out search more effectively. It depends on individual’s experience and knowledge of technology and life style. However, when considered combined effect of education, knowledge and experience participant exhibited a strong relationship to ability of search and involvement in online ticket purchase.

*Urgency and time pressure are situational factors.* Fair number of the respondents in less-educated group supported the situational factors reducing their online search time. This response is in accordance with the theory.

Motivation to search online can have different reasons such as saving time, money and efforts. Kulviwat *et al.* also considered ability to search as having a positive influence on motivation to search. Both respondents in less-educated and highly-educated group supported the theory.

### 6.2 Factors Influencing consumers’ evaluation of alternatives in online airline tickets’ purchase

The second research question focuses on the factors influencing consumers’ online evaluation of alternatives airline ticket purchase process.

#### 6.2.1 Within-Case Analysis

**6.2.1.1 Case One: A Less-Educated Perspective**

Solomon (2004) defines *evoked set* as alternatives actively considered during a consumer’s choice process are his or her evoked set. The evoked set is composed of those products already in memory (the retrieval set), plus those prominent in retail environment. Consumers often include a surprisingly small number of alternatives in their evoked set. The above-mentioned theory was supported by majority of our respondents since they considered brands while taking into account equally other factors such as convenience, less expensive fares, quality of service and saving of time.

![Figure 6-3: Factors affecting Consumer’s Evaluation of Alternatives (Less-educated Perspective)](image)

According to Liang and Lai (2002) Price is a key attribute that most consumers consider in their purchase decision. Our respondents confirmed this theory stating the price is vital in their online evaluation of alternatives. 87.36 % of our respondents agreed to the effect of price, while 12.64% stated that price is not a very important determinant.

89% of our respondents never had negotiated before online ticket purchase, which is not consistent with the below-mentioned theory of Liang and Lai (2002) that consider bargaining as
Data Analysis

an important feature. Theory states a mechanism for online comparison of prices and other features may help. An online shopping site may provide functions that support customer evaluation of products and help customers often compare candidates using attributes, inquiries to staff, and bargaining for a better price. (Liang & Lai, 2002)

Suri et al., (2003) consumers may use price as an indicator of product quality, i.e., the higher the price, the higher the perceived quality. Consumers use price not only to infer a product’s quality but also to determine the monetary sacrifice associated with the purchase of that product (Monroe, 1990, p. 73, Leszinski and Marn, 1997). Rao and Monroe’s (1988) study demonstrated that consumers are less likely to use price as an indicator of quality when they have the ability and motivation to process other relevant cues that might help them evaluate a product’s quality. In such situations, it is likely that price will serve more as an indicator of sacrifice than as an indicator of quality. If perceived value represents a tradeoff between perceived sacrifice and perceived quality (Grewal et al., 1998, Monroe, 1990, p. 73), then we would expect that judgments of value will reflect the relative differences in weights consumers place on the price–quality and price–sacrifice relationships. The above-mentioned theories were supported by the majority of respondents, in shorter air trips, the customers were not choosing the quality over the price while some respondents argued that if the price difference was not too big, they would choose high price of an airline on the reason of better quality which is in line with the above-mentioned theory by Monroe (1990) and Leszinski and Marn (1997).

74.7% of our respondents considered their friends and other consumers reviews, only 25.3% could not see any effect on their decisions; thus, our majority of our respondents are supporting the theory of Liang & Lai (2002) claiming that Customer interaction often occurs as consumers seek opinions from their friends or other consumers before making a final decision. Functions allowing customers to access other customers’ comments or opinions directly may help.

6.2.1.2 Case Two: An Educated Perspective

According to Solomon (2004) the evoked set may be defined as alternatives actively considered during a consumer’s choice process are his or her evoked set. The evoked set is composed of those products already in memory (the retrieval set), plus those prominent in retail environment. Consumers often include a surprisingly small number of alternatives in their evoked set. Our majority of respondents supported the above-mentioned theory of Solomon (2004) while considering equally other factors such as reliability, and relatively cheap fares.

Role of price mentioned by Liang and Lai (2002) suggest that price is a key attribute that most consumers consider in their purchase decision. This was also confirmed by our respondents that the price is their crucial concern in an online evaluation of alternatives.
According to Liang and Lai (2002) an online shopping site may provide functions that support price comparison customer evaluation of products and help customers often compare candidates using attributes, inquiries to staff, and bargaining for a better price. A mechanism for online comparison of prices and other features may help. The above mentioned theory of Liang and Lai (2002) is fully supported by our respondents as they believed that the web sites of airlines allowed them to compare the prices which improved their bargaining power over the price. 43.30% of our respondents negotiated and bargained before online ticket purchase, this behavior is partially consistent with the below-mentioned theory of Liang and Lai (2002). A mechanism for online comparison of prices and other features may help. An online shopping site may provide functions that support customer evaluation of products and help customers often compare candidates using attributes, inquiries to staff, and bargaining for a better price. (Liang & Lai, 2002)

Suri et al., (2003) consumers may use price as an indicator of product quality, i.e., the higher the price, the higher the perceived quality. Consumers use price not only to infer a product’s quality but also to determine the monetary sacrifice associated with the purchase of that product (Monroe, 1990, p. 73, Leszinski and Marn, 1997). Rao and Monroe’s (1988) study demonstrated that consumers are less likely to use price as an indicator of quality when they have the ability and motivation to process other relevant cues that might help them evaluate a product’s quality. In such situations, it is likely that price will serve more as an indicator of sacrifice than as an indicator of quality. If perceived value represents a tradeoff between perceived sacrifice and perceived quality (Grewal et al., 1998, Monroe, 1990, p. 73), then we would expect that judgments of value will reflect the relative differences in weights consumers place on the price–quality and price–sacrifice relationships. The above-mentioned theories were supported by our respondents. 89.69% of the respondents agreed with the effect of price in evaluation of alternatives but it had also been discussed price is not the only determinant attribute of a person’s evoked set while making decisions in long and short trips.

Customer interactions define by Liang and Lai (2002) that it often occurs that consumers seek opinions from their friends or other consumers before making a final decision. Functions allowing customers to access other customers’ comments or opinions directly may help. Customer interaction was not considered by 55.67 % of our respondents in online evaluation of alternatives; therefore, it is partially not in line with Liang and Lai (2002) theory.
6.2.2 Cross-Case Analysis

While comparing two cases for research question two, both similarities and differences were detected. These similarities and differences will be shown in Table 6.2 on the following page and will be discussed hereafter.

<table>
<thead>
<tr>
<th>Variables/Groups</th>
<th>Less-EDU</th>
<th>EDU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evoked Set</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Retriev Set</td>
<td>+++</td>
<td>+++</td>
</tr>
<tr>
<td>- Prominent Produce (Brands)</td>
<td>+++</td>
<td>++</td>
</tr>
<tr>
<td>Support of Product Evaluation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Comparison of Prices</td>
<td>++++</td>
<td>++++</td>
</tr>
<tr>
<td>- Customer Interaction</td>
<td>+++</td>
<td>++</td>
</tr>
<tr>
<td>- Negotiation before Purchase</td>
<td>+</td>
<td>++</td>
</tr>
</tbody>
</table>

Coding:

- Fully supported to have an influence (> 80%) = ++++
- Supported (majority) to have an influence (60% - 80%) = +++
- Partially supported to have an influence (20% - 60%) = ++
- Not supported (< 20%) = +

The evoked set can be defined as alternatives actively considered during a consumer’s choice process are his or her evoked set. The evoked set is composed of those products already in memory (the retrieval set), plus those prominent in retail environment. Consumers often include a surprisingly small number of alternatives in their evoked set. The idea of evoked set was supported by majority of the respondents of both groups. They did consider simultaneously and equally factors such as convenience, less expensive fares, quality of service and etc. Our respondents in less educated group gave more weight to brands in evaluation of alternatives process then highly-educated group.

Support of product evaluation consists of two variables: comparison of prices and customer interaction. Majority of our respondents in both groups supported the idea that the Internet provided them an opportunity to get more competitive prices and price is a very crucial factor in their evaluation process as the Liang and Lai (2002) theory stated key attribute which most of consumers consider in their purchase decision.

Our respondents’ idea about customer interaction in less educated groups support the theory that consumers often seek opinions from their friends or other consumers before making a final decision, quite overwhelming. In highly educated group majority of participant agreed seeking opinion but could not see much effect on their decisions.

Our highly educated group exhibited more flair for negotiation and bargaining for price, before carrying out online ticket purchase.
7 Findings and Conclusions

In this final chapter, we will now provide the answers to our research questions. First we will present our findings to each research question, thereafter what conclusions we have drawn based on the analyzed data. Finally we will present the implications for practitioners, theory and further research.

7.1 How Consumers Search Information in Online Airline Ticket Purchasing?

The findings of this study suggest that there are several factors that influence consumer’s online airline information search. Ease of use and user satisfaction, are two factors of perceived benefits under consideration in this study, influencing the online information search. Our respondents in both groups agreed that ease of use is significant aspect of online search. However, respondents felt that this effect is more pronounced on first time use of the website. Frequent use of website somewhat diminishes the effect. Ease of use had also been considered as a major factor in adoption of online information medium. Respondents who were satisfied with airline websites were also favoring online purchase versus offline. That indicates that user satisfaction also, played a major role in adoption of new technology.

Ability of search factors (knowledge, education, and experience) and their relationships were supported fully by the both groups. However, our results indicated that it is the combined effect of the three variables that formulates the ability of search of a respondent. We were not able to conclude education alone as making a distinctive effect, increase or decrease in a participant’s ability of search. A participant in less education category but more internet or product experience could perform search more effectively, exhibiting a stronger ability of search or visa versa.

Regarding situational factors (time and urgency), respondents in both group agreed that it in situations where time is limited, they took less time for decision making, Hence shorter decision time led to reduction in online search time.

Regarding the motivation factor to search airline tickets’ information, our respondents were fully supported the common reasons such as saving money and efforts of choosing online channel. It has also been concluded that when a respondent can perform search more effectively, motivation to search online rather then using offline medium, increases. That is motivation to perform online information search is positive influenced by the persons ability to search.

With the basis of the analysis and findings for research one; the following conclusions have been identified:

- Ease of use of web sites was seen as a matter of concern in online airline information search in both study groups
- User satisfaction as a major factor in adoption of online information medium
- The ability to search factors (knowledge, education and experience) are interrelated and with increasing of knowledge and education and experience, ability to perform effective search increase, and it also led to increased motivation to use online medium
• The situational factors reduced online airline tickets’ information search time and led to quicker decision.

7.2 Discuss Factors Influencing Consumers’ Evaluation of Alternatives in Online Airline Ticket Purchasing

The findings regarding the online evaluation of alternatives start with evoked set. The role of brands and the type of airlines the respondents used frequently were asked to examine the effects of retrieval set and prominent products on the respondents’ evaluation of alternatives. Majority of the respondents in both groups supported the positive role of brands and prominent products on their evaluation of alternatives although they were simultaneously considering other factors such as price and level of service they obtain.

The second factor in online evaluation of alternatives is support of product evaluation which consists of two variables: comparison of prices and customer interaction. The overall responses regarding the role of the Internet in support of product evaluation is partially supported by both groups. The findings regarding the role of the Internet in comparison of prices is supported by majority of the respondents in both groups. Price was seen as a crucial factor in consumers’ online airline tickets’ evaluation of alternatives which was supported by all of the respondents of both groups. More than half of respondents in highly-educated group did not see much influence of seeking information and opinions from friends and other consumers (customer interaction) in their online evaluation of alternatives in highly-educated group. But in less-educated group majority of respondents influenced by the recommendations

With the basis of the analysis and findings for research two; the following conclusions have been identified:

• Evoked set (importance of brands and prominent products) was seen as an important factor in the online airline tickets’ evaluation of alternatives.
• The role of the Internet in comparison of price and price itself were emphasized in online evaluation of airline tickets.
• Customer Interaction had seen to be less effect on online evaluation of alternatives in our case then provided by theory.

7.3 Implications for Practitioners

The following implications are based on data presentation, analysis, and conclusions conducted in this study:

Factors influencing online airline tickets information search:

• Overall perceived benefits can be improved by Airlines through include additional features such as addressing gifts and membership programs’ applications on their web sites for frequent flyers.
• User satisfaction from the web sites of the airlines can be improved through one click shopping, more structured and colorful graphics multi-lingual (language) websites, tools to plan itinerary.
Factors influencing online evaluation of alternatives:

- Airline brands labeled as cheap fares can get extra advantage on online environment while evolution of alternatives.
- Special offering to repeat purchaser at online can boost the purchase tendency while evaluating of alternatives.

7.4 Implications for Theory
This study’s contribution to theory can be classified into two categories:

- Existing theories and modified theories: the existing theories and models of online information search in page 9 were modified in conceptual framework to look into those theories from different angels. For research question one, the majority of the existing theories were agreed with the findings of this study.
- New theories: regarding research question two, the existing theories of evaluation of alternatives in offline environment came in the model of page 15 and mixed with the existing online environment theories conceptualized in page 16 and put into a completely new model in conceptual framework in page 21. In this model, the relationship between evoked set and its impact on online price comparison were studied and found a positive relationship between them in airline industry. Although the customer interaction theory were not fully supported in our studied cases.

7.5 Implications for Further Research
During this study and due to lack of time, some variables in both research questions were removed which can be proposed to other researchers for further researches:

- Research Question one: Factors Influencing Online Information Search
  Perceived benefits:
  o Effectiveness of search can be studied to see the best approaches for more effective information search.
  Motivation:
  o Buying Strategies: website satisfaction leads to less information search for the customers’ next purchases.
  o Personality factor: information search is positively related to enjoyment of shopping. Browsing for fun, without any shopping purpose, will be less concerned with whether the process gives browsers sufficient stimulation, new interest and fun to keep them coming back.
  Perceived Cost:
  o Perceived cost of Risk
- Research Question one: Factors Influencing Online Evaluation of Alternatives
  Building Trust:
  o Security of transaction, VIP Offering and Service of phone: these three options are important especially for the people who are not familiar with electronic purchasing and it helps to build their confidence. These options are even more important for
the regular customers in case they get into trouble while they are purchasing online.

- Consumers’ behavior in online and offline evaluation of alternatives seems to be varied depending on the online industry. This can be topics for a number of researches considering different variables on online evaluation of alternatives.

- In this study, with increasing sample size, the number of case study groups and research questions, it could be examined whether the results could be generalized or not.
8 References


Neuman, W. L. (2003), *Social research methods: qualitative and quantitative approaches* (5th Ed.), Allyn and Bacon, Boston, MA.


Appendix A - Interview Guide

1. What factors do influence online information search in airline ticket purchase?

Q1. How often do you perform information search online before purchasing airline tickets?
Q2. Why do you purchase your airline tickets online?
Q3. What are the benefits for your online information search?
Q4. How often do you purchase your airline tickets online?
Q5. How does the Internet help you to gather airline tickets information?
Q6. How much time do you spend on one airline website (in terms of clicks or replication of pages)?
Q7. How do you rate the airline websites’ you had used? How does ease of use influence your further progress towards purchase?
Q8. Do you think the user’s internet experience influence the online information search? How?
Q9. Do you think online ticket purchase procedures are better than offline purchase? How?
Q10. Do your prior experiences with an airline, influence online airline information search? How?
Q11. How does your success rate in gathering desired information online influence your choice of offline or online information search?
Q12. How do your online search behaviour changes, if time pressure is more?

2. How do consumers use the Internet in evaluation of the alternatives in the process of airline ticket purchasing?

Q1. Do you have any alternatives already in your mind before performing online airline ticket purchasing?
Q2. Do you consider brands while evaluating different online airline tickets, why?
Q3. How do opinions and recommendations from friends and other consumers affect your ultimate decision? Do you trust online environment
Q4. Do you think price affects your evaluation of alternatives in your online airline ticket purchase? Why?
Q5. Do you feel for negotiation on price / terms and conditions while purchasing online airline tickets? if yes how you perform it (helpline phone, email query, postal mail or others)
Appendix B- Questionnaire

| Education: |

<table>
<thead>
<tr>
<th>Internet Usage (per day)</th>
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<td>O 2-4</td>
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<table>
<thead>
<tr>
<th>Airline Travel (per year)</th>
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<tr>
<td>O 1-4</td>
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<table>
<thead>
<tr>
<th>Online Airline Ticket Purchase (per year)</th>
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<tbody>
<tr>
<td>O 1-2</td>
</tr>
</tbody>
</table>

Q. 1. Why do you purchase your airline tickets online?

☐ New Technology Experience ☐ Convenience ☐ Saves Money ☐ Other

Q.2. What kind of search tools do you use the most when searching for information about airline tickets on the Internet?

☐ Airline websites ☐ Travel agents’ websites ☐ Search engines ☐ Other

Q.3. What is the role of price in evaluation of alternatives in your online airline ticket purchase?

O Very Important ☐ Less Important ☐ Not Important

Q.4. How website interface and language affects your online information search?

☐ Always concerned ☐ First time it affects ☐ Not concerned

Q.5. Do you see the ease of use of airline website as an important factor in adoption of online information medium?

O Very Important ☐ Less Important ☐ Not Important

Q.6. Based on your experience,

(a) How convenient, do you think online ticket purchase is then offline purchase?

☐ Yes, a lot ☐ Somewhat ☐ None

(b) Are you satisfied with information and functions provided in current airline websites?

☐ Completely satisfied ☐ Partially satisfied ☐ Not satisfied
Q.7. How often do you succeed in gathering required information in a reasonable time frame?

O Always    O Often    O Rarely    O None

Q.8. Do you think your online search techniques improved with increase in your internet experience?

O Yes, a lot O Somewhat O None

Q.9. Do your experience with an airline helps in faster decision making?

O Yes, a lot O Somewhat O None

Q.10. Do you think that time pressure or urgency reduces your online information search time?

O Yes, a lot O Somewhat O None

Q.11. Do you think your success rate in gathering desired information online, makes you prefer online search over offline means?

O Yes, a lot O Somewhat O None

Q.12. Do you consider your prior service experience with an airline?

O Yes, I consider O No

Q.13. Do you consider prominent or famous airline brands?

O Yes, I consider O No

Q.14. Is price an crucial factor for you while purchasing airline tickets online?

O Yes    O No

Q.15. Do you negotiate on price / terms and conditions while purchasing online airline tickets?

O Yes, I do O No

Q.16. Do you feel interactions with friends or other consumers are important?

O Yes, I do O No