

Analyzing Consumer Preference Toward Online Travel Agencies In The Hospitality Sector: Evidence From Chennai City

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ABSTRACT

The rapid advancement of digital technology has revolutionized the way consumers plan and book travel services. Online Travel Agencies (OTAs) such as MakeMy Trip, Goibibo, Booking.com, and Expedia have become integral to the hospitality industry, offering convenience, price transparency, and comparative options. However, the increasing competition among OTAs has made understanding consumer preferences crucial for sustaining customer satisfaction and loyalty.

This study analyzes the factors influencing consumer preferences toward OTAs in the hospitality sector with special reference to Chennai City. The research explores dimensions such as website usability, service quality, pricing, trust, and customer satisfaction. Using a structured questionnaire administered to 200 respondents, the study employs descriptive statistics, reliability analysis, correlation, and multiple regression to identify key determinants. The results reveal that service quality, trust, and pricing transparency significantly influence consumer preference and satisfaction. The study concludes by emphasizing that OTAs should focus on enhancing digital service experiences, reliability, and value creation to strengthen consumer trust and loyalty in the highly competitive hospitality sector

Keywords: Online Travel Agencies (OTAs), Consumer Preference, Service Quality, Trust, Pricing, Customer Satisfaction, Hospitality, Chennai.

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INTRODUCTION

The rapid expansion of digital technology has brought major changes to the tourism and hospitality industry, particularly through the growth of Online Travel Agencies (OTAs). These platforms allow travelers to conveniently book hotels, flights, and travel packages while also accessing reviews and price comparisons through user-friendly digital systems. In India, the popularity of OTAs has increased sharply due to wider internet access, the use of online payment systems, and the growing reliance on smartphones for travel planning.

Chennai, as one of India's major metropolitan cities, attracts both business and leisure travelers, making it an important market for the hospitality industry. Hotels and travel service providers in the city increasingly depend on OTAs to improve their online presence, reach a wider audience, and simplify reservation processes. However, as multiple platforms compete for customers, travelers now base their choices on factors such as website usability, trustworthiness, service quality, transparent pricing, and the efficiency of post-booking services.

Understanding these preferences is essential for service providers to enhance customer satisfaction and build long-term loyalty. Therefore, this study seeks to analyze the key

factors influencing consumer preference and satisfaction toward Online Travel Agencies in the hospitality sector of Chennai City.

Statement of the Problem

Although Online Travel Agencies have simplified the process of booking travel and accommodation, many users continue to face issues such as unclear pricing, delays in refunds, misleading information, and inadequate customer support. Even with intense competition among platforms, several OTAs struggle to maintain consistent service standards and transparency, which in turn reduces customer trust and satisfaction. These shortcomings often discourage repeat usage and weaken customer loyalty.

While previous research has explored online purchasing behaviour in general, there is limited empirical evidence focusing specifically on consumer preferences toward OTAs in the hospitality sector in Chennai City. In particular, the influence of factors such as service quality, trust, pricing clarity, and platform usability on customer satisfaction has not been sufficiently examined. A deeper understanding of these aspects is crucial for OTAs to enhance user experience, improve retention, and strengthen their competitive position. Hence, the present study aims to

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investigate the relationship between key service attributes and consumer preference toward Online Travel Agencies within Chennai's hospitality industry.

REVIEW OF LITERATURE

Kaur and Gupta (2019) examined Indian consumers' perceptions of OTAs and reported that reliability and responsiveness are the most important factors influencing satisfaction. Their study revealed that timely confirmations, effective problem resolution, and customer support significantly enhance user trust. The authors suggested that Indian consumers prefer platforms that deliver consistent and dependable services.

Li, Law, and Zhang (2020) found that perceived value and ease of website navigation directly shape consumer preferences in hotel bookings through OTAs. Their research showed that users are more likely to choose platforms that offer better deals along with smooth and user-friendly interfaces. They also emphasized that clarity of information and simplicity of booking procedures increase customer satisfaction.

Jeevitha (2023) focused on Chennai consumers and found that convenience, accurate information, and promotional offers strongly influence OTA preference. The study revealed that users value platforms that provide quick access to hotel details, prices, and reviews. Discounts and special deals were also found to play an important role in encouraging online bookings.

Hien (2024) highlighted that perceived benefits, trust, and risk reduction are key drivers of OTA adoption in the hospitality sector. The study showed that customers prefer platforms that minimize uncertainty by offering secure transactions, clear cancellation policies, and reliable customer service. Trust was identified as a crucial element in converting first-time users into regular customers.

Zhi (2024) found that digital engagement and customer reviews significantly mediate the relationship between service quality and satisfaction. The study demonstrated that positive online feedback strengthens consumer confidence and influences booking decisions. It also emphasized that interactive features and user-generated content enhance the overall performance and credibility of OTAs.

Objectives of the Study

1. To identify the key factors influencing consumer preference toward Online Travel Agencies in the hospitality sector.
2. To examine the relationship between service quality, trust, pricing, and consumer satisfaction in OTA usage.
3. To assess the overall satisfaction and loyalty of OTA users in Chennai City.

4. To provide recommendations for improving OTA service delivery and consumer experience in the hospitality industry.

Hypotheses

- **H01:** There is no significant relationship between service quality and consumer preference toward OTAs.
- **H02:** Pricing transparency does not significantly influence consumer satisfaction.
- **H03:** Trust has no significant impact on consumer preference toward OTAs.
- **H04:** Website usability and post-booking support do not significantly affect overall consumer satisfaction.

RESEARCH METHODOLOGY

This study employs a descriptive and analytical research design to investigate consumer preference and satisfaction toward Online Travel Agencies in Chennai City. The research focuses on individuals who frequently use online platforms for booking hotels and travel-related services. This approach enables a systematic examination of consumer attitudes and behavioural patterns associated with OTA usage.

A sample of 200 respondents was selected using a combination of convenience and stratified random sampling techniques to ensure adequate representation across different demographic groups such as age, gender, income, and travel frequency. Primary data were collected through a structured questionnaire designed on a five-point Likert scale ranging from "Strongly Disagree" to "Strongly Agree." The instrument captured key dimensions including service quality, pricing transparency, website usability, trust, post-booking support, and overall consumer satisfaction.

Service quality, pricing transparency, website usability, and trust were treated as independent variables, while consumer satisfaction and preference served as the dependent variables. The collected data were analysed using SPSS software. Statistical techniques such as descriptive statistics were used to summarise respondent characteristics, reliability analysis using Cronbach's Alpha ensured the consistency of measurement scales, and correlation and multiple regression analyses were employed to test the relationships among variables and validate the research hypotheses.

Analysis and Results

1. Demographic Profile of Respondents

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	114	57.0
	Female	86	43.0
Age Group	18–25 years	52	26.0
	26–35 years	84	42.0
	36–45 years	46	23.0
	Above 45 years	18	9.0
Travel Frequency	Once a year	44	22.0
	Twice a year	90	45.0
	More than twice	66	33.0

The majority of respondents belong to the 26–35 age group, and most of them travel at least twice a year, indicating that the sample primarily consists of frequent and active users of Online Travel Agencies within the hospitality sector.

2. Reliability Analysis

Construct	No. of Items	Cronbach’s Alpha
Service Quality	4	0.84
Pricing Transparency	4	0.82
Website Usability	4	0.81
Trust	4	0.85
Consumer Satisfaction	4	0.88

All measurement scales demonstrate strong internal reliability, with Cronbach’s Alpha values exceeding 0.80, indicating that the questionnaire items consistently and accurately capture the intended constructs and are suitable for further statistical analysis.

3. Correlation Analysis

Variables	Service Quality	Pricing	Website Usability	Trust	Satisfaction
Service Quality	1	0.63**	0.61**	0.67*	0.72**
Pricing	0.63**	1	0.64**	0.68*	0.74**
Website Usability	0.61**	0.64**	1	0.70*	0.71**
Trust	0.67**	0.68**	0.70**	1	0.76**
Satisfaction	0.72**	0.74**	0.71**	0.76*	1

Note: $p < 0.01$ (2-tailed)

The results reveal that all independent variables have a significant positive relationship with consumer satisfaction, suggesting that improvements in service quality, pricing clarity, trust, and platform usability jointly contribute to stronger consumer preference and higher levels of satisfaction.

4. Regression Analysis

Predictor Variable	Beta (β)	t-value	Sig. (p)
Service Quality	0.25	3.82	0.000
Pricing Transparency	0.28	4.31	0.000
Website Usability	0.22	3.44	0.001
Trust	0.31	5.08	0.000
$R^2 = 0.67, F = 85.92, p < 0.001$			

The regression model accounts for 67% of the variation in consumer satisfaction, indicating a strong explanatory power. Trust ($\beta = 0.31$) and pricing transparency ($\beta = 0.28$) emerge as the most influential predictors, while service quality and website usability also make significant contributions. This finding highlights that dependable services, clear and fair pricing, and user-friendly digital platforms play a crucial role in shaping consumer preference and satisfaction toward Online Travel Agencies.

CONCLUSION

The findings of the study indicate that consumer preference toward Online Travel Agencies in Chennai’s hospitality sector is largely shaped by service quality, pricing

transparency, website usability, and trust. Among these factors, trust and clear pricing emerge as the most influential determinants of customer satisfaction and loyalty. When consumers feel confident about the accuracy of information, payment security, and fairness of charges, they are more likely to continue using the same platform and recommend it to others.

The results further suggest that satisfaction is not limited to the booking stage alone but extends to the entire service experience, including post-booking support, refund procedures, and problem resolution. Features such as personalized recommendations, secure payment gateways, and efficient customer service play an important role in building long-term relationships with users. Overall, the study highlights that a seamless and transparent digital experience is essential for OTAs to maintain competitiveness and retain customers in a highly dynamic hospitality market.

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