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## The Decision-Making Process for Selecting Online Travel Agencies by Thai Gen Y Tourists

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### Abstract

This study aimed to examine the factors influencing the decision-making process of Thai Gen Y travelers in selecting online travel agency (OTA) services. The study specifically focused on demographic factors, including gender, education level, occupation, and average monthly income, and their impact on various decision-making stages: problem recognition, information seeking, alternative evaluation, purchasing decision, and post-purchase behavior. A quantitative research approach was employed, with data collected through an online survey from a sample of 400 respondents. Descriptive statistics and inferential statistics (F-test) were used for data analysis. The findings revealed that demographic factors significantly influenced decision-making processes. For instance, male respondents exhibited higher levels of post-purchase behavior compared to female respondents, individuals with education levels below a bachelor's degree prioritized information seeking more than other groups, and those with higher average monthly incomes tended to engage in more detailed and thorough alternative evaluations. These insights can be utilized by OTA providers and accommodation businesses to develop effective marketing strategies, products, and services tailored to the specific needs of target demographic groups.

**Keywords:** Purchasing decision, Online travel agency, Gen Y

### Introduction

The continuous growth of Thailand's tourism industry in the post-COVID-19 era has led to an increase in the number of both domestic and international tourists. Revenue from tourism in 2024 is projected to reach 2.75 trillion baht (ttb analytics, 2024)<sup>[9]</sup>. Currently, tourists are not only favoring major cities but are also expanding their interest to secondary destinations, turning them into attractive travel spots. The government has supported this trend through measures aimed at boosting tourism growth, such as offering tax deductions for travel to secondary cities (Ministry of Tourism & Sports, 2024)<sup>[4]</sup>. Moreover, advancements in transportation systems and technology have played a crucial role in facilitating travel, making it more convenient and efficient. As a result, tourism has become a key component of modern travel, catering to diverse purposes, including business, leisure, and the pursuit of new experiences.

Travel today addresses the needs of a wide variety of groups, while access to information and tourism-related services enables travelers to plan and create enjoyable experiences with ease. Consequently, the tourism industry not only contributes significantly to the economy but also fosters connections and understanding between different cultures across various regions. The evolution of technology has significantly transformed booking methods in the hospitality sector. Accommodation providers are increasingly leveraging Online Travel Agents (OTAs) to offer room bookings. OTAs serve as intermediaries that manage room reservations, present detailed accommodation information, and provide various promotions through online platforms, replacing traditional direct sales methods. This allows customers to conveniently browse and book accommodations through streamlined processes, including easy payment methods and seamless communication between customers and accommodation providers. OTAs focus on optimizing their websites to ensure user-friendliness and customer satisfaction throughout the booking process.

Currently, Thai Generation Y (Gen Y) represents the largest labor force segment in Thailand (The Government Public Relations Department, 2021) <sup>[7]</sup> and serves as a key driver of the economy. This group is highly adept at using social media, making online platforms a preferred choice for accessing travel services. However, decision-making behaviors among different tourist groups vary based on personal factors, and the significance they place on different decision-making processes also differs. Therefore, studying the decision-making process for selecting online travel agents can provide valuable insights for accommodation businesses and OTAs. These findings can help improve and refine strategies for presenting products and services that align more closely with customer preferences and needs.

## Literature Review

### Online Travel Agencies (OTAs)

Online Travel Agencies (OTAs) are platforms that provide users with the ability to search for and book various travel-related services, including flights, accommodations, car rentals, and travel packages. These platforms eliminate the need for direct interaction with traditional travel agents, offering users convenience and accessibility. OTAs operate 24/7, enabling customers to access services from any location. Users can easily compare prices and services from multiple providers, while many OTAs and their respective websites offer exclusive deals and discounts to attract customers. Popular OTAs that generated the highest revenue for accommodation businesses in 2023 include Booking.com, Agoda, Expedia, and Trip.com (SiteMinder, 2023) <sup>[6]</sup>. Each platform highlights unique features and provides detailed information for users, such as service descriptions, pricing, visuals, booking conditions, and special promotions, to enhance user convenience.

Natchanok Yoochamras, as cited in Nattawut Maopraman, describes OTAs as websites that serve as intermediaries for booking hotel accommodations and travel-related services. Customers predominantly use OTAs due to their convenience and variety of offerings. OTAs have become one of the most effective distribution channels for accommodations, enabling businesses to reach customers directly. Accommodations utilize OTAs to ensure that potential customers can easily find and book their services.

### Purchase Decision Process

Chatyaporn Samerjai (2007) <sup>[1]</sup> defines decision-making as the process of selecting one option from various available alternatives. Consumers typically search for detailed information about the product or service to support their decision-making, which is a critical internal psychological process.

According to Kotler Philip the consumer purchase decision process is complex, starting from recognizing a need to evaluating post-purchase experiences. The process comprises five key stages:

1. **Problem Recognition:** Consumers become aware of a need or problem that requires resolution and seek to satisfy that need.
2. **Information Search:** Once the need is identified, consumers search for information to address it.
3. **Evaluation of Alternatives:** After obtaining relevant information, consumers compare available options to determine the best choice that aligns with their needs.
4. **Purchase Decision:** The time taken to decide varies by

product and consumer, depending on the complexity of the product and the amount of information required. This stage involves ranking alternatives based on criteria such as product type, brand preference, purchase timing, and payment methods, eventually selecting the most suitable option.

5. **Post-Purchase Behavior:** After using the product or service, consumers evaluate their experience, which may result in satisfaction or dissatisfaction. They may share reviews, rate the product or service online, and recommend it to others. Satisfaction often leads to repeat purchases and, if the product fulfills their needs exceptionally well, loyalty. Loyal customers prioritize the product as their first choice within its category.

Brad Haines, Vice President of Marketing for Asia-Pacific at SiteMinder, highlights shifting consumer behavior post-COVID-19. Emerging trends include last-minute bookings, where reservations are made just days before the stay, increased trust in credible booking channels, leading to a rise in direct bookings with hotels (from fourth to third most preferred channel), and a preference for flexible cancellation policies allowing modifications or refunds (SiteMinder, 2023) <sup>[6]</sup>. Accommodation providers must stay updated on these trends and consider additional factors influencing consumer decisions to book through online intermediaries. This knowledge can be applied to refine management and marketing strategies.

## Research Methodology

This study, titled "*Decision-Making in Choosing Online Travel Agencies Among Thai Generation Y Tourists*," adopts a survey-based approach, focusing on Thai Generation Y tourists who have prior experience using online travel agencies. The population comprises a large, undefined group. Thus, the sample size was determined using W.G. Cochran's formula (1953) with a confidence level of 95% and an acceptable margin of error of 0.05. The calculated sample size was 385. However, to mitigate potential errors from responses, the sample size was increased to 400 to ensure representativeness of the population. Convenience sampling was employed, with data collection carried out via online travel community pages on platforms like Facebook, the LINE application, and email.

## Research Instrument

The research instrument was an online questionnaire divided into two sections:

1. **General Information:** Questions about respondents' demographic information, including gender, education level, occupation, and average monthly income.
2. **Decision-Making Process:** Questions related to the decision-making process for choosing online travel agencies, covering five aspects: problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior.

## Data Analysis and Statistical Methods

1. **Descriptive Statistics**
  - General respondent information, such as gender, education level, occupation, and average monthly income, was analyzed and presented in frequency distribution tables and percentages.
  - Data on the decision-making process for choosing online

travel agencies were analyzed using means and standard deviations.

## 2. Inferential Statistics

- An F-test was applied to examine differences among more than two demographic groups and to determine whether variations in demographic characteristics were associated with differences in decision-making for choosing online travel agencies.

### Research Findings

The study on decision-making in choosing online travel agencies among Thai Generation Y tourists analyzed the responses from the questionnaire and found that the majority of respondents were female, accounting for 248 individuals (62.0%). Most respondents had attained a bachelor's degree, totaling 352 individuals (88.0%). The majority were private company employees, numbering 252 individuals (63.0%), and the largest income group had an average monthly income between 25,001 and 35,000 THB, comprising 140 individuals (35.0%).

### Analysis of Differences between Groups

The analysis of demographic differences revealed variations in decision-making processes for selecting online travel agencies. A one-way analysis of variance (ANOVA) was conducted to test for differences among groups, followed by multiple comparisons using the Least Significant Difference (LSD) method when significant differences were identified. A significance level of 0.05 was used.

#### Gender Differences

The decision-making process differed significantly by gender at the 0.05 level. When examined by aspect, gender differences significantly influenced post-purchase behavior. Further pairwise comparisons using the LSD method revealed that males exhibited higher post-purchase behavior in selecting online travel agencies than females, with statistical significance at the 0.05 level.

#### Educational Level Differences

Differences in educational levels significantly influenced decision-making processes. When analyzed by specific aspects, educational levels significantly impacted the information-seeking and alternative evaluation stages of decision-making at the 0.05 level. Pairwise comparisons using the LSD method showed the following:

- Respondents with an education level below a bachelor's degree exhibited significantly higher engagement in the information-seeking process than those with a bachelor's degree or higher education levels at the 0.05 significance level.
- In contrast, respondents with a bachelor's degree engaged less in the alternative evaluation process than those with education levels above a bachelor's degree, with statistical significance at the 0.05 level.

### Analysis of Differences in Decision-Making Processes by Occupation and Income

The analysis of decision-making processes based on occupational differences revealed significant variations across all aspects of decision-making at the 0.05 significance level. Pairwise comparisons using the LSD method indicated the following:

- **Problem Recognition:** Students exhibited higher levels of problem recognition in selecting online travel agencies compared to private business owners, private company employees, government officers/state enterprise employees, and other occupations. Private company employees displayed greater problem recognition than private business owners and individuals in other occupations, with statistical significance at the 0.05 level.
- **Information Search:** Students demonstrated significantly higher levels of information search compared to private company employees and other occupations, with statistical significance at the 0.05 level.
- **Alternative Evaluation:** Students showed greater engagement in alternative evaluation compared to private company employees and other occupations. Private business owners and government officers displayed higher levels of alternative evaluation than private company employees and individuals in other occupations, with statistical significance at the 0.05 level.
- **Purchase Decision:** Private business owners were found to engage more in purchase decision-making compared to private company employees, while government officers exhibited higher levels of purchase decision-making than private company employees, with statistical significance at the 0.05 level.
- **Post-Purchase Behavior:** Students had higher post-purchase behavior compared to private business owners, private company employees, government officers/state enterprise employees, and other occupations. Private business owners displayed greater post-purchase behavior than individuals in other occupations, with statistical significance at the 0.05 level.

The analysis of decision-making differences by average monthly income revealed variations in information search, alternative evaluation, and purchase decision-making processes, with statistical significance at the 0.05 level. Pairwise comparisons using the LSD method indicated the following:

- **Information Search**
  - Respondents with an average monthly income of ≤15,000 THB exhibited higher levels of information search compared to those earning 25,001–35,000 THB.
  - Those earning 45,000–55,000 THB demonstrated higher levels of information search compared to income groups of 15,001–25,000 THB, 25,001–35,000 THB, and 35,001–45,000 THB, with statistical significance at the 0.05 level.
- **Alternative Evaluation**
  - Respondents earning 15,001–25,000 THB engaged more in alternative evaluation compared to those earning 25,001–35,000 THB and 35,001–45,000 THB.
  - Those earning 35,001–45,000 THB engaged less in alternative evaluation compared to respondents earning 25,001–35,000 THB.
  - Respondents earning more than 55,000 THB demonstrated higher levels of alternative evaluation compared to income groups of 25,001–35,000 THB and 35,001–45,000 THB, with statistical significance at the 0.05 level.

These findings emphasize significant variations in decision-making processes among Thai Generation Y tourists when selecting online travel agencies based on occupational and income differences.

### Discussion

The study on the decision-making process for using online travel agencies among Thai Generation Y tourists revealed that demographic factors significantly influence the decision-making process. The details are as follows:

**Gender:** It was found that gender influences post-purchase behavior in the decision-making process. Male consumers exhibit a higher tendency toward positive post-purchase behavior compared to females. This may be attributed to men being more inclined to seek positive experiences after a purchase, such as recommending the service to acquaintances, providing feedback, or writing reviews and ratings for products or services on websites. This finding aligns with the study by Sarayanan Srijongjai (2018) <sup>[5]</sup>, which noted that gender differences affect purchasing decisions.

**Educational Level:** The study found that educational level affects information search and alternative evaluation in the decision-making process for using online travel agencies. Respondents with educational levels below a bachelor's degree tend to engage in information search more than those with higher education. In contrast, those with postgraduate degrees tend to emphasize alternative evaluation more. This suggests that different educational levels may influence the degree of detail and reliance on information when making decisions. These findings are consistent with the research by Maopraman Nattawut, which found that educational level impacts service utilization decisions.

**Occupation:** Respondents who are students tend to place greater emphasis on all stages of the decision-making process, including problem recognition and post-purchase behavior, compared to other occupational groups. This could be due to students having more time and flexibility to search for information and choose options that align with their preferences. Meanwhile, private company employees demonstrate greater thoroughness in problem recognition and decision-making related to tourism compared to other groups. These findings align with the study by Theerachitkul Chalit (2022) <sup>[2]</sup>, which noted that occupational differences influence purchasing decisions.

**Average Monthly Income:** Average monthly income was found to influence information search, alternative evaluation, and purchase decisions. Respondents with higher incomes tend to place more emphasis on alternative evaluation and decision-making flexibility than other groups. This suggests that income plays a crucial role in determining the level of detail in purchasing decisions and expectations for the quality of services provided by online travel agency platforms. These findings are consistent with the research by Maopraman Nattawut, which found that average income impacts service utilization decisions.

### Application of Research Findings

#### Designing Marketing Strategies Based on Demographics:

The study revealed that gender, age, education level, and income influence the decision-making process for using online travel agencies. Therefore, online travel agency operators and accommodation businesses can segment target groups and develop tailored marketing strategies. For

instance, offering promotions specifically for men, who tend to have higher post-purchase satisfaction, providing special price packages for middle-to-low-income customers, and offering premium services for high-income clients.

**Flexible Promotions and Cancellation Policies:** The findings indicated that tourists value flexibility in booking and cancellations. Offering flexible cancellation policies, such as partial refunds or free plan changes, can attract Generation Y customers, who tend to demand greater flexibility.

**Enhancing User Experience on Online Platforms:** As Generation Y consumers prioritize information search and alternative evaluation, developing systems that allow for price and service comparisons, along with real user reviews, can simplify decision-making for this group. Businesses should ensure their platforms provide comprehensive, accessible, and user-friendly information.

**Developing Customer Relationships and Encouraging Post-Service Reviews:** Given that gender and occupation influence post-purchase behavior, online travel agency and accommodation providers should implement systems to follow up on customer satisfaction, such as sending surveys or encouraging customers to write reviews on various platforms. This will enhance credibility and help attract new customers.

### Research Limitations

- Sampling Limitations:** The convenience sampling method using online respondents limits the ability to generalize findings to all Thai Generation Y individuals, which may reduce the accuracy of the study.
- Research Tool Limitations**
  - The use of online questionnaires may fail to capture in-depth behavioral insights, such as emotional factors or personal experiences, which are difficult to convey through closed-ended questions.
  - The study did not focus on specific online travel agency platforms, which limits comparative analysis among popular platforms like Booking.com, Agoda, and Trip.com, each of which may have unique features and customer responses.
- Future Research Opportunities:** Future studies should explore the behavioral trends of Generation Z, a growing group with high technological adoption. This cohort may have different factors influencing their choice of online travel services compared to Generation Y.

### Conclusion

The study revealed that decision-making regarding the use of online travel agency services among Thai Generation Y travelers varies based on personal factors, including gender, education level, occupation, and average monthly income. Male respondents demonstrated higher post-purchase behavior in decision-making compared to female respondents. Participants with education levels below a bachelor's degree exhibited a greater focus on information-seeking behavior than those with bachelor's or higher education levels. Meanwhile, respondents with bachelor's degrees engaged less in alternative evaluation compared to those with higher education levels.

Additionally, occupation influenced decision-making processes in all aspects, with students showing the greatest emphasis across all decision-making stages compared to other occupational groups. Differences in average monthly

income also impacted decision-making processes related to information seeking, alternative evaluation, and purchasing decisions. Respondents with an average monthly income of 45,000–55,000 THB emphasized information seeking and alternative evaluation more than other groups. Those with a monthly income exceeding 55,000 THB placed greater importance on purchasing decisions compared to other groups.

Based on these findings, business operators can the insights to design sales strategies that align with the target customer groups. These strategies may include pricing, product or service characteristics, and information presentation tailored to suit the decision-making behavior of Thai Generation Y travelers, which varies according to individual demographic factors.

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