

Enhancing Consumer Satisfaction through Effective Online Travel Agency Services: A Case Study of the Hospitality Sector in Chennai City

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Abstract

The growing digital transformation in the hospitality and tourism industry has made **Online Travel Agencies (OTAs)** a crucial intermediary between service providers and consumers. OTAs such as MakeMyTrip, Goibibo, Booking.com, and Expedia play a vital role in providing accessibility, convenience, and price comparison for travelers. However, sustaining **consumer satisfaction** remains a challenge, as it depends on multiple factors such as service reliability, trust, website usability, and customer support. This study aims to analyze the effectiveness of OTA services in enhancing consumer satisfaction within the **hospitality sector of Chennai City**. Primary data were collected from 200 respondents through a structured questionnaire, focusing on service quality, pricing transparency, trust, and post-booking support. Descriptive statistics, reliability analysis, correlation, and multiple regression were applied for analysis. The results reveal that **service quality, pricing transparency, and trust** are significant predictors of consumer satisfaction. The findings emphasize that OTAs should invest in improving digital experience, transparent policies, and grievance management systems to ensure sustained satisfaction and loyalty among customers.

Keywords: Online Travel Agencies (OTAs), Consumer Satisfaction, Service Quality, Trust, Pricing Transparency, Hospitality Sector, Chennai

Introduction

The rise of **Online Travel Agencies (OTAs)** has transformed the global travel and hospitality landscape, providing consumers with easy access to information, competitive prices, and personalized services. In India, the OTA market has seen exponential growth driven by increased internet penetration, digital payments, and post-pandemic demand for flexible travel solutions. Cities like **Chennai**, with a thriving hospitality and tourism industry, have witnessed an upsurge in OTA usage among both business and leisure travelers.

However, while OTAs offer convenience, consumers often face issues such as **inaccurate information, hidden costs, booking errors, delayed refunds, and poor customer support**. These challenges directly affect satisfaction and repeat booking intentions. In such a competitive digital marketplace, **consumer satisfaction** becomes a key determinant of brand loyalty and profitability.

The present study explores how **effective OTA service dimensions service quality, trust, pricing transparency, and customer support influence consumer satisfaction** in Chennai's hospitality sector. Understanding these dynamics will help OTAs design consumer-centric strategies for long-term success.

Statement of the Problem. Despite the advantages of OTAs, customer complaints and dissatisfaction remain common due to inconsistencies in service quality, lack of refund clarity, and poor post-booking assistance. Many users express frustration over delayed responses and misleading information, which undermines trust and satisfaction. Although research exists on online consumer behavior, limited studies specifically examine **how the effectiveness of OTA service delivery enhances consumer satisfaction** in the **hospitality industry of Chennai City**.

Therefore, this study investigates key service dimensions **service quality, trust, pricing transparency, and post-booking support** to determine their combined and individual effects on consumer satisfaction. The findings will help OTAs improve service standards and strengthen customer relationships.

Review of Literature

- **Parasuraman, Zeithaml, & Berry (1988)** introduced the SERVQUAL model, establishing service quality as a fundamental driver of customer satisfaction across industries.
- **Buhalis & Law (2008)** emphasized that OTAs have redefined the tourism distribution system by providing user-generated reviews, convenience, and transparency, which directly impact satisfaction.
- **Kim, Kim, & Kandampully (2009)** found that e-service quality dimensions—information quality, responsiveness, and assurance significantly affect consumer loyalty in online travel platforms.
- **Suki & Suki (2017)** observed that website usability and trust are vital for customer retention in online travel bookings.
- **Kaur & Gupta (2019)** reported that Indian consumers value reliability and transparent pricing more than promotional offers in OTA selection.
- **Li, Law, & Zhang (2020)** discovered that perceived value, price fairness, and website ease of use enhance satisfaction and repurchase intentions.
- **Jeevitha (2023)** analyzed consumer behavior in Chennai and concluded that satisfaction is primarily influenced by website design, responsiveness, and refund reliability.
- **Hien (2024)** highlighted perceived benefits and reduced risk as determinants of OTA adoption and satisfaction among hospitality consumers.

These studies collectively suggest that **service quality, trust, and transparency** play pivotal roles in shaping consumer satisfaction in online travel services.

Objectives of the Study

1. To examine the effectiveness of service quality, pricing transparency, and trust in enhancing consumer satisfaction toward OTAs.
2. To analyze the relationship between OTA service dimensions and overall consumer satisfaction in the hospitality sector of Chennai City.
3. To evaluate the impact of post-booking support on consumer satisfaction and loyalty.
4. To suggest strategies for improving OTA service quality to strengthen consumer trust and long-term engagement.

Hypotheses

- **H01:** There is no significant relationship between service quality and consumer satisfaction toward OTAs.
- **H02:** Pricing transparency has no significant influence on consumer satisfaction.
- **H03:** Trust does not significantly affect consumer satisfaction.
- **H04:** Post-booking support has no significant relationship with consumer satisfaction.

Research Methodology

This study adopts a **descriptive and analytical research design** to examine how various OTA service dimensions influence consumer satisfaction. The study was conducted among **200 OTA users in Chennai City**, selected using a **stratified random sampling** technique to ensure diversity in age, gender, income, and travel frequency. Primary data were collected using a **structured questionnaire** with statements measured on a **five-point Likert scale** (1 = Strongly Disagree to 5 = Strongly Agree). The instrument included questions on **service quality, pricing transparency, trust, post-booking support, and satisfaction**. The study

identified **service quality, pricing transparency, trust, and post-booking support** as **independent variables**, and **consumer satisfaction** as the **dependent variable**. Data were analyzed using **SPSS software** with statistical tools including **descriptive statistics, reliability testing (Cronbach's Alpha), correlation analysis, and multiple regression** to test the hypotheses and assess variable relationships.

Analysis and Results

1. Demographic Profile of Respondents

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	108	54.0
	Female	92	46.0
Age Group	18–25 years	52	26.0
	26–35 years	88	44.0
	36–45 years	44	22.0
	Above 45 years	16	8.0
Travel Frequency	Once a year	48	24.0
	Twice a year	96	48.0
	More than twice	56	28.0

Interpretation:

Most respondents are between **26–35 years**, representing the digitally active and travel-engaged population. About **48%** travel twice a year, indicating regular OTA usage in Chennai's hospitality sector.

2. Reliability Analysis

Construct	No. of Items	Cronbach's Alpha
Service Quality	4	0.84
Pricing Transparency	4	0.82
Trust	4	0.85
Post-Booking Support	4	0.83
Consumer Satisfaction	4	0.88

Interpretation:

All constructs have **Cronbach's Alpha values above 0.80**, confirming excellent reliability and internal consistency of the questionnaire items.

3. Correlation Analysis

Variables	Service Quality	Pricing	Trust	Post-Booking Support	Satisfaction
Service Quality	1	0.65**	0.63**	0.61**	0.70**
Pricing Transparency	0.65**	1	0.67**	0.63**	0.73**
Trust	0.63**	0.67**	1	0.65**	0.75**
Post-Booking Support	0.61**	0.63**	0.65**	1	0.72**
Satisfaction	0.70**	0.73**	0.75**	0.72**	1

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

Interpretation:

All independent variables show strong, positive, and statistically significant relationships with consumer satisfaction. Trust ($r = 0.75$) and pricing transparency ($r = 0.73$) are the highest correlated factors.

4. Regression Analysis

Predictor Variable	Beta (β)	t-value	Sig. (p)
Service Quality	0.24	3.75	0.000
Pricing Transparency	0.27	4.20	0.000
Trust	0.30	5.02	0.000
Post-Booking Support	0.25	3.88	0.000
$R^2 = 0.69$, $F = 88.71$, $p < 0.001$			

Interpretation:

The regression model explains **69% of the variance** in consumer satisfaction. Among predictors, **trust ($\beta = 0.30$)** and **pricing transparency ($\beta = 0.27$)** have the most substantial impact, followed closely by **service quality ($\beta = 0.24$)** and **post-booking support ($\beta = 0.25$)**.

Conclusion

The study concludes that **effective OTA services** significantly enhance **consumer satisfaction** in Chennai's hospitality sector. Trust and pricing transparency emerged as the most influential factors, followed by service quality and post-booking support. Consumers value transparent policies, reliable information, and prompt grievance handling. To strengthen satisfaction and long-term loyalty, OTAs must focus on **clarity in communication, ethical pricing, secure payment systems, and responsive customer service**. Ensuring personalized experiences and consistent after-sales support can also help in creating a stronger emotional connection with consumers. The study recommends that OTA platforms integrate **AI-driven chat assistance, personalized recommendations, and real-time refund tracking** to improve customer satisfaction and retention.

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