

**ONLINE CHANNEL USAGE: EVALUATING ASSOCIATION W.R.T  
ONLINE TRAIN TICKET PURCHASE**

**Chakravarthi Koundinya**

*Associate Professor–Marketing, IBS Hyderabad*

***Abstract***

*Internet usage in India has been gradually increasing across many businesses, one of which is the travel sector. The difference in the internet usage across various sectors exists given the benefits the channel provides to the consumers. This study focuses on the internet users' inclination to purchase various products or services and their approach towards online train tickets purchasing. Using chi-square association is being tested and identified that there exists relationship across few online purchases.*

**Keywords:** online channel, travel service, internet usage

**INTRODUCTION:** Internet usage in India has increased tremendously during the last decade. Number of internet users in India has been on a continuous rise over the last few years and it was observed today i.e., by June 2014, active internet users stand at 192 million out of 243 million overall internet users. The internet is one of the major developments in communications and information transfer. Consumers use internet to acquire some information regarding products and services and many a times they may approach the traditional outlets for actual purchase. Indian Internet penetration is just at 16% of the population, but when absolute numbers are considered, this can be much more. According to Internet and Mobile association of India (IAMAI) and IMRB, internet users in India has crossed 200 million mark and estimates that by June 2014, there could be 243 million internet users in the country making India as the world's second largest internet base after china. E-commerce business in India is expected to reach around \$50-70 billion by 2020. With reference

to the developing nations, though they have higher percapita GDP than India's but are comparable with India as their Internet ecosystem growth models offer relevant learning for India. The same comments have been emphasized in the research report published by McKinsey & Company (Dec 2012). According to the study carried out by Ben Vinod (2011), online markets in developed nations like United States, Western Europe, Japan, Australia, New Zealand and Singapore have matured over the past decade and are providing directions for developing countries like India and others. One of the sectors that embraced online channel was travel industry in which Indian railways took the lead in many ways. According to IRCTC report (Press Trust of India, May 28, 2013) out of 31 crore railway tickets booked in a year, 37% of the train tickets are booked online. The remaining 55% tickets are getting booked via railway counters and 8% of them through travel agents. This being the background, the purpose of this study is to understand the consumers' usage of internet for purchasing various products/services. According to Violin.b. (1996), the ability of internet technology to disseminate huge information effectively and efficiently to all the stakeholders including customers, employees, shareholders and suppliers made it a prominent medium for all business transactions. It was opined by (Raman, 2003) during this study concentrated on various products and services that are purchased online and identified convenience as one of the factors to go online. Cole (2002) opined that contemporary internet consumers of services demand highest transparency, open and convenient access; real-time specialist information; transparency of processes; fair pricing; choice and control of information. There was a considerable growth of e-ticketing in Indian railways, thanks to the computer literacy increase across various sections of consumers.

**RATIONAL OF THE STUDY:** With entire businesses trying to adopt online channel there exists a requirement to understand the usage pattern on online channel while purchasing different products and services. Moreover, the association among

such purchases throws some light on understating consumers' online behavior and so this study is carried out.

**OBJECTIVE OF THE STUDY:** The basic purpose of the study is to understand the consumers' approach towards using internet/online channel while purchasing various products/services. Also, the study attempts to identify whether there exists any association between such purchases made with online booking of train tickets.

**Table 1-1: DEMOGRAPHIC PROFILE OF THE RESPONDENTS**

		INTERNET USERS		ONLINE TICKET BOOKING	
Demographic Variable		Frequency	% age	Frequency	% age
Age	Below 20 years	15	2.1	10	1.9
	20-30 years	447	61.3	305	59.3
	31-50 years	246	33.7	188	36.6
	Above 50 years	21	2.9	11	2.1
	Total	729	100	514	100
Gender	Male	582	79.4	416	80.9
	Female	147	20.6	98	19.1
	Total	729	100	514	100
Profession	Government	72	9.9	53	10.3
	Private	519	71.2	371	72.2
	Self Emp /	138	18.9	90	17.5
	Total	729	100	514	100
Position in the organization	Lower or Junior	153	21.0	94	22.2
	Middle Level	358	49.1	270	63.7
	Senior Level	80	11	60	14.1
	Total	591	81.1	424	100
Software prof	Software Prof	128	17.6	98	19.1
	Non-Software	463	63.5	326	63.4
	Total	591	81.1	328	82.5
Computer at Home	YES	622	85.3	461	89.7
	NO	107	14.7	53	10.3
	Total	729	100	514	100

Highest Education	Under Graduate	67	9.2	24	4.7
Qualification	Graduate	256	35.1	166	32.3
	Post Grad& above	406	55.7	324	63.0
	Total	729	100	514	100
	Below 20000	292	40.1	165	32.1
	20,000 to 50000	304	41.7	236	45.9
Income Levels	Above 50,000	133	18.2	113	22.0
	Total	729	100	514	100
	Total	729	100	514	100

**METHODOLOGY:** Consumers who use internet for their purchases were identified and were asked to answer a set of questions through a structured questionnaire. After capturing the Respondents demographics, they were asked the purpose of internet usage along with train tickets booking pattern on a scale indicating (Very Frequently, less frequently, Occasionally & Not at all). Purposive sampling' technique was used to identify the respondents from whom the primary data was collected. Purposive sampling is defined as a sample of subjects selected deliberately by researchers usually because they are more likely to meet one or more of the research criteria Vogt(1998). Studies by Rohaizan Ramlan(2002); Matea Matic(2014) having focused on understanding online shopping behavior used purposive sampling. The respondent is chosen based on the criteria (i). Should be using internet; (ii). Purchased train ticket online during the past 6 months; (iii). Purchased using his/her own credit or debit card/online banking/ own online wallet; (iv) Should be staying in city of Hyderabad. Hypotheses were prepared and tested using Statistical tools like Chi-square and cross-tabs.

**ANALYSIS AND INTERPRETATION:** Consumers who use internet for the purchase of different products and services were identified and were asked whether

they also purchase train tickets online. Out of the total sample 952 surveyed, 729 of them are found using internet and rest 123 were not using internet.

Hence the respondents who were using internet were 729, of which 514 were the respondents who were booking train tickets online and the remaining 215 were approaching traditional ways of booking train tickets though they use internet (via Agent or Railway ticket counter). The final sample size to measure the factors influencing online purchase intention as well as online purchase satisfaction is 729. This sample was identified from the city of Hyderabad who has been booking train tickets for their travel purposes. The detailed demographic profile of the respondents is shown in the table above. It was observed that 76.5% of respondents use internet and out of which almost 70% respondents use internet for their train tickets booking. As indicated in the table, the age group 20-30 years is the group that is using internet majorly. The respondents who use internet among the age group below 20 years and above 50 years remained low because of the access to the internet usage devices. Within the age group (31-50) there are almost 34% of them use internet and a little more of them 36% use internet for booking train tickets.

Out of 729 respondents who use internet frequently, only 19.6% of them trade share very frequently, 27.9% of them indulge in purchasing Electronic goods via internet; 55.6% of them purchase books, gifts etc., via internet and the highest percentage of frequently bought product is travel tickets, with travel services like booking travel tickets like air tickets, bus and cab services recording 56.5%. Out of 514 consumers who book train tickets online, the following tables provide us the usage pattern of internet for other purposes among online train travel ticket purchasers. Consumers buying Electronic goods may or may not buy train tickets online. Hence, analysis is also carried out by creating Hypotheses to understand whether there exists any association between consumers purchasing other products/service online and purchasing TRAIN tickets online.

**Hypotheses Testing:****a. Consumers' Trading Shares online:**

Among consumers who book online tickets, 60.3% of them do not trade with the shares, while only 7.4% of them trade very frequently. Hence, the association between online purchases of train tickets with the online purchase behavior of trading shares was interpreted.

**Table 1-2: ONLINE TRAIN TICKETS Vs ELECTRONIC TRADING OF SHARES**

book online	Indicate your usage pattern of internet for TRADING OF SHARES				Total
	VERY FREQUENTLY	LESS FREQUENTLY	OCCASIONAL	NOT AT ALL	
NOT BOOK ONLINE	11	20	17	167	215
BOOK ONLINE	38	59	107	310	514
Total	49	79	124	477	729

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.670 <sup>a</sup>	3	.000

**H<sub>1</sub>: There is an association between TRADING SHARES Online and ONLINE booking of train tickets.**

As observed above, the chi-square value is less than 0.05. Hence null hypothesis is rejected. It means that those internet users who use online portal for trading shares also use online for booking train tickets.

**b. Consumers' Buying Electronic Goods Online**

Among consumers who book online tickets, 36.6% of them do not buy electronic goods, while only 8.4% of them purchase very frequently. Hence, the association between online purchases of train tickets with the online purchase behavior of buying electronic goods was interpreted.

**Table 1-3: ONLINE TRAIN TICKETS Vs ELECTRONIC GOODS ONLINE**

	Usage pattern of internet for buying ELECTRONIC GOODS like MOBILES, etc.,				Total
	VERY FREQUENTLY	LESS FREQUENTLY	OCCASIONALLY	NOT AT ALL	
NOT BOOK ONLINE	7	22	50	136	215
BOOK ONLINE	43	100	183	188	514
Total	50	122	233	324	729

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	44.985 <sup>a</sup>	3	.000

**H<sub>2</sub>: There is no association between 'BUYING ELECTRONIC GOODS ONLINE' and 'BOOKING TRAIN TICKETS ONLINE'**

As observed above, the chi-square value is less than 0.05. Hence null hypothesis is rejected. It means that BUYING ELECTRONIC GOODS ONLINE has a bearing on 'BOOKING TRAIN TICKETS ONLINE' i.e., to say that internet users who tend to purchase Electronic goods online have an inclination to purchase train tickets online.

**c. Consumers’ Buying Gifts, Books Online**

Among consumers who book online tickets, 16.6% of them do not purchase gifts, books and movie tickets at all, while 22.4% of them purchase very frequently. Hence, the association between online purchases of train tickets with the online purchase behavior of buying electronic goods was interpreted.

**H<sub>3</sub>: There is an association between ‘BUYING GIFTS, BOOKS & MOVIE TICKETS ONLINE’ and ‘BOOKING TRAIN TICKETS ONLINE’**

**Table 1-4: ONLINE TRAIN TICKETS Vs ONLINE BUYING GIFTS, BOOKS & MOVIE TICKETS**

	Indicate your usage pattern of internet for buying Gifts, Books and movie tkts				Total
	VERY FREQUENTLY	LESS FREQUENTLY	OCCASIONALLY	NOT AT ALL	
NOT BOOK ONLINE	20	46	52	96	214
BOOK ONLINE	115	141	171	87	514
Total	135	187	223	183	728
Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)		
Pearson Chi-Square	66.771 <sup>a</sup>	3	.000		

As observed above, the chi-square value is less than 0.05. Hence, null hypothesis is rejected. It means that BUYING GIFTS, BOOKS & MOVIE TICKETS ONLINE has a bearing on ‘BOOKING TRIAN TICKETS ONLINE’ i.e., to say that internet users who tends to purchase gifts, books and movie tickets online have an inclination to purchase train tickets online.



**d. Consumers' buying Banking & Insurance Services Online**

Among consumers who book online tickets, 23% of them do not purchase of banking & financial services at all, while 33.7% of them purchase very frequently. Hence, the association between online purchase of train tickets with the online purchase of banking & financial services was studied.

**H<sub>4</sub>: There is an association between 'ONLINE BANKING' and 'BOOKING TRAIN TICKETS ONLINE'**

**Table 1-5: ONLINE TRAIN TICKETS Vs ONLINE PURCHASING BANKING, INSURANCE**

	Indicate your usage pattern of internet for financial transactions like ONLINE BANKING, purchase of INSURANCE etc.,				Total
	VERY FREQUENTLY	LESS FREQUENTLY	OCCASIONALLY	NOT AT ALL	
NOT BOOK ONLINE	31	30	31	123	215
BOOK ONLINE	173	115	108	118	514
Total	204	145	139	241	729
Chi-Square Tests					
	Value	Df	Asymp. Sig. (2-sided)		
Pearson Chi-Square	82.707 <sup>a</sup>	3	.000		

As observed above, the chi-square value is less than 0.05. Hence null hypothesis is rejected. It means that 'ONLINE BANKING' has a bearing on 'BOOKING TRAIN TICKETS ONLINE' i.e., to say that internet users who tends to use online banking for their banking related services have an inclination to purchase train tickets online.

**e. Consumers’ Buying Cab/Airline Services Online**

Among consumers who book online tickets, 14.4% of them do not use internet to purchase travel services, while 28.3% of them purchase very frequently. Hence, the association between online purchase of train tickets with the online purchase of banking & financial services was interpreted.

**H<sub>5</sub>: There is an association between ‘BUYING AIRLINE, CAB AND BUS SERVICES’ and ‘BOOKING TRAIN TICKETS ONLINE’**

**1-6: ONLINE TRAIN TICKETS Vs ONLINE TRAVEL TICKETS**

book online or via traditional channel	Booking AIRLINE TICKETS, BUS TICKETS & CAB SERVICES				Total
	VERY FREQUENTLY	LESS FREQUENTLY	OCCASIONALLY	NOT AT ALL	
NOT BOOK ONLINE	10	11	18	176	215
BOOK ONLINE	147	150	143	74	514
Total	157	161	161	250	729

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	307.276 <sup>a</sup>	3	.000

As observed above, the chi-square value is less than 0.05. Hence null hypothesis is rejected. It means that internet users who tend to purchase Airline, Cab and Bus services have an inclination to purchase train tickets online.

**CONCLUSION:** In the above chapter, the researcher has checked whether there is any association between consumers purchasing other products/services online with that of ONLINE booking of train tickets. It has been found that Consumers who use online for Trading Shares, Purchasing Books/Gifts/Movie tickets, Electronic goods and use online banking etc., may influence consumer in booking train tickets online. The association was found significant between the two i.e., purchase of online train tickets Vis-a-Vis other online purchases in all the instances. Hence, there can be a greater chance of purchasing train tickets online if the consumers are purchasing other products and services online.

**REFERENCES:**

1. Cole, P. M. (2002). The Role of Trust in Electronic Commerce in Services. International Journal of Contemporary Hospital Management , 14/2 , 81-87
2. BEN Vinod. (2011). The future of Online travel. Journal of Revenue and Pricing Management, Vol. 10, 1, 56–61
3. McKinsey & Company. (Dec, 2012). Online and upcoming: The Internet's impact on India, Dec 2012, 13-14
4. Raman, M.A.(2003). An Empirical Investigation of Online Consumer Purchasing Behavior. . Communicatons of The ACM , Vol. 46, No. 12.
5. Violin.B. (1996). The Biggest and Best. Information, Vol. 9/9, 44-46.