

Changing Consumer Behaviour in the Digital Travel Market: The Impact of Price Transparency and Online Price Comparison on Loyalty Towards Traditional Travel Agencies in Karnataka

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Abstract - The rapid expansion of digital travel platforms has changed how consumers search, compare, evaluate, and purchase travel services. This study examines the role of price transparency and online price comparison in shaping consumer behaviour and loyalty towards traditional travel agencies in Karnataka. An empirical descriptive research design was adopted. Primary data were collected from 80 travellers/customers through a structured questionnaire using convenience sampling, supported by secondary information from academic literature and industry sources. The study focuses on price transparency, online price comparison, convenience, perceived price fairness, customer satisfaction, trust, and loyalty. Percentage analysis, tabular presentation, charts, and a proposed Chi-Square framework were used to examine the responses. The study indicates that consumers increasingly value clear total prices, easy comparison, competitive offers, and digital convenience. At the same time, traditional travel agencies remain relevant where customers require personalized guidance, visa assistance, religious travel arrangements, or support for complex itineraries. Hidden or unclear charges may weaken trust, while transparent and fair pricing can support satisfaction and relationship quality. The paper concludes that traditional agencies can respond to changing consumer expectations by combining transparent pricing and digital booking capabilities with personalized, trustworthy, and specialized services.

Keywords: Price Transparency; Online Price Comparison; Consumer Behaviour; Customer Loyalty; Digital Travel Market; Online Travel Platforms; Traditional Travel Agencies; Customer Satisfaction; Trust; Karnataka.

1. INTRODUCTION

The travel and tourism sector is an important contributor to economic activity through employment generation, income creation, business development, and related services. The rapid development of digital technology, smartphones, internet connectivity, online payments, and mobile applications has transformed the way consumers search for destinations, compare alternatives, evaluate prices, and book travel services. Digital travel platforms have reduced the time and effort required to search for information and have made price and service comparisons increasingly accessible.

In India, online travel platforms such as MakeMyTrip, Goibibo, ixigo, Cleartrip, and Yatra have contributed to the expansion of digitally enabled travel search and booking. Consumers can compare fares, accommodation options, reviews, cancellation conditions, and other service attributes before making a purchase. This environment has increased expectations for transparent prices, convenience, choice, responsiveness, and trustworthy transactions.

Karnataka provides a relevant context for examining these changes because the state includes major business, educational, religious, heritage, and leisure travel markets. Traditional travel agencies continue to serve customers through face-to-face interaction, customized itineraries, visa support, pilgrimage services, and assistance with complex travel requirements. However, these agencies increasingly operate alongside digital platforms where customers can compare prices and alternatives before deciding where to book.

Against this background, the present study examines how price transparency and online price comparison influence customer decision-making and loyalty towards traditional travel agencies in Karnataka. The study also considers the roles of perceived price fairness, satisfaction, trust, convenience, and personalized service in explaining the continuing relevance of traditional agencies.

2. BACKGROUND OF THE STUDY

Digitalisation has altered the information environment of the travel market. Earlier, consumers commonly depended on travel agents, brochures, telephone enquiries, and personal networks for information. Digital platforms now allow consumers to obtain multiple offers within a short period and to compare prices, reviews, schedules, availability, and service conditions. This has shifted some bargaining power towards consumers and has increased the importance of information quality.

Price transparency refers to the extent to which relevant price information is visible, understandable, complete, and available before purchase. Online price comparison refers to the consumer's ability to examine multiple providers or alternatives through digital interfaces. Together, these mechanisms can reduce search costs but can also increase price sensitivity and switching between providers.

Traditional agencies possess other sources of value. Customers may prefer them when a journey requires personal advice, document assistance, customized planning, group coordination, religious travel arrangements, or support during disruptions. The strategic issue is therefore not simply whether digital platforms replace agencies, but how agencies can adapt their value proposition to changing expectations.

3. STATEMENT OF THE PROBLEM

The growth of online travel platforms has changed the competitive structure of travel distribution. Customers can now compare multiple prices and service options in real time, which can influence their booking choices and reduce the effort involved in switching between providers. Traditional travel agencies may face difficulty when customers perceive their prices as less transparent or less comparable than digital offers.

At the same time, price is not the only determinant of travel-service choice. Trust, service quality, convenience, personal guidance, specialized assistance, and perceived fairness can influence whether customers return to an agency. There is therefore a need to examine the combined role of price transparency, online comparison, satisfaction, trust, and service value in shaping loyalty towards traditional agencies in Karnataka.

4. OBJECTIVES OF THE STUDY

- To understand how price transparency affects customers while booking travel services.
- To study how digital price comparison influences customer decision-making.
- To analyse the relationship between price-related factors and loyalty towards traditional travel agencies.
- To compare customer preferences between online travel platforms and traditional travel agencies.
- To identify service factors that may help traditional travel agencies retain customers in a digital market.

5. RESEARCH QUESTIONS

- What aspects of price information matter most to customers when checking travel prices online?
- How do customers usually compare travel prices?
- Which features of online travel platforms are perceived as more useful?
- Which pricing practices reduce customer trust?
- How do discounts and competitive prices affect booking decisions?
- How does fair and transparent pricing influence customer behaviour?
- Under what circumstances do customers prefer traditional travel agents?
- What factors encourage customers to return to travel agencies?
- What factors encourage customers to switch from agencies to online platforms?
- Which factors are most closely associated with customer loyalty?

6. REVIEW OF LITERATURE

6.1 Price Transparency

Price transparency concerns the visibility and clarity of price information available to consumers. In digital markets, customers generally expect the total payable amount and important price conditions to be understandable before a transaction is completed. Transparent information can support perceptions of fairness and reduce uncertainty. However, highly complex displays of taxes, fees, discounts, restrictions, and add-ons can also increase information-processing difficulty. For travel agencies, the practical implication is that transparency should include not only a low headline price but also a clear explanation of the final payable amount.

6.2 Digital Price Comparison

Digital price comparison reduces the time and effort involved in searching across providers. From a transaction-cost perspective, comparison tools can lower search costs and increase consumers' ability to evaluate alternatives. The same mechanism can increase price sensitivity and switching because customers can move between platforms with relatively little effort.

6.3 Perceived Price Fairness

Perceived price fairness reflects the consumer's judgement about whether a price is reasonable and justified. Consumers may accept different prices when they understand the reason for the difference, while unexpected charges may be perceived as unfair. Price fairness can therefore connect pricing practices with satisfaction, trust, and behavioural intentions.

6.4 Customer Satisfaction

Customer satisfaction represents the consumer's overall evaluation of the service experience relative to expectations. Transparent pricing can reduce unpleasant surprises and contribute to a more predictable transaction. Satisfaction may subsequently support repeat purchase and relationship continuation, although loyalty is also influenced by service quality, trust, switching costs, and alternatives.

6.5 Trust in Digital Transactions

Trust is important in online travel transactions because customers often make payments before receiving the service and may depend on digital information about prices, availability, cancellation, and service quality. Clear pricing, reliable information, secure payment processes, and effective complaint handling can reduce perceived uncertainty and support trust.

6.6 E-Loyalty and Traditional Loyalty

E-loyalty may be influenced by convenience, usability, price comparison, reviews, digital experience, and perceived value. Traditional agency loyalty can additionally be based on interpersonal relationships, personalized attention, expertise, and assistance with complex travel requirements. Consequently, the two forms of loyalty may overlap but are not necessarily driven by identical factors.

6.7 Implications for Traditional Travel Agencies

The literature suggests that digital comparison increases competitive pressure because customers can observe alternatives more easily. Traditional agencies may therefore need to make their pricing easier to understand while differentiating themselves through personalized services, specialized assistance, and relationship quality.

6.8 Dynamic Pricing and Price Dispersion

Travel prices can vary across time, demand conditions, inventory levels, booking channels, and service providers. Consequently, transparency does not imply that all platforms will display identical prices. Consumers may compare more frequently when price differences are visible, which can make loyalty more vulnerable when price becomes the dominant selection criterion.

7. CONCEPTUAL FRAMEWORK

The study conceptualizes price transparency and online price comparison as key explanatory factors, with perceived price fairness, satisfaction, and trust as important behavioural mechanisms and customer loyalty towards traditional travel agencies as the principal outcome.

Independent / Explanatory Factors	Intervening / Relationship Factors	Outcome
Price transparency	Perceived price fairness	Customer loyalty
Online price comparison	Customer satisfaction	Repeat intention

Competitive pricing / discounts	Trust	Preference for agency
Digital convenience	Perceived value	Relationship continuation

8. RESEARCH METHODOLOGY

Research Element	Description
Research design	Descriptive empirical research design
Nature of study	Study of consumer behaviour in the digital travel market
Primary data	Structured questionnaire
Secondary data	Academic literature, journal articles, reports, and relevant online sources
Sampling method	Convenience sampling
Sample size	80 respondents
Target respondents	Travellers/customers with experience of online travel platforms and/or traditional travel agencies
Study area	Karnataka
Key variables	Price transparency, online price comparison, convenience, price fairness, satisfaction, trust, and loyalty
Analysis	Percentage analysis, tables, charts, and Chi-Square test where applicable

Primary data were collected from 80 respondents using a structured questionnaire. The questionnaire focused on customers' perceptions of pricing clarity, price comparison, online booking, discounts, trust, satisfaction, preference for travel agencies, and loyalty-related behaviour. Convenience sampling was used because of practical constraints in reaching respondents across Karnataka. Secondary sources were used to develop the conceptual and literature background.

Because the study uses a non-probability sample, the findings should be interpreted as descriptive evidence from the respondents rather than as statistically representative estimates for the entire population of Karnataka travellers.

9. DATA ANALYSIS AND PRESENTATION FRAMEWORK

The questionnaire responses should be summarized using frequency and percentage tables. Since the response-level dataset was not provided with the manuscript, numerical frequencies and Chi-Square statistics are not fabricated in this version. The following tables define the recommended presentation structure for the final empirical analysis.

Table	Purpose	Suggested Variables
Table 1	Respondent profile	Age, gender, occupation, travel frequency, location
Table 2	Primary booking channel	Online platform, traditional agency, both
Table 3	Importance of price transparency	Level of agreement / importance
Table 4	Frequency of online price comparison	Never to always
Table 5	Effect of discounts on booking	Level of influence
Table 6	Effect of hidden charges on trust	Level of agreement
Table 7	Preference for online vs. traditional agencies	Channel preference by service type
Table 8	Reasons for using traditional agencies	Personal guidance, visa, religious travel, complex itinerary, etc.
Table 9	Loyalty-related responses	Repeat intention, recommendation, relationship continuation

Table 10	Chi-Square test	Association between selected categorical variables
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9.1 Proposed Hypothesis Testing

- H01: There is no significant association between perceived price transparency and customer loyalty towards traditional travel agencies.
- H02: There is no significant association between frequency of online price comparison and preference for online travel platforms.
- H03: There is no significant association between perceived price fairness and customer trust.
- H04: There is no significant association between customer satisfaction and intention to reuse a traditional travel agency.

For each categorical hypothesis, a Chi-Square test of independence may be applied at the selected significance level. The final manuscript should report the observed frequency table, expected frequencies where relevant, Chi-Square statistic, degrees of freedom, p-value, and the decision regarding the null hypothesis. These statistics should be inserted only after the raw response data are analysed.

10. FINDINGS OF THE STUDY

- The respondent narrative indicates that clear and complete pricing information is an important consideration in travel booking decisions.
- Online price comparison is reported as an important part of the decision process for respondents who use digital travel platforms.
- Online platforms are valued for convenience, wider choice, competitive offers, and the ability to compare alternatives.
- Hidden or unclear charges are described as factors that can weaken customer trust and reduce confidence in a booking provider.
- Discounts and lower prices are important considerations for many consumers, indicating the relevance of price sensitivity in the digital travel market.
- Transparent and fair pricing is associated in the study narrative with stronger perceptions of honesty, trust, and value.
- Traditional travel agencies remain relevant for personalized assistance, religious travel, visa-related services, and complex travel arrangements.
- Personal guidance and service quality may encourage customers to continue using an agency even when its price is not the lowest available.
- The increasing availability of online comparison has made customers more able to evaluate alternatives before booking.
- The study's overall framework indicates that loyalty is influenced by a combination of price-related factors, convenience, trust, satisfaction, and service quality rather than by price alone.

11. DISCUSSION

The study indicates that digital transformation has changed the information and decision environment of the travel market. Customers can obtain multiple alternatives quickly and may therefore expect traditional agencies to provide clear, complete, and competitive price information. Price transparency is particularly relevant because unexpected fees can alter the perceived value of a transaction after the customer has already formed a price expectation.

Online price comparison also changes the role of loyalty. When alternatives are easy to find, consumers may be less dependent on a single provider for information. This can increase switching when customers perceive a meaningful price or convenience advantage elsewhere. However, loyalty may remain strong where an agency provides benefits that are difficult to compare through a price-only interface, such as personalized itinerary planning, document support, pilgrimage arrangements, group coordination, and assistance during travel disruptions.

The findings therefore support a multidimensional view of loyalty. Price transparency can contribute to trust and perceived fairness, while satisfaction and service quality can strengthen relationship continuity. For traditional agencies, digitalisation should consequently be treated as both a competitive pressure and an opportunity to improve the customer experience.

12. RECOMMENDATIONS

- Clearly disclose base fare, taxes, service charges, cancellation conditions, and other mandatory costs before booking confirmation.
- Provide customers with a clear total payable amount rather than relying only on headline prices.

- Introduce digital booking facilities and enable customers to review available options conveniently.
- Use digital tools to present comparable travel alternatives while retaining professional advice and personalized support.
- Avoid unexpected or poorly explained charges because pricing surprises can weaken trust.
- Offer competitive packages, seasonal promotions, and clearly explained discounts where commercially feasible.
- Develop specialized services in areas where traditional agencies provide distinctive value, including pilgrimage travel, visa assistance, group travel, and complex itineraries.
- Strengthen after-sales support, complaint handling, and travel assistance to create value beyond price.
- Use digital payments, messaging, social media, and online customer support to match changing customer expectations.
- Adopt a balanced strategy that combines transparent pricing, digital convenience, personalized service, and relationship management.

13. CONCLUSION

The digital travel market has changed how consumers search for information, compare alternatives, and make booking decisions. The study focuses on price transparency and online price comparison as important components of this changing consumer environment. The available respondent narrative suggests that consumers value clear prices, competitive offers, convenience, and easy comparison, while unclear or hidden charges can weaken trust.

Traditional travel agencies nevertheless retain an important role where customers require personal guidance, specialized assistance, religious travel services, visa support, or help with complex arrangements. This indicates that agency loyalty is not determined by price alone. Personalized service, trust, satisfaction, and perceived value can complement transparent pricing and help sustain customer relationships.

The strategic implication is that traditional travel agencies can respond to digital competition by integrating technology with their established relationship-based strengths. A combination of transparent pricing, digital accessibility, competitive offers, reliable service, and personalized assistance can address the changing expectations of travel consumers in Karnataka.

14. LIMITATIONS OF THE STUDY

- The study is based on 80 respondents selected through convenience sampling; therefore, the findings should not be generalized to all travellers in Karnataka without further representative research.
- The geographical scope is Karnataka. Differences between urban, semi-urban, and rural consumers may not be fully captured.
- The study relies partly on self-reported perceptions and stated behaviour, which may differ from actual transaction behaviour.
- The study does not have access to transaction-level booking data from online travel platforms or traditional agencies.
- The cross-sectional design captures consumer perceptions at one point in time and cannot establish long-term changes in loyalty.
- The Chi-Square results should be reported only after the underlying response dataset is available and analysed.

15. SCOPE FOR FUTURE RESEARCH

Future Research Area	Possible Research Focus
Online booking behaviour	Identify determinants of preference for online travel platforms.
Price transparency	Examine its effect on trust, satisfaction, and loyalty using larger samples.
Digital price comparison	Study its influence on switching and booking decisions.
Digital payments	Examine the role of payment convenience and perceived security.
Customer trust	Analyse the effect of reviews, ratings, pricing clarity, and complaint handling.
Digital transformation	Study technology adoption strategies among traditional agencies.
Service quality	Examine personalized service as a moderator or mediator of loyalty.
Religious travel	Study agency preference for pilgrimage and specialized travel.
Discounts and offers	Analyse the effect of promotions on perceived value and repeat purchase.

Online vs. traditional channels	Compare satisfaction, trust, convenience, and loyalty across channels.
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Appendix A: Suggested Questionnaire Structure

The following items can be used to collect the primary data required to complete the empirical tables and hypothesis tests.

No.	Question	Response Format
1	How often do you book travel services online?	Never / Rarely / Sometimes / Often / Always
2	How important is transparent pricing when choosing a travel service?	Very low to Very high
3	Do you compare prices across multiple platforms before booking?	Never to Always
4	How strongly do discounts influence your booking decision?	Very low to Very high
5	Do hidden charges reduce your trust in a travel provider?	Strongly disagree to Strongly agree
6	Which channel do you prefer for ordinary travel bookings?	Online / Agency / Both
7	For which services do you prefer a traditional agency?	Visa / Pilgrimage / Complex itinerary / Group travel / Other
8	Would you reuse a traditional agency if it offered transparent and competitive pricing?	Yes / No / Maybe
9	How satisfied are you with your usual travel booking channel?	Very dissatisfied to Very satisfied
10	How likely are you to recommend your preferred travel provider?	Very unlikely to Very likely