Impact of Online Reviews on Consumer Preferences for Travel Agencies in an Emerging Economy Context

Doddahulugappa Goutam, Mahendar Gavinolla

Central University of Karnataka, Kalaburagi, India

Online reviews have emerged as a critical source of information, reflecting the experiences of previous travelers. Research in the past indicates that such reviews shape tourists' perceptions of service quality, booking intentions, decision-making, and trust in travel services, ultimately influencing the evaluation of alternatives and finalizing travel arrangements. India, as a rapidly growing economy and a key player in both inbound and outbound tourism, has witnessed a significant rise in online travel agencies and widened services of existing travel agencies over recent years. Despite global interest on research in the role of online reviews, studies focusing specifically on the Indian context remain limited. This study investigates the impact of online customer reviews on travelers' decision-making when selecting travel agencies in India. An online survey was conducted with tourists who had previously used online travel agencies, employing a questionnaire that addressed perceptions, decision-making processes, and their influence on agency selection. The total sample size was 150 and in the present study authors have focused only on domestic travelers. The study conducted in the month of June 2025. Authors have adopted existing measurement scale to develop the questionnaire based on the study variables.

The results reveal that reputation is the most important factor influencing travel agency choice, with 55.3% (83 participants) indicating this. Price competitiveness follows at 12.7% (19 participants), with recommendations (16.7%, 25 participants) and travel agency specialization (9.3%, 14 participants) also playing a role. User-friendliness of the agency website was the least influential factor, with only 6.0% (9 participants) considering it most important. While online reviews are likely a factor for many choosing a travel agency, this survey suggests reputation is the key driver. The social media is a popular source for travel agency reviews, feedback, and content. The most popular platform (36.7%, 55 participants) is a combination of Instagram, Face book, Twitter, and travel bloggers. Google Workspace and web articles are used by a similar proportion of participants (36.0%, 54 participants and 23.3%, 35 participants respectively). Tripadvisor is the least popular source, with only 2.7% (4 participants) reporting using it. Therefore the results offer valuable insights for travel agencies in refining their business strategies and operations to enhance customer satisfaction and foster loyalty.

The survey also underscores the importance of convenience and personalized service in influencing customer choice of travel agencies. In conclusion, travel agencies must prioritize online reputation management. Encouraging positive reviews and effectively addressing negative feedback can significantly impact customer decisions. Understanding the growing influence of online reviews and catering services towards factors valued by customers, such as destination expertise, will be crucial for success in the travel industry. This research confirms that customer choice in travel decisions is undeniably influenced by the power of online reviews and feedback.

Keywords

travel agency, online review, decision making, emerging economies