

## “Relationship of marketing and information and the influence of communication technologies analysis on retail travel agencies”

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**Abstract:** *The progress of information and communication technology (ICTs) has had perceptible consequences on items and services marketing. Specifically, the advent of digital commerce has pressured companies to face new kinds of opposition and client relationship management to and customer relationship management to survive in markets. The effect of ICTs on customers' trust is likewise examined, and the results of open approaches to enhance the management of business relationships with customers.*

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### I. Introduction

Macroeconomic figures identify tourism as the most critical industry within the global, making up 11.7% of GDP and supplying one aspect is far widely known that tourism has grown to be one of the significant industries developing employment and producing revenue globally. For that reason, no country questions the need to promote the tourism region as a critical location of its economic coverage, whatever its level of improvement. This region now not only contributes to the improvement of different economic activities, but also encourages the distribution of global wealth, making it one of the engines of globalization, in every twelve jobs on this planet. Hence, it is not tough to imagine that this sector, together with telecommunications and data technologies, will be flourishing in the economic system of the twenty-first century. Furthermore, technological advances, particularly those concerning transport and the data and leisure society, make tourism a strategic activity with a promising future.

On this context, it is important to notice the position that information and communication technology (ICTs) have had within the past few decades due to the fact they've significantly affected the competitive environment surrounding tourism services (Buhalis and Schertler 1999; Buhalis, Tjoa, and Jafari 1998; Fesenmaier, Klein, and Buhalis et al. 2000; Poon 1993; Sheldon, Wöber, and Fesenmaier 2000; Wang and Cheung 2004). Traditionally, the travel distribution role has been performed via outbound travel agencies, tour operators (TOs), and inbound travel agents or managing organization (Buhalis and Laws 2001). They supported with the aid of computer reservation systems, global distribution systems, or tour operators' videotext system (leisure tour networks) (Bordat 1999; Okärcher 1996, 1997). Nowadays, the improvement of the internet and digital commerce (e-commerce) has modified shopping for the conduct of tourism products. The net allows people to advantage access to high-quality data very quickly and without difficulty (Avlonitis and Karayanni 2000; Zolkiewski and Littler 2004). The benefit of shopping online and the internet's all-day, every-day availability are simply a number of the characteristics that influence customers' positive evaluation of business at the internet (O'Connor and Frew 2000; Werthner and Klein 1999). On this sense, the development of the net as a marketing channel for tourism services and products has specifically affected retail travel agencies (Bitner and Booms 1982; Bellur, McNamara, and Prokop 1988; Heung and Chu 2000; LeBlanc 1992). Therefore, in current years, with the appearance of the net as a new distribution channel, the intermediation characteristic that travel agencies have assumed until now is changing due to the fact there are greater sequential routes for customers to use to buy tourism services. In fact, the impact of the digital global allows other contributors of the tourism-product distribution channel to interact in retail activities to contact immediately with the end-consumer. As an example, a tourism provider can consider designing a digital agency (the case of Iberia with Rumbo.es). International distribution systems (GDS) additionally design digital agencies avoiding the retail level (SABRE with Travelocity.com). Furthermore, wholesale travel agencies can create portals (e-dreams). Different new retail intermediaries originating in net corporations can rise (Microsoft's Expedia), or travel agencies are specializing within the internet (Priceline, with its auction system).

Thereby, Cost reductions and the facilities that the net gives favoris basedon this disintermediation technique.

For that reason, many consider that the internet represents cannibalization of the conventional channels of tourism provider distribution and therefore a risk to the traditional travel agencies that wish to stay present in

the market in the future. , However, traditional travel agencies can achieve many advantages from the use of the internet to provide complementary services to their customers, or maybe to allow their customers to perform the entire transaction online. This new distribution medium should not be dismissed as negative, however as one extra tool which could help retail travel agencies to gain competitive advantages over time, and henceforth consolidate their role within the market. This paper explores the possibilities for traditional travel agencies spread out through the worldwide internet. Websites can significantly alternate the character of the tour agencies' business through providing online booking for customers 24 hours a day and giving them all the information they require. Thus, the goal of this work is to examine the impact of this new medium at the management of existing relationships among local tour agencies and their customers, determine the opportunities it gives them, and investigate its effect on one of the critical variables in relationship marketing: trust. The studies presented right here allows meto offer suggestions for retail travel agencies. Combining the online and offline worlds will help the firms that traditionally distribute their tourism services to stay in a highly aggressive market.

### **Information and Communication Technologies: The Role of Internet**

Nowadays, local tour agencies are not the handiest face growth in traditional competition, on the other hand, the advent of new sorts of competition, such as digital travel agencies, which lack a physical office, though, offer customers the similar tourism products and services through the internet (Susskind, Bonn, and Dev 2003). On the equal time, given the possibilities e-commerce creates the use of the internet, travel retailers need to rethink their feature to address a capacity “disintermediation process.” All this leads to various belief that the future of traditional tour agencies is, at the least, unsure. Despite, this new marketing tool should no longer be the handiest visible as a threat to retail travel agencies, anyhow additionally as a possibility (Marino 1999). In this sense, tour agencies' resource advantages include their relationships with providers, product sourcing, purchasing technique management, and accounts payable management. Due to the growth in related ICTs within the travel industry, extra traditional travel intermediaries are adopting ICTs to offer introduced value to travel customers. ICTs have hence grown to be a vital competitive benefit for travel agencies, as they use e-commerce development techniques to preserve overall performance advantages. Consequently, e-commerce creates possibilities for the re-intermediation of the online travel agency. Availability of data is turning into the primary method for the most firms as it affords an excellent understanding of customers and makes it easier to provide individualized promotions.

Through the internet, regular -manner communication may be set up to transmit to the customers how much the travel agency wants to satisfy them and to put the principles for a long-time period relationship (Peters 1997). In short, the dynamic environment surrounding of the business activity of retail travel corporations is, at present, complicated. This complexity is because of a growth in competition and the expansion of new kinds of competition. Achieving a substantial, aggressive gain depends on finding and maintaining a few differentiating features for a long time. That is where the connection strategy comes into play: looking to satisfy customers within the long term to develop secure and stable links with them and support their loyalty. Technological advances open limitless possibilities for enhancing communication among buyers and sellers and eventually building closer relationships. as a result of this, the internet turns into a tool travel agency that can be used to obtain information from their customers to subsequently increase relationship marketing accurately (rich 2000).

Waltz (1999) highlighted that the net is a source of information and feedback which could construct stable relationships with customers and, in that respect, marketing executives recognize that the more significant data they have got on customers through the internet, the extra possible individualized supply could be. Considering that the goal of this study is to analyze the internet's potential as a progressive instrument to strengthen relationships with customers, it is essential to keep in mind what Bauer, Grether, and Leach (2002) had declared. Those authors explain that the traits related to the internet (in particular interactive internet pages) have positive results on customer satisfaction. In fact, the net helps to create strong relationships with customers, because it allows them to contact agencies very easily, contributing to the improvement of interactive communication. Among the internet's features I could spotlight those taken into consideration maximum relevant for this study:

### **Individualized Treatment**

This is interpreted as the provider's ability to evolve products, services, and transactions to each customer. Schrage (1999) denoted that internet websites are assessed according to the range they provide and their capacity for customization Which means via internet pages, products and services can be designed in accordance with customers' requirements, considering their options and resulting in high-quality product/service for every individual customer (Bauer, Grether, and Leach 2002). Likewise, Srinivasan, Anderson, and Ponnayolu (2002) suggest that personalization via the internet encourages customers to revisit the website online in the future.

### **Availability of information**

The information supplied through internet websites may be determined at any time. It is intangible and interactive; it only takes seconds to send information to any country in the world (Bauer, Grether, and Leach 2002). That is also one of the determining factors that make customers store online; the low budget of attempting to find information is a highly valuable advantage for customers (Ariely 2000; Lynch and Ariely 2000).

### **Interactive contact**

This refers back to the dynamic nature of the relationship established via the internet among the supplier and its customers. Srinivasan, Anderson, and Ponnnavolu (2002) framed it as “the provision and effectiveness of customers’ support devices on the net and the degree to which two-manner communication is supplied with them.” Bauer, Grether, and Leach (2002) interpreted this feature as it is very smooth to search quickly through web pages for a vast kind of interrelated information. However, interactivity permits the seller to have more understanding of customers’ needs, tastes, and preferences, to such a quantity that, by satisfying them, the customer has the inducement to get involved in a trade relationship with that supplier again. Alba et al. (1997) considered the high-quality relation between interactive contact and loyalty to the internet, in thatcase, if customers are profoundly understood, they may be greater satisfied and could ultimately plan to store again.

### **Ease of Carrying Out Transaction**

That is the feature involving the simple, intuitive, and magnificent aspects of the use of internet websites to perform a transaction. Availability of information is essential for trade to be fruitful. On the identical time, confidentiality and security regarding economic information are critical. A good website online has to respond to customers as soon as possible, process transactions quickly, and reduce the effort demanded by the customers. The customers must have troubles completing a transaction through the use of a specific approach; they may probably not use it again (Cameron 1999). Besides, a consumer who shops online have immediate access to opportunity providers and changing providers is very simple.

### **Ability to satisfy customer using the internet**

Childers et al. (2001) suggested that the reasons for shopping online are as much utilitarian as hedonic. Holbrook and Hirschman (1982) argued that customers are trying to find fun, fantasy, or even sensory stimuli while determining to perform business transactions. Online shopping will become a fun activity, while still reaching its goal. All of these indicate that the satisfaction with the distribution channel used depends not on the handiest on aspects associated with shopping for goods or services, however additionally on the characteristics of the internet websites used: high-resolution images and photographs, attractive (even humorous) comments on goods or services, and music or interactive games amongst others (Childers et al. 2001).

### **Variables Related To Travel Agencies on the Internet**

The literature review upon which this examines primarily indicates that research works examining the effect of the internet on the marketing of products and services are exploratory and quite current (Romano and Fjermestad 2001). Thus, to formulate the hypotheses, I have used the modern literature, and the consequences of a qualitative examine inclusive of recognition groups held with ordinary retail travel agency customers. This qualitative study consisted of two focus corporations. While recruiting participants, (14 people for the first meeting and 9 for the second, decided on through convenience sampling). The goals pursued have been covered in a script to orient the debate. During both focus groups, we observed that the participants usually seemed themselves as loyal to a specific travel agency when they needed its services. Anyhow, a minority declared that they could go to whichever agency provided the excellent services in each particular situation. In parallel, the customers recruited coincided with their positive assessment of the complementary services that the tour agencies included their offers.

Among those, the travel agencies’ presence at the internet turned into highly preferred through the customers, because it often means a reduction in the time needed to purchase services, in addition to greater comfort, without renouncing at any time the personal advice available from a company that specializes in numerous categories of tourism products. Therefore, the internet has come to be an exciting support tool offering highly valued possibilities related to an individualized remedy, bidirectional communication, and the wide availability of information. Furthermore, the participants seemed the possibility of the use of the internet as an opportunity for traditional agencies to increase their business. They did not regard the advent of digital agencies commercializing their products only via this distribution channel as a critical threat to the traditional agencies.

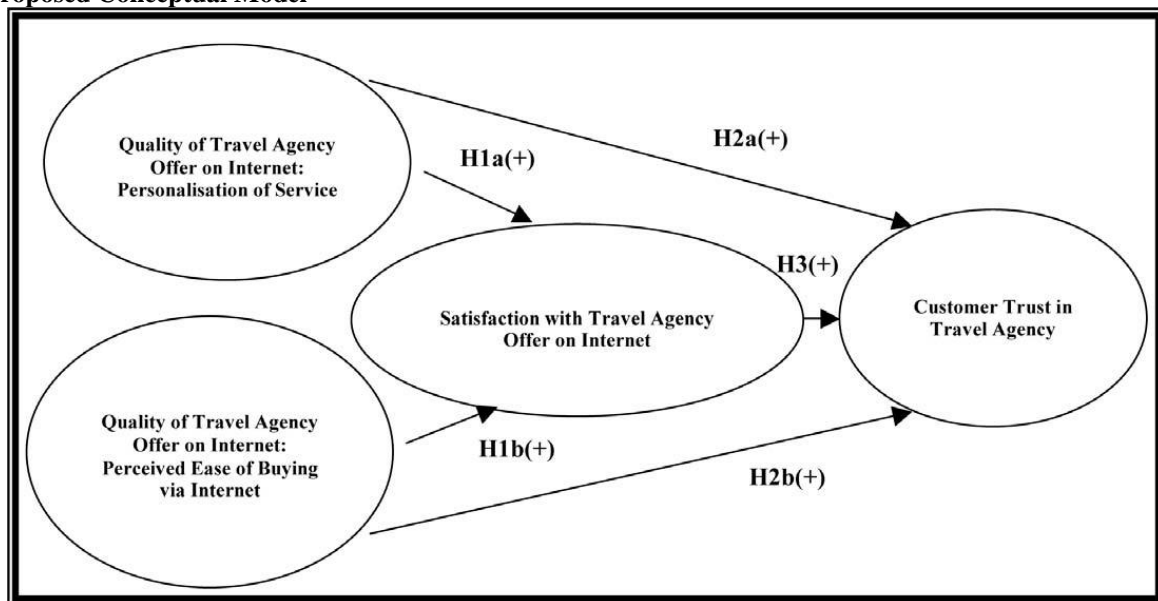
Combining both sources of data allowed us to have an advantage in the higher expertise of the relationships on this area and to choose the relationship marketing variables and net traits which is the most applicable for the tourism industry, and more particularly for retail travel agents.

## II. Research methodology

Data gathered from two travel agency customers by using a careful observation. Collection of Data was done with the aid of the personal researcher observing upon leaving establishments with a comfort sample of 750 people in 3 medium-sized cities in south India. A total of 741 valid instances had been obtained after screening. The selection of the members was carried out upon leaving the travel agency offices; a filter out of the question was first requested to exclude people who have been not habitual users of tourism services. Of the respondents, 53% were ladies, and 47% were men. The majority of the respondents go to travel agencies once or twice a year (35% and 25%, respectively), commonly to arrange trips instead of abroad (54% of the respondents). The function of the consumers' loyalty toward the travel agency reveals comparable numbers of entirely loyal customers and people are not loyal to a single tour agency. Additionally find that numerous clients of travel agencies are much less while the reason for the trip is exclusively work-related, and customers who say that they go to travel agencies to purchase international trips are in a minority of respondents within the sample. In regards to the sociodemographic traits, 32% of respondents belong to the age group of 20–34.

**FIGURE (1)**

### Proposed Conceptual Model



### Measurement Scales

When designing the scales used in the present study, those proposed in previous research works had been taken into consideration. The scales designed to measure the principles proven within the proposed model (see figure 1), and the information resources utilized in every case, may be consulted in the Appendix. While selecting the items that make up those variables, I took into consideration about the previous literature on the subject, and the results from the focus agencies with ordinary retail travel agency of service customer's service, in this manner, to measure the quality of the tour agency's offer at the net and satisfaction with the travel agency's offer at the net.

**TABLE (1)**  
**Proposed Model Estimate**

Formulated Hypothesis	Proposed Relation	Result
<b>H1a.</b> The personalization of Service – Satisfaction with Travel Agency Offer on the Internet	+	<b>0.28* Not Rejected</b>
<b>H1b.</b> Perceived Ease of Buying on the Internet – Satisfaction with Travel Agency Offer on the Internet	+	<b>0.73* Not Rejected</b>
<b>H2a.</b> The personalization of Service – Trust	+	<b>0.76* Not Rejected</b>
<b>H2b.</b> Perceived Ease of Buying on the Internet	+	<b>0.47* Not Rejected</b>
<b>H3.</b> Satisfaction with Travel Agency Offer on the Internet – Trust	+	0.9* Rejected

In this manner, via a structural equations system, I have analyzed the prevailing relations among the latent variables that have seemed in the Table (1), using the EQS program, model 6.1 for windows. , therefore the interest in search of opportunity values of the statistic exceeding 0.05, due to the fact in a decrease value method rejecting the null hypothesis on the 95% level or higher.

Similarly, we ought to point out the rigorous level at which the indices’ optimal values had been fixed, in view that authors together with Jöreskog and Sörbom (1996), Mueller (1996), and Dawes, Faulkner, and Sharp (1998) consider values exceeding zero.8 for the indices GFI and AGFI to be good enough. This reaffirms the best match of this model.

The results distinct in Table (1) shows that the proposed hypotheses are shown in all instances except for the connection between satisfaction with travel agency offer on net and consumer agree within a travel agency. In the evaluation, high-quality of travel agency provided on the net positively impacts customers’ trust in general travel agencies. This could be explained using the fact that there are indeed customers who use this new medium to get information after which move to traditional travel agencies to perform the financial transaction.

In short, I do not reject hypotheses H1 or H2, connecting the quality of travel agency provided at the internet with the satisfaction of this new medium (broken down into hypotheses H1a and H1b) and trust placed in traditional tour agencies (H2a and H2b), respectively. A right away and positive relationship among satisfaction with tour agency provided on internet and trust within the tour agency (H3) cannot be accepted since this relation is poor and significant on the 95% level. The suggested concept that perceived the quality of the tour agency offers at the internet may be reduced to 2 dimensions (personalization of service and ease of carrying out transactions) can also be confirmed.

### **Management Implications**

Having summarized the most vital conclusions in this study, I now move on to indicate its business implications to spotlight aspects that retail travel agencies have to consider while managing relationships with their customers. Accomplishing customers’ loyalty requires a high-quality offer fairly valued by customers. Proper customer service can make all the difference among retail tour agencies, and it is well known that consumer satisfaction needs to be the goal of all the employer’s activities.

Finally, we need to recognize the cross-sectional nature of this study, and the reality that it became carried out in a limited geographical area. The improvement of online considers, and commitment is a future study area that would provide an extra complete vision of customer relationship management in tourism service distribution. It is also critical to realize how travel agencies can create an environment in which a potential consumer can feel comfortable and confident approximately in any potential transaction. To create a trusted procedure environment for e-commerce, it is necessary to understand the factors that affect a consumer’s trust formation strategies.

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