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Investigating the significance of travel agencies as a distribution channel in the tourism industry

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Abstract

The travel industry is undergoing dramatic changes as a result of the phenomenal growth and wide-scale adaption to information technologies, in particular the internet. This has altered the buying behaviour of the travel consumer whom today, has the power to choose between alternative distribution channels when planning and booking a holiday. This has led researchers to question the survival of traditional travel agencies. For this reason, further research has to be undertaken to examine the current position held by travel agencies and understand the issues facing them more closely in an attempt to determine their future. This research paper focuses on investigating the significance of travel agencies as a distribution channel in the tourism industry. The objectives of this research paper set out to establish whether or not travel agencies remain an important distribution channel for booking travel, determine whether increased knowledge and familiarity of the internet results in fewer bookings with travel agencies, investigate whether electronic commerce is changing the traditional role of travel agents to that of information brokers, obtain perceptions of travel agencies and the internet as booking channels, determine the choice attributes used among travel consumers when selecting a distribution channel and to investigate the potential disintermediation of travel agencies in the context of Limerick City (Ireland). The aim and objectives are achieved by exploring the relevant literature available on the topic and using both quantitative and qualitative methods of primary research in the form of questionnaires and interviews. Findings reveal that travel agencies remain an important distribution channel in the tourism industry and although internet competency may be significant, many people still prefer to book their trip through traditional channels. Findings further prove that the internet is often only used as an information source prior to booking through offline channels. Based on the findings it is concluded that the services offered by travel agencies are highly accredited among travel consumers and travel agencies will continue to represent a significant distribution channel in the tourism industry.

Keywords: Travel agencies; Distribution channels; Information technology; Internet

1. Introduction

In recent years the travel industry has undergone significant changes. Information technologies have altered the buying behaviour of travel consumers and encouraged them to become more flexible in their decisions (Buhalis and Jun, 2011). "The internet empowers such 'new' tourists with more knowledge and encourages them to seek exceptional value for money and time" (Buhalis and O'Connor, 2005, p11). Consequently, the internet now represents a powerful distribution channel in the industry (Novak and Schwabe, 2009). In this way, traditional distribution channels are being threatened and their survival is often questioned (Catenazzo and Fragnière, 2010). The potential disintermediation of travel agencies has therefore created a debate among tourism researchers. This topic was chosen as a genuine interest has been sought in the area. Traditional distribution channels, in particular travel agencies, have over the years, played an integral role in distributing the tourism product (Buhalis and Laws, 2001). For this reason, further research has to be undertaken to examine the current position held by them and understand the issues facing them more closely in an attempt to determine their future. Hence, this research paper aims to investigate the significance of travel agencies as a distribution channel in the tourism industry. The six research objectives of this paper are to;

- Establish whether or not travel agencies remain an important distribution channel for booking travel.
- Determine whether increased knowledge and familiarity of the internet results in fewer bookings with travel agencies.
- Investigate whether electronic commerce is changing the traditional role of travel agents to that of information brokers.
- Obtain perceptions of travel agencies and the internet as booking channels.

- Determine the choice attributes used among travel consumers when selecting a distribution channel.
- Investigate the potential disintermediation of travel agencies in the context of Limerick City (Ireland).

A thorough investigation of the literature available on the chosen topic will commence. A variety of secondary sources will be utilised such as journals, books, newspapers, magazine articles, reports and survey data. This data will be used as a platform from which to build the primary research on. A combination of both quantitative and qualitative methods will be exploited in the form of questionnaires and interviews in retrieving primary data for this research. Findings obtained from the secondary and primary research will be used in conjunction in the hope of successfully achieving the aim and objectives of this research paper.

2. Literature review

2.1.1. The changing nature of the travel consumer

Tourism is one of the fastest growing industries in the world today. An industry like tourism demands high flexibility and adaptability in order to adjust to changes in consumer buying behaviour. This is particularly true in relation to the travel industry (Buhalis and Jun, 2011). A major trend that has developed in recent years is the changing nature of the travel consumer. "The travel industry is shifting toward a new era in customisation and personalisation that revolves around the individual traveller" (Travelport, 2010, p23).

In the past, travel was seen as a novelty (Raj, 2007) and foreign holidays were considered a luxury (Lyons, Mayor and Tol 2008). "Until the 19th century, travel for recreation was only undertaken by the elite" (Raj, 2007, p2). Tourists were seen as inexperienced travellers, who were satisfied with homogenous products. They were predictable in their want for a sun and sand type of holiday. Travel customers had to trust travel agents to find them the cheapest and most convenient offers (Stabler et. al, 2010).

In the past decade, we have seen a new pattern develop. Buhalis and Law (2008, p611) state that "increasingly, package tours are losing market share in favour of independently organised tourism." Raj (2007) discusses how the travelling consumer of today is very different from any other time in history. Similarly, many researchers have identified that the modern traveller of today is usually well informed, educated, and aware of what they are looking for when they travel (Stabler et. al, 2010; Buhalis and Law, 2008; Raj, 2007). Poon (1993) discusses the shift from the "old tourist" to the "new tourist" highlighting that the modern tourist is more independent, more experienced, more flexible and harder to please. The modern tourist of today is now less interested in following the crowd and keen on pursuing their own preferences (Buhalis and Law, 2008). Buhalis and O'Connor (2005, p11) state that "the internet empowers such 'new' tourists with more knowledge and encourages them to seek exceptional value for money and time."

2.2. Information technology as a booking engine

There has been a phenomenal acceleration and growth in information technology over the last few decades. "The number of internet users on the planet grew from under 40 million in 1995 to about 1.5 billion in 2009" (Castells, 2011, iii). Tourism and information technology go hand in hand (Buhalis, 2003, p2). The shape of the whole travel industry has changed rapidly since IT has allowed tourism service providers direct access to customers (Catenazzo and Fragnière, 2010). The internet now represents a powerful distribution channel with numerous travel transactions now taking place over the internet (Novak and Schwabe, 2009). "In late 2005, there was evidence to suggest that around 4.5 % of all internet traffic was travel-related" (Buhalis and Jun, 2011). The development of the internet has considerably changed the travel product buying habits of travellers (Buhalis and Law, 2008). Similarly, Buhalis and Jun (2011, p6) state that the internet has "restructured the entire touristic value chain."

The internet now gives customers the opportunity to access information on tourism services instantly and inexpensively (Buhalis and Jun, 2011). Travel suppliers such as airlines, hotels and car rental companies are now accessing the customer directly resulting in the bypassing of traditional intermediaries through the use of the internet (Novak and Schwabe, 2009). Kim et al (2007, p591) revealed that "online travel services is now the most popular way consumers purchase their travel tickets and other related conveniences, resulting in traditional travel agencies being ranked last in customer usage."

The internet has also led to the appearance of novel players in the form of internet-only travel marketplaces such as Expedia, Travelocity and Lastminute. These internet sites allow for direct information exchange and transactions between buyers and sellers in the travel and tourism industry (Novak and Scwabe, 2009) and offer a whole range of value added services such as insurance, destination guides and weather reports (Buhalis and Jun, 2011).

Sites such as TripAdvisor and IgoUgo are increasingly becoming more popular. These sites allow for information exchanging among travel consumers in all travel related areas. As noted by Travelport (2010), travel advice from people similar to oneself is valued more and often seen as more genuine than the advice from professionals. Similarly, a report by ITIC (2010) revealed that websites like these which publish online reviews and comments are having an increasing influence on buying decisions. Consumers are increasingly starting to trust consumer opinions over those of travel experts:

Table 1: *Ireland in One Month on Trip Advisor*

Ireland in one month on Trip Advisor
✶ 2,880,747 unique visits
✶ 5,241,335 page views
✶ 130,162 reviews
✶ 50,517 forum topics
✶ 3,482 lodgings
✶ 1,633 attractions
✶ 2,007 restaurants

Source: adapted from ITIC report (2010)

The massive success of smart phones such as the iPhone over the last few years has also brought changes to the travel industry. As noted by ITB world travel trends report (2010), 40 % of international travellers already own a smart phone with internet and email access. The report also revealed that more than 40 % of smart phone owners already use their devices to get destination information and 34 % of business travellers and 26 % of leisure travellers use them to make booking changes during their trip. According to the report, mobile technology together with social media will continue to dramatically change the face of the tourism industry in the future. Likewise, a report by ITIC (2010) suggests that the use of mobile phones for travel bookings will continue to grow for the future:

"existing and emerging mobile technologies will play an increasingly important role in channel distribution, in both the corporate and consumer markets. Forecasts show rapid adoption of the mobile internet and significant predicted growth."

A flood of smart phone travel applications such as TripDeck and the Tripadvisor application are now proving very popular. Travel applications like these allow users to make hotel reservations and flight bookings directly from their phone, and include real-time flight tracking (ITB Berlin World Travel Trends Report, 2010).

A report by ITIC (2010) showed that social networking sites such as Facebook and Linkedln are now developing as marketplaces with an increasing number of travel products being promoted through these networks. The "pervasive availability of easy-to-use internet tools and services for information sharing e.g. wikis, blogs instant messaging, online social networks" (Novak and Scwabe, 2009, p9) have made the internet an ideal place to research and purchase travel. Findings from a study carried out by Xiang and Gretzel (2010), confirmed that social media is making its way into the territories that were once dominated by traditional suppliers such as travel agencies and now plays an important role in the context of trip planning.

There is much evidence to suggest that more and more people are now booking holidays online. "Travel and tourism has become the single largest category of products/services sold over the Internet and the proportion of business being transacted through this medium is constantly growing" (Resource Guide: Information and Communication Technologies for Travel and Tourism, 2003).

A report by ITIC (2010,iii) stated that "while offline channels still account for a significant share of overall demand- and probably about 50% in Ireland- there is ample evidence that online channels are taking a rapidly increasing share of the market." Research carried out by Travelport (2010) showed that 52 % of leisure travellers and 42 % of business travellers now, both research and book holidays online.

Buhalis (2011, p3) points out that "since the emergence of the internet, travel planning (e.g. travel information search and booking) has always been one of the main reasons that people use the Internet". A report by the World Travel Market (2010) suggests that ever-growing technology will play an even more important role in the future with the biggest trend of the next five years being the booking of travel through new technologies. The report states that online demand will continue to grow at the expense of offline demand. However, a study carried out by Kim et al (2007) revealed that the internet is often only used as a means of information search prior to booking travel with offline channels:

"Today, planning and booking trips online has become a common practise. However, many people only utilize the Internet to search for information so that they can have some familiarity with the desired services and then book reservations offline."

2.3. *Travel Intermediaries*

"Travel intermediaries are firms who distribute the product to the end customer" (Sheldon, 1997, p42). Travel intermediaries act as middlemen in the travel industry and provide travel information, make hotel bookings, issue airline tickets and organise car rental services for their customers (Lam and Zhang, 1998).

Travel intermediaries have been over the years, one of the main ways in which the tourism industry trades with the consumer (Buhalis and Laws, 2001). "The pace of change in sales of travel is being paralleled by the development of online marketing and promotional tools" (ITIC, 2010, p1), and as a result of this traditional methods of purchasing travel are being challenged.

There has been an extensive amount of research examining the impact that the use of information technology among customers when booking a holiday is having on travel intermediaries. "IT has drawn the attention of tourism researchers worldwide" (Law, Leung and Buhalis, 2009, p1). The massive growth and wide scale adaption to information technologies is having effects on traditional travel agencies who are increasingly struggling to survive (Novak and Schwabe, 2009; Catenazzo and Fragnière, 2010).

Therefore, the survival of travel agencies is an area which is widely questioned (Buhalis and Licata, 2002; Bennettt and Buhalis, 2003). Many researchers believe that as the internet is now acting as a distribution channel between consumers and service suppliers in the industry (Buhalis and Laws, 2001), travel agencies are becoming a thing of the past. Other researchers argue that there will always be a need for travel agents because of the expertise, reliability and safety associated with the services offered by them. In respect of this view, Lam and Zhang (1998) argue that the services provided by travel agents make them indispensable to the tourism industry. Likewise, Novak and Schwabe (2009) claim that the advisory services offered by travel agents, create a significant added value and can create a better experience for the traveller. They acknowledge that the direct contact between the travel agent and the consumer conveys a sense of security resulting in a more trusted relationship as opposed to booking travel independently through the internet. Supportive of this view, Kim et al (2007) emphasize that online channels would have to become much more humanized to successfully replace the experienced travel agent.

Buhalis (1999) predicted that electronic commerce would eventually change the traditional role of travel agents to that of information broker. Catenazzo and Fragnière (2010), compliment this view believing that travel agents shall become travel "consultants" or travel "experts" instead of booking customers. They have the view that for travel agencies to survive, travel agents need to redesign their job and treat the internet as an opportunity as opposed to a threat. Similarly, many researchers have identified the need for travel agencies to integrate with technologies more to strengthen their competitive position (Andreu et al, 2010; Bennett and Buhalis, 2003).

The findings of a survey conducted by Travelport (2010) highlight that although the internet is becoming more widely accessible and extensively used, it does not replace the need for face to face travel advice. Law, Leung and Wong (2004) have the belief that both online and traditional distribution channels can coexist in the future. In agreement with this, Buhalis (2011) believes there will always be sufficient market share for travel intermediaries because of the customized and competitive packages they can offer.

As has been shown, the issue of disintermediation receives much academic attention and has created a debate among researchers. Buhalis (1998) presents arguments both for and against the disintermediation of travel agencies.

Table 2: *Arguments for and against the Disintermediation of Travel Agencies*

For	Against
Travel agencies add little value to the tourism product, as they primarily act as booking offices	Travel agencies are professional travel advisers and they offer valuable services and advice
Travel agencies merely manage information and undertake reservations	Travel agencies use expertise to save time for consumers
Travel agencies are biased, in favour of principals who often override commissions and in-house partners	A large proportion of the market are computer illiterate
Experienced travellers are much more knowledgeable than travel agents	The more complex computers and the Internet become, the more people need experts to use them
Visiting travel agencies is inconvenient, time consuming and restricted to office hours	Travel agencies offer free counselling services and add value by giving advice
Commissions to travel agencies increase the total price of travel products ultimately	Electronics intermediaries primarily serve the business market and are more expensive
Travel agents are often inadequately trained and experienced	Travel agencies can achieve better prices through the right channels and deals
There is an increase of independent holidays and a decrease of package holidays	Travel agencies offer a human touch and a human interface with the industry
Technology enables consumers to undertake most functions from the convenience of the armchair	Travel agencies reduce the insecurity of travel, as they are responsible for all arrangements
Electronic travel intermediaries offer great flexibility and more choice	Travel agencies can offer better prices by buying in bulk
The re-engineering of the tourism industry (e.g. electronic ticketing; no frills airlines)	Internet transactions are not always secure and reliable

Source: Adapted from Buhalis (1998)

2.4. Reasons for choosing to book online or through a travel agency

When planning and arranging a holiday, there are different purchasing options available to travel consumers. Firstly, the customer may take the traditional approach of utilising a travel intermediary. Secondly, the customer may opt to plan and arrange every aspect of the trip independently online without any use of a travel intermediary (Pearce and Shcott, 2005).

For many consumers the purchase of a holiday represents a major emotional investment (O'Connor, 2001). "The availability of highly standardized products has heightened the consumers' price sensitivity" (Novak and Scwabe, 2009, p6). Customers today, are far more cautious when spending and seek value for money, making decisions based around perceived value before they are willing to make a monetary sacrifice. This is particularly true when it comes to them planning a vacation, as organising and booking a holiday can be a very complex and expensive process (Buhalis and Laws, 2001, p64).

A study carried out by Pearse and Shcott (2005), revealed that the majority of visitors decide on the means of making their booking or choosing their channel on the basis of what they perceive to be the easiest way of arranging their travel. Research has found that price is the primary driver for why customers choose to book online (PhoCusWright, 2001). Catenazzo and Fragnière (2010) carried out a theatre-based experiment in an attempt to discover if individuals were willing to pay more in order to receive a more high quality experience which travel agencies can offer as opposed to booking online. They concluded that only one third of customers were willing to pay a sufficient fee for a travel agency service experience.

Price is not the only choice attribute used among travel consumers upon selecting a distribution channel. The internet provides easy to compare information on destinations, holiday packages, and lodging and leisure services as well as the chance to compare their prices and check availability which may be a contributing factor for a customer's choice. "The Internet enables travellers to access reliable and accurate information as well as to undertake reservations in a fraction of the time, cost and inconvenience required by conventional methods" (Buhalis, 2011, p26). Another advantage is that it allows for "lastminute" bookings through speedy travel documents and instant confirmation (Buhalis 2011).

However, as noted by Travelport (2010), while the internet is becoming more widely accessible and extensively used it does not replace the need for face-to-face travel advice "almost all online travellers also talk to friends, family and colleagues for information and ideas. Printed materials, television, and professional advice still have a role in the customer journey." The report also revealed that the vast quantity and sometimes poor information provided by the internet can actually act as a hindrance, and for that reason many people still prefer to use offline travel companies for support.

Research conducted by Wolfe, Hsu, and Kang (2004) highlighted the main reasons why some consumers do not purchase travel online. These were the lack of personal service, security issues, lack of experience and the view of online purchasing as a time consuming process. Buhalis and Law (2008) also identified payment security and privacy concerns as being one of the major barriers that prevent consumers from purchasing travel online.

A survey undertaken by Morrison et al (2001), revealed some of the reasons why people choose to use or choose to avoid booking travel online. A similar approach was taken by Zhou (2004) who highlighted the motivations for travellers to choose the internet as a travel booking tool as opposed to a travel agency.

Table 2: *Motivations to Choose Travel Agencies or the Internet as Booking Channels*

Motivations for travellers to use a travel agency	**Motivations for travellers to use the internet**
More safe, secure and reliable	Cheaper Prices
Less hassle involved	24/7 accessibility and easy to find information
Professional advice and guidance	Self-satisfaction of planning own trip
Familiarity of using travel agencies in the past	Convenience for checking availability and comparing prices

Source: Adapted from Morrison et al (2001) and Zhou (2004)

2.5. Demographics of travel consumers

There is a common assumption among researchers that online travel bookings are centred on the younger market. "The internet is used by all age groups with their being a direct correlation between age and usage: i.e. younger groups are more likely to use the internet than older age groups" (ITIC, 2010). Contradicting this was a survey carried out by Travelport in 2010 that revealed that all age groups use the internet to plan and book travel, with usage dropping only after the age of 65.

Weber and Roehl (cited in Morrison et al, 2001) found that online travel bookers and offline travel bookers differed in terms of age, education, occupation and income. A survey undertaken by them revealed that people between the age of 26 and 55 were more likely to book online. The more highly educated respondents (those with 4-year college degrees or postgraduate degrees) were more likely to purchase travel online than those with less education.

Weber and Roehl (cited in Morrison et al, 2001) found that bookers of travel online were more likely to have been using the internet for at least four years. They found that those who use the internet to book travel spend more time online per week than those who book travel offline.

Buhalis (2003, p110) stated that "service-naïve tourists require dramatically more information than experienced travellers". However, he also identified that it may be the opposite in that, experienced travellers may require a greater depth of information, based on knowledge and previous experiences.

3. Methodology

3.1. Secondary data collection

There were a wide range of journal articles available on the topic area which provided valuable up to date information for the study from key researchers in the tourism sector. The large volume of articles available also allowed for an ample amount of comparisons among researchers to be made.

Books contributed to the secondary data sourced by providing efficient and necessary information. Travel reports and survey data proved to be valuable sources for statistical data. Newspapers and magazine articles provided relatively inexpensive sources of relevant, up to date information. The utilisation of a variety of secondary sources resulted in a wider pool of information as opposed to just incorporating one source. These all proved to be vital, invaluable sources of information for the research in question.

3.2. Primary Data Collection

To achieve the objectives of this study, both qualitative and quantitative approaches were used by the researcher. It was necessary to use a mixed method approach so as to gain evidence both from the demand side (travel consumer) as well as the supply side (travel agent). This was done through the development and use of both investigator-administered surveys and semi-structured interviews. Both approaches were utilised and combined with secondary data sourced to achieve the six research objectives.

3.2.1. Quantitative Research

The quantitative research method chosen for this study was a survey. Malhotra and Birks (2006, p225) consider surveys to be the most common method of primary data collection, highlighting the advantages as being "simple to administer" and "the data obtained are consistent." This data collection tool was chosen as it allows for a large sample size which therefore makes it beneficial to obtain a large quantity of data. The relatively low cost and short time frame associated with surveys (Mitchell and Jolley, 2010, p263) also made them an appealing method for the researcher.

This method involved the administration and distribution of questionnaires. Investigator-administered questionnaires were chosen by the researcher. "The investigator-administered questionnaire is filled out in the presence of a researcher" (Mitchell and Jolley, 2010, p265). This approach was chosen over self-administered questionnaires to avoid the problem of non-response bias which is strongly associated with self-administered questionnaires. Another major advantage of this choice was that the researcher was present to clarify any questions asked by the respondents at that present time.

The structured questionnaire was broken down into four areas– Sociodemographics, Internet Usage, Previous Travel Patterns and Travel Agencies vs. Online Bookings and consisted of 19 questions in total. Featured in the questionnaire was a mixture of question types. These included closed questions, open ended questions, and a 5-point Likert scale question. The closed questions were used to gain simple answers and also helped in keeping the questionnaire to a reasonable length, while the open ended questions allowed for more detailed answers. The purpose of the questionnaire was to facilitate the meeting of all six objectives. When structuring the questions, the researcher meticulously revisited the overall aim and objectives of the study to ensure that questions were being correctly designed to facilitate the desired outcome.

3.2.2. Sampling

A convenient sampling method was used and the questionnaires were distributed to a sampling unit of 100 college students from Limerick Institute of Technology and collected immediately after completion. An inviting manner was used by the researcher in order to increase the response rate. Out of the 100 questionnaires completed and received, 92 were usable representing a response rate of 92%. Data from questionnaires was coded and analysed through the use of Microsoft Excel.

Young people between the ages of 15-25 represent a significant amount of the travel market accounting for one fifth of all tourism journeys worldwide (Richards, 2003). In addition it was found that "Youth and student travel is an increasingly important segment of the global travel market, with young people tending to travel more frequently and for longer periods than their older counterparts." Much research suggests that travel bookings made online are centred on the younger generation (ITIC, 2010). Therefore students were chosen for the sample of the questionnaire, firstly because they represent such a significant part of travel market and secondly, to determine if findings reveal that there is in fact a clear cut preference among the younger generation for purchasing travel online.

3.2.3. Pilot Testing

"Newly written items and questions need to be tested for comprehension, clarity, ambiguity and difficulty in responding to" (Punch, 2003, p34). A pilot test was conducted to assess the reliability of the questionnaires. The participants for the pilot study consisted of 10 Business and Tourism final year students. These participants were asked to closely examine the questionnaire in terms of layout, wording, clarity and relevance to objectives and communicate back any surrounding issues or flaws to the researcher which could then be rectified. Suggestions were given regarding the phrasing of some questions and minor modifications that could be made. The recommendations were taken into consideration and altered accordingly.

3.2.4. Qualitative Research

According to Malhotra and Birks (2006, p 132), many qualitative researchers are adamant that qualitative techniques are the only methods of data collection sensitive enough to properly capture attitudes of respondents. Interviews provide the researcher with a sense of freedom in which the format and wording of questions can be decided on and the order and manner in which they are asked (Kumar, 2011, p144). With this in mind, the qualitative research tool chosen for this study was interviews. The interview format chosen was the semi-structured interview. A semi-structured interview is similar to a structured interview in that it is constructed around a core of standard questions but gives the interviewer the added benefit of being able to expand on questions following on from responses by the interviewee (Mitchell and Jolley, 2010). This proved to be beneficial as it allowed for more in-depth insights into responses from interviewees where necessary. Interviews were conducted with Tony Brazil, Owner and Managing Director of Limerick Travel and Tara O'Brien, a Senior Sales Consultant in Justsplit.com. The researcher wanted both opinions from a long established and newly established travel agency. Limerick Travel is the longest established travel agency in Limerick City and Tony Brazil has worked as owner and managing director from the beginning. It is for this reason that Tony Brazil was chosen as an interviewee. In contrast, Justsplit.com is the newest established travel agency in Limerick City, having only opened three years ago. It was for this reason that Tara O'Brien from Justsplit.com was chosen. The interview unlike the survey was made up solely of open ended questions which allowed for a greater pool of detailed information. Questions were carefully planned out and focused on the overall aim and objectives of the paper. Questions were asked clearly and concisely and long complicated questions were avoided so as not to overwhelm the informants.

The main purpose of the interviews was to aid in answering the following objectives:

- Determine whether increased knowledge and familiarity of the internet has resulted in fewer bookings with travel agencies.
- Investigate whether electronic commerce is changing the traditional role of travel agents to that of information brokers.

However, data received from the interviews also contributed partially to the answering of three of the other objectives:

- Establish whether or not travel agencies remain an important distribution channel for booking travel.
- Determine the choice attributes used among travel consumers when selecting either distribution channel.
- Investigate the potential disintermediation of travel agencies in the context of Limerick City.

While the questionnaires were able to provide data from the demand side (consumer), the interviews were able to provide data from the supply side (agent) which the questionnaire did not have the potential to do.

4. Findings and analysis

Both quantitative and qualitative methods utilised will be discussed. The quantitative method chosen was questionnaires. Findings from the questionnaires are presented and discussed according to objectives, and where relevant, related back to the literature review. Findings from the interviews are presented and discussed under four emerging themes. A conclusion then follows in which a summary of findings from the primary research is provided.

4.1. *Quantitative method used*

The quantitative method of primary data chosen was questionnaires. One hundred questionnaires were distributed to college students in Limerick Institute of Technology. The questionnaires were collected immediately after completion and an in-depth analysis followed. Ninety-two usable questionnaires were obtained from the sample size of 100 representing a response rate of 92%. The questionnaires were designed with the six research objectives in mind:

- Establish whether or not travel agencies remain an important distribution channel for booking travel.
- Determine whether increased knowledge and familiarity of the internet has resulted in fewer bookings with travel agencies.
- Investigate whether electronic commerce is changing the traditional role of travel agents to that of information brokers.
- Obtain perceptions of travel agencies and the internet as booking channels.
- Determine the choice attributes used among travel consumers when selecting a distribution channel.
- Investigate the potential disintermediation of travel agencies in the context of Limerick City.

4.2. *Findings from questionnaires*

There were a number of questions included in the questionnaire designed to gather basic demographics of participants and details of their most recent holiday undertaken. These questions were not specifically linked to objectives but included to add more depth to the data received from the questionnaire.

The respondents were profiled in terms of gender, age, marital status and current college year they are in. Forty-five % of the respondents were male and 55 % were female. As the study was focused on students, as expected, the age bracket of 18-24 dominated the survey with 92 % of the students falling into this category. The remaining 8 % of the students fell within the 25-34 bracket. Interestingly enough all participants fell into the single category. Participants ranged from 1st to 4th year in college. Analysis of the data revealed that 34 % of students were 4th years, 27 % of students were 3rd years, and 20 % of the students were in 2nd year with the least amount of student being in 1st year at 19 %.

Information on participants' most recent holiday undertaken was obtained. Results showed that 59 % of those surveyed had holidayed in Europe on their last trip. The Americas was the next most popular at 32 %. Less had travelled to Australia on their last trip at 5 %, followed by Asia at 3 % and Africa at 1 %. Trips for leisure were by far the most important with 78 % of participants choosing it as their main purpose for their last trip. Visiting friends and relatives was the main purpose of their last trip for 9 % of the participants. The remaining 13 % who chose other were asked to specify this and all 13 % revealed that the purpose of their last trip was of travelling on a J1 Visa. Respondents were asked their length of stay on their last holiday and results showed that 28 % had holidayed from between two to four weeks, 27 % holidayed for two weeks or less, 25 % for one week or less and 20 % for four weeks or more.

4.2.1. Importance of travel agencies as a distribution channel

The first objective was to establish whether or not travel agencies remain an important distribution channel for booking travel.

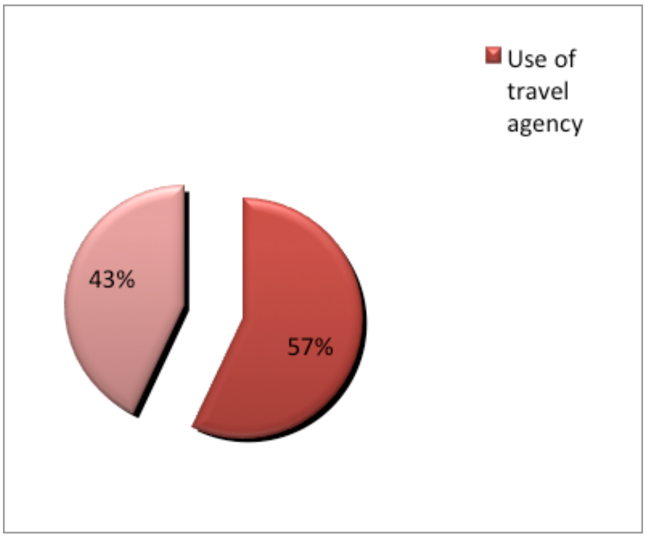

Figure 1: *Medium participants used to book their last trip*

Respondents were asked what distribution channel they used to book their last trip. Results confirmed that while there was no clear cut preference for purchasing travel in either distribution channel, travel agencies proved to be the more popular with over half (57%) of respondents booking their last holiday through the use of a travel agency and the remaining 43 % booking online. This result is consistent with a finding from a report by ITIC (2010) where evidence came to light to suggest that in Ireland offline channels account for about 50 % of overall demand (see literature review).

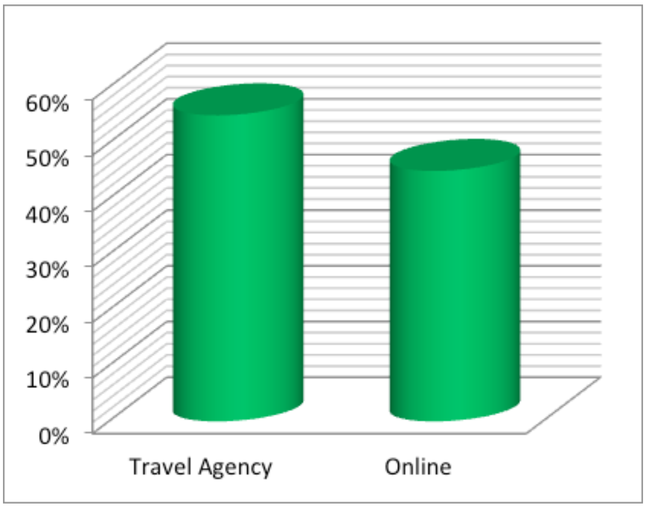

Figure 2: *Credibility of both distribution channels*

The credibility of travel agencies was tested by asking respondents what they perceived as overall being the better distribution channel for booking a holiday. Both channels proved to be credible among respondents. Fifty-five % of participants viewed travel agencies as being overall the better channel for booking a holiday while 45 % of respondents considered booking travel online as being the better option. This finding shows that travel agencies are without a doubt still a credible and important means of booking travel for many. These results correspond to views of academics previously sourced from the literature review, that online channels while becoming more popular do not replace the need for offline channels.

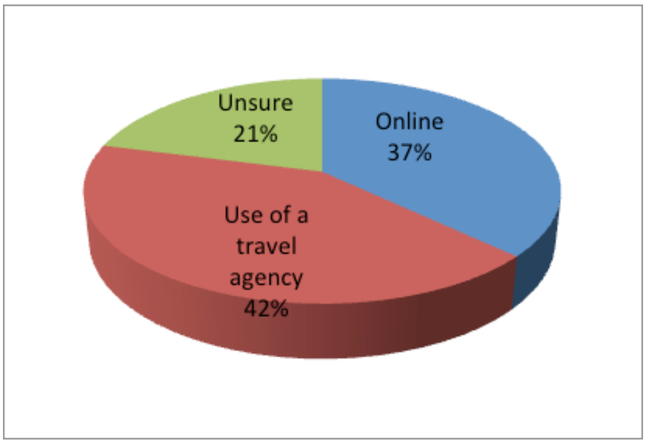

Figure 3: *Distribution channel respondents intend to use to book their next holiday*

Respondents were asked how they intend to book their next holiday. While 37 % of respondents revealed that they would book their next holiday online and 21 % were yet unsure, a significant 42 % of respondents felt confident that they would book their next holiday through the use of a travel agency. Together these findings answered the researcher's first objective with results proving that travel agencies are in fact still an important method for booking travel.

4.2.2. Impacts of the internet on travel agencies

The second objective was to determine whether increased knowledge and familiarity of the internet has resulted in fewer bookings with travel agencies.

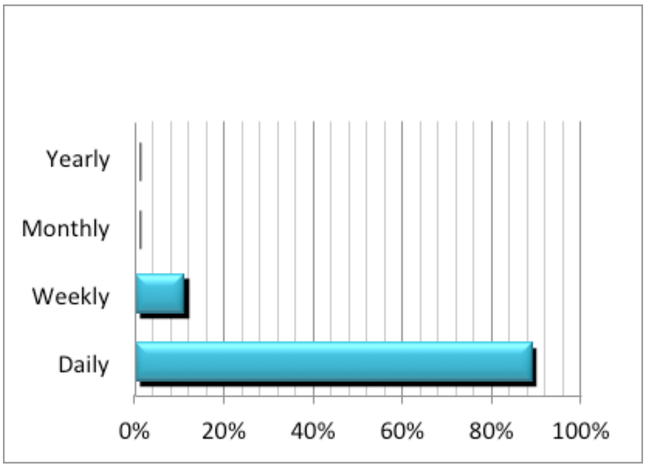

Figure 4: *Frequency of internet usage among participants*

Results revealed that all respondents were users of the internet. This is not surprising seen as the study was conducted only with students. As evident from the above bar chart, frequency of internet usage was extremely significant with 89 % of respondents using the internet on a daily basis. The remaining 11 % said they used the internet on a weekly basis.

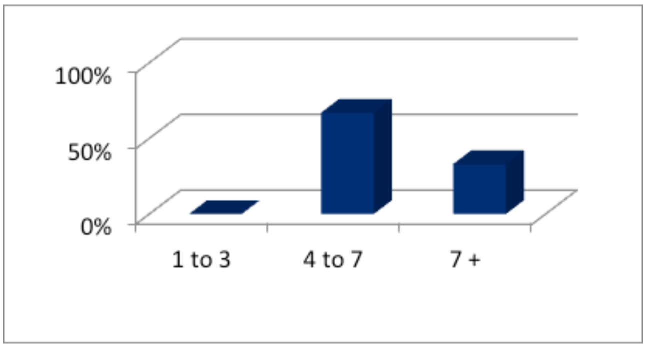

Figure 5: *Time in years that participants have been using the internet*

Respondents were asked how long they have been using the internet. Findings indicated that not only are participants frequent users of the internet but that they have been using the internet for a number of years with responses revealing that all participants have been using the internet for four years or more.

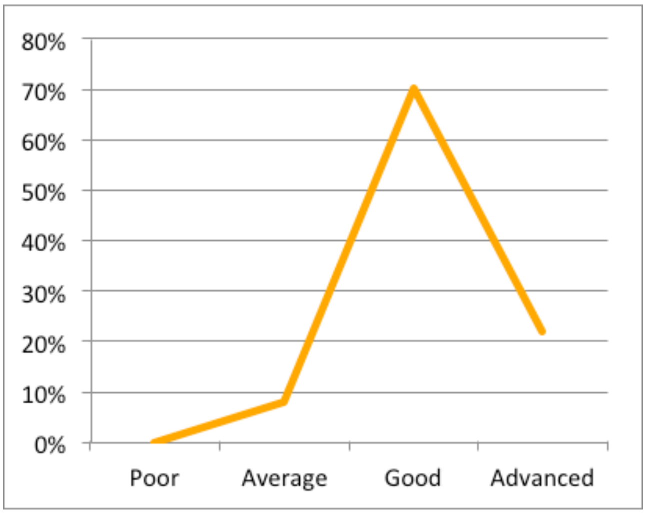

Figure 6: *How respondents rate their level of internet competence*

Respondents were asked to rate their level of competency when using the internet. Twenty-two % of students rated their competence in relation to use of the internet as advanced while 70 % rated themselves as good. The remaining eight % rated their competence levels as average. No students believed that their competence in using the internet was poor. This suggests that the majority of respondents have a high degree of internet familiarity and knowledge and are therefore relatively experienced users. These finding support the literature review, depicting the increased usage and familiarity with information technologies associated with today's generation. Despite the high degree of internet familiarity and knowledge, over half of those surveyed still chose to book their last holiday by means of using a travel agency as opposed to making an independent booking online (see Figure.1).

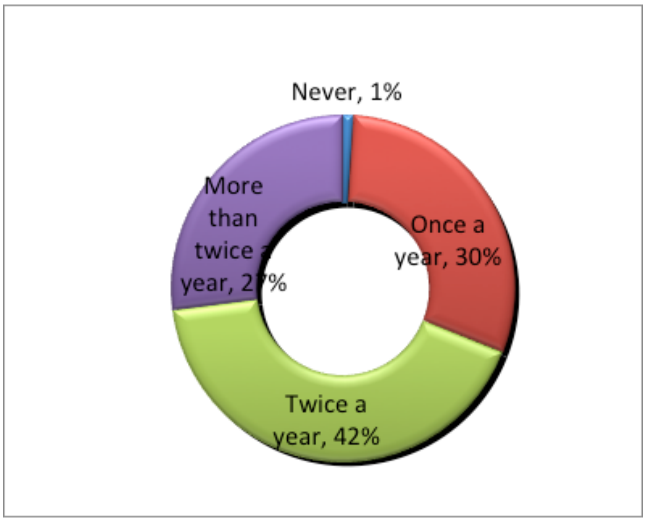

Figure 7: *Yearly usage of the internet for travel information*

Respondents were asked how often they use the internet for travel information. As can be identified from the above pie chart, 42 % of participants use the internet for travel information twice a year, 30% use it once a year, 27 % use the internet for travel information more than twice a year and only 1 % of respondents said they never use the internet for travel information. It is interesting to see that although 99 % of respondents use the internet for travel information at least once a year, only 43 % of respondents actually booked their last holiday online (see Figure 4.1). These findings justifies findings attained by Kim et al (2007) who discovered that "many people only utilize the internet to search for information so that they can have some familiarity with the desired services and then book reservations offline."

These results answered the second objective, showing that although internet familiarity and knowledge levels may be significant, many people still choose to book their holidays through the use of offline sources. Findings further proved that the internet is often used merely as a means of information search.

4.2.3. Role of travel agents

The third objective was derived from the literature review. Buhalis (1999) predicted that electronic commerce would change the role of travel agents to that of information broker. The third objective is to investigate this statement and determine whether or not it bears truth.

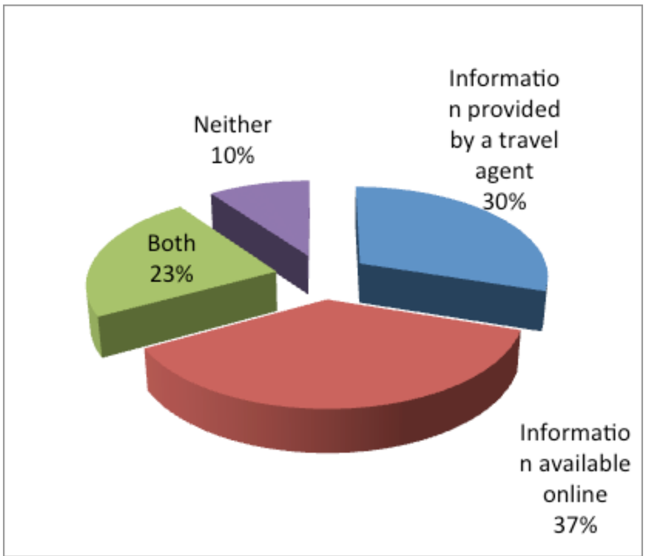

Figure 8: *Channel used among participants to research their trip prior to booking*

Respondents were asked how they researched their last trip prior to booking. The results showed that 23 % of people used both the internet and information available by a travel agent when researching their trip prior to booking it. 37 % used information available online only, while 30 % used information provided by a travel agent only. 10 % had used neither source for information prior to booking. These results show that overall 53 % received information from a travel agent before making a booking. Considering that 57 % of people booked their last trip with a travel agency (see Figure 4.1), this suggests that travel agents are not acting merely as information brokers. This finding challenges secondary data sourced which suggested that travel agents are acting as information brokers (see literature review).

4.2.4. Perceptions of travel agencies and the internet as booking channels

The fourth objective was to obtain perceptions of travel agencies and the internet as booking channels. A previous question tested the credibility of both channels by asking respondents which channel they perceived as being overall the better option (see Figure 2). To obtain the rationale behind the respondents preferred choice, statements were presented to the respondents to which they were asked to express their level of agreement.

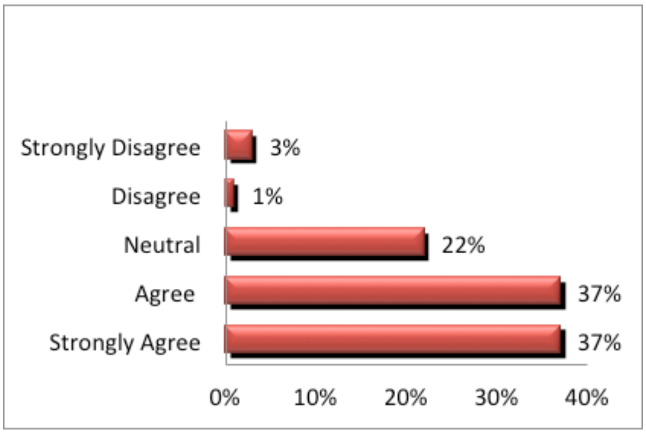

Figure 9: *Travel agents offer a more personal touch than booking online*

As can be identified from the above graph 37% of participants strongly agreed that travel agents offer a more personal touch than booking travel independently, 37% agreed, 1% disagreed, 3% strongly disagreed and 22% had no opinion on the statement.

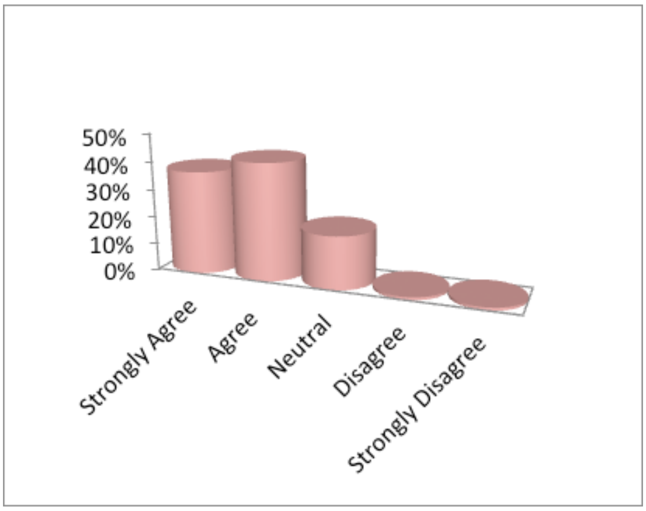

Figure 10: *Booking travel online is generally cheaper than booking with a travel agency*

Forty-two % of participants agreed that booking travel independently is generally cheaper than booking with a travel agency, 37 % strongly agreed with this, 19 % were neutral, while just one % disagreed and one % strongly disagreed.

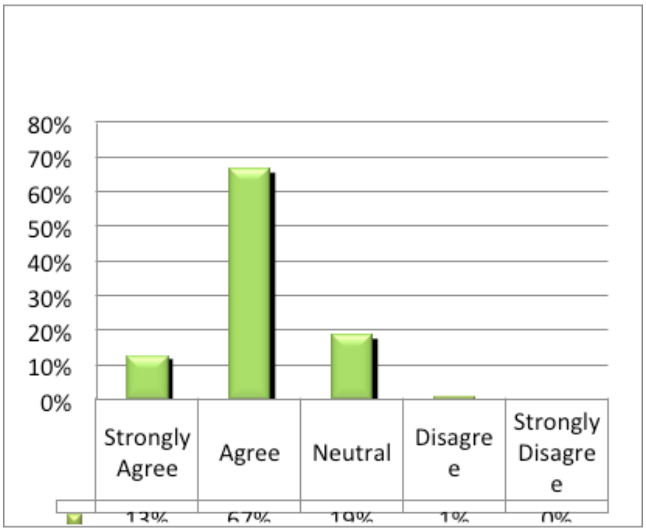

Figure 11: *Travel Agencies can offer valuable advice and guidance*

Almost all participants agreed that travel agencies can offer valuable advice and guidance with 67 % agreeing and 13% strongly agreeing. 19% had no thoughts on this statement while only 1% disagreed and no participants strongly disagreed.

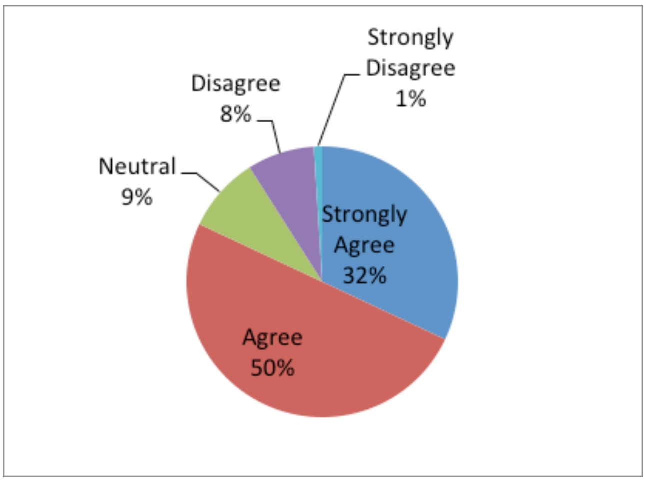

Figure 12: *It is more secure to book through a travel agency as opposed to booking online*

Fifty % of students surveyed agreed that it is more secure to book travel through the use of a travel agency as opposed to booking online, 32 % strongly agreed, nine % were neutral, eight % disagreed and one % strongly disagreed.

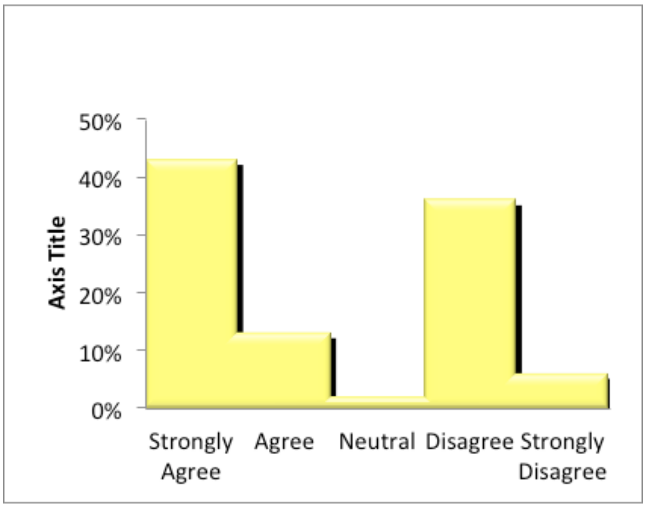

Figure 13: *Visiting travel agencies can be a time consuming process*

As conveyed through the above bar chart, the view that visiting travel agencies can be a time consuming process was highly debatable with 56% agreeing and strongly agreeing and 42% disagreeing and strongly disagreeing. Only two % were neutral in this debate.

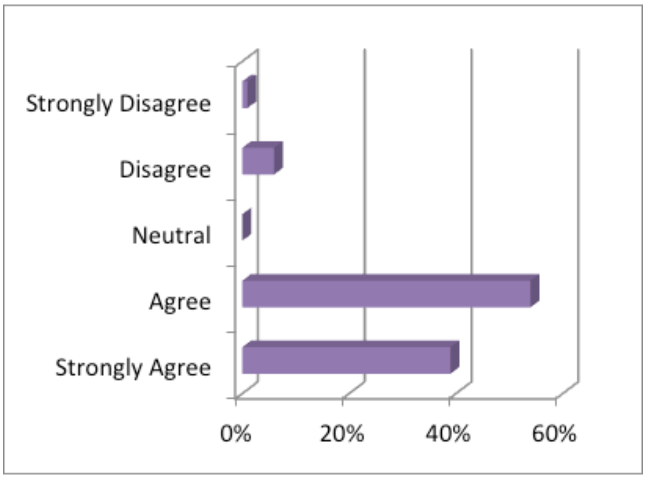

Figure 14: *Internet offers convenience with travel bookings being able to be made 24/7*

As evident from the above bar chart, 39 % of students surveyed strongly agreed and 54 % of students agreed that the internet offers convenience with travel bookings being able to be made 24/7. Only a small minority disagreed (60%) and one % strongly disagreed.

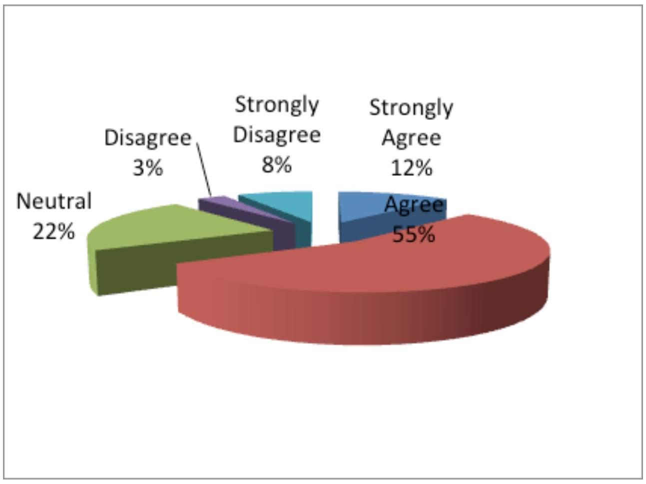

Figure 15: *Internet offers more flexibility and choice than a travel agency can offer*

As can be depicted from the above pie chart, results showed that 55 % of those surveyed agreed that the internet offers more flexibility and choice than a travel agency. Twelve % strongly agreed, 22 % were neutral, eight % strongly disagreed and three % disagreed.

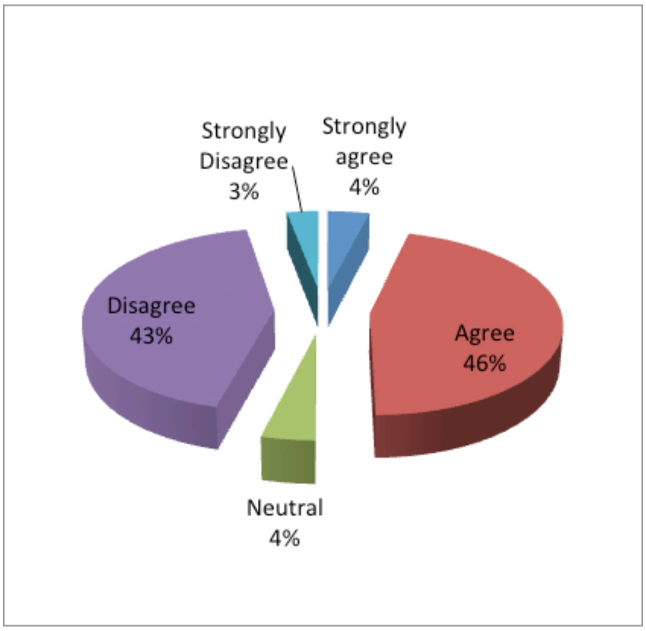

Figure 16: *Booking travel online can be a complicated process*

As can be depicted from the above pie chart 46 % of participants agreed and 4 % strongly agreed that booking travel online is a complicated process. Forty-three % disagreed with this statement and three % strongly disagreed while four % of participants neither agreed nor disagreed.

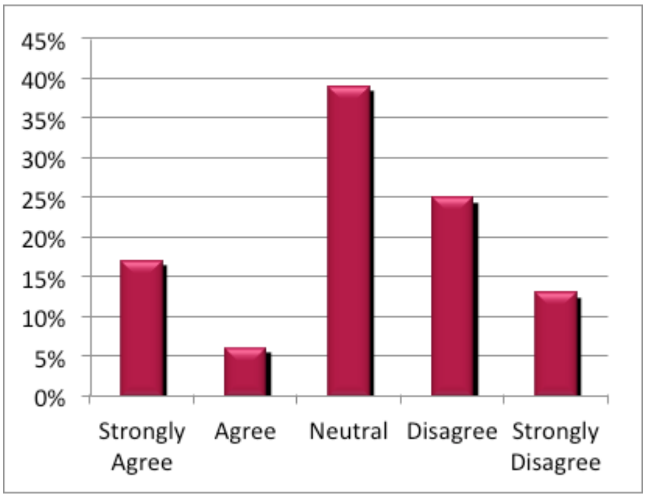

Figure 17: *Booking travel independently without the need of a travel agent can be satisfactory*

Thirty-nine % of respondents responded neutrally to this statement. Twenty-five % disagreed and 13 % strongly disagreed. However six % agreed and 17 % strongly agreed with the statement.

A summary of the responses to these statements made it evident that travel agencies are viewed as a credible distribution channel for a number of reasons. 74 % agreed that they offer a more personal touch than booking travel online (see Figure 9). The majority of participants (80%) felt that travel agencies can offer valuable advice and guidance (see Figure 11) and a very high %age of those surveyed (82%) admitted that travel agencies are a more secure method for booking a holiday as opposed to online (see Figure 12). However 56 % of participants did acknowledge that visiting travel agencies can be a time consuming process (see Figure 13). The most notable factor concerning bookings with travel agencies was that only a slight minority of respondents (2%) disagreed that booking online is generally cheaper than booking travel using a travel agency (see Figure 10). Views of online bookings also proved to be positive for a number of reasons. Almost all respondents (93%) admitted that the 24/7 presence of the internet offers convenience (see Figure 4). Sixty-seven % of respondents also agreed that the internet can offer more flexibility and choice than booking with a travel agency (see Figure 15) and 23 % viewed booking travel independently as self-satisfactory (see Figure 17). Views on the concept that internet bookings could be complex were very much two-fold (see Figure 16) which suggests that this is probably a reflection on how experienced or inexperienced participants are with using the internet.

4.2.5. Choice attributes used when selecting a distribution channel

The fifth objective was to determine the choice attributes used among travel consumers when selecting a distribution channel.

Figure 18: *Reasons for booking last holiday through a travel agency*

Respondents were asked to provide a reason for booking their last holiday through whichever channel they had used. Results revealed that reasons for their particular choice were very much in harmony with their perceptions of travel agencies and the internet as booking channels. The main reasons people chose to book their last trip with a travel agency were for safety and security reasons (29%), time saving and convenience of having the travel agency do the work for them (21%), the lack of trust in internet bookings (15%), to facilitate more complex travel such as long haul or specialist travel (12%), the familiarity among participants of previous use of travel agencies (9%), for the professional advice and expertise they offer (8%) and finally for booking package holidays (6%). These results compliment the reasons sourced from the literature review for why people choose to book their trips through travel agencies or online (see literature review). These findings also support the view of Buhalis and Law (2008), who identified security and privacy concerns as being one of the major barriers that prevent consumers from purchasing online. The 12% of respondents that booked their last holiday through a travel agency for more complex travel such as long distance also can be related back to the literature review where it was revealed that customers tend to make greater use of travel agencies when travelling long distances (see literature review).

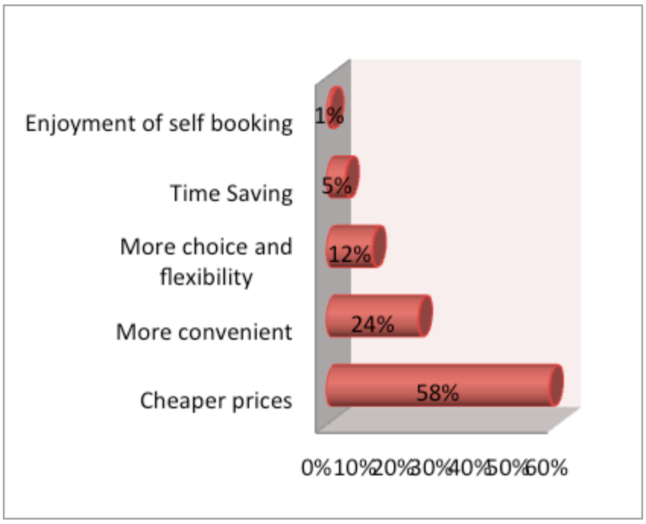

Figure 19: *Reasons for booking last holiday online*

As evident from the above graph, the majority of respondents chose to book their last holiday online based on the reason that they were looking for cheaper prices. While cheaper prices proved to be the most popular reason at 58 %, other reasons were for convenience (24%), for more choice and flexibility (12%), a perception that it would save time (5%) and finally one % revealed that they booked online for self-enjoyment. These results are consistent with reasons identified from the literature review for why people choose to book online (see literature review). This finding validates a finding from a report by PhoCusWright (2001) which identified price as being the primary driver for why customers choose to book online.

These results were able to answer the fifth objective of determining the choice attributes used among travel consumers when selecting either distribution channel.

4.2.6. Potential disintermediation of travel agencies

The sixth and last objective was to investigate the potential disintermediation of travel agencies in the context of Limerick City.

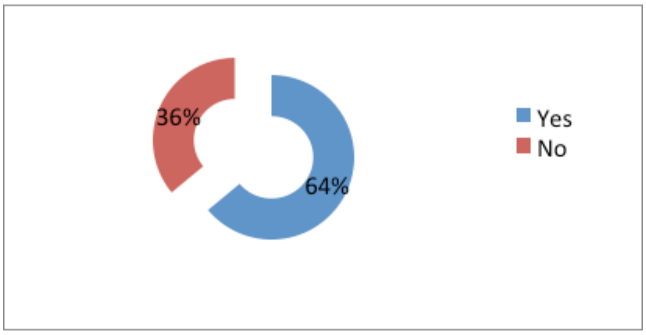

Figure 20: *Responses to necessity of travel agencies in Limerick*

To obtain participants views on the potential disintermediation of travel agencies in Limerick, respondents were asked to answer yes or no on whether they believe travel agencies in Limerick will always be necessary. Interestingly enough, although only 42 % of participants were certain that they would book their next holiday through the use of a travel agency (see Figure 4.3), a significant 64 % believe that there will always be a need for travel agencies in Limerick City. Thirty-six % of respondents disagreed believing that there will not always be a need for them. Respondents were asked to justify this by giving a reason behind their answer.

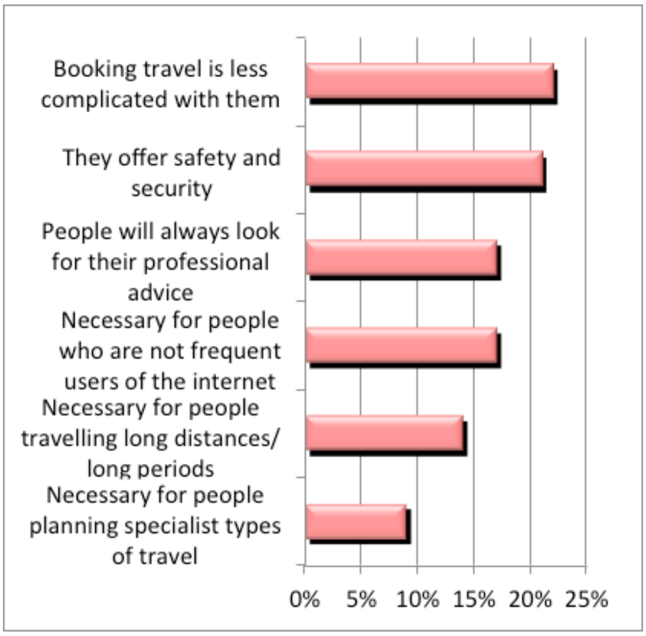

Figure 21: *Reasons for the necessity of travel agencies in Limerick City*

Respondents had differing opinions for why they believed travel agencies would always be necessary in Limerick City. Twenty-two % believed they will always be necessary because booking travel is less complicated with the. Following on from this 21 % believed that they will always be necessary for the safety and security they offer. Seventeen % have the opinion people will always seek the professional advice they can offer. A further 17 % identified them as being a necessity for people who may not be experienced users of the internet or familiar with methods of online booking methods. 14 % of people believe they will be necessary for people travelling for long periods or travelling long distances. The remaining nine % had the view that they will be necessary for people travelling specialist type of travel e.g. honeymoons, cruises and so on.

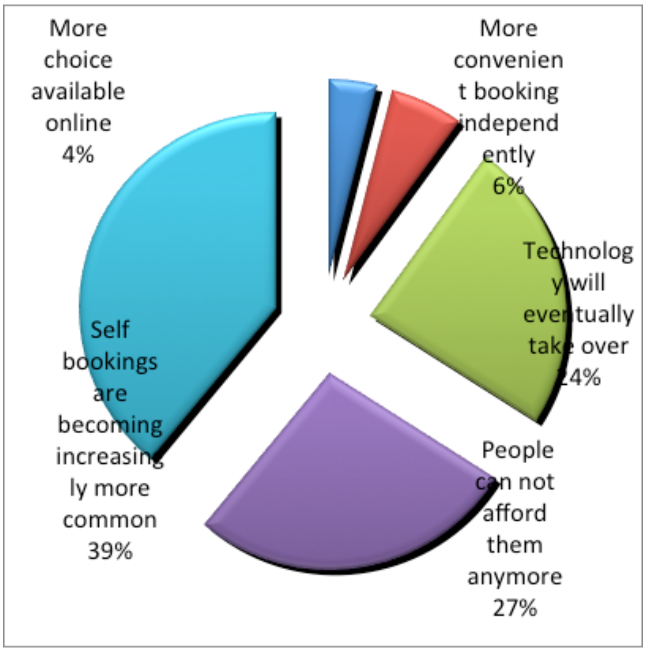

Figure 22: *Reasons for the disintermediation of travel agencies in Limerick City*

Those respondents who believed that travel agencies will not be necessary in the future gave different reasons for their answers. Thirty-nine % believed that because self-bookings are becoming increasingly more common travel agencies will not be needed in the future. Similarly 24 % believed that technology will eventually take over. Closely related were the views that travel agents will be unnecessary for the reason that booking independently is more convenient (6%) and that there is more choice available online (4%). Twenty-seven % of respondents believed that the underlying issue was price and that people could not afford the services of a travel agent anymore.

4.3. *Qualitative method used*

The qualitative method of primary data chosen was interviews. Interviews were conducted with Tony Brazil, Owner and Managing Director of Limerick Travel and Tara O' Brien, Senior Sales Consultant at Justsplit.com. The main purpose of the interviews was to aid in answering the following objectives:

- Determine whether increased knowledge and familiarity of the internet has resulted in fewer bookings with travel agencies.
- Investigate whether electronic commerce is changing the traditional role of travel agents to that of information brokers.

However, data obtained from the interviews also contributed to meeting three of the other objectives:

- Establish whether or not travel agencies remain an important distribution channel for booking travel.
- Determine the choice attributes used among travel consumers when selecting a distribution channel.

• Investigate the potential disintermediation of travel agencies in the context of Limerick City.

Questions for the interviews were designed to receive the open opinions of the professionals in the travel industry and their thoughts and views on the ever growing changes of the travel industry, the challenges it poses for them and how they are coping with them. Both interviewees, having worked in the travel industry for a long time proved to be very worthy sources of primary data. Their expertise, knowledge and familiarity with the travel industry allowed for great insights from the supply side. Findings from the interviews are presented and discussed under four main headings.

4.5. Findings from interviews

Findings from interviews are presented and discussed under four emerging themes.

4.5.1. Effects of IT on travel agencies

Both interviewees discussed their opinions on the perceived view that there has been a decrease in the use of travel agencies as a result of increases in self-bookings online. Tony Brazil while acknowledging the increase in self-bookings, provided reasons why booking travel through the use of a travel agency can be a better option "there's no doubt that people are becoming more familiar with the internet and self-bookings have increased. But not everyone is going to trust booking online… Not only that but some don't like the hassle involved. It's much easier to have help with the arrangements. So many people really want the expertise knowledge. Travel agents guarantee trust… People want security, especially for people travelling long distance. If you're going on your honeymoon you're not going to want to risk things going wrong if you book online. The same goes for cruises. They're more complex and therefore people want the reassurance we can offer." Similarly, Tara O' Brien's response acknowledged the increase in online bookings "booking online has become very popular of course," but pointed out that they "have found that clients are coming back to travel agents having had problems with bookings made online or not having a point of contact if assistance is needed." Tony Brazil provided a reason which had not previously been acknowledged by the researcher in either the literature review or the questionnaires, for why people may choose to book their holiday through the use of a travel agency stating that "bookings made online mean the need for a credit card… more than 50 % of the Irish market don't have credit cards." When asked about business turnover Tony Brazil responded that "it hasn't gone down and as long as we keep going about things right it won't." The same question was posed to Tara O'Brien who responded "well the travel industry in general has changed totally, with a large number still booking on the internet or not travelling at all due to financial reasons." It was hoped that the researcher would get a deeper insight into changes in turnover but proved to be difficult as it was a sensitive topic.

4.5.2. How travel agencies have embraced the industry's changes

Both interviewees acknowledged the diversity of the travel industry and had similar thoughts on the changes in consumer trends. Tony Brazil expressed his opinion that "nowadays, people are looking for change and not just the typical sun holiday." Similarly Tara O' Brien suggested that "clients these days are looking for something different. They want something new and exciting." When asked how they are responding to these changes both interviewees made reference to the internet and how it has actually benefited them. Tony Brazil stated Limerick Travel are "big online" and that they "pay a lot of money for things like web Google hits." Later on he also expressed another reason how by taking the improvements of technology on board actually benefited them "there have been changes yes, but we take these on-board and deal with them as they come. It's about embracing them and using them to your advantage. In the past I remember there was nothing but paperwork and more paperwork. Now with all this new technology jobs can be done three times faster." Likewise Tara's response suggested how they have embraced technology "we have a website with self-booking tools put in place for clients." Staff training is another way in both interviewees suggested they keep up with changes. Tara stated "we travel to different destinations regularly ourselves so we have a blog which has our own personal experience of different destinations." Similarly Tony also expressed how staff keeps up with the changes "all of our staff are given intensive training in the different areas and activities of the company and they visit different overseas destinations as part of their training."

4.5.3. Travel Agents – travel 'consultants' or travel 'bookers'

In the literature review evidence came to light to suggest that information technology was changing the role of travel agents from that of booking holidays to the role of information broker. When asked about people in search solely for information without a desire to follow through with a booking, respondents revealed that it is a problem. Tony stated "people coming to us simply for information certainly is a problem." Likewise Tar responded "yes that can often be the case." However Tara's response indicated that this is not a major occurrence and when asked what %age of people she believes actually follow through their bookings with them she responded "If I was to give you an estimate I would say about 70% approximately." This issue also proved not to be a worrying threat for Tony who communicated the measures they have put in place to avoid this "we do have a policy now put in place. After the agent has spent maybe ten minutes with a customer and doesn't feel they are making progress they can ask the customer for a deposit of 50euro for a consultation."

4.5.4. The future for travel agencies

Both interviewees felt confident about the future of their businesses. Tara O' Brien expressed her opinion that she believes “travel agents constantly move with the times and will be always be in demand.” Tony Brazil had the same opinion “people will always seek the services that travel agencies can provide… there’s always going to be a market there for them.” Tony Brazil made an interesting point in relation to the future of the travel agencies stating that “we know about all this cutting out the middleman but there’s not much left to unbundle. I don’t think there’ll be any fantastic new invention which could affect us.” He also pointed out that “in Ireland about 50 to 60 % of people still use traditional channels” when booking holidays. Both interviewees revealed that they benefit from repeat visits. Tony Brazil stated that their “good name” and “good reputation” stands to them. Both interviewees expressed their plans to boost growth for the future. Tara O’Brien stated “we will make sure to maintain our high level of customer service. Advertising will also be important for us to keep reaching out to potential clients.” Tony Brazil stated that they will “we will make sure to tweak what we’re doing and change with the media.”

A number of findings from the questionnaire confirmed that travel agencies are in fact still an important channel for booking travel. Findings revealed that although having the competency to book online many people still prefer to book their holidays through a travel agency for different reasons. Findings further revealed that almost all respondents used the internet for travel information but still less than half of them actually booked their last holiday online. Key informants provided reasons as to why people choose to avoid booking online and booking with travel agencies. These complimented the reasons given by respondents as to why they choose either distribution channel. While findings from the questionnaires indicated that travel agencies are not acting as information brokers as was previously suggested in the literature review, key informants revealed that it is in fact an issue. Perceptions of travel agencies proved positive as did online bookings for opposite reasons. Results showed that the main attribute among respondents for choosing to book online was price while safety and security was the main attribute for choosing to book through a travel agency. Opinions against disintermediation of travel agencies in Limerick City outweighed opinions in favour of it. Responses from key informants portrayed that they do not seem to worry about the future of the travel agency sector and convey the opinions that although information technology is constantly developing and improving, this is not at a major cost to travel agencies as the services offered by them make them indispensable to the industry.

5. Conclusion and recommendations

This research has examined the significance of travel agencies as a distribution channel in the tourism industry. This was made possible by developing a set of objectives relevant to the aim of the study. The aim and objectives of the study were achieved by exploring the relevant literature available on the topic and using both quantitative and qualitative methods of primary research in the form of questionnaires and interviews. An analysis of the data received from both the secondary and primary research was conducted and findings were conjoined which resulted in successful achievement of the aim and objectives of this research paper.

The first objective was to establish whether or not travel agencies remain an important method for booking travel. Despite a vast amount of debating among researchers regarding travel intermediaries and predictions for their future, a number of findings from the questionnaire confirmed that travel agencies are in fact still an important channel for booking travel. Over half of respondents (57%) booked their last holiday through a travel agency and 55 % of respondents viewed travel agencies as being overall the better distribution channel. Furthermore, 43 % of people were fully confident that they would book their next holiday through a travel agency. Evidence from the literature review suggested that about 50 % of people in Ireland still use traditional channels when booking holidays. One of the key informants, Tony Brazil confirmed this revealing that travel agencies account for approximately 50 to 60 % of overall demand in Ireland. These %ages liaise with those from the questionnaire (see Figure 4.1). From these findings it can be concluded that travel agencies are in fact still an important method for booking travel.

The second objective was to determine whether increased knowledge and familiarity of the internet has resulted in fewer bookings with travel agencies. A significant amount of secondary literature discussed the growth and rapid adaption to information technologies and the prevalence of the internet as a channel for booking travel. Evidence came to light from the literature review to suggest that although the internet is becoming more widely accessible and extensively used, it does not replace the need for travel agencies. Both key informants gave their open and honest opinions on the perceived view that there has been a decrease in the use of travel agencies as a result of self-bookings online. They provided responses to suggest that many people still prefer to book through travel agencies for different reasons. While insights into business turnover were not obtained as was initially hoped, both informants’ responses implied that business turnover did not decrease as a result of the wide scale use and adaption to technology. Tony stated that “it hasn’t gone down and as long as we keep going about things right it won’t”. Tara’s response indicated that if they had experienced a drop in business profits it was not solely as a result of IT developments “well the travel industry in general has changed totally, with a large number still booking on the internet or not travelling at all due to financial reasons.” Primary research obtained from the questionnaires, showed that internet usage, knowledge and competency levels were high among respondents. Findings revealed that almost all respondents use the internet for travel information (99%) , but still less than half (43%) actually booked their last holiday online (see Figure 4.1). These findings show that although respondents have the competency to book online, many still prefer to book their holidays through offline channels.

Furthermore these findings justified literature found earlier, revealing that the internet proves extremely popular as a source for travel information but that can often be the extent.

It became evident from the literature review that certain researchers had the opinions that electronic commerce is changing the traditional role of travel agents to that of information broker. The third objective was to investigate this issue to establish whether or not it bears truth. Findings from the questionnaire (4.3.3) challenged these opinions, with results indicating that respondents had not merely utilised travel agents as an information source but had followed through their bookings with the travel agency. However, key informants were asked about this issue and it became evident that this can be a problem for travel agencies. A key informant, namely Tara O' Brien explained how it is an issue and customers solely seeking information from the travel experts make up approximately 30 % of their business. Similarly, another key informant, Tony Brazil confirmed it as being an issue but described how they have implemented measures to try to alleviate this occurrence. Together, findings prove that travel agencies are not acting merely as information brokers but indicate that it is a problem to a certain extent. From these findings an assumption can be made that this issue is not of major significance and travel agents are implementing measures in the hope of keeping this occurrence to a minimum.

The fourth objective was to obtain perceptions of travel agencies and the internet as booking channels. Question 17 of the questionnaire (4.3.4) presented statements to the respondents with which they were asked to express their level of agreement. A summary of the responses to the statements revealed that travel agents are perceived as a more secure booking channel than the internet. Travel agents personal touch and valuable advice and guidance were accredited. The idea that visiting travel agencies can be a complicated process was highly debatable among respondents. One statement which received a very mixed response was 'booking travel independently without the need of a travel agent can be satisfactory and travel decisions can be tailored better to suit your needs'. It is acknowledged that this statement, because it interlinked two concepts together, may have been off-putting for respondents. The internet was prominently perceived as being the cheaper booking channel. Perceptions among respondents were that the 24/7 presence of the internet makes booking online a convenient option. The flexibility and choice offered from online bookings were also valued by respondents. Views of booking online as a complicated process were very much two-fold which suggests that this is probably a reflection on how experienced or inexperienced participants are with using the internet.

The fifth objective was to determine the choice attributes used among travel consumers when selecting a distribution channel. Together the literature review and data received from questionnaires and interviews conjoined to answer this objective. People's perceptions of travel agencies and the internet as booking channels, previously obtained for the fourth objective, were reflected in the respondents reasons for choosing either distribution channel. Reasons respondents gave for choosing to book their last through a travel agency were for the safety and security they offer, time-saving and convenience reasons, a lack of trust in internet bookings, for complex or specialist travel, familiarity of using travel agencies previously, for their professional advice and guidance and for booking package holidays. Throughout the interviews, key informants also addressed reasons why consumers would choose to book with a travel agency. Reasons mentioned by the key informants for why customers would book with a travel agency were similar to those of respondents. Reasons identified by Tony Brazil for why people would choose to book with a travel agency were: expertise knowledge, guaranteed trust, reassurance and security, for long distance trips, for honeymoons and cruises, and the ability to be able to buy a whole package. He identified the risk associated with online bookings and the necessity of a credit card as being further reasons why people would choose to book with a travel agency. Similarly Tara provided reasons why consumers would choose to book with a travel agent and were: expertise to source the best holiday, for their reliable information and personal touch and for security reasons. From the reasons respondents gave for choosing to book their last holiday online, seeking cheaper prices was the most prevalent. Other reasons respondents gave for booking their last holiday online was for convenience, choice and flexibility, time-saving and self-enjoyment. These findings from the questionnaires and interviews were consistent with the secondary research previously sourced, on reasons why customers would choose either distribution channel.

The sixth and final objective was to investigate the potential disintermediation of travel agencies in the context of Limerick City. The questionnaire posed a question to respondents which investigated their perceptions on disintermediation of travel agencies in the context of Limerick City. The opinion against the disintermediation of travel agencies in Limerick City outweighed the opinion in favour of the disintermediation of the agencies, with almost two thirds of respondents (64%) believing that travel agencies in Limerick City will always be necessary. Respondents who were against the idea of disintermediation, believe that travel agencies in Limerick will always be necessary for the following factors: travel with them is less complicated, the security and safety they offer, their professional advice, for long distance or complex travel and for inexperienced users of the internet. Those who believed that travel agencies will not be necessary in Limerick City in the future gave the following reasons: people cannot afford travel agencies anymore, more convenient online and more choice, more people are making self-bookings and internet bookings will eventually take over. Throughout the interviews, both key informants discussed what makes travel agencies indispensable to the tourism industry and how they will always be in demand. Both informants felt confident that there was a bright future ahead for travel agencies. These findings indicate that travel agencies in Limerick City will always be necessary for different desired services consumers are in search of that cannot be obtained from bookings online.

- As information technologies will continue to grow at excessive speeds, there is a need to carry out further studies which examine the future for travel agencies.
- It would be interesting to see if corresponding results would be obtained if a study similar to this research was undertaken at a different geographical location.
- It would also be interesting to investigate the issue of travel agents acting as information brokers in a few years' time to determine if this issue pursues any further.
- Travel agencies should view the developments in information technology as an opportunity and exploit the advantages that technology offers to remain competitive in the future.

The main aim of this research paper was to investigate the significance of travel agencies as a distribution channel in the tourism industry. Upon completion of this research paper, it can be concluded that the services offered by travel agencies are highly accredited among travel consumers and for that reason they prove highly significant as a distribution channel in the tourism industry. Travel agencies and the services offered by them will always be in demand.

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