

# **AN EXPLORATORY STUDY ON CONSUMER TRAVEL AGENCY INFORMATION SOURCES: AN AUSTRALIAN REGIONAL ANALYSIS**

*Eric Ng,  
Faculty of Business, University of Southern Queensland,  
Toowoomba, Queensland 4350, Australia  
[ericng@usq.edu.au](mailto:ericng@usq.edu.au)*

*Frances Cassidy,  
Department of Marketing & Tourism, Faculty of Business,  
University of Southern Queensland, Toowoomba, Queensland 4350, Australia  
[cassidy@usq.edu.au](mailto:cassidy@usq.edu.au)*

*Les Brown,  
Department of Marketing & Tourism, Faculty of Business,  
University of Southern Queensland, Toowoomba, Queensland 4350, Australia  
[brownl@usq.edu.au](mailto:brownl@usq.edu.au)*

## **ABSTRACT**

The research reported in this paper explores why regional consumers choose to book their travel arrangements with travel agencies. Consumers can now access on-line bookings for airlines, accommodation, transportation, sightseeing tours and other related products so why do they still go to travel agencies for reservations? This paper identifies the information sources consumers used when selecting a travel agency. The research design involves two stages. The first stage has been completed and was a series of in-depth interviews with 10 users of regional travel agencies and three experienced travel agency consultants. The second stage will be a mail-out survey to travel agencies in the Darling Downs area of Queensland, Australia. Despite its locality, the region is a significant consumer of travel with approximately eight retail travel agencies in the city of Toowoomba alone. The in-depth interviews highlighted the need to de-emphasize three particular information sources considered for inclusion in the survey for stage two. They were, travel guidebooks, travel or automotive clubs and local travel offices which were deleted from the intended survey and replaced with television lifestyle programs as an information source worthy of investigation.

Keyword: Australia, travel agency, information sources

## **INTRODUCTION**

The number of Australian residents travelling both domestically and internationally has increased substantially in recent years. During the year 2002, Australians spent approximately 298.7 million nights (defined by the ABS as nights spent away from home in association with individual visits) domestically which was an increase of 3.1 per cent over the previous year of 289.6 million nights (Department of Industry, Tourism and Resources 2004). On the other hand in 2002, Australians travelling

overseas had reached a record high of 3.46 million which accounted for an increase of 0.5 per cent on the year 2001 (Department of Industry, Tourism and Resources 2004). However, the impact of the terrorist attacks on the World Trade Centre in New York, the demise of Ansett Airlines Australia, the Bali attack, the Severe Acute Respiratory Syndrome (SARS) outbreak, bird flu and war in Iraq have attributed to a decline in both domestic and international travellers. This was particularly evident with 294.1 million nights spent by Australian travelling domestically in the year 2003, compared with 298.7 million nights in the year 2002, which represented a decrease of 1.5 per cent. Only 3.38 million Australians travelled overseas in 2003, which signified a decrease of 2.1 per cent on the year 2002 (Department of Industry, Tourism and Resources 2004).

With the evolution of the internet, the use of on-line search facilities for travel information has provided additional sources of information and opportunities to purchase travel direct from suppliers such as airlines and accommodation providers without recourse to travel agents and in some instances at discounts to prices available through travel agencies by eliminating commissions for such agents (example the Flight Centres). Furthermore, the capacity of the internet to promote and provide information conveniently and quickly has offered alternatives to physical visits by consumers to travel agencies in order to access such information.

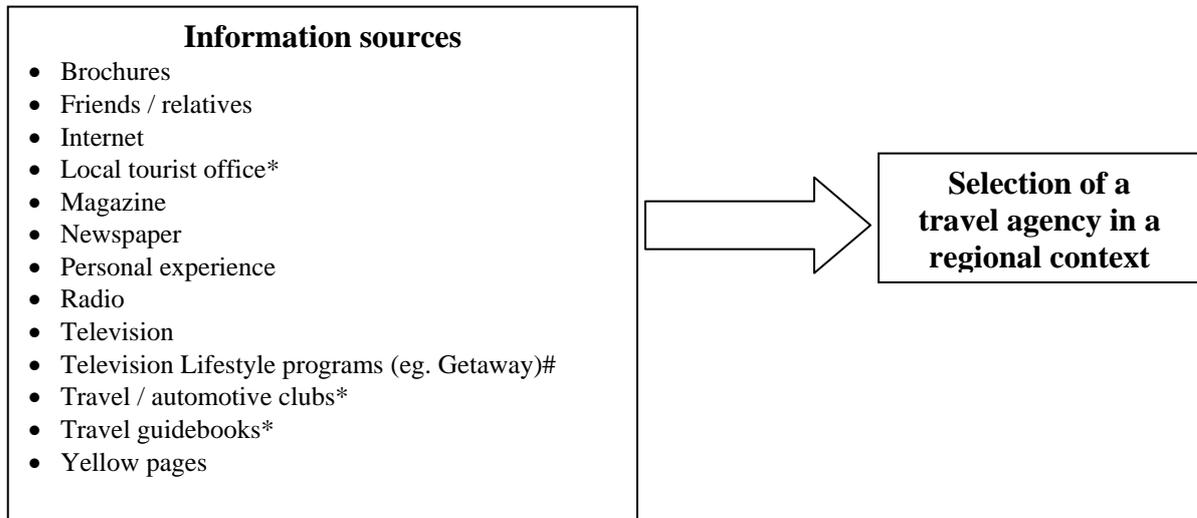
However, there is an apparent lack of research into the effects of such changes in the industry, particularly in the Australian regional context, and about the information sources which drive consumer selection of travel agencies and if these pose a threat to existing travel agencies. If there is such a threat, then the research findings should assist conventional travel agencies in identifying the information sources influencing consumer selection of regional travel agencies. Hence, this paper will present the first of a two stage research to identify *the information sources driving consumer's selection of Australian regional travel agencies*.

This paper begins by reviewing the literature relevant to the research issue and then discusses the methodology including the data collection techniques used in researching this issue. Next the findings are presented and these are followed by the conclusions drawn from the research.

## **LITERATURE REVIEW**

Current literature reveals only limited studies conducted on information sources used by consumers on the selection of regional travel agencies. However, travel agencies have been regarded as critical information, planning and booking providers for a large number of travellers (Duke & Persia 1993; Mihalik, Uysal & Pan 1995). Other studies have also investigated several different aspects of travel agencies which include; information technology needs (Bennett 1993; Fodness & Murray 1999), travel agent's role in family decision-making (Michie & Sullivan 1990), advertising strategies (Laskey, Seaton & Nicholls 1994), effective use of relationship marketing (Bennett 1993; Richter 1996) and the selection attributes of travel agencies (Meidan 1979; Oppermann 1998; Persia & Gitelson 1993). However, very few studies have been carried out in Australia, particularly in the South-East Queensland region, which is the key focus of this paper.

**FIGURE 1: PRELIMINARY MODEL OF INFORMATION SOURCES USED IN THE SELECTION OF A TRAVEL AGENCY IN THE AUSTRALIAN REGIONAL CONTEXT**



Source: Fodness & Murray 1999; Mathur, Sherman & Schiffman 1998

Note: Based on the in-depth interview findings, sources of information with a (\*) were not regarded as important to the selection of a travel agency in the Australian regional context whilst sources of information with a (#) were added to the model as important to the selection of a travel agency.

From the literature, a preliminary model (see Figure 1) was developed, comprising a comprehensive list of attributes derived from previous studies by Fodness and Murray (1999) and Mathur, Sherman and Schiffman (1998) who had extensively reviewed a wide range of different studies on information sources used in the selection of travel agencies.

The literature suggested that *personal experience* was often used as the consumer's first choice of information source (Andereck 2005). This internal information derived from past experience and knowledge could potentially influence the consumer's choice of travel agency. Word-of-mouth from *friends or relatives* was often perceived as a trustworthy and credible source of information (Noor, Hashim, Haron & Ariffin 2005; Andereck, Vogt & LeClerc 2003; Rao, Thomas & Javalgi 1992). Individuals were likely to seek information, opinions and suggestions from their friends or relatives, to assist them in making a decision as to which travel agency to patronize.

Findings from previous studies (such as Pocock 1992; Fodness & Murray 1998) had suggested that consumers have traditionally used non-directed public information sources such as *newspapers, magazines, television, radio and yellow pages*, to obtain travel related information. This was further supported by a recent study that revealed television, newspapers, magazines and radio as the top media ad spending in Australia (Veldre 2005).

The development of the internet has also prompted a growing number of studies (for example Law 2005, Tjostheim & Tronvoll 2002; Hanna & Millar 1997) that consider its role in the information search process for travel agencies. Findings in several studies (for example Marcussen 1997; Bonn, Furr & Susskind 1998) suggested that it is critical that tourism organisations exploit the internet in their marketing mixes as a

result of its many advantages (such as global accessibility, convenience in updating, real-time information).

Despite the rapid emergence of travel information technology, the *brochure* remains as a popular and frequently used information source (Andereck, Vogt & LeClerc 2003; Fodness & Murray 1999; Zhou 1997). Brochures were not only used to help consumers plan their trips and as a reference during the trip (Wicks & Schuett 1991) they also served as an information source in their selection of a travel agency.

Finally, *travel guidebooks, travel or automotive clubs and local travel office* (Andereck, Vogt & LeClerc 2003; Fesenmaier & Vogt 1993; Tierney 1993) were also perceived as valuable information sources to consumers when they sought for travel related information. However, the effectiveness of these three sources was still uncertain, particularly when used to select a travel agency.

## RESEARCH METHODOLOGY

Although the research is to be conducted in two stages, only the initial exploratory stage will be discussed in this paper. The exploratory stage took the form of in-depth interviews with five frequent travellers, five occasional travellers and three experienced travel agency consultants, to investigate the appropriateness of those travel agencies selection sources identified in the preliminary model. The selection of these 13 interviewees was based on convenience judgement sampling, where interviewees were chosen through personal contacts or references from peers or colleagues (Malhotra 1996; Patton 1990). These interviews were semi-structured in nature where the discussion was flexible and informal, thereby allowing the interviewer to gain an in-depth understanding of the interviewees' experiences, opinions and attitudes towards those sources of information in the selection of a travel agency in a regional context. In addition, the following objectives were addressed.

- To determine the relevance of the current literature about the research issue in the Australian regional context;
- identify and evaluate sources of information which existing travel agencies need to concentrate on in order to retain existing customers and attract new customers; and
- assist in the questionnaire design and hypotheses to be developed for the second stage of this research.

## FINDINGS

Findings from the in-depth interviews revealed some changes to the preliminary model. Three information sources (travel guidebooks, travel or automotive clubs and local travel office) could possibly be omitted from the model since they were not mentioned by any of the in-depth interview respondents. By contrast, one additional information source (television lifestyle programs) could be included in the model for further investigation in the second stage of the research as they were mentioned by more than 50 per cent of the interviewees. The information sources from the in-depth

interviews will then be used in stage two of this research to determine their relative importance in the selection of a travel agency.

The findings in the exploratory stage supported 10 of the 13 information sources in the selection of a travel agency in the Australian regional context, as developed in the preliminary model. All interviewees agreed that *personal experience* was a very important source to them when selecting travel agencies. Travellers value their previous travelling experiences and would generally use them as a benchmark to determine if the similar travel agency will be used again. Therefore, it is important that travel agencies ensure they offer customers professionally organised travel arrangements so that they will become repeat clients. Positive word-of-mouth advertising would be achieved when customers were satisfied with their purchase experiences.

*Friends and relatives* were regarded as an important source of information in the selection of travel agencies by most of the interviewees. Interviewees suggested that they interact regularly and continuously with friends and relatives, who might have significant influence on their attitudes and behaviours. Furthermore, pressures for conformity might exist that affect the actual travel agency choices. As such, travel agencies should be aware of this social factor and acknowledge the fact that it could determine how consumers were to select their travel agencies.

Interviewees agreed that *TV lifestyle programs* are another source of information in their selection of travel agencies. Interviewees believed that these programs not only provide information about domestic and overseas travel destinations, but also include travel tips and special offers. More importantly, these programs were targeted at potential travellers and were usually sponsored by travel agencies which raises their market profile and increases sales.

*Television, radio, newspaper and magazine* were regarded as sources of information in selecting travel agencies by the interviewees. Interviewees mentioned that advertisements appearing in these media provided them with information (such as price, destination highlights and itinerary) that could possibly affect their choice of travel agencies, but more importantly they were also after special promotions that could result in them making unintended (impulse) buying decisions. The importance of these four types of sources of information was particularly evident in that they dominated the regional Australian media ad spending (Veldre 2005). Furthermore, a study had also identified media spending for travel to be US\$57,580,000 in the first quarter of the year 2005, which put it in the top 10 ad categories in Australia (Veldre 2005).

*Brochures* provided consumers with travelling and tour packages information and could assist them in selecting travel agencies. Interviewees suggested that well-designed brochures were likely to attract their attention and would encourage them to contact the travel agency for more detailed information. For consumers who were busy and had little time, they could take the brochures away and go through them at their convenience and make a decision later. Furthermore, the quality, attractiveness and creativity demonstrated on the brochures could impact on the image and branding of the travel agency.

*Yellow Pages* have long been regarded as an information directory for searching products and services. Interviewees indicated that they looked into *Yellow Pages* to search for and select travel agencies since it provided them with necessary information, to make further contact (eg walk-in and telephone) with their selected travel agency. This was particularly evident when the consumer's intention was to select travel agencies that were located in specific geographical location covered within their local *Yellow Pages*.

Interviewees agreed that they used the *internet* to gather travel related information and select travel agencies when planning for vacations. The ease of access and the large quantity of information available via the internet have made it one of the most important information sources to acquire travel information. Furthermore, the internet also provided opportunities for consumers to seek out special promotions at discounted rate or any last minute bookings.

## CONCLUSIONS

This research investigated why regional travel consumers choose to book their arrangements with travel agencies rather than on-line, given its ready availability. A preliminary model of the information sources which have been seen to influence travel agency selection was developed from the literature. This model originally identified 13 information sources impacting on travel agency selection. However, in-depth interview data from 13 travel industry stakeholders revealed that the model needed some modification. In particular, three information sources in the initial model were identified as not being significant after the in-depth interviews were undertaken. They were travel guidebooks, travel or automotive clubs and local travel offices. As these were not mentioned in the interviews it was deemed that they could be deleted from the questionnaire. However, it was found that television lifestyle programs were identified by the interviewees as an important source of information and so was included in the survey, which will be the next phase of this research.

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