A Study of Travel Agencies' Human Resources in Relation to Internet Marketing

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Abstract—When technological advances emerge in electronic commerce, travel agencies rapidly take account of their application in Internet marketing. Internet marketing presents many advantages to its users, such as the ability to break the barriers of time and space, convenience and speed of trade between travel agencies and consumers, ability to provide customers with sufficient information of travel services and products, and low cost. In order to take advantage of the new Internet market, travel agencies have already set up websites to attract potential customers. However, the traditional marketing of travel agencies generally depends on the sales force, because travel agency representatives act not only as salespeople, but also as guides and escorts. Therefore, personal selling offers the benefits of evaluating travel courses in advance, providing information on various choices, and accompanying customers throughout the trip to help them feel at ease. Since Internet marketing and personal selling both have their own advantages, should travel agency salespeople feel threatened by the emergence of Internet marketing? Will the marketing functions impact travel agency salespeople because consumers purchase services on the Internet themselves? The purpose of this study is to discover whether the travel agencies salespeople feel threatened by the development of Internet marketing. Also, this study seeks to reveal the specific personal thoughts of travel agency salespeople if they do feel threatened. At its conclusion, this study will provide suggestions for training programs or criteria of recruitment for the human resource directors in travel agencies. Also, those interested in travel business may use the results of this study as guidelines as they prepare themselves for the impact of Internet marketing.

Index Terms—travel marketing; electronic commerce; internet marketing; travel agency salespeople

I. INTRODUCTION

According to [19], technology has progressed so rapidly that Internet marketing has became more and more important in the "marketing mix." In the past ten years especially, the economy and society have changed rigorously, and not only the incomes of consumers but also the dollar amounts of purchases have risen. Consumers' habits of purchasing travel products are more different than ever. In order to occupy this market, most travel agencies have invested plenty of resources and manpower in Internet marketing in order to provide the new business opportunities and increased convenience the Internet can provide, through which customers can purchase their travel products. As a result, how do traditional travel agency salespeople feel about this change? Do travel agency salespeople feel threatened in their work, since consumers can now purchase travel products directly over the Internet? Or do these professionals view the Internet as a prosperous new mode of business development? The purpose of this research is to examine the proportions of the travel agency salespeople who do feel threatened and to discover the factors and characteristics of those particular travel agency salespeople.

II. LITERATURE REVIEW

In this section, subjects such as electronic commerce and Internet marketing, the marketing place of travel agencies, and a comparison between Internet marketing and travel agency marketing will be discussed.

2.1 Electronic Commerce and Internet Marketing

2.1.1. Electronic commerce: reference [18] defines electronic commerce as "the buying and selling of goods and services online; conduct of commerce via telecommunications-based tools." Electronic commerce is a modern commercial behavior through Internet service. Several categories involved in e-commerce are as follows: business-to-consumer (B2C), business-to-business (B2B), business-to-government (B2G), consumer-to-consumer (C2C), business-to-employee (B2E) and consumer-to-business (C2B) [5]. From the viewpoints of both definition and categorization, the functions of e-commerce include message transformation and communication between businesses and consumers.

The advantages of electronic commerce include the elimination of barriers related to time and distance, low cost and high effect, easy and fast contact with potential global clients, a revolution of consumer services, and simplified operation procedures [2] [5].

Reference [10] also believes that e-commerce can be utilized through marketing and advertising online, building a company's image, selling products and services, trading online, providing service after a sale, and researching consumers. Considering these benefits, it is not hard to understand why business people are in favor of e-commerce.

2.1.2. Internet marketing: according to [9], marketing is a social and management process by which a person or a group can create values and trade products to satisfy people's needs and desires, and this process by the way of Internet is referred to as "Internet marketing." In 1995, both Time and Newsweek announced that the age of the Internet was officially coming. In Britain, online marketing became so popular that [12] revealed that 84% of business were already using or planning to apply e-mail marketing to promote activities.

Enterprises identified the opportunity to utilize the Internet as a medium to provide and transfer information in order to achieve the goals of promotion and sales. Reference [14] and [16] pointed out that executing Internet marketing with promotion and sales could increase sales volume considerably. Reference [11] stated that a business is suitable for Internet marketing when it 1) provides a service, 2) sells fashion products, 3) offers a product for which customers are seeking a low price, and 4) provides a low product delivery cost. In such situations, businesses can easily build a sustainable relationship with clients and achieve increased sales goals.

2.2 Marketing of the Travel Industry

2.2.1. Marketing distribution: marketing distribution is one of the most important parts of marketing mix; a company's choice of the proper marketing channels to push promotion activities will not only enlarge the market, but also lift the amount of sales.

Reference [9] believed that the marketing distribution channel functions by transferring products from providers to consumers, shortening the time and distance between providers and consumers. In travel agencies, [17] used the term distribution mix to describe these concepts. "It is the combination of the direct and indirect distribution channels that a hospitality and travel organization uses to make customers aware of, to reserve, and to deliver its services." Indirect distribution differs from direct distribution in that it assigns part of its responsibility of promoting, reserving, and providing services to one or more other travel organizations. Because the travel business is a business of service, a key aspect is face-to-face contact with customers; in both direct and indirect distribution, personal selling is a critical phase during the trade process. According to [9], personal selling creates a longer-lasting relationship between consumers and providers. In Taiwan, customers and travel agency salespeople become even more familiar because salespeople also sometimes assume the roles of tour leaders and guides, providing all services from the beginning to the end.

2.2.2. Marketing promotion: in the field of marketing management, promotion uses marketing techniques to communicate information with consumers in order to build great images of products [8] [9]. Reference [17] indicated that "promotional mix" combines several factors to develop a communication strategy for the hospitality and travel organization, including personal selling, advertising, sales promotion, merchandizing, and public relations and publicity approaches for a specific time period. These factors can be categorized into personal selling and non-personal selling. Personal selling includes direct contact with people, while non-personal selling includes advertising, sales promotion, and public relations. Well-executed personal selling provides the most effective way to achieve sales. "It is harder to say no to a personal presentation than to an impersonally communicated message" [17]. Therefore, personal selling is one of the most important and most readily applied promotion strategies in travel agencies.

2.3 Comparison between Internet Marketing and Travel Agency salespeople

2.3.1. Advantages of Internet marketing:

Paperless on-line ticketing system provides not only cost reduction but also time saving benefits [3]. Reference [7], [13] and [20] concluded that travel agencies can gain the following advantages by using Internet marketing: 1) sales can proceed in all-day, year-round marketing broadcasting, 2) updates to travel information can take place any time without a printing fee, 3) costs are reduced through the integration of paper and electronic media with multimedia materials, 4) travel agencies can supply hyperlinks with travel information through which consumers can learn and seek more services, 5) companies enjoy better selling effects when

consumers initiate their own browsing of travel information on the Internet, 6) customers can buy the travel products they want directly, and 7) Internet marketing techniques can focus on a specific target population.

According to [15], the customers' buying process follows the following stages: need awareness, information search, evaluation of alternatives, purchase, and post-purchase evaluation. In these stages, a critical issue is the convenience of obtaining information, including travel destination and travel itinerary. Therefore, Internet marketing allows travel agencies to provide much more complete and convenient travel information without the limitation of time and distance. Because of these features that remove such cumbersome barrier for travel agency salespeople, Internet marketing has become the new development area of marketing management for travel agencies.

2.3.2. Disadvantages of Internet marketing: travel products are seldom necessities; therefore, it is often difficult to push sales. The travel industry, as a service business, combines high-quality service with well-trained customer relationship skills. Personal selling plays an important role in the purchase process. Reference [1] indicated that most travel agency consumers understand the importance of tour arrangements, so their buying behaviors require high involvement. Therefore, the selling process is considered part of the assistance given by travel agency salespeople, and such support is not easily replaced by Internet marketing. Reference [6] mentioned that the high technology of Internet marketing will inevitably lead to self-service in trade and will reduce the contact between travel agency salespeople and clients. In the travel industry, marketing performance considers customer relationships valuable; consequently, Internet marketing is not suitable for travel product selling. In addition, customers are cautious about providing their credit card information on the Internet because the never-ending hackers and thus travel agency may consider give other paying methods as alternatives [3].

As previously discussed, Internet marketing handles two traditional marketing values – promotion and distribution – which used to belong solely to travel agency salespeople. However, the Internet can not technically replace the relationship between the consumer and the tour conductor. Nevertheless, in light of the rise in Internet usage for travel needs, how do travel agency salespeople view such a shift? Do they feel threatened? What professional aspects have the Internet taken over that make travel agency salespeople feel so threatened? This study seeks to answer such questions.

III. METHOD

3.1 Research Steps

As discussed in the literature review, several services typically performed by travel agency salespeople will be replaced by Internet marketing, causing travel agency salespeople to feel threatened. In order to realize the

proportions and the characteristics of travel agency salespeople who feel such a way, the research will follow steps as outlined in Figure 1.
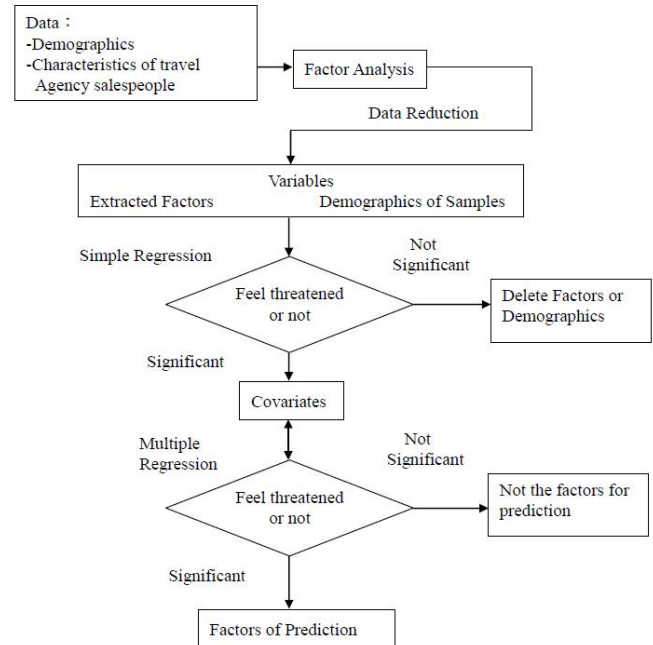

Figure 1. Research Steps

3.2 Hypothesis

According to the research questions, three hypotheses have been formed:

H1: There are significant differences between those who feel threatened and those who do not feel threatened among travel agency salespeople.

H2: There are significant differences in threatened feelings among different demographics of travel agency salespeople.

H3: There is a significant relationship in threatened feelings among salespeople's reaction to different factors of Internet marketing.

3.3 Questionnaire

The questionnaire is composed of two parts. First the questionnaire addresses demographics, including gender, age, professional position, marriage, number of kids, part-time job, and education. Second, the questionnaire addresses the characteristics of travel agency salespeople, using 20 items. The answers are constructed with the Likert scale, with the possible answers being *strongly agree*, *agree*, *neither agree nor disagree*, *disagree*, and *strongly disagree*. According to the pre-test, the reliability is 0.8081 and the validity is 0.7923.

3.4 Sampling

Stratified sampling with proportional allocation is conducted in the sampling. According to the Travel Quality Assurance Association, travel agencies were selected from north, central, and south areas of Taiwan by

proportion. Then, travel agency salespeople were selected randomly from the travel agencies. 400 questionnaires were distributed by mail, and 241 responses were received. The response rate is 60.2%.

3.5 Statistic method

SPSS 16.0 is applied to manage the data analysis, and the statistical method is as follows:

3.5.1. Factor analysis:

(1) Principle component factor analysis: Factors were extracted through the principle component factor analysis and Varimax. When the Eigenvalue is larger than 1 and the factor loading is larger than 0.5, the factor is selected.

(2) Item to total correlation: In order to ensure the core contents of a construct, if the item to total correlation is lower than 0.6, it is deleted.

(3) Internal consistency analysis: For the internal consistency of each construct, Cronbach's α is required to be higher than 0.7 [4].

3.5.2. Logistic regression: the dependent variable is the feeling of being threatened, and the independent variables are the demographics and the characteristics of the travel agency salespeople. Using the Logistic Regression model in simple regression analysis first to find the significant related factors individually, this study then applies those significant factors as covariates to create a prediction model by multiple regression analysis.

IV. DATA ANALYSIS

4.1 Demographics

Among the 241 samples, 68.5% feel threatened by Internet marketing, and 31.5% do not feel so. The results are detailed in Table 1.

4.2 Factor Analysis

Items are deleted when the factor loadings are lower than 0.6, and the 20 items are screened into 13 items. After the factor analysis, the characteristics of travel agency salespeople are extracted into 3 factors; Cronbach's α are all higher than 0.7, as outlined in Table 2.

TABLE I.
DEMONGRAPHICS

	Number	Percentage		Number	Percentage
Gender			Number of kids		
Male	106	44%	0	128	53.1%
Female	135	56%	1	68	28.2%
			2	21	8.7%
Age			3	18	7.5%
20-25	39	16.2%	4	3	1.2%
26-30	69	28.6%	5+	3	1.2%
31-35	55	22.8%			
36-40	24	10.0%	Working experience		
41-45	27	11.2%	1-2 years	59	24.5%
46-50	24	10.0%	3-4 years	77	32.0%
Other	3	1.2%	5~6 year	48	19.9%
			7~8 year	27	11.2%
Education			8 year and more	30	12.4%
Elementary	3	1.2%			
Junior high	15	6.2%	More than 1 job		
Senior high	96	39.8%	Yes	66	27.4%
Institutes	94	39.0%	No	172	71.4%
College	30	12.4%	No response	3	1.2%
Graduate	3	1.2%			
			Travel agent type		
Marital status			In & out bound	80	33.2%
Separated	13	5.4%	In bound	138	57.3%
Live together	14	5.8%	Domestic	23	9.5%
Widower or widow	3	1.2%			
Married	103	42.7%	Threatened feeling		
Single	108	44.8%	Yes	165	68.5%
			No	76	31.5%
			Total	241	100%

TABLE II.
TRAVEL AGENGCY SALESPEOPLE CHARACTERISTICS ANALYSIS

Factor item	Factor loading	Eigenvalue	Cumulative % of variance	Cronbach's α
Internet marketing prospect				
E-commerce means new consumers	.818			
Traditional travel business replaced by the Internet	.780			
Sales achievements higher with e-commerce	.727			
Because of Internet marketing, sales become more difficult	.701	3.612	27.510	.8377
I have had experiences of losing clients to Internet marketing	.673			
I will use e-mail to communicate with customers	.650			
I think Internet marketing will prevail in the travel business	.610			
Work frustration				
I have visited potential customers who declined the sales	.896			
The client doubted my information when they asked for it	.870	3.041	48.905	.8778
For salespeople, clients are diminishing	.861			
Work devotion				
I will visit previous clients, even they do not need my services	.777			
I will prepare necessary documents when visiting potential customers	.658	1.503	62.739	.7509
I devote much time to my sales job	.646			

4.3 Logistic Regressing with Demographics and Characteristics

The simple logistic regression model shows that the gender, education, and travel agency type significantly predicted threatened feelings. See Table 3.

TABLE III.
DEMONGRAPHICS AND THREATENED FEELINGS

Independent variable	β	S.E.	P value	Exp(β)
Gender	0.677	0.290	0.020*	1.9671
Education	-0.624	0.284	0.028*	0.536
Travel agency type	-0.965	0.443	0.029*	0.381

*P<0.05

The proportion of female salespeople who feel threatened is higher than the proportion of male salespeople who do. With an institute or college education or higher, the proportion of salesmen who feel threatened is lower than the number of salesmen with lower education. Within the travel agency type, the proportion of domestic travel agency salespeople who feel threatened is lower than the proportion of inbound and outbound salesmen.

The other simple logistic regression model shows that characteristics of salesmen (internet marketing prospect, work devotion, and work frustration) significantly predicted threatened feeling. See Table 4.

TABLE IV.
CHARACTERISTICS AND THREATENED FEELINGS

Independent variable	β	S.E.	P. value	Exp(β)
Internet marketing prospect	0.580	0.1782	0.001*	1.786
Work devotion	-1.481	0.212	0.037*	1.5558
Work frustration	0.443	0.241	0.000*	0.2273

*P<0.05

Table 4 shows that Internet marketing prospect and work frustration are positively significantly related to threatened feeling. Work devotion is negatively significantly related with threatened feeling.

4.4 Multiple Logistic Regression with Factor

Using both factors of demographics and characteristics as covariates as independent variables, the multiple logistic regression model shows that the Internet marketing prospect, work devotion, and work frustration significantly predicted threatened feeling. See Table 5.

TABLE V.
MULTIPLE LOGISTICS REGRESSION

Covariates	β	S.E	P value	Exp（β）
Internet marketing prospect	0.6089	0.2072	0.0033*	0.5439
Work devotion	-0.4250	0.2763	0.1240	0.6538
Work frustration	1.4808	0.2446	0.0000*	4.3964
Constants	-2.3181	1.6468	0.1592	

*P<0.05

The multiple logistic regression model is as follows:

$$\ln \frac{P}{1-P} = f(x) = -2.3181 + 0.6089 * a - 0.4250 * b + 1.4808 * c$$

> a: Internet marketing prospect
> b: Work devotion
> c: Work frustration

According to this model, if a travel agency salesperson has a higher Internet marketing prospect, is not devoted to his work, and feels frustrated at work, he will have a higher threatened feeling concerning Internet marketing.

V. CONCLUSION

Almost 70% of the travel agency salespeople had threatened feelings with regard to Internet marketing. Furthermore, this feeling had significant relation to individual factors such as gender, education, travel agency type, Internet marketing prospect, work devotion, and work frustration. To predict threatened feelings, a model combining Internet marketing prospect, work devotion, and work frustration was developed by multiple logistic regression. This means that a travel agency salesperson with higher Internet marketing prospect, lower work devotion, and higher work frustration will have higher threatened feelings with regard to Internet

marketing.

Therefore, if a salesperson has confidence in the Internet marketing prospect, ways in which to take the advantage of Internet marketing will be a solution to those threatened feelings. High work devotion improved the communication with clients with whom the salesmen created close relationships, and they think those relationships are not replaceable. Those with work frustration face the inevitable task of improving their selling skills to overcome the drop in clientele due to the rise in Internet marketing.

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