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Travel agency marketing strategy: insights from Switzerland

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Abstract

This paper provides insight into alternative strategies for travel agencies in a matured travel market with a high internet penetration. Discounting arguments that claim that there will be no need for travel agents in future, two possible roles for travel agents can be derived from theory and prior studies in the field: travel agents can survive if they focus on specific specialized services, such as travel consultation (specialization; hypothesizing that systematic differences exist between the usage of travel agents for different travel contexts), and travel agents can survive if they focus on specific segments of the market, such as older travelers (segmenta-tion; hypothesizing that systematic differences exist between the usage of travel agents depending on the personal characteristics of travelers). Results indicate that the use of travel agencies is indeed associated with specific services related to package holidays, transport services, beach or city holidays, as well as destinations travelers are not familiar with. In contrast, no clear association between travel agent use and socio-demographic characteristics of travelers exists. Hence, the findings from this study support the notion that the most promising future for travel agents will lie in specializing in travel contexts and travel components where other booking channels and media are unlikely to be able to offer a full substitute for travel agent services.

Keywords
Travel agency, distribution, information sourcing, travel market

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ABSTRACT

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Results indicate that the use of travel agencies is indeed associated with specific services related to package holidays, transport services, beach or city holidays, as well as destinations travelers are not familiar with. In contrast, no clear association between travel agent use and socio-demographic characteristics of travelers exists. Hence, the findings from this study support the notion that the most promising future for travel agents will lie in specializing in travel contexts and travel components where other booking channels and media are unlikely to be able to offer a full substitute for travel agent services.

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INTRODUCTION

Study context

The internet is a reality of today's tourism industry; it has penetrated the decision making process of travel as well as affected how transactions are made (Beldona 2005; Gursoy and Umbreit 2004), resulting in some major changes within the travel industry (Smith 2004). The most obvious one has been the emergence of a high number of internet travel marketplaces, many of them initiated by international conglomerates of airlines and tour operators. Evans and Wurster (1997) as well as Lewis et al. (1998), Smith (2002), and Jones et al. (2003) have argued that this development has been driven and will be driven in the future by the free access to and availability of information, which is becoming rather ubiquitous via the web, forcing businesses to rethink their strategic position. The internet offers a new context in which to do business, switching from a channels to a media perspective (Rayport and Sviokla 1994), with numerous implications for the distribution of products (Weiber and Kollmann 1998). This is especially true in the travel business where consumption is normally decoupled from the commitment to consume (booking) and the purchase-related information search (Bieger and Laesser 2004; Crotts 1998).

Not surprisingly, tourism researchers have emphasized the importance of the internet on travel and tourism in general and on the distribution of products and services in particular (Law et al. 2004). From a supplier's perspective, the success potentials derived from operating a web-site consist of lower distribution costs, higher revenues, and a larger potential market share (due to the ubiquitous access). For travelers, the internet allows direct communication with tourism suppliers facilitating requests for information, and allowing services and products to be purchased at any time and any place (Olmeda and Sheldon 2001).

As travelers can tap several channels and different media in conjunction and simultaneously, providers have to ensure that their services are present (in terms of providing information as well as possibilities for transactions) on all relevant channels (Reinders and Baker 1998). Therefore, and as claimed for instance by Pearce and Schott (2005), a better understanding is still needed as to how channels and media are used by different types of traveler in different types of travel situation, thus taking a dynamic situational perspective (Bieger and

Laesser 2002a, and 2000a, b), combining characteristics of travelers with characteristics of trips.

Travel agencies as the major intermediaries in tourism are faced with a significant challenge. It has been assumed for quite some time that a profound disintermediation is taking place, driven by the enabling power of the internet, which enables travelers to substitute themselves for travel agents and make their own arrangements (Law et al. 2004; Tse 2003; Laesser and Jaeger 2001; Winston et al. 1997). That initial position in combination with commissions capping on behalf of airlines has lead to instances where travel agencies are pronounced dead or at least facing an uncertain future, not only by the general media but also in scholarly commentators (arguing that travelers could bypass travel agencies altogether; cf. Buhalis 1998; Barnett and Standing 2001). Other authors proposed that if travel agencies embrace a business model that would extend the mere existence as a booking agency (thus focusing on consultation and interpersonal contact), disintermediation would only be minimal (Palmer and McCole 1999; Walle 1996). As a matter of fact, commission-cutting, which began in the US well ahead of Europe, has had a profound effect especially on business travel agents. Consequently, many of them have re-invented themselves as "travel managers"; instead of selling tickets and making arrangements, they charge consultancy fees for reducing the amounts client companies spend on travel (Daneshku 1999).

However, if travel agencies have an increasing role (and possibly potential) in specific areas of the traditional travel agent business, such as travel consultancy and troubleshooting, it becomes imperative to investigate (1) whether a distinct portfolio of services is particularly suitable for travel agents, and/ or (2) whether a distinct segment of customers is particularly suitable for travel agents. In the present study we investigate these two research questions. Specifically we study whether (1) systematic differences in travel agent use exist across travel contexts. If so, travel agents could reorient their business to focus on contexts that are less substitutable by other channels and media. Factors hypothetically attributing to the delineation of travel contexts include (1a) choice of destination, (1b) the number of previous trips (indicating the familiarity with a destination), (1c) means of transportation, (1d) type of accommodation, (1e) nature/ type of the trip, (1f) time of booking (as indicator of spontane-

ous/ planned travel), and (1g) overall travel expenditures. Furthermore we investigate whether (2) systematic differences in travel agent use exist in dependence of personal characteristics with tourists. If so, travel agents could benefit from a segmentation approach and customize and target their services to those travelers that are most likely to be and remain their customers. Factors hypothetically attributing to the delineation of travelers include (2a) travel expenditures per day, (2b) the importance assigned to travel information (as indicator for higher perceived risk), and (2c) socio-demographics (age, gender, highest completed education, professional position),

The majority of previous studies about the role of travel agents with regard to the travel information search and booking behavior have taken an incoming perspective (i.e. looking at visitors from different markets at a similar destination; cf. to the literature review later on). Such studies cannot compare travel agent use across contexts and destinations. That comparison is, however, of central importance in determining whether specialization of travel contexts or market segments is the more promising strategy for travel agents. Therefore, this paper tries to fill that gap by studying the international travel behavior of the Swiss population. Such an approach ensures that both a wide variety of travel contexts and tourists heterogeneous with respect to travel behavior and socio-demographics are included, permitting investigation of the research questions stated above for the case of a mature travel market.

The case: Swiss international travel

How people travel differs by degree of market maturity (Hopkins et al. 2002; Ehrenberg *et al.* 1997). The case in this paper – Switzerland – can be considered as a mature travel market: First of all, travel shoppers are experienced as well as sophisticated (Hopkins et al. 2002) and their domestic buying environments are highly evolved (the net travel propensity for instance has been amounting to well above 75 percent; Bieger and Laesser 2005). Secondly, the share of frequent travelers in this country is well above the proposed threshold for a mature market (50 percent; in the case of Switzerland this number amounts to 68 percent; cf. to Bieger and Laesser 2005). Consequently, product utilities are primarily driven by price and quality issues as well as brands. Subsequently – and not surprisingly - growth in such markets (and in

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Switzerland) is close to nil (D'Souza and Rao 1995 as well as Ehrenberg *et al*. 1997; with regard to Switzerland Bieger and Laesser 2005). Finally, Switzerland does not only have the highest population-computer ratio in Europe but also one of the highest levels of internet penetration (in terms of use of the web as a day-to-day media), with more than 75 percent of the population older than 14 using the web on a regular daily base (ICT 2005). Comparable penetration rates in other countries/ areas as reported by Internetworldstats (2006) are such as 50 percent in the European Union, 35 percent in all of Europe, 69 percent in North America (USA and Canada combined), and 69 percent in Australia respectively. Hence, Switzerland serves well as an example for a study on inclusion or exclusion of travel agencies within a mature market.

As with respect to Switzerland, we support the assumption that disintermediation has been taking place. The booking shares of travel agencies with international trips have been constantly declining over the past few years, resulting in the following 2004 numbers: package tours (37 percent), accommodation (5 percent), and transport (43 percent). However, the share of online bookings has been on the increase, reaching 11 percent with regard to package tours, 18 percent with regard to accommodation, and 13 percent with regard to transport (all shares within the respective booking shares; Bieger and Laesser 2005). More insight into the means of interaction used per type of booking intention is presented in Table 1, which highlights face-to-face conversation and the telephone as the predominant ongoing styles of communication when it comes to bookings with travel agencies.

Table 1: Means of interaction by booking object, differentiated according to of a travel agency was involved in the booking or not

Booking of package tour	No agency included	Agency included
telephone	41.1%	25.8%
face-to-face conversation	18.1%	48.3%
letter	10.9%	4.2%
fax	2.8%	4.3%
E-mail	11.2%	8.4%
online/ Internet	13.4%	7.7%
other	2.4%	1.3%

Booking of accommodation	No agency included	Agency included
telephone	33.8%	17.9%
face-to-face conversation	6.5%	29.4%
letter	6.0%	19.3%
fax	4.5%	3.1%
E-mail	22.0%	14.6%
online/ Internet	24.4%	12.5%
other	2.8%	3.2%
Booking of transport service	**No agency included**	**Agency included**
telephone	18.0%	20.5%
face-to-face conversation	17.1%	54.0%
letter	0.5%	0.6%
fax	1.7%	1.8%
E-mail	11.8%	10.0%
online/ Internet	48.7%	10.5%
other	2.1%	2.6%

Source: adapted from Bieger and Laesser (2005)

Still, and at this point, travel agencies still exist in large numbers in Switzerland. A number of explanations can be brought forward: first of all, some travel agencies seem to have repositioned themselves as travel consultants (and trouble shooters), and secondly, they have become more technologically oriented (Bennet and Lai 2005; Laesser 2005). It is therefore of interest to gain insight into the types of business they actually allocate in relation to the totality of the ones they do not allocate.

The remainder of the paper is structured as follows: we continue with a literature review in the next section, followed by a methodological section. The results are then presented and discussed. In a final section we draw a number of marketing conclusions as well as raising issues for further research.

LITERATURE REVIEW

As the introduction has shown, the impact of the web on travel agencies has been under the spotlight quite some time now. Paying respect to the core function of travel agencies as information providers (apart from their function as a contact and location to make bookings/ reservations), the literature review is focused on information search. Referring to that topic, we shall take two perspectives: (1) information search (traveler perspective), and (2) market segmentation by information/ booking channel and booking media (supplier perspective). In (1) the reasons for why travelers make use of different sources of information are investigated whereas in (2) the observable outcome of that behavior is broached.

Information search (traveler perspective)

First of all, the traveler's decision to include a travel agency in the travel planning process (i.e. possibly make a booking) can be derived from the wish to gather comprehensive information at the same type of institution (one-stop shop). This type of information search behavior and thus inclusion of a travel agency can either be driven by both (1) the individual's sociodemographic characteristics (cf. Bonn, Furr, and Hausman 2001; Schonland and Williams 1996; Crompton 1992; Snepenger *et al*. 1990; Leiper 1990; Hugstad and Taylor 1987) in combination with travel-specified differences (Fodness and Murray 1999; Schul and Crompton 1983 or Bieger and Laesser 2002b) and (2) - from a functional approach with regard to information sourcing (e.g. Bloch, Sherell and Ridgway 1986; Zaichkowsky 1985) - issues such as the degree of product knowledge (e.g., Hirschman and Wallendorf 1982), utility (Bettman and Sujan 1987), efficiency (Bettman 1973), and perceived uncertainty and risk (Murray 1991; Urbany, Dickson, and Wilkie 1989). With regard to the latter, information search is optimized in terms of limiting uncertainty and risk related to travel, maximizing the utility of the information retrieved by the most efficient means possible. Therefore, perceived uncertainty related risks and information search are positively correlated (Hugstad and Taylor 1987; Lutz and Reilly 1973), whereby trust in and trustworthiness of an information source as well as booking channel become a key issue (Susskind, Bond and Dev 2003; Fam, Foscht, and Collins 2003). According to a number of authors, it was the internet's lack of trustworthiness which led to an overall slower growth of online tourism markets than originally expected

(Lexhagen 2005), concluding that for the future growth of online tourism markets websites would need to be based on added values first of all aimed at the reduction of risk and uncertainty (Nysveen 2003; So & Morrison 2003).

Lo, Cheung, and Law (2002) as well as Beritelli, Bieger, and Laesser (2004a) argue that trustworthiness can be derived from – among other factors - the degree of individualized commitment of an information source. The Web is considered as a non-committal non-neutral source of information and is mostly complemented by information provided either by travel agencies or by friends and relatives, who might not be neutral as well but may be considered committal in the sense that false or misleading information might bear consequences on an interpersonal level. This notion is also brought forward by the results of a study by Vasudavan and Standing (1999), which claims that it is the consultants who, from a customer's perspective, represent the agency and personalize the service to such a degree that it is likely to become committal and thus trustworthy.

So, and finally, the results of a study by Law, Leung, and Wong (2004) come as no surprise: their experimental results show that tourists still use professional services and advice offered by travel agencies, despite the fact that more information than ever could be found through the Internet and in other sources. The authors suggest that both online and traditional channels and media can coexist in the future, implicitly suggesting a complementary instead of a substitutive relationship.

Market segmentation by information/ booking channel and media (supplier perspective)

Back in the nineties, Snepenger et al. (1990) had already pointed out that the use or non-use of travel agents serves well as a segmentation criterion. According to a number of studies this is basically due to the portal role they may or may not take within a travel decision making process, resulting in different distribution structures (Fesenmaier and Jeng 2004; Bieger and Laesser 2004a). An early study by Weber and Roehl (1999) provided a profile of people with a high likelihood of purchasing travel arrangements on the web. According to the authors, those persons are more likely to be 26 to 55 years of age, to have higher incomes, to be employed in management, professional, or computer related occupations, and to have more

years of experience on-line. Those results were also supported by studies of Bonn, Furr, and Susskind (1999) or Bonn, Furr, and Hausmann (1999).

Derived from the results of a study by Bieger and Laesser (2004a) and assuming that travel agencies are considered a professional source of information, such intermediaries would possibly be included in the planning of trips characterized as follows: (1) medium to long distance trips to destinations with regard to which the travelers cannot draw on previous experience, (2) medium to long lasting, (3) complex (sightseeing) and international commodity-type of trips (city trips and beach holidays), (4) trips using commercialized types of accommodation, (5) and those with a comparably short planning horizon.

In terms of shopping attributes (such as time saving, price, convenience, reduced risks, customer service factors or the variety of goods), a study by Card, Chen, and Cole (2003) suggests no significant differences exist between how online shoppers and non-shoppers perceive Internet and conventional shopping. However, differences were found in terms of personal characteristics and the type of product bought online, with airline tickets ranking first ahead of accommodation and packaged products. The first rank was supported by the results of a study by Wolfe, Hsu, and Kang (2004); however, they suggested that accommodation is more likely to be booked directly and not online. Pearce and Schott (2005) in a recent study of inbound travel to New Zealand point out that intermediaries (i.e. travel agencies) are more likely to be associated with international rather than domestic, and with packaged rather than individual, travel. In contrast, the inclusion of travel agencies with regard to accommodation bookings is evenly distributed, i.e. the decision of international visitors as to whether to include a travel agency in their planning and booking is not driven by the accommodation they are about to choose.

A recent study by Law, Leung, and Wong (2004) for the case of inbound travel to Hong Kong suggests that travelers do not have a clear preference for purchasing through either websites or travel agents, with one exception: short-haul travelers were less willing to purchase online than long-haul travelers. The authors assume that the reason for such a difference could be due to traveling costs, information need and processing time. Apart from

that, travelers generally perceive services by travel agents as important and – case-wise – indispensable.

HYPOTHESES

From this literature review a number of hypotheses can be derived regarding the association of travel agent use and context factors (research question 1; hypotheses numbered 1.x) as well as travelers' personal characteristics (research question 2; hypotheses numbered 2.x). We refer to respondents who make use of travel agents as the "AGENCY" group and those who do not as the "OTHER" group. We compare the distributions of different items across those two groups in relation to their overall market shares.

Due to the role of travel agencies in regards to information dissemination, we assume that travel agencies are capable of contributing to travel-related risk control. Furthermore, the information they provide is committal in the sense that a specific agent takes over responsibility with regard to familiarizing a potential tourist with the various possibilities (destination, activities, etc). In contrast, a visitor already familiar with a destination will not need to rely that much on the services of a travel agency. Hence, with increased familiarity with a destination, the need for professional support in travel preparation decreases. From this we derive H1.1: The number of previous trips to a given destination is significantly lower than expected for the AGENCY group than for the OTHER group.

We assume that the number of previous trips is closely associated to the traveling distance between Switzerland and the destination, i.e. people travel more often to close places than to distant ones. Hence, travel agencies would rather be contacted for long haul trips than short haul ones. From this we derive H1.2: The share of intercontinental destinations is significantly higher than expected for the AGENCY group than for the OTHER group.

We presume that trips whose planning includes a travel agent last comparably longer than other ones, mainly because they hypothetically include long haul destinations and result in comparably high expenditures. This leads to H1.3: The share of trips with a duration longer than one week is significantly higher than expected for the AGENCY group than for the OTHER group.

From the supposition that travel agencies are especially involved in medium and long haul travel, which with regard to transport would require the use of a plane, we assume that air travel is predominantly booked through travel agencies. We therefore formulate H1.4: The

share of 'flights' as the means of transport is significantly higher than expected for the AGENCY group than for the OTHER group.

With the presumption that travel agencies are included in planning long haul and at the same time comparably high expenditure trips, we assume that the choice of accommodation is likely to benefit commercial high-quality types of accommodation. This leads to H1.5: The share of high quality commercial accommodation is significantly higher than expected for the AGENCY group than for the OTHER group.

Previous studies have revealed that travel agencies are specifically included in the planning of long haul, international travel (sightseeing trips) as well as highly commoditized types of trips (such as beach holidays and city trips). Alternatively, one could presuppose that travel agencies have largely coped with the threat of disintermediation by increasingly becoming travel consultants instead of just booking engines. This would result in highly commoditized trips such as beach holidays and city trips with little necessity of preparation recording relatively low scores. In contrast, trips with rather complex and possibly demanding preparation (including sightseeing trips) would record comparably high scores. Nevertheless, we prefer the 1st assumption, thus hypothesizing that (H1.6) the occurrence of trips characterized as beach holidays, city trips and sightseeing trips is higher for the AGENCY group than for the OTHER group.

Due to the likely nature of trips booked through a travel agency (cf. previous hypothesis, i.e. beach holidays and city trips), we assume that the activity profile of such trips differs in the following terms: (1) more summer - less winter sports; (2) more activities related to getting to know and experiencing the built destination - fewer activities based on the natural preconditions of a destination. This leads to H1.7: The degree of execution of the following group of activities is higher for the AGENCY group than for the OTHER group: (1) summer relaxation activities (sports, relaxation), (2) city activities (such as sightseeing, cultural entertainment). In contrast, the degree of execution of the following group of activities is lower for the AGENCY group than for the OTHER group: (1) winter sports and (2) activities executed on the basis of the natural attributes a destination has to offer.

In accordance with the previous assumption, we presume that the share of travel agencies is higher with packaged tours and air transportation and particularly low with regard to accommodation booking. H1.8 therefore proposes that the share of packages and transportation is significantly higher than expected for the AGENCY group than for the OTHER group. In contrast, the share of accommodation bookings is lower than expected for the AGENCY group than for the OTHER group.

We presume that the time span between booking and traveling is shorter with the inclusion of travel agencies than without. We base this on the fact that travel agencies are professional information brokers having access to last minute offers. Additionally, results of previous studies have indicated that the inclusion of professional information providers is associated with a comparable short travel planning horizon. This leads to H1.9 that the time-span between (H1.9a) the final travel decision, (H1.9b) the booking of a package, (H1.9c) the booking of accommodation, (H1.9d) the booking of transportation and departure is significantly shorter for the AGENCY group than for the OTHER group.

We assume - derived from the previous hypothesis with regard to the choice of destination as well as the duration – that long-haul, long-lasting trips generally lead to higher expenditures and thus a higher perceived spending-related risk. The limiting of those risks would well result in the inclusion of a travel agency. From this rationale, we hypothesize as follows: Travel expenditures in terms of (H1.10) overall expenditures as well as (H2.1) expenditures per day are significantly higher for the AGENCY group than for the OTHER group.

Due to the assumed high expenses associated with an AGENCY type of trip and possible budget restrictions, we assume that the number of participating household members is comparably smaller, leading to H1.11: The number of household members taking part in trips is lower for the AGENCY group than for the OTHER group.

The need for information, which makes certain consumers consult a travel agency, is associated with a comparably high importance given to alternative sources of information. We basically assume that the inclusion of a travel agency in the travel organization does not substitute alternative sources of information but rather complements them. We therefore

assume that (H2.2) the importance assigned to alternative sources of information is higher for the AGENCY group than for the OTHER group

Finally - based on previous research of this market by Bieger and Laesser (2005) - we assume that the following groups of people would rather include travel agencies in their planning: younger people (who tend to choose long haul destinations and among whom the share of longer trips is significantly higher than for other age groups), and well educated persons with a good professional position (their travel propensity as well as their share of long haul destinations is comparably high). We do not assume that there are differences between genders, basically because many trips are made in gender-mixed groups. Consequently the following hypotheses are derived: H2.3a: There is no significant difference with regard to gender between the AGENCY group and the OTHER group. The following shares of entries (i.e. persons with a travel group from the same household) are higher than expected for the AGENCY group than for the OTHER group: (H2.3b) young persons, (H2.3c) rather well educated persons, and (H2.3d) persons with good professional positions.

METHODOLOGY

The study is based on data from an extensive representative survey of travel behavior within the Swiss population (citizens, naturalized and foreign citizens; cf. "Travel Market Switzerland 2004" by Bieger and Laesser 2005). The unit of analysis is "trip cases" (1 person 1 trip); with trip cases being regarded as a leisure journey by private persons with at least one overnight stay outside their residence community, away from everyday life.

For the purpose of this study, we selected all international trips (53 percent of the sample), thus excluding domestic travel from this study. International trips in this context are tantamount to a travel distance of at least 250 km to one or multiple destinations outside of Switzerland. We have excluded domestic trips for two reasons: (1) Switzerland is a small country in which domestic trips are typically undertaken for very specific reasons (Bieger and Laesser 2005) and these could bias the results of the study. (2) Comparisons with federal census data on the basis of gross travel intensity show that in the survey 'Travel Market Switzerland 2004' approximately 20 percent of all trips taken have not been recorded. These trips are mainly vacations at people's own holiday homes: many tourists consider their second homes as part of their usual residential environment and, therefore, do not perceive visits to these homes as leisure trips. Since travel to second homes usually is domestic (Bieger and Laesser 2002b), the exclusion of domestic travel for the purpose of this study assures that this bias is not reflected in the present study results.

The sample was split with travel agent usage as a grouping criterion. This approach is in line with the procedure for Concept 1 (a priori or commonsense) segmentation studies as discussed in Dolnicar (2004) where "a subgroup of the total tourist population" is "determined by an a priori or commonsense criterion". The use of a travel agent for any component of the trip was sufficient to group a case into the AGENCY rather than the OTHER segment. The categorization of respondents as AGENCY or OTHER was based on each trip.

In a second stage of analysis, differences and similarities between travel specific as well as socio-demographic characteristics were tested between those two groups.

Data collection and sample

The data collection (executed by GfK, one of the leading market research companies in Europe, on behalf of the authors of this paper) took place during the entire year 2004. The survey instrument consisted of self-administrated and structured written interviews (one per trip), which were conducted with a representatively pre-selected number of 3,050 households and all their members, surveying all of their private trips during one year (all interviews stem from a sample of households, located in the German- and French-speaking part of Switzer-land; the data is representative in terms of size of household, age, gender, income, education, and profession). Respondents were contacted 4 times during 2004, reminding them to return completed questionnaires.

The final sample contained respondents who acted in all four quarters of 2004, either by providing completed surveys or by stating that they had not traveled in that particular quarter. The sample includes 4,081 respondents from 1,540 households who have in total undertaken 11,245 trips in 2004. The sub sample used for this study - which includes international travel only – consists of 6,186 cases.

Variables and Data analysis

Respondents were asked to indicate by means of a simple yes/ no question if they had made any travel bookings in general and bookings of a package tour, transport or accommodation service in particular, through a travel agency. The responses to these questions were used as the splitting criterion for the a-priori or commonsense segmentation (Dolnicar, 2004). So, the categorization of respondents as agency or other was based on each trip. Next, t-tests and Chi-square test on item level were performed to assess whether the hypothesized difference between the two a priori segments were significant or merely due to chance variations. As the intention of this study lies in understanding differences at item level rather than at the level of abstract constructs, we refrained from factor analyzing the variables, thus accepting the potential for a large number of significant results. However, and given that multiple tests were computed based on the same data sets and therefore potential interaction effects would not be reflected in the p-values of the respective tests, p-values were Bonferroni corrected. This

correction increases the p-value, taking into consideration the number of independent tests computed, and provides a conservative estimate of the significance of tested hypotheses.

The following trip specific variables were included in the analysis (listed along the hypotheses; in parentheses: scale):

(1) number of previous trips to destination (ordinal; as an indicator for familiarity, i.e. internal information; grouping according to number of previous trips), (2) major destination (nominal), (3) duration of trip (ordinal; grouping according to different ranges or duration), (4) major means of transportation to destination (nominal), (5) major means of accommodation at destination (nominal), (6) type/ nature of trip (ordinal; 4 point relevance scale, from 'no relevance at all' to 'key/ core relevance'), (7) activities pursued during trip (metric; intensity of execution, calculated by dividing the number of days on which an activity was undertaken divided by the overall duration of the trip surveyed), (8) booked elements of trip before departure (nominal), (9) time span (weeks) between booking of components of trip and departure (metric; weeks), (10) expenditure per participating person (metric; in Swiss Francs), (11) number o household members taking part in this trip (nominal, due to the fact that there is one level incorporating 4 and more travel companions), and (12) sources of (external) information (ordinal; 4 point importance scale, from 'not important at all to 'very important').

Additionally, the following socio-demographic variables were tested: (1) gender (nominal), (2) age (nominal; grouping according to age range), (3) education (nominal), (4) occupation/ position (nominal).

RESULTS

We present the results along with the hypotheses, offering interpretive comment only when the results deviate from the rationale brought forward when developing the hypotheses.

H1.1: *The number of previous trips to a given destination is significantly lower than expected for the AGENCY group than for the OTHER group.* The results support this hypothesis. However, the contingency coefficient reveals only a trivial association between the variables tested. As the results in Table 2 indicate, people draw on travel agencies for information and booking when they are not familiar with their proposed destination. The more people are aware of what they are about to expect, the less they would be likely to include a travel agency in their planning.

H1.2: *The share of intercontinental destinations is significantly higher than expected for the AGENCY group than for the OTHER group.* The results support this hypothesis. As the results in Table 2 indicate, it is also the choice of European destinations apart from neighboring countries that lead to the inclusion of a travel agency in travel planning. The contingency coefficient further reveals a relevant association between the variables tested, i.e. travel agency inclusion is sometimes a result of the choice of destination.

Table 2: Descriptors in relation to inclusion of travel agencies

Travel context descriptor	Inclusion of travel agency	
	No (80.8%)	**Yes (19.2%)**
H1.1: Number of previous trips to destination **(X^2=166.194; p<0.000*; CC=.123**		
None	78.1%	**21.9%**
1-2	76.0%	**24.0%**
3-5	**82.3%**	17.7%
5-10	**82.0%**	18.0%
More than 10	**85.8%**	14.2%
H1.2: Major destination (ring model) **X^2=607.420; p<0.000*; CC=.299**		
Austria	**92.6%**	7.4%
Germany	**87.8%**	12.2%
France	**89.5%**	10.5%
Italy	**89.8%**	10.2%

Travel context descriptor	Inclusion of travel agency	
	No (80.8%)	Yes (19.2%)
Europe (excl. Switzerland and neighbouring countries)	73.6%	**26.4%**
Americas	52.8%	**47.2%**
Africa	57.4%	**42.6%**
Asia	59.2%	**40.8%**
Oceania (Australia and New Zealand)	53.7%	**46.3%**
H1.3: Duration of trip **X^2=117.718; p<0.000*; CC=.137**		
1 night	**93.2%**	6.8%
2-3 nights	**87.3%**	12.7%
4-7 nights	**83.6%**	16.4%
8-14 nights	75.3%	**24.7%**
15-21 nights	75.7%	**24.3%**
more than 21 nights	74.6%	**25.4%**

* Bonferroni corrected p values significant at the .01 level

Bold: denotes significant results (p<0.001)

Table 2: Descriptors in relation to inclusion of travel agencies (cont'd)

Travel context descriptor	Inclusion of travel agency	
	No (80.8%)	Yes (19.2%)
H1.4: Major means of transportation to the destination **X^2=1,159.297; p<0.000*; CC=.397**		
car (own/ rental), motor home (own/ rental)	**96.2%**	3.8%
railway/ train	60.1%	**39.9%**
scheduled flight departing from Swiss airport	64.4%	**35.6%**
scheduled flight departing from non-Swiss airport	63.4%	**36.6%**
charter flight departing from Swiss airport	59.6%	**40.4%**
charter flight departing from non-Swiss airport	45.6%	**54.4%**
ship/ cruise	66.7%	**33.3%**
bus	**93.2%**	6.8%
motor bike, motor cycle	**99.2%**	0.8%
H1.5: Major means of accommodation at destination **X^2=105.595; p<0.000*; CC=.138**		
Hotel/ Resort/ Motel ****-*****	74.5%	**25.5%**
Hotel/ Resort/ Motel **-***	79.1%	**20.9%**

Travel context descriptor	Inclusion of travel agency	
	No (80.8%)	**Yes (19.2%)**
Hotel/ Resort/ Motel *	75.1%	**24.9%**
Friends and relatives	**84.1%**	15.9%
B&B/ private room (residential stay)	**88.5%**	11.5%
Holiday residence owned by person within travelling household	**81.8%**	18.2%
Holiday residence, rented from friends and relatives at pref	**81.5%**	18.5%
Holiday residence, rented at regular terms	**85.1%**	14.9%
Camping (tent, RV, camper)	**94.5%**	5.5%
Youth Hostel/ Backpacker	**89.5%**	10.5%
Hut, Camp	**95.5%**	4.5%
Ship/ Boat (Cruise)	75.0%	**25.0%**
Health resort/ Sanatorium	66.7%	**33.3%**
H1.8: Booked elements of trip before departure X^2=1,132.401; p=0.000*; CC=.393		
No booking at all	**100.0%**	0.0%
Booking of package	63.7%	**36.3%**
Individual booking of single elements of trip (overall)	69.1%	**30.9%**
- Booking of accommodation	**95.3%**	4.7%
- Booking of transport	57.4%	**42.6%**
- Booking of other elements of trip	**100.0%**	0.0%

* Bonferroni corrected p values significant at the .01 level

Bold: denotes significant results (p<0.001)

Table 2: Descriptors in relation to inclusion of travel agencies (cont'd)

Travel context descriptor	Inclusion of travel agency	
	No (80.8%)	**Yes (19.2%)**
H1.11: Number of HH members taking part in trip X^2=2.390; p=0.493; CC=.020		
1 person	80.1%	19.9%
2 persons	80.5%	19.5%
3 persons	80.1%	19.9%
4 persons	82.0%	18.0%
> 4 persons	81.9%	18.1%
H2.3a: Age X^2=20.526; p=0.005; CC=.069		

Travel context descriptor	Inclusion of travel agency	
	No (80.8%)	Yes (19.2%)
5-14 years	78.3%	**21.7%**
13-24 years	71.6%	**28.4%**
25-34 years	74.7%	**25.3%**
35-44 years	79.3%	**20.7%**
45-54 years	77.5%	**22.5%**
55-64 years	80.6%	**19.4%**
older than 64 years	**82.4%**	17.6%
H2.3b: Gender $X^2=0$; p=1; CC=.0		
male	80.8%	19.2%
female	80.8%	19.2%
H2.3c: Highest completed education $X^2=14.996$; p=.091; CC=.091		
Compulsory schooling/ very basic training	**82.2%**	17.8%
Apprenticeship/ Vocational school	77.1%	**22.9%**
Vocational graduation	78.0%	**22.0%**
Middle/ High school, Gymnasium, Comm. school	80.1%	**19.9%**
Vocational master diploma	73.5%	**26.5%**
Technical school	**83.7%**	16.3%
Higher technical school	77.8%	**22.2%**
University of applied sciences	80.4%	**19.6%**
University	79.9%	**20.1%**
Other	77.6%	**22.4%**

* Bonferroni corrected p values significant at the .01 level

Bold: denotes significant results (p<0.001)

Table 2: Descriptors in relation to inclusion of travel agencies (cont'd)

Travel context descriptor	Inclusion of travel agency	
	No (80.8%)	Yes (19.2%)
H2.3d: Professional position $X^2=24.422$; p=.058; CC=.075		
CEO/ top management/ chief public servant	75.8%	**24.2%**
SME director/ owner	77.6%	**22.4%**
Farmer	**84.6%**	15.4%

Travel context descriptor	Inclusion of travel agency	
	No (80.8%)	Yes (19.2%)
Free profession (doctor, lawyer, consultant, etc.)	**81.3%**	18.8%
Middle management	77.7%	**22.3%**
Commercial/ technical employee, public servant	76.0%	**24.0%**
Worker	78.1%	**21.9%**
Pensioner	**81.8%**	18.2%
Housework	**82.4%**	17.6%
Unemployed, looking for a Job	78.6%	**21.4%**
In training/ school: apprenticeship	76.8%	**23.2%**
In training/ school: middle school	71.3%	**28.7%**
In training/ school: student at university	70.6%	**29.4%**
Other	**81.8%**	18.2%

* Bonferroni corrected p values significant at the .01 level

Bold: denotes significant results (p<0.001)

H1.3: *The share of trips with duration longer than one week is significantly higher than expected for the AGENCY group than for the OTHER group.* The outcomes support this hypothesis. As the results in Table 2 reveal, travel agencies are included in the planning of trips lasting longer than one week, whereas their role is minimal with shorter trips. However, earlier studies for the Swiss market have shown that there is only a weak and non-significant association between the choice of destination and duration of stay. Consequently, and as show in Table 2, the contingency coefficient reveals only a trivial association between the variables tested.

H1.4: *The share of 'flights' as the means of transport is significantly higher than expected for the AGENCY group than for the OTHER group.* The results support this hypothesis. Interestingly and as also revealed by the results shown in Table 2, the involvement of travel agencies in arranging train travel is quite high as well, despite the fact that train companies can be directly accessed nowadays to buy tickets or make reservations. Additionally, and as indicated in Table 2, the contingency coefficient is the highest of all tested associations,

signaling that the choice of transportation (which likely results from the choice of destination) remains among the key drivers for choosing a travel agency for travel planning.

H1.5: *The share of high quality commercial accommodation is significantly higher than expected for the AGENCY group than for the OTHER group.* The results only partially support this hypothesis, as only the choice of four-to-five star and one-to-two star rated hotels seems to be associated with the inclusion of a travel agency (cf. to Table 2). Additionally, cruises as well as health resorts lead to the use of intermediaries. Apart from that, the results rather suggest which types of accommodation would *not* result in travel agency inclusion, namely: B&B/ private room (residential stay), holiday residence rented at regular terms, camping (tent, RV, camper), youth hostel/ backpacker, and hut/ camp.

H1.6: *The degree of trips characterized as beach holidays, city trips and sightseeing trips is higher for the AGENCY group than for the OTHER group.* The results support this hypothesis, with one exception: sightseeing tours (cf. Table 3). Based on previous results it can be assumed that short-haul sightseeing trips (i.e. within countries bordering Switzerland), which can be made by the traveler's own car, are organized without the help of travel agency. In contrast, beach holidays and city trips (which often need air transportation) lead to the inclusion of an intermediary. The same seems to be true with winter holidays in warm areas, where air transportation is indispensable (at least in a Swiss travel context).

Table 3: Descriptors in relation to inclusion of travel agencies

	F	Sig.	T	df	Mean difference (AGENCY - OTHER)e	Std. error differ- ence
H1.6: Type/ nature of trip *Scale: Relevance scale, with 1=no relevance at all – 4=key/ core relevance*						
Beach vacation	99.0	0.000	7.934	1651.0	**0.309**	0.039
City trip	44.9	0.000	5.787	1698.4	**0.229**	0.040
Winter vacation in warm areas	97.1	0.000	4.925	1586.1	0.143	0.029
Theme park vacation/ trip	41.8	0.000	-3.634	1999.6	-0.087	0.024
Sports vacation	63.6	0.000	-4.345	2118.4	-0.105	0.024
Winter vacation in the snow	106.4	0.000	-6.195	2363.5	-0.124	0.020

	F	Sig.	T	df	Mean difference (AGENCY - OTHER)e	Std. error differ- ence
Warm holidays in the mountains	147.3	0.000	-7.067	2432.2	**-0.150**	0.021
Vacation in the countryside	120.3	0.000	-6.184	2176.6	**-0.152**	0.025

bold: denotes Bonferroni corrected p values significant at the .01 level;
all other values significant at the .05 level.
Non significant descriptors are omitted.
Mean differences are put in descending order.

Table 3: Descriptors in relation to inclusion of travel agencies (cont'd)

	F	Sig.	T	df	Mean difference (AGENCY - OTHER)e	Std. error differ- ence
H1.7: Activities pursued (intensity of execution)						
Metric scale, calculated as follows: $\frac{\text{Number of days at which activity was 'seriously' executed}}{\text{overall duration of trip}}$						
spend time basking in the sun	337.71	0.000	11.793	6184.0	**0.123**	0.010
swimming/ bathing	181.88	0.000	9.735	6184.0	**0.114**	0.012
spend time at the beach	298.54	0.000	11.257	6184.0	**0.109**	0.010
take pictures/ videos	211.74	0.000	9.834	6184.0	**0.105**	0.011
try the local cuisine	40.825	0.000	7.469	6184.0	**0.095**	0.013
spend time reading	69.054	0.000	7.402	6184.0	**0.089**	0.012
spend value time with the partner	100.10	0.000	5.993	6184.0	**0.076**	0.013
have a drink	69.560	0.000	5.811	6184.0	**0.074**	0.013
spend time relaxing/ hanging out	61.854	0.000	5.598	6184.0	**0.067**	0.012
get to know other/ new people	51.845	0.000	5.138	6184.0	**0.054**	0.010
sightseeing (built/ natural objects)	19.359	0.000	4.868	6184.0	**0.050**	0.010
strolling/ shopping	5.624	0.018	4.206	6184.0	**0.047**	0.011
walking	6.225	0.013	2.936	6184.0	0.034	0.012
diving/ snorkelling	218.52	0.000	7.823	6184.0	**0.029**	0.004
watch TV/ listen to the radio	16.133	0.000	2.681	6184.0	0.027	0.010
write letters/ cards/ Emails	18.755	0.000	5.014	6184.0	**0.022**	0.004
visit museums	7.564	0.006	2.854	6184.0	**0.016**	0.006
go dancing	55.916	0.000	4.034	6184.0	**0.014**	0.003
excursion by boat/ ship	18.562	0.000	3.216	6184.0	**0.013**	0.004
ping-pong/ table tennis	45.087	0.000	3.440	6184.0	**0.009**	0.002
rowing/ paddling	125.61	0.000	5.794	6184.0	**0.007**	0.001

	F	Sig.	T	df	Mean difference (AGENCY - OTHER)e	Std. error differ-ence
go to the theatre/ movies	13.667	0.000	2.017	6184.0	0.006	0.003
tennis	16.097	0.000	2.030	6184.0	**0.005**	0.002
go to fairs	15.330	0.000	2.094	6184.0	0.005	0.003
sailing	17.174	0.000	2.095	6184.0	0.003	0.001
tobogganing/ sledging/ bob	17.600	0.000	-2.100	6184.0	-0.002	0.001
hiking in winter (on hiking tracks)	38.137	0.000	-3.079	6184.0	-0.005	0.002
boccia/ lawn bowling	35.804	0.000	-3.001	6184.0	**-0.007**	0.002
go to sauna	22.841	0.000	-2.396	6184.0	-0.010	0.004
go to parties of any kind	22.933	0.000	-2.538	6184.0	-0.011	0.004
do wellness of any kind	20.616	0.000	-2.257	6184.0	-0.011	0.005
bicycling	65.411	0.000	-4.169	6184.0	**-0.018**	0.004
downhill ski/ carving on slopes	119.72	0.000	-5.356	6184.0	**-0.025**	0.005
walking/ hiking	47.890	0.000	-3.754	6184.0	**-0.028**	0.008
excursions by car	32.407	0.000	-3.802	6184.0	**-0.032**	0.008

H1.9: Time span (weeks) between booking of components of trip and departure

	F	Sig.	T	df	Mean difference	Std. error
Transport	0.8	.371	-1.790	957.7	-0.843	0.471
Accommodation	20.4	.000	-4.294	590.8	**-2.244**	0.523

H1.10 and H2.1: Expenditure per participating person in Swiss Francs (1 CHF = 0.6 EUR)

	F	Sig.	T	df	Mean difference	Std. error
For entire trip	177.3	.000	13.612	1351.0	**1072.1**	78.761
Per day for trip	11.8	.001	6.406	1342.4	**59.9**	6.538

H2.2: Sources of information previous to trip decision (valuation of cognition)
Scale: Importance scale, with 1=not important at all – 4=very important

	F	Sig.	T	df	Mean difference	Std. error
Travel agencies	1317.3	0.000	32.875	6184.0	**1.016**	0.031
Brochures of tour operators	398.7	0.000	21.231	6184.0	**0.764**	0.036
Travel guides, books, journals	179.5	0.000	9.866	6184.0	**0.348**	0.035
Brochures of communal destination	56.2	0.000	7.318	6184.0	**0.279**	0.038
Rail service/ train stations	541.7	0.000	12.322	6184.0	**0.240**	0.019
Brochures of regional destination	20.0	0.000	4.166	6184.0	**0.154**	0.037
Accom. guide of destination	6.3	0.012	2.130	6184.0	0.068	0.032
Ads in newspapers and magazines	39.4	0.000	-3.084	6184.0	**-0.068**	0.022
Internet/ WWW	49.1	0.000	-2.537	6184.0	**-0.109**	0.043
Other sources of information	79.8	0.000	-4.62	6184.0	**-0.136**	0.030

bold: denotes Bonferroni corrected p values significant at the .01 level;
all other values significant at the .05 level.
Non significant descriptors are omitted.
Mean differences are put in descending order.

H1.7: *The degree of execution of the following group of activities is higher for the AGENCY group than for the OTHER group: (1) summer relaxation activities (sports, relaxation), (2) city activities (such as sightseeing, cultural entertainment). In contrast, the degree of execution of the following group of activities is lower for the AGENCY group than for the OTHER group: (1) winter sports and (2) activities executed on the basis of the natural attributes a destination has to offer.* The results partially support this hypothesis (cf. Table 3). The following major activities are likely to be associated with a travel agency booking (in parenthesis: difference with regard to the degree of execution): walking (3.4 percent), strolling and shopping (4.7 percent), excursions by boat or ship (1.3 percent), visit museums (1.6 percent), get to know other people (5.4 percent), watch TV (2.7 percent), spend time reading (8.9 percent), spend time relaxing, hanging out (6.7 percent), spend time basking in the sun (12.3 percent), spend time at the beach (10.9 percent), go dancing (1.4 percent), have a drink (7.4 percent), spend value time with the partner (7.6 percent), take pictures/ videos (10.5 percent), try the local cuisine (9.5 percent), write letters, cards, and e-mails (2.2 percent). In contrast, there is less downhill skiing (-2.5 percent).

H1.8: *The share of packages and transportation bookings is significantly higher than expected for the AGENCY group than for the OTHER group. In contrast, the share of accommodation bookings is lower for the AGENCY group than for the OTHER group.* The results support both hypotheses (cf. Table 2). Travel agencies are still basically involved 'only' in the booking of packaged tours and air transportation, but not with accommodation booking directly. Due to this business model, large shares of tourist expenditure 'slips through', i.e. is not internalized by travel agencies (e.g. through commissions or other means of income). The same is true of the majority of non-hotel accommodation, especially holiday flats and houses (which are among the most favored types of accommodation of Swiss travelers).

H1.9: *The time-span between (H1.9a) the final travel decision, (H1.9b) the booking of a package, (H1.9c) the booking of accommodation, (H1.9d) the booking of transportation and departure is significantly shorter for the AGENCY group than for the OTHER group.* Generally, the results advocate a rejection of this hypothesis (actually, the time spans are close to similar; cf. Table 3). However, there is one exception: Short term bookings of accommodation, where the time span between booking and departure is more than 2 weeks shorter for the AGENCY group than for the OTHER group. The access of travel agencies to last minute offers as well as non-returned allocations might be one explanation for that outcome.

H1.10 and H2.1: *Overall as well as per diem travel expenditures is significantly higher for the AGENCY group than for the OTHER group.* The results clearly support this hypothesis (cf. Table 3). The overall expenses for the AGENCY group are more than 1,000 CHF (approx. 600 EUR) higher than for the OTHER group. One could rightly argue that this is mainly due to the longer duration of trips (cf. to H1.3). However, the results of the hypothesis test H2.1 show that higher expenses are also due to higher per diem expenses for the AGENCY group (60 CHF more than the OTHER group).

H1.11: *The number of household members who take part in trips is lower for the AGENCY group than for the OTHER group.* The results lead to a rejection of that hypothesis (cf. Table 2). There is no association between the size of a travel party and the inclusion and non-inclusion of a travel agency in travel planning. This result can basically be explained by the types of trips predominantly sold by those intermediaries in general and beach holidays in particular: while beach holidays might be made with the entire family, city trips are often single or 2 persons-holidays (Bieger and Laesser 2004, 2005).

H2.2: *The importance assigned to sources of information is higher for the AGENCY group than for the OTHER group.* Wherever differences are significant, the results support this hypothesis (cf. Table 3). Travelers including travel agencies in their travel planning like to draw from a wide range of information sources, from destination information brochures and travel guidebooks in general to tour operator brochures (mostly disseminated by travel agencies) as well as travel agencies in particular. However, there are two key exception to the rule: Ads (of providers and destinations) in newspapers and magazines, which likely lead to

direct contact with the provider without the inclusion of a travel agency. Additionally, the use of the WWW is significantly lower in the AGENCY group than in the OTHER group, indicating a possible tradeoff.

H2.3: *There is no significant difference with regard to socio-demographics between the AGENCY group and the OTHER group.* The following shares of entries (i.e. persons with a travel group from the same household) are, as expected, higher for the AGENCY group than for the OTHER group: (H2.3b) young persons, (H2.3c) well educated-persons, and (H2.3d) persons with good professional positions. The results are presented in Table 2. While they support hypothesis (H2.3a; gender), they suggest a rejection with regard to hypothesis (H2.3b; age), (H2.3c; education), and (H2.3d; professional position). However, with regard to age, there is a clear separation observable at the threshold of 64 years: persons younger than that age are more likely to include travel agencies in their travel planning than persons older that age. That split can be explained by the likely choice of destination (less intercontinental with older people than with younger ones) as well as familiarity with the chosen destination (higher familiarity of older people than of younger people). However, and putting this result into perspective, the level of the contingency coefficient reveals that there is literally no mutual interdependence between age and the inclusion or non-inclusion of a travel agency.

The results with all other socio-demographics prove to be non-significant, thus supporting the assumption that it is travel situations rather than socio-demographics which drive the choice to include a travel agency in travel planning.

DISCUSSION

In **summary**, the results reveal the following: the demand for the inclusion of travel agencies is still very much driven by either the wish to book a package or choice of transport services (mostly air). Transactions with travel agencies mostly result from rather commoditized types of trips and their related activities, such as beach holidays, and city trips. Travel agencies are most notably associated with travel to less familiar destinations, resulting from the need for information significantly higher than that required for travel not including a travel agency. Furthermore, expenses per capita with trips organized through a travel agency are significantly higher than otherwise arranged ones, for two reasons: the predominant choice for hotel accommodation tends to lead to higher per diem spending whereas the longer duration of those trips per se contributes to an overall higher expenditure. Finally, there is no clear socio-demographic profile of travel agency customers, apart from age: they tend to be rather younger than 64. However, it is worthwhile to point out that despite the existence of such differences, in most cases the overall proportion of those who use travel agencies for various related travel activities is rather small.

Below we shall discuss those results in more detail.

(1) Booking object: Both beach vacation and city trips have enjoyed high and more or less stable market share (20 percent with regard to beach holidays, 23 percent with regard to city trips; cf. Bieger and Laesser 2005). At this point, travel agencies in Switzerland still receive commissions from tour operators for selling those highly commoditized products (mostly consisting of standardized transportation to and accommodation at one destination), and beach holidays in particular make up a large proportion of overseas travel. In contrast, and interestingly, travel agencies do not have a significant association with sightseeing trips (another large share of the market), notably a type of trip where travelers could extensively profit from professional support. Furthermore, accommodation bookings (apart from within a package) are left to other channels, which could be explained by the fact that such bookings made through travel agencies are still hard to alter. This argument is supported by the result in regard to the time span between accommodation booking and departure, which is significantly lower with travel agencies than without. From that discussion, we have to conclude that many

travel agencies seem not to have fundamentally changed their business, except in introducing service fees to replace capped commissions (possibly steering away travelers with small budgets to alternative channels and media). This current business position is impossible to protect: if commissions were to be capped and/ or the travel agency channel cannibalized by direct sales (there have been some successful attempts at this), prospects would become bleak for those relying on such business.

(2) Choice of destination and sources of information: Travelers like to rely on travel agency services when they choose long-haul destinations with which they are not familiar. Consequently, travel agency trips seem to be associated with an overall higher need for information, not only in terms of 'typical' agency related sources of information (such as tour operator brochures and information provided by the agency itself) but also in terms of printed information provided by the destinations. Due to the long haul character of agency-organized travel, travel guidebooks and magazines also hold a prominent position. However, one travel type with a potentially high information need is not associated with bookings through travel agencies: sightseeing trips. There are a number of possible explanations: travel agencies might not have (or want) to deliver information in an appropriate quantity and quality to match complex travel needs. Apart from that, and more likely, sightseeing trips result in a high number of key travel decisions (such as choice of overnight stop and thus accommodation) sometimes not made before departure (thus without need for travel agencies). Consequently, an approach offering ongoing services beyond departure should be seriously considered (such as a booking hotline, etc.).

(3) Expenditure: The results have further shown that overall travel expenditures are significantly higher with travel agencies than without. Some of that result can be further explained by the difference in allocation of expenses towards different service elements (transport, accommodation, F&B, etc.; cf. to Laesser and Crouch, 2006). At this point in time, and in terms of the value chain, travel agencies basically cover packages as well as transportation to the destination, but hardly ever concern themselves with accommodation or entertainment (theater tickets, etc.) needs at the destination. Where an agency books only transportation, the likelihood of an additional accommodation booking is very slim. Hence, travel

agencies might contribute to the triggering of a trip but internalize only a little share of the induced revenue.

(4) Socio-demographic profile: At this point, there are two groups of persons who would rather include a travel agency in their travel planning. One group tends to be in their twenties, undertaking some sort of higher education. The other group tends to be in their forties, and holds a good commercial professional position. However, the associations between socio-demographic factors and the inclusion or non-inclusion of travel agencies are not significant, thus contesting earlier research results as described in the literature review. Nevertheless, while the market share of travel agencies for older age groups is likely to be sustained, substitution by other channels and media is likely with younger age groups. An increasing number of young travelers has grown up with open multi-channel and multi-media distribution and is therefore more or less habitualised to the use of opportunities provided. However, information-sourcing literacy as well as availability of time become the preconditions to making individualized use of such opportunities. So, for this age group in particular, as well as for all other prospective travelers in general, information overflow and thus the need to collect information efficiently and effectively becomes a key issue.

CONCLUSIONS

The study results and previous discussion have shown that in the case of Switzerland the business fundamental of agencies has hardly changed. The reduction of commission revenues is compensated by service fees without really providing additional (new) value to customers, and thus generating a foundation for new revenues.

First of all (referring to paragraph 1 in the discussion section), and with regard to standardized types of trips, measures should be taken to retain specific product portfolios, for instance city trips, which have been shown to be highly associated with travel agency use. In consequence, people interested in such trips could be further investigated with the aim of determining their specific needs and preferences. That know-how could be applied in turn to increasing the quality of travel consultation (also in terms of helping customers to select information sources), which in turn would deepen the agency-customer relationship. This conclusion can be directly derived from the empirical analysis above, which shows that market segments based on personal characteristics rather than travel contexts do not represent a promising start for defining business models for travel agents.

Second, and referring to paragraph 2 in the discussion section, travel agencies will have to transform from intermediaries to professional infomediaries, initiating and securing information flow to and transaction flow from potential travelers and specific markets. Thus, future prospects might lie in building up and providing destination-specific expert know-how in relation to medium and long-haul trips of all kinds. This approach could lead to taking a representative role in regards to a destination within a specifically delimited market, providing exclusive access to some of the destination's products and services. By this approach, not only is the foundation of business extended but also additional values are created for the customer by providing professional decision making support.

Third, and referring to paragraph 3 in the discussion section, travel agencies need to attempt to expand their influence and increase their revenues along the value chain by providing additional (new), sometimes individualized and/or destination-specific products beyond the point of the customers' departure. The foundations for such products can be derived from the activities profile of persons traveling on trips organized by a travel agency as revealed in this

study. Such activities include 'strolling/shopping' (e.g. sell shopping vouchers and special discounts at the destination),'spend time reading' (e.g. selling destination specific literature, fiction and non fiction, including travel guides specifically targeted at customer types), 'spend value time with the partner' (e.g. setting up special events for couples at the destination), 'take pictures/videos' (e.g. cooperate or provide picture printing services, possibly gaining market intelligence from the content of those pictures), and 'try the local cuisine' (e.g. provide access to authentic F&B experiences at the destination).

Fourth, and referring once more to paragraph 1 and 3 in the discussion section, measures must be taken to increase the travel agency's share of accommodation bookings (especially as expenses for accommodation still determine a large share of overall travel expenditure). Those could include the setting up of systems which make alterations to bookings or initial bookings past departure possible and easier, thus co-opting the sort of options travelers currently have when making all accommodation bookings on their own. Again, close cooperation with destination-specific consolidators would be imperative in generating those options. This recommendation derives from the surprising finding that – while users of travel agents are more likely to stay in hotels than tourists not planning with the help of a travel agent (due to the fact that travel agents are mainly involved in the booking of package tours) – the accommodation component itself is in fact rarely booked through travel agents.

Finally, and referring to paragraph 4 in the discussion section, the low or non-existing associations between socio-demographic factors and the inclusion or non-inclusion of travel agencies when planning a trip contest earlier research results as described in the literature review. From that as well as the previous results we conclude that it is rather the travel situation and not the socio-demographic segment which determined the inclusion or non-inclusion of a travel agency.

The above findings indicate that – possibly more than ever – destinations and travel agencies should be working hand in hand, because destinations are defined by their product offers, and the travel agencies' gateway to customers is through product specialization as well. Optimally, networks should be established between destination organizations and travel agencies, with the DMOs (destination management or marketing organization) providing a

supplier network and the travel agency providing a customer network, thus sharing the customer and the associated revenues over a certain period of time.

While the presented study provides some valuable insights into the systematic determination of travel agencies' market strengths, additional research is needed in several areas, for example in differentiating between booking objects (transport, accommodation, etc), channels (tour operator and their dependant agents, independent travel agent, tourist information at destination, i.e. DMO, accommodation directly, transport provider directly, etc.), and media (telephone, fax, face-to-face interaction, letter, e-mail, online, etc.). Another interesting aspect that emerges from the present study is that – while basic personal characteristics, such as socio-demographics, are not associated with travel agent use – psychographic or behavioral segments should be studied in order to assess whether alternative segmentation procedures, such as the concepts proposed by Dolnicar (2004), would lead to relevant associations with travel agent use. Based on the present results one would hypothesize that travelers with similar regular travel patterns and motivations could be used as target segments, whereas travelers frequently changing travel contexts may be less suitable as segments for travel agents.

Additionally, further insight into the information and booking process with travel agency inclusion as opposed to non-inclusion would help to identify further differences with regard to how prospective travelers approach a organizing a particular travel plan.

As distinct distribution channels and media delimitations are breaking up, an adapted and more generic nomenclature might become necessary (differentiated according to objects, channels, and media). There are many examples of this dilution, such as DMO becoming incoming agencies or even tour operators for their own and related destinations, tour operators exclusively distributing through their own agencies, the appearance of completely virtual distribution channels such as orbiz.com and other, airlines entering the tour operation business (Qantas), tour operators becoming airlines as well (Thomas Cook), and so forth.

Finally, further research into possible values that could be provided by travel agencies - apart from the existing core services as included in this study - could open up additional perspectives for this industry. This includes non tangible issues such as content and quality of

interaction along a planning process, approaches and drivers of customer retention, and other issues.

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