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Online vs. Traditional Travel Agency: What influence travel consumers' choices?

Author:

Xianyun Gao

Teresia Rajala

Tutor: Dagmara Nawrocka

Examiner: Birgitta Olsson

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Author: Xianyun Gao, Teresia Rajala

Supervisor: Dagmara Nawrocka

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Abstract

The tourism industry is constantly growing. It has provided millions of people worldwide with jobs and careers opportunities and it has been shown in many studies that people travel much more these days than ever before (Doswell, 1997, p. 4-5). Furthermore, the entry and rise of Internet and the e-commerce have made it possible for today's generation to book their trip online. However, there exist some doubts among many researchers of whether the survival and the growth of traditional travel agency have been threatened by the upcoming of online retailer businesses.

This study emphasize to investigate the role of different travel agencies in tourism industry and it tries to show how marketing mix approaches used by many travel agencies influences the consumer decision making of purchasing trips and accommodation from either online or traditional travel agency.

The main focus of this study lies on different marketing mix approaches, and the findings indicate to which degree the marketing mix affects decision-making. In addition quantitative method in form of a questionnaire was conducted by the authors to investigate the type of travel agency that is most common and more preferable by the targeted audience.

In conclusion, the online travel agency among the targeted audience is more preferable, for its accessibility effectiveness, convenience, wider choices of products and services and available, etc. For those who preferred the services of traditional travel agency, our findings indicate that the most attractive elements are: the opportunity of physical interaction during business transaction, the chance of getting tailor-made products and services, and trustworthiness in personal information security.

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Xianyun Gao
Teresia Rajala

Service Management Department, Lund University
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1 Introduction

In this chapter, we are going to introduce the backgrounds and basic knowledge regarding to our study. The general images about tourism, travel agency and service marketing will be presented in the very beginning. Following that, we will introduce the questions we have come up with regarding the selected topic. We will then present the research questions, our aims of this paper, the scope and limitation of our research to help our readers understand the direction and main purpose of our study. In the end, definitions of key concepts in this study will be given and explained clearly.

1.1 Background

World tourism organizations (WTO) statistics specify tourism into three stages, domestic tourism, inbound tourism and outbound tourism. Domestic tourism refers to citizens of the particular country traveling only within the country, inbound tourism relates to non-citizens traveling in a particular country and outbound tourism refers to citizens traveling in another region. WTO expresses that internal tourism includes both domestic and inbound tourism, while national tourism includes domestic and outbound tourism. However, international tourism includes both inbound and outbound tourism and all travelers involved in tourism are characterized as visitors. WTO explains further that the word “international visitors” for statistical reason means: “*persons who travel to a country other than that in which they have their usual residence but outside their usual environment for a period not exceeding twelve months and whose main purpose of visit is other than the exercise of an activity remunerated from within the country outside*” (Doswell, 1997, p. 9).

Tourism is constantly developing faster than all agricultural and manufacturing companies combined. It has shaped together lobbying groups such as the world travel and tourism council, that includes the airlines, hotels, cruises and travel agents among its members, and focus on providing tourism to a large number of countries and destinations. Cook, Yale and Marqua (2006, p. 5) defines tourism as: “*the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs*”.

However, Doswell (1997) defines tourism as “*the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes*”. He argues further that tourism is not a sector and no single organization can run it, he states that it is an economic activity that operates through society that includes many different sectors. He explains further that the tourism sector is generally integrated and run by market forces and controlled by the government, national tourism organizations and economic circumstances of a place (Doswell, 1997, p. 6).

Travelers in the tourism industry are the centre and the focus point for all tourism activities that includes merger interdependent groups of tourism participants and organizations such as travel agents, tourism promoters, tour operators etc. When booking a trip, travelers may involve directly with any of the tourism providers, but eventually they will need professional services offered by tourism promoters such as travel agencies or tour operators (Cook, Yale and Marqua, 2006, p. 7). Different tourism suppliers may provide services independently or they may compete with each other representing all aspects of tourism industry in order to improve promotional packages made to attract tourists to certain destinations. When purchasing a trip, a traveler may begin planning by calling different airlines, hotels or tourist centers in search of flights, accommodation and transfers. To simplify the search, it is easier to come in contact with travel agencies, who will hunt the best options for a consumer. The role of the travel agency is to therefore organize trips for their customers, starting from informing them about the destination, its attractions, hotels, different transport modes and everything concerning the trip (Cook, Yale & Marqua, 2006, p. 7-8).

The history of travel agency started in the beginning of the railroads and cruise line. The agency used to sell tickets for this type of transportation, and would receive a commission for their work. Thomas Cook opened doors and opportunities back in the 18th century for the existing travel companies, and it is still today the world largest travel company having acquired many successful travel agents along the way. Its business continued to grow very successfully, the first travel agency was founded in 1879 and it organized the first package tours to Europe and the United states. However, it was actually in the late 1940s and early 1950s that package tours to sunny destinations took a pin off in the Mediterranean, such as Majorca, the Spanish coastal and Italy (Syratt & Archer, 2003, p. 4).

Travel agencies are often characterized as suppliers to business and leisure travelers, providing flight, accommodation, car rental, cruise, foreign currency exchange, travel

insurances, information about destinations and much more. They are then paid a commission by the supplier of the services for package holiday or individual products by the operator. Therefore, their major role is to act as a negotiator, beneficially linking customers with the providers of travel products. The providers of travel products are often regarded as travel principals, possessing specific travel elements that are combined as packages containing several travel elements mentioned (Holloway, Davidson & Humphreys, 2009, p. 594).

There are two different kinds of travel agencies providing same kind of travel products on different playground, namely traditional travel agency and online travel agency. Traditional agencies were the first to emerge into distribution channel followed by the online agencies, whose business first took place when the Internet and the World Wide Web was developed in the 1990s. The online travel agency has been successful and almost outperforming traditional agency because of the many advantages they possess. However, the opportunities of physical interaction with customers, selling products and services at stores have favored the traditional agency over the last decades (Syratt & Archer, 2003, p. 16-17).

Travel agency also known as planners, operates as intermediaries linking suppliers and consumers together simplifying the travel process for the customers and often being regarded as efficient and effective by many tour operators. Indeed, the most common way of purchasing tourism products is still through travel agencies, and it has become the department stores of the tourism industry. Even though they play an important role in the tourism industry, they still don't possess the title of the services they provide. In the past years the commission they earned based on the level of bookings have decreased, mainly because the tourism providers sees them as expenses that can be avoided and the travelers these days think it's cheaper and easier to directly book their itineraries from tour operators (Cook, Yale and Marqua, 2006, p. 69-72). Most of the tour operators including hotels, airlines and cruise-lines prefer to sell their own products to the tourism industry through their own websites or stores in order to avoid commission fees, and in order to communicate their products and services directly to the customers without interfering of the intermediaries. In order for the travel agencies to survive in the tourism market, they have to choose the right marketing strategy that suits the products and services they offer best.

1.2 Problem discussions

Tourism industry has always showed its vitality and strong resistance to negative external factors. Despite the global financial crisis, the tourism industry in both the domestic and international travel market has grown moderately in 2012 and will continue with a steady growth in 2013 according to UNWTO (United Nations World Tourism Organization) (Messe Berlin GmbH, 2012, p. 4). In ITB World Travel Trends Report 2012/2013, online booking has clearly become the main method of purchasing a trip. 54% of travel bookings have been purchased online, significantly exceeding traditional travel agencies with 24% of bookings (Messe Berlin GmbH, 2012, p. 5). The availability of the Internet has already changed traveler's purchasing behavior. More and more people not only try to select and purchase physical products through the internet, but also purchase services such as trips through an online agency. It is because the online retailers are believed to be efficient, time-saving, cost-savings, etc (Turban et al., 2004, p. 18). The rapid growth of online travel agency shows strong competitiveness of online travel agency against traditional travel agency, therefore many people started to question whether the survival of traditional travel agencies have been threatened by the fast development of online travel agency.

However, there also exist many studies presenting the trend that traditional travel agencies are still the major part in the travel market especially in some regions such as South America and Africa (Horner & Swarbrooke, 2008, p. 180). For instance, in one Euromonitor International report, IMF (International Monetary Fund) predicts that in the next three years, there will be a rising trend in offline travel and a decreasing trend in online travel (Euromonitor International, 2012, p. 7). It is believed that traditional agency is more specialized in offering customers with tailor-made service products and more trustworthy in regarding to customers' personal information (Horner & Swarbrooke, 2008, p. 182-183). From this point of view, many people believe that traditional travel agency is still a strong player in the travel industry. Combining both sides of view, one conclusion can possibly be made that both types of travel agency possess some competitive advantages against each other. One question that needs to be answered here is what are the competitive advantages from both sides? Both travel agencies as important tourist industry players can gain their competitive advantages through good cooperation with suppliers, developing cost-leadership, radical innovation, etc. (Poon, 1998, p. 24). Moreover, it is because the main task nowadays for companies especially those in service industry is to figure out customers' real needs, thus it necessary to know what kinds of competitive advantages need to be obtained by

traditional travel agency and online travel agency through their marketing efforts. An understanding of both travel agencies of what they focus on in marketing is important. Understanding the attractiveness and unattractiveness of both online and traditional travel agencies to consumers is an important task facing the industry.

The aim of our study is to compare different marketing focus of these two types of travel agencies from comprehensive perspectives in order to understand their competitiveness. As mentioned above, we think this understanding is important to both online travel agencies and traditional travel agencies because it might lead to a better understanding of customers' needs and reactions on marketing efforts. By analyzing their strengths, weakness and differences, we can find out whether they possess different competitive advantages and what different competitiveness they have. The findings in this research might help both types of travel agency to learn from each other about what are the other's strong points, how to enhance its own superiorities and how to minimize the negative effects caused by their weak points.

1.3 Aims and research questions

In order to find out how marketing efforts affect travel consumers' behavior and their choices of planning or purchasing through online travel agencies or traditional travel agencies, we need to understand what kind of marketing efforts that exist and how they affect tourists' decision making. We believe the marketing efforts can be divided into two groups, which are 4Ps of marketing mix and other marketing efforts mentioned in models like 4Cs, 7Ps and other Ps theories. Therefore, in this research paper, we are going to find out how marketing mix and other influential marketing efforts affect travel consumers' buying habits. By understanding these two key questions, we might be able to find out the attractive factors that affect travelers to choose online or traditional travel agencies. Therefore, we formulate two research questions to analyze how marketing efforts affect travel consumers' planning and purchasing decisions, they are:

- How does marketing mix including products, price, place and promotion affect consumers' choices of planning or purchasing through online travel agency or traditional travel agency?
- What are the other marketing elements and how do they affect consumers' decision making of planning and purchasing through online travel agency versus traditional travel agency?

By answering these two research questions we will have a deeper understanding about what and how marketing efforts affect tourists' buying behavior. The findings of this study will help both travel agencies have a deeper understanding about consumers' thoughts in order to find out what quality they possess and what they should focus on while establishing marketing strategies.

1.4 Scope and limitations

The main focus of our report is to investigate how different marketing theories such as the stimulus response of buying behavior and the marketing mix of service have an impact on studying consumer buying behavior. Therefore, our report will emphasize on different marketing efforts that travel agencies use as tools for marketing their products and services to enhance customer satisfaction. The study is based on consumer perspective and on how travel agencies, through different marketing efforts can offer products and services that meet their needs. The report is not based on any specific travel agency but an overall of both online and traditional travel agency.

We will only focus on marketing efforts in travel agency industry, but not marketing segmentation or marketing differentiation and positioning. We are going to compare different marketing elements that affect which type of travel agency customers plan or purchase their trips from.

1.5 Definitions

In this session, key words of this thesis will be explained to the readers. Those key concepts will be applied throughout the paper, therefore clear definitions are necessary. We believe the definitions will help the readers to have a better understanding about the thesis.

Traditional travel agency: The European commission has defined traditional travel agency as retailer to leisure and business travelers, selling flights (charter or scheduled), accommodation, car hire, foreign currency, travel insurance and other services. The travel agency acts as an intermediary, conveniently linking customers with the provider of travel products (Holloway, Davidson & Humphreys, 2009, p. 594).

Online travel agency: Online travel agency, so called OTA, is an electronic intermediary specializing in providing tourist services, products and booking capability on World Wide Web (Law et al., 2004, p. 100).

Marketing stimuli: Standing for the marketing environment, *“Marketing stimuli consist of the four Ps: product, price, place, and promotion. Other stimuli include major forces and events in the buyer’s environment: economic, technological, political, and cultural.”* (Kotler & Armstrong, 2012, p. 158)

Marketing mix: *“The marketing mix is the set of tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for its product.”*(Kotler & Armstrong, 2012, p. 75). It is often synonymous with the four Ps: product, price, place, and promotion, while in service marketing, it has been redefined or extended into 4Cs, 7Ps and other Ps models.

2 Theoretical frameworks

In this chapter, we are going to make a theoretical framework constructed from relative literature studies for the purpose of this study. First of all, theories about two types of travel agencies’ emphasis and relative merits will be presented in this chapter. Theories about marketing mix and other marketing efforts will be presented and pointed out as the basis of our research. We will start this part with the stimulus-response model of buyer behavior that presents the factors affecting consumers’ buying decisions. Particularly, we will focus on the first part of this model that illustrates what marketing efforts companies could possess to affect consumers’ behavior for the purpose of our study. These marketing efforts include the well-known Marketing Mix: the 4Ps by Kotler and Armstrong (2008, p. 49). We will continue to present traditional marketing mix (4Ps) to explain how it works to influence consumers’ making decisions. Following 4Ps, we will also explain its alternative model: 4Cs (Lauterborn, 1990, p. 26) which is comparatively more customer-oriented marketing mix, and its extended version also called service marketing mix: 7Ps stated by Lovelock and Wirtz (Lovelock & Wirtz, 2011, p. 44). Besides, other marketing mix including different Ps created by various marketing experts will be introduced in the theoretical framework. This frame of references shows our focus is on marketing efforts; it will later facilitate our analysis of

problems we have encountered, questions we have formulated for our researches and our ideas and understanding about the items we are trying to analyze. It will also become the basis of our arguments and findings, helping the reader to have a better understanding about the analysis and purpose of our study.

2.1 Traditional travel agency and online travel agency

In the following section, two types of travel agencies will be explained based on former studies and research from different angles, including history, development, current conditions, weaknesses and strengths.

2.1.1 Traditional travel agency

A travel agency is a private retailer to leisure and business travelers that provides tourism related services to the public on behalf of travel provider such as, airlines, hotels, car-hires, cruise lines, foreign currency and packages tours. They are paid a commission by the supplier of the service of a package holiday known as tour operator. They act as intermediary, beneficially linking customers with the tourism provider of travel products and services (Holloway, Davidson & Humphreys, 2009, p. 594).

Traditional travel agents emerged from the United Kingdom over 100 years ago and the oldest agent was known as the tour operator Cox and Kings and origin back in the 18th century. Their role in the beginning of their existence was to sell mainly shipping and rail services but as air transport emerged after Second World War their product scope increased (Holloway, Davidson & Humphreys, 2009, p. 594-595). However, most popular travel agent to break through and open doors for many independent agents today was, Thomas Cook. Their role in tourism industry was to sell accommodation, rail, sea and land-based services and obtained a commission for each sale they provided (Page & Connell, 2009, p. 159).

In 1930s air transport was born, yet the travel agencies had not obtained a good deal of market share, but they did not experience the same demand as today. Most of the emerging airlines had their own sales offices in capital cities and in developed large cities. The new market for air tickets inspired travel agencies to expand their supplying stores further. It was in the 60s when the travel agency business was booming with enormous changing commissions resulting from licensing and tremendous airline-agency cooperation especially in the sales of group travel. Travel agency started

to involve in the tour operation side of travel and arranging tours and selling cruises by expanding their knowledge of information and specialized products and services. Later in the 70s these changes made many travel agents grow in sales. In the 80s the successful agents formed alliances allowing them to look for major commission by using the developing technology. However things started to turn around in the 80s and 90s. The travel agencies started experiencing the loss of commission from tour operators especially the airline sales volume where dropping, because airlines and hotels was successfully selling trips and accommodation on they own websites (Page & Connell, 2009, p. 160).

Since the travel agencies offer mostly their products and services in the stores, they have better opportunities of physically interacting with their customers, where they provide face to face communication and help one customer at a time. Customers appreciate the possibilities of being offered tailor made products (Kotler, 2005, p. 737). Travel agencies usually have extensive information and trustworthy relation with most of the tour operators, and can therefore guarantee their clients of product quality concerning a destination, airline or cruise ship that is part of their marketing strategy. However, their services compared to the online travel agencies are somewhat slow in terms of being inefficient due to limited opening hours, geographical limitation, service fee, less choice for the consumer, time consuming and don't always have updated information. Their biggest threat since the beginning of 2000 has been the implementation of the Internet and modern technology, online retailers and the majority of the tour operators selling their own products and services through their websites to avoid commission fees (Holloway, Davidson & Humphreys, 2009, p. 595, 599-601). Even though many changes has occurred in the travel industry, whereby travel agencies and tour operators are often competing, they tend to shape a corporate trust to support each other enhance their business by sharing, marketing, technology and booking systems.

2.1.2 Online travel agency

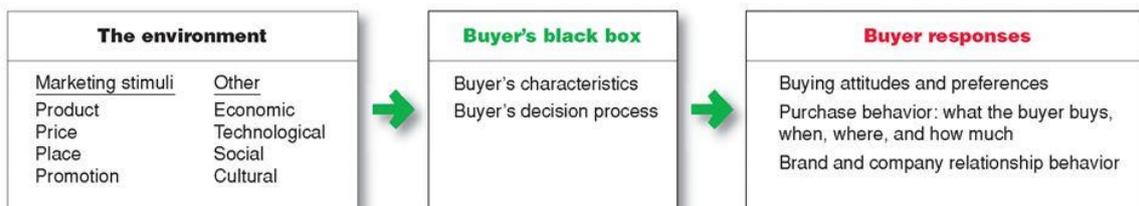
Online travel agency, so called OTA, is an electronic intermediary specializing in providing tourist services, products and booking capability on World Wide Web (Law et al., 2004, p. 100). It is different from the concept of travel website which is defined as a website that focus on travel including travel reviews website, travel journal and blog, travel agency website (offering online booking), etc (Expedia, 2013). Briefly speaking, online travel agency is one type of travel website that focuses on travel agency business and offering travel related information and services.

The speedy rise of online travel agencies back in 2001 surprised many people working in the tourist industry. It is also believed to be a big threat or a troublesome competitor to traditional travel agencies. However, in the following years, online travel agencies faced many problems and competitions. Due to the boom of online travel agencies and the deficient in their working with suppliers, travel agency market over-expanded and became too crowded to compete and survive. Travel principals of online travel agencies such as airline companies and hotel chains started to create their own brand websites to be a distribution channel of their products and services. In the mid of 2007, online travel agencies began to innovate their services and improve the relationship with suppliers. During this time, suppliers and online travel agencies reached to a consensus that working together is the best solution for their business. Therefore, in 2008-2009, online travel agency started to gain their market share again and expand rapidly up to now (Suggs, 2011).

Since online travel agency offers information, products and service on the Internet, it is undoubted that online travel agency as a website is available 24/7 and offer services globally (Horner & Swarbrooke, 2008, p. 180). By using the Internet, it is more efficient in gathering, updating and sharing information. By taking advantage of Internet technology, online travel agency provides an easier accessibility of tourism information for traveling consumers. Also, it gathers more tourist products and services from a larger number of companies and suppliers through a geographically wider market, although it has to compete with more business rivals to gain and keep their customers (Horner & Swarbrooke, 2008, p. 180). Moreover, online travel agency is acclaimed to be time saving, cost savings, equipped with abundant information and efficient (Horner & Swarbrooke, 2008, p. 180). However, it is a fact that online travel agency is not popular among some types of consumers including those lack knowledge or confidence in using internet technology, having difficulties in accessing internet or preferring face to face communication and personal service (Engvall et al., 2012, p. 24). Moreover, people living in developing countries or regions who might have a bad accessibility to internet find it impossible to purchase online. Besides these weaknesses of online travel agency, it is considered to be less trustworthy in credit card security (Horner & Swarbrooke, 2008, p. 183). The anxiety about out-flowing of sensitive personal information keeps a large number of travelling consumers away from purchasing through the internet (Ainscough & Lockett, 1996, p. 43).

2.2 Stimulus-response model of buyer behavior

The central issue of marketing is believed to be the studies and understanding of consumer behavior. Many companies try to figure out what consumers buy, how and how much they buy, where to buy and why they buy when they research consumer buying decisions (Kotler & Armstrong, 2012, p. 158). However, “*The human brain doesn’t work in a linear way*” (Kotler & Armstrong, 2012, p. 158). Even consumers themselves do not have an exact explanation for their buying behavior. There exist dozens of factors that affect buyers to make the buying decision such as environment stimulations, economic conditions, personalities, etc. The key question that needs to be answered is how marketing efforts affect consumers to make their buying decisions. The stimulus-response model of buying behavior that is also called Kotler’s black box model could be a good starting point of answering this question.



The Stimulus-Response Model of Buying Behavior, (Kotler & Armstrong, 2012, p. 159)

This model shows that marketing stimuli consisting of the 4Ps and other environmental stimulus lead to the reactions in a consumer’s “black box” then turn into consumer’s response such as buying attitudes and purchasing behavior (Kotler & Armstrong, 2012, p. 159). Therefore, marketers put considerable efforts not only on marketing mix: product, price, place and promotion, which they believe would largely affect consumers’ decisions of what to buy, how much to buy, where to buy and why to buy, but also on understanding how other stimulus and consumers’ characteristics affect their buying behaviors.

In this research paper, we are trying to figure out how different marketing elements affect travelers, as tourist products consumers, making decisions of choosing an online travel agency or a traditional travel agency. Therefore, we are going to focus on how marketing stimuli which is 4Ps affects travelers’ buying behavior. We are going to find out what and how the other marketing elements affect travelers’ purchasing decisions.

2.3 Marketing mix: the 4 Ps

The marketing mix that is said to be one of most important concept in modern marketing is:

(The marketing mix is) the set of tactical marketing tools – product, price, place, and promotion - that the firm blends to produce the response it wants in the target market. (Kotler & Armstrong, 2012, p. 75)

It contains all the elements influencing the demand for a certain product, these elements can be classified into four groups of variables: product, price, place and promotion in marketing mix (Kotler & Armstrong, 2012, p77), as the following table shows:

Product	Price	Place	Promotion
Variety	List price	Channels	Advertisement
Quality	Discounts	Coverage	Personal selling
Design	Allowances	Locations	Sales promotion
Features	Payment period	Inventory	Public relations
Brand name	Credit terms	Transportation	
Packaging		Logistics	
Services			

The Four P Components of the Marketing Mix (Kotler & Armstrong, 2012, p. 76)

2.3.1 Product

The term product refers to tangible and intangible elements related not only to physical product but also to services, ideas, people, experiences or a mixture of these elements. Anything purchasable for use or consumption, in exchange for money or any sort of value is characterized as product (Baines, Fill & Page, 2008, p. 354).

In the article “Contemporary Tourism”, Cooper and Hall (2008) argues that tourism products are characterized as commodified tourism experiences that can be identified as different types of products such as the trip products, the destination products, the tourism business products and the service products. The trip products are identified by

Cooper and Hall as the total package trip that a tourist get to experience at a destination, such products are often combined by travel agencies. Furthermore, the destination products are comprehensive of all experiences the traveler is offered at the destination that involves, agencies, people, communities and even the destination environment. In addition, the tourism business products are the set of experiences offered by travel agencies over different stages of a consumer trip. At last, the authors talk about the service products that can be identified as individual type of service experienced by the traveling consumer while on a trip or at a destination (Cooper & Hall, 2008, p. 11)

However, Kotler (2005) argues that products are described as anything offered to the demanding market for attention, acquisition for using or for consumption that may meet customers need and want. Kotler explains that product in a broad sense contain physical goods, services, people, places, companies or a mixture of these substances. In addition services includes of activities, benefits or satisfactions that are supplied and are in intangible form. He argues further that products supplier need to see products from three different levels and understand that each lever increases customer satisfaction. Namely, core product, actual product and augmented product (Kotler, 2005, p. 539).

On the first level is the core product that refers to what the customer is really buying and is the centre of the total product, it contain the core and is problem solving that fulfills the customer needs. The second level is the actual product, where Kotler argues that the suppliers must change the core product into an actual product. These actual products are identified as quality level, product and service features, styling, brand name and the packaging of the product that should be compounded precisely to deliver the core benefit, in a convenient, high quality way to enhance value for its consumption (Kotler, 2005, p. 539). At last, Kotler and Armstrong (2009) states that companies need to build an augmented product close to the core benefit and actual product by providing additional consumer services and benefits that will become an important part of the total product (Kotler & Armstrong, 2009, p. 232).

2.3.2 Price

The price is a certain amount of money that customers must pay for the product. The price concept in marketing mix can be explained as list price, discounts, payment period, credit terms, etc (Kotler & Armstrong, 2012, p. 76). If the perceived value or benefits is over the price that a customer needs or expects to pay, the price and the product has a great chance to be accepted and adopted; on the contrary, if the price exceeds the benefits or quality expectation for a customer, it is unlikely to be accepted (Lovelock & Wirtz, 2011, p. 46). Therefore, companies take actions like negotiating price, offering

discounts or trade-in allowances to adjust their price in order to meet the buyer's perception of product's value (Kotler & Armstrong, 2012, p. 76). The price advantage comparing to other substitutes, and the sensitiveness of a customer's response to the price should also be considered in formulating marketing strategies.

2.3.3 Place

Place represents the physical or electronic location or the distribution channel of a product in where or through where a customer can purchase (Lovelock & Wirtz, 2011, p. 44). Place could be a physical store, a virtual store on the internet or a company activity that provide the product to target consumers. Logistics and transportation are also considered to be a part of the place (Kotler & Armstrong, 2012, p. 76). Choosing place is crucial in modern marketing because it often becomes the key factor that affects consumers purchasing decisions. It is inseparably related to consumers' accessibility to a product.

2.3.4 Promotion

Promotion is the use of direct or indirect communication to persuade a target group to purchase products and services. This is achieved through advertising, PR, personal service, sales promotion, electronic customer-communication and direct marketing. The target group needs to know about the existence and key advantages of the product through impact of promotion (Kotler, 2005, p. 719). Promotion provides information that will help them in making a decision to purchase a product or service, it is also important to keep communication to former customers regarding continuous sales of same or modified products. However, the promotion of services is fundamentally more intriguing than those of products because of the intangible concern (Kotler & Armstrong 2009, p. 383)

2.4 The alternated 4Ps: 4Cs

The 4Cs in marketing approach is more customer-oriented comparing to the 4Ps of the marketing mix which is more business-oriented. The model consists of customer value, cost, convenience and communication and the purpose is to consider the customer needs and wants before the business. The 4Cs model was made to complement the 4Ps of product, price, place and promotion into a consumer perspective in manufacturing of products that customers really want through "communication" and not what the

provider predict the market needs. Lauterborn (1990) suggested that providers should first work with 4Cs before implementing the 4Ps, arguing that once the supplier thinks through the 4Cs in a customer perspective it gets easier to implement the 4Ps for their business (Lauterborn, 1990, p. 26). If the product corresponds to the customers' needs, they will be willing to pay the costs associated with purchasing, such as convenience of getting products and services (Kotler & Armstrong, 2008, p. 24).

2.4.1 Customer

The philosophy behind this approach is creating customer solution by figuring out what kind of products and services the customer wants and needs. Once a company knows what their customers want, they have a greater potential of having much success. However, this approach is most suitable for a smaller market segment and not for larger markets. Instead of making products that the company thinks the customer want, here it is crucial to get knowledge of what the requesting market really want, and then create products accordingly. People don't just buy products anymore, instead they want products that has value, are beneficial and that creates an experience and correspond to their needs (Kotler & Armstrong, 2009, p. 36). For example, a travel agency can offer customized products by learning from existing customers and finding out what they are usually searching for when planning and purchasing for holidays. In this way the agency can provide customized products and services depending on the targeted group.

Traditionally, suppliers mainly focused on manufacturing products that they predicted the consumers would buy, due to demand that was higher than the supply. Suppliers had the bargaining power and whatever they produced, consumers had to buy since there were few choices of distribution channel. Today, there are plenty of multiple choices of products offered to customer, therefore providers need to resign from the traditional habits of making products that they think market wants, and instead focusing on the customers' current demands (Grönroos, 2008, p.71). As demand increases the competition also gets higher with new entrants to the market and successful business eliminating weak competitors. The key to survival is to listen to the customers and investigate what they are willing to pay and try to improve their offerings more frequently with multiple channels.

2.4.2 Cost

Instead of thinking the price as something an organization charges, the provider should think cost to satisfy the customer as something they pay, and not only for products and

services but also for the trouble of getting to a store or purchasing the products from any distribution channel (Kotler & Armstrong, 2009, p. 294). From a supplier perspective, price is what they sell their products for, and costs are what they get paid for products or the price it cost to manufacture. On the other side, cost from a consumer perspective are usually calculated as costs for products, services and time taken to purchase either from an online retailer or a physical store, catalogue, on websites or over the email address (Baines, Fill & Page, 2008, p. 392). Costs has an impact on consumer buying behavior because people often seek for products and services that adds value to their experience or that will arouse some excitement when planning or purchasing. Depending on the quality, brand and the comfort and advantages of a product, people tend to go an extra mile for something they believe is worth their time and money. Therefore, suppliers need to set the right price for their products because the most important thing is to make consumers want to buy no matter what the costs are for reaching the products and services.

2.4.3 Convenience

Convenience is about making it easy for customers to buy products or find information, it is an alternative concept of place in 4Ps. People are usually busy and have many choices; it is important for companies to value the customers' time and makes it easy to choose and reach the products and services their offering. Organizations need to learn how to be accessible through different distribution channels from producers, wholesalers and retailers to the end consumer. (Armstrong & Kotler, 2009, p. 330). Perhaps the customers instead of purchasing from a store prefer to purchase from the Internet, a catalogue, on phone, email or by using credit cards. It is important to create multiple distribution channels for customer to purchase and to get information without limitations. Traditionally, place in 4Ps refers to either physical store or electronic websites, when discussing convenience in 4Cs, the providers evaluate how consumers can find and buy what they are looking for in a convenient way.

2.4.4 Communication

Instead of promotion from the marketing mix, communication is a way of creating interactive and meaningful communication and building relationship between the supplier and the consumer. Communication includes any interactive advertising, PR, personal selling or any kind of communication between the client and the organization directly. When selling or advertising products, a company can either use different communication method such as phone calls and emails, the media or direct marketing to

highlight their brands. Such communication channels are most effective when it comes to customer satisfaction, it allows both consumer and provider to communicate directly in addressing personal requirements and feedbacks (Kotler, 2005, p. 737).

When promoting brands, suppliers should consider the right type of communication channel their customers prefer and through which channels they will be more favorable. These can be an integration of many different types of convenience distribution channels that are more appropriate for the customer either through the main producer (factory) or through wholesalers and retailers (Kotler and Armstrong, 2009, p. 330)

2.5 Extended versions of 4Ps: 7Ps and other Ps models

The traditional marketing mix as mentioned above has considered four elements that lead to a successful marketing. These considerations focus on what to produce, how much to charge, how to deliver and how to get known. In recent years, as marketing has become more developed and sophisticated, other considerations have also been added in marketing mix (The Chartered Institute of Marketing, 2009, p. 4). The most well-known extended version of the original 4Ps is 7Ps, which includes the other three considerations: people, process and physical environment, said to represent a systemic vision of service marketing (Lovelock and Wirtz, 2007, p. 44). This version of marketing mix is said to be the service marketing mix, because it has an emphasis on service. Due to this reason, the first four Ps: product, price, place and promotion of this service marketing mix model is not exactly the same as those in 4Ps. In this chapter, we will explain what uniqueness 7Ps has to present the first four Ps and how it makes further implications about the other three Ps: people, process and physical environment. Besides 7Ps, other extended versions of 4Ps have also been created by service marketing experts. Following the explanation of 7Ps model, we will continue to present further about other related marketing mix models and their key P elements.

2.5.1 Service marketing mix: 7Ps

7Ps including product, price, place, promotion, people, process and physical evidence, also called service marketing mix, focuses more on service (Lovelock & Wirtz, 2011, p. 44). Therefore, although it also includes same four P elements as these in traditional marketing mix: 4Ps, it implicates the first four Ps in a slightly different way.

1. Product: in traditional marketing mix 4Ps, the concept of product not only refers to

tangible goods but also refers to intangible services as we mentioned above. Here in 7Ps, product is defined as intangible things. It is composed of a core service product which meets customers' demands and an attached service element reinforcing added value (Lovelock & Wirtz, 2011, p. 44). The uniqueness of the concept of product here in 7Ps is: "its production and consumption are inseparable", therefore it is believed to be more customized to meet individual customer's needs yet hard to realize standard delivery and keep quality (Management Study Guide, 2013).

2. **Price:** Pricing of services needs to take different factors into consideration, such as attendant costs. For instance, in the concept of price in 7Ps, it not only includes sales, discounts or allowances, but also refers to service fees or overhead costs (Kotler & Armstrong, 2012, p. 76).
3. **Place:** Since the production and consumption of service happens simultaneously, there is no way to store or transport a product like service (Management Study Guide, 2013). Therefore, in 7Ps, logistics and transportation are not considered to be the elements in the concept of place. The most important consideration of place is the location of the service products.
4. **Promotion:** Comparing to physical products, service is easy to be replaced, therefore differentiating is the most important thing in service promotion (Management Study Guide, 2013).

There are three new marketing elements in 7Ps: people, process and physical environment, which are the unique components of this marketing mix. The later three Ps cover managing the customer interface from a marketing perspective (Lovelock and Wirtz, 2011, p. 44), the details are as following:

5. **People:** People are a crucial part of delivering service. In most of the case, direct interaction with customers is required in selling service by employees (Lovelock & Wirtz, 2011, p. 48). Because of the reason that production, delivery and consumption of service will be achieved at the same time, people who create, offer or deliver the service directly affect the service products. People working for the company express an image of the company itself or the service it provides; they also help to create either positive or negative impression which affects customer satisfaction (The Chartered Institute of Marketing, 2009, p. 6). Consequently, the most prior task for companies nowadays is to select and train employees in order to deliver high-quality customer service. Well-trained employees are more motivated in their jobs, loyal to the company, offering service with an appropriate attitude and

understanding better about customers' needs (Lovelock & Wirtz, 2011, p. 48). Good employees could be understood as a competitive advantage against opponent companies and an added-value to the service goods; their reactions directly affect how customers perceive the value of the service goods and how much customers are willing to pay (The Chartered Institute of Marketing, 2009, p. 6).

- 6. Process:** Process refers to by which the product elements are delivered (Management Study Guide, 2013). It concerns how a service product is created and delivered instead of concerning what a service product is (Lovelock & Wirtz, 2011, p. 47). Marketers working on process always need to consider questions like: how appropriate the service product has been designed to carry out, how efficient the service product could be delivered and how good the system of the company works to meet requirements of their customers. A successful process is closely related to skillful employees who offer service and product in a proper way, both of the elements contribute to high productivity and effective service (Lovelock & Wirtz, 2011, p. 47-48). A smooth and efficient delivery of service is crucial to reach customer satisfaction, and it could also become a competitive advantage of the company (Management Study Guide, 2013).
- 7. Physical environment:** Physical environment refers to something tangible coming along with the intangible service goods. It includes visible evidence such as the appearance of the company building, equipment being used, posts and pamphlets, etc which shows the company's ability to carry out service (Lovelock & Wirtz, 2011, p. 48). It is because service product is intangible, and consumers are not able to experience the service goods before it has been delivered and consumed, thus they have to take certain risk when they purchase the service. Therefore, companies are trying to incorporate the intangible service with something tangible and provide evidences to assure the customers the service products they are going to receive are trustworthy (The Chartered Institute of Marketing, 2009, p. 7). The tangible evidence could be a well-designed shopping environment, a neat and decorated front desk, some active feedback system or after service promises (Management Study Guide, 2013). The well-developed physical evidence will help to provide a unique experience to customers when they purchase and consume the service goods; it also helps to enhance customer satisfactory (Lovelock & Wirtz, 2011, p. 48).

2.5.2 Other marketing mix components

There also exists many other marketing mix including different components. Back in

1984, Kotler argued that the external factors are necessary to be considered when planning marketing strategy; he stated that political power and public opinion formulation should be added into the marketing mix (Kotler, cited in Goi, 2009, p. 3)

Seth Godin (1999) popularized the concept of permission marketing. It refers to the idea of gaining permissions from customers before moving on to marketing and selling, thus promotions are more expected and valued by the customers and its more anticipated, personal and relevant (Godin, 1999, p. 43).

GoldSmith (1999) focused on the trend that personalization is becoming important, thus he created his marketing mix adding personalization, personnel, physical assets and procedures to the classic 4Ps of marketing mix (Goldsmith, 1999, p. 180). All those four new p elements contribute to a more personalized marketing strategy.

Professor Iornem stated the 8Ps of marketing mix by adding public relationship into the original service marketing mix (7Ps) to emphasize each stakehoders' roles including consultants, clients, other related associations, etc (Iornem, 2003, p. 6). Although, in the version presented by Kotler and Armstrong (2012), public relationship is one component of promotion (Kotler & Armstrong, 2012, p. 76).

Other p elements: purpose, purchaser, push and pull and personal relationships based on a critique view of 4Ps of marketing mix have also been stated by marketers. (Simister, 2009).

Therefore, many other p elements can be found besides product, price, place, promotion, people, process and physical environment, and they could be political power, permission, public relationship or pull and push.

2.6 Summary of theoretical framework

By describing both traditional and online travel history, development and marketing focus, we have gained a deeper insight on how they operate, their advantages and disadvantages and the future ahead. We can now conclude that consumers buying behavior lies on marketing efforts applied by travel agencies, such as marketing mix also known as 4Ps, place, price, product and promotion and alternative versions such as 4Cs and 7Ps which have been clearly presented. Furthermore, other related Ps models also have been introduced in the theoretical framework. In order to achieve successful

marketing, it is crucial for travel agency to find the marketing stimuli that value more to their customers.

3 Methods

In this chapter, we will describe our research approach, research design and the methods we used to collect the data and information.

3.1 Research Methods

There are mainly two different research methods, quantitative and qualitative in collecting information. It is important to choose appropriate research methods to achieve the research purpose. Quantitative research method is associated with numerical, statistical or mathematical measurements to investigate the relationship between theory and research (Bryman, 2008, p. 140). This method is applied to test theories and hypotheses, providing basis for empirical observations by using mathematical expression. It was first developed to investigate natural phenomenon, then started to be applied in social sciences in surveys, econometrics, laboratory experiments, etc (Hohmann, 2005). Questionnaire is often considered as one of the main approach in gathering data for social research (Bryman, 2008, p. 216). On the other hand, qualitative method, the second type of research method is aiming to understand human behavior by applying inter-related interpretive practices (Denzin & Lincoln, 2005, p. 4). Instead of comprehensive analysis of large numbers of samples, qualitative method pay attention to wide range of practices which present individual knowledge, opinions and feelings. It can be achieved by multiple research approaches including interviews, focus group, ethnography, etc (Bryman, 2008). Briefly speaking, in qualitative research, outcomes and findings are described in words, while in quantitative research, these are described in numbers.

Both quantitative and qualitative methods are applied in this research paper. We believe quantitative and qualitative methods are not opposite to each other; applying together can help to complete our findings. The research approach to be applied here is questionnaire through which data and information will be collected based on theories and previous studies. The main part of questionnaire result will be expressed in

statistical and mathematical techniques by using quantitative method. Due to the reason that this research paper is focusing on consumers' perspective on how effective different marketing efforts are, open questions in which respondents can present personal opinions, knowledge and understanding of our research topic will be included in the questionnaire. In this way, we will also be able to collect qualitative data regarding to individual attitudes and behaviors. The qualitative data will be analyzed accordingly to the existing theories. Therefore, both research methods will be reflected in this paper by applying questionnaire.

3.2 Data collection

For the collection of data in an academic research, two types of data sources are usually indicated, the primary and secondary data as parts of quantitative and qualitative method. In this research paper, our study will be mainly based on primary data. In order to answer our research questions, our primary data will be gathered through questionnaire, asking target respondents which type of travel agency they prefer. Our research report will begin with gathering information in form of literatures, journals, the Internet and reports. In search for relevant marketing approaches in travel agency industry, information will be applied to describe what influence consumers' choices of purchasing or planning trips through either online or offline travel agency.

3.2.1 Primary data

Primary data is gathered in original by the researcher and used as quantitative method for a specific purpose or analysis in a report. Survey is the most common type in primary data, the researcher designs and develops the survey to address specific questions regarding to the targeted market they wish to study. Most common, the survey is made on an online webpage and later distributed by multiple electronic transmission methods. Because the researcher designed the survey and gathered the response on their own, they are familiar with the data collection process (May, 2011, p. 198).

Questionnaire is our primary data and is used as the only research method in this report for gathering information regarding consumers traveling behavior. It tries to measure how service marketing mix of 4ps and 7ps affect the target respondents' decision making of purchasing or planning through online or offline travel agency.

3.2.2 Sources of information

Information related to this study can be collected from different sources, including literature, industry reports, academic articles and journals and in other cases newspapers and documentary programs. In our research agenda, our sources of information are based on information gathered from different literatures in social science, marketing and tourism industry. Other information is enhanced from journals and articles via Lund university database and also the Internet; search engines like Google will be used to simply the searching process.

3.2.3 Questionnaire

Questionnaire is one common research approach in survey research, consisting of questions aiming to collect information from respondents (Bryman, 2008, p. 216). It is usually designed to test existing theories and hypotheses and construct new theories (May & Williams, 2001, p. 91). The purpose of questionnaire could be very broad, such as government survey focusing on collecting large-scale of social-economic data and company survey aiming at products marketing research (May & Williams, 2001, p.89). Questions in questionnaire are usually designed in two types: closed format question and open format question (Bryman, 2008, p. 231). In closed format question, respondents are required to choose one or multiple answers from given multiple choices. It could be a yes-or-no question, in which two choices are opposite to each other, a rating-scale question which offers a continuous numbers or descriptions to choose from, and normal multiple choices. In open format question, respondents are able to express their opinions and feelings often in a restricted length (Bryman, 2008, p. 232). There is no determined way to judge whether the answer is right or not, because it's more about personal understanding, therefore open questions are used to collect qualitative data. Furthermore, there are mainly three types of questionnaires: mail or self-completion questionnaire, telephone survey and face to face interview schedule (May & Williams, 2011, p. 97). Among which we think the first type is most suitable for our research because it's more cost-saving. Consequently, in this paper we will use self-completion questionnaire including both closed and open format questions to collect quantitative data and qualitative data.

The type of method used to complete the questionnaire in this research study is web-based, whereby the data is collected through the internet, that creates a particular webpage for this purpose where the respondents gets to complete the answers (Bryman, 2008, p. 632)

When distributing a questionnaire, the biggest advantages are effectiveness of the process and also it is cost saving and time saving. The online survey allows the researcher to design their own questionnaire and later forward the link to the target audience through emails, electronic devices or the social media. Other advantages are the possibility of handling wide information of respondents that are geographically spread across the continents. Furthermore, the online survey allows the researcher to design the questionnaire with attractive formats that provided both open and closed questions and also the possibility of receiving faster responses. The online survey tends to result in less unanswered questions which can result in less missing data (Bryman, 2008, p. 653). By using online survey, it is simple to analyze the data and statistics collected by the program; the researcher can follow the respondents' results and also see the overall of the statistical results in percentage. It is easier to analyze the amount of people who answers similarly or differently with the help of survey conclusion in percentage.

Most people are familiar with the questionnaire, perhaps they have done it before in their lifetime, and therefore it is rarely that the researchers need to explain the process in detail. On the contrary, the questionnaire is design and carried out in a way that is understandable and convenient for the respondent. This could be about asking respondents' opinions on a common matter in society or measuring their attitudes and behaviors regarding to a certain issue that involves their everyday lives by asking open and closed format questions (May, 2011, p. 126). Our questionnaire aims to measure respondents traveling habits, and how the marketing efforts that affects their buying behavior regarding to two types of travel agencies. Surveys tend to increase chance of being unprejudiced. The questions asked are all the same for all respondents and there is no intermediary misinterpreting the information that gives researchers' perception of reality, leading the respondent in any direction, because when performing an online survey, there is no possibility of giving signals or facial expressions that will affect the respondents. In this way, the questionnaire is not perceived as forced or misled by the researchers comparing to interviews and personal delivery of surveys.

As positive as the online survey may sound whereby it is seen as effective and cost saving there are also number of limitation that the researcher may come across when conducting an online survey. One of the most common disappointments when handling online survey is the risk of not getting enough respondents. Low responses may create problems for statistical analysis and result in poor credibility of the total results. Other limitations are the risk of getting multiple replies, however this is a much less risk if the

survey is sent through emails. Other limitations may result if the respondents that are sensitive and would prefer to remain anonymous and wish for their responses to be handled with confidentiality, this can limit the number of people who are willing to participate. The major disadvantage however is, restriction to online population, meaning, only people with internet access are expected to respond to an online survey. Also, some respondents may require motivation, since they need internet connection, if they have to pay for the connection, they may need a higher motivation to complete the survey (Bryman, 2008, p. 653). Our plan to avoid such limitations was to target all our friends across the globe and have them forward the link to their friends and colleagues. This approach had a very positive result since the survey was distributed online mainly through sending links via email, social media and mobile phones. This method showed positive results as we reached the estimated responses in less than a week. Also, to cover other limitations, we stated as short and as clear questions as possible. It is because if questions are too long, respondents may lose interest and start to guess answers. By adding occupation, gender and age questions, the researcher can obtain some personal information about but still keep the questionnaire anonymous.

We believe questionnaire is suitable for this study because first it is easier to collect information within a short period of time, secondly it helps to have a deeper insight into consumers' perspective. The study focus on how customers react to the marketing strategies that travel agencies apply, questionnaire distributed to traveling products consumers will lead us to the answer. The questionnaire will be designed according to the marketing mix approaches we mentioned in the theoretical framework, both closed questions and open questions will be included in order to collect quantitative and qualitative data. Questionnaire is the only quantitative method in our research report, yet we are still able to gather qualitative data through open questions provided in our questionnaire. We chose to use quantitative method in our research because we believe this method can guide us to answer our research questions that aim to study consumers buying behavior in travel industry. Therefore, a survey is performed in order to see facts and figures from consumers' perspective but not from suppliers' point of view. By this, we can only estimate the marketing effort that affects consumers' decision making of planning and buying from an online or offline travel agency. This is a disadvantage, because we cannot gather any primary data from suppliers' perspective on how organizations work on their marketing strategy to attract customers and market products and services can only rely on consumer experience.

a. Target respondents and sampling size

The aim of this research is to find out general idea about how affective marketing efforts applied by travel agencies are on customers buying behavior, and there is no specific research area chosen. Therefore, theoretically, our target respondents could be anyone from any country. However, for the purpose of our study, the questionnaire will be constructed in English with no other language versions, thus our respondents should acquire the ability of using and understanding English. Furthermore, this questionnaire is associated with travelling habits, respondents who have no current experience on travelling should not be considered as necessary respondents. Thus, certain questions will be designed to abstract those respondents from reliable ones. In short, our target respondents are those who acquire certain knowledge of English language and who involve in travelling.

Due to the limited time of our study, sampling size of our questionnaire will be comparatively small. However, the sampling size is not the most important consideration in doing questionnaire research; a small while high-quality sample could be accurate in reflecting certain characteristics of the populations (May & Williams, 2001, p. 93). Also, in quantitative research, it is possible to indicate knowledge of large groups of people by using small groups (Bartlett et al, 2001, p. 43). Bryman (2008) stated that “*Sampling principles are not exclusively concerned with survey research,; for example, they are relevant to the selection of documents for content analysis*”(Bryman, 2008, p. 165).Therefore, we believe the size of our sample will not largely affect the accuracy of our findings. Last but not least, it is highly possible to gain some invalid responses from anonymous respondents, such as wrong answers or incomplete questionnaires, thus we set our goal to be 170 respondents and we will try to get as many responses as possible.

b. Design of questionnaire

In this stage, we will follow “An Outline of Stages in Questionnaire Construction” presented by Tim May and Malcolm Williams in *Social Research – Issues, methods and process* (2001). The details are as following:

1. What is the theoretical starting-point of the research? What is known already? What research has been done? What can you propose research contribute and therefore what are its aims?
2. What information is required to fulfill these aims?
3. Undertake exploratory initial fieldwork

4. What type of questionnaire will be used and how will the sample be derived?
5. Consider the most appropriate questions to ask, which will depend upon the aims of the research, the target population and the time and resources at your disposal
6. Construct a first draft taking into account that pre-coded questions are easier to analyze and the order of questions is the best social-psychological sequence
7. Pilot the questionnaire and elicit the opinions of a subsample. Gain critical but supportive comments from those familiar with the design and analysis of questionnaires
8. Edit the questionnaire to check on form, content and sequence of questions. Make sure the questionnaire is neatly typed and all instructions and coding are clear and filter questions, if any, are understandable
9. Administer the questionnaire noting the dynamics of the interviews and comments of the interviewers (if used)
10. Analyze the questionnaire drawing upon statistical techniques”

(May & Williams, 2001, p. 108)

Based on this outline, we will design a questionnaire which later will be shown in appendix of this paper. It will cover both open and closed format questions to collect quantitative and qualitative data on customers’ decision making regarding to different marketing efforts used by both online and traditional travel agencies. It will include the questions reflecting respondents’ backgrounds and knowledge, judging how they should continue the questionnaire and presenting their opinions on specific items related to our topic.

c. Distribution and responses collection

There are many ways of sending invitation to respondents to take the survey. Each survey has a special link identifying its location at the surveys webpage. This link can then be sent to an email, placed on a website, or posted on social networking sites, etc. A combination of multiple methods can also be used to invite survey respondents. Depending on method of distribution, all data is still collected under one single survey webpage and the researcher can follow the results and view

survey statistics (May, 2011, p. 118-119).

The questionnaire was made and distributed through an online website for surveys¹, whereby an anonymous link was personally sent by authors to friends and friends of friends. The idea was to have our friends forward the link to their friends, colleagues or even clients, depending on the type of job they have. The link to survey was firsthand sent directly to respective friends' email addresses and the social media such as Facebook. Once the respondent opened the link, they will be automatically sent to the survey website. By submitting directly from the survey website, the respondents' answers and IP addresses will be gathered. The survey website provides trustworthiness through collecting IP addresses of respondents to minimize any chances of duplication, meaning, only one response from each computer. If the researchers were to take the test, this was clearly shown at the results of the survey.

3.2.4 Pilot study

A pilot study is a smaller version of a larger study that is made to prepare for the overall research. A pilot study is a research method data collection in quantitative studies. It is made to test an idea or hypothesis in small groups before the actual questionnaire is distributed to the targeted group. The pilot study can be used in two different ways, one is where a small-scale version is tested to prepare for the large-scale research study and the other one is for pre-testing or trying out a certain research instrument. The major advantage of performing a pilot study is that it gives the researcher an idea of where the main research could fail or where some indications may be inappropriate (May, 2011, p. 107).

After we had designed the questionnaire, a pilot test was carried out before distributing the survey online to a larger sample. We asked our close family members within the target group we were aiming for to test the questionnaire and give feedbacks. This helped to correct the errors or reformulate the questions that were too long or too difficult to understand. Thus we can try to make them as simple or as understandable as possible for the target respondents.

3.2.5 Validity and reliability

To help our readers understand our research better and be able to use our findings in

¹ <http://www.qualtrics.com/>

future studies, we aim to write our paper based on reliable and trustworthy resources in order to reach a high validity and reliability.

Validity is concerned as to which extent that the research is generated by integrity of conclusions (Bryman, 2008, p. 32). Since we are going to use questionnaire as our research approach in this study, we have to make sure that our questions lead to the output we intend to have. Therefore, we carried out a pilot study with a few people to see whether they can understand our questions and whether they can assume our aim by reading our questionnaire. Then we took their opinions into consideration and adjusted our questions before we started to distribute our questionnaire to wide range of respondents online. Our research approach design is based on different sources: literatures, journals, thesis and data. Information has been collected from both primary data and secondary data.

Reliability can be reflected by two factors: stability of the result which can be remained overtime and similarity of the result if it is implemented again (Kirk & Miller, 1986, p. 22). If the results of a research are repeatable, they are concerned as reliable (Bryman, 2008. p. 31). A study is reliable if other researchers are able to get similar results by applying same research method or investigate in a different time period. Our study is reliable because we have chosen a method that is not depending on investigators. However, it could not be absolutely reliable because different samples might reflect different results. But still, if other investigators apply the same limitations we had in our approach such as restricting their respondents into English-understanding travelling involvers, also distributing their questionnaire in the same way we did, there is a high possibility for them to get similar results.

In order to reach a high validity and reliability, we were neutral during the whole study. We tried to express our finding in a neutral way and tried not to lead other investigators into one certain direction.

4 Empirical findings

In this chapter, we will present our results from our investigation we carried out through questionnaire. The collected data has been consolidated through Microsoft Excel; they will be shown and explained in a certain order that allow our readers to have a better idea about how we designed the questionnaire and how theories can be linked with the empirical findings.

4.1 Statistical results

As we mentioned above, the questionnaire was created and carried out through an online survey website called Qualtrics, in which the link of the questionnaire can be sent through electro communication tools such as emails and online chatting systems. It also can be posted online in social media channels such as Facebook. Therefore, the link of the questionnaire has been distributed through World Wide Web without regional restrictions; we successfully received 167 responses from 28 countries and regions. Most of them are from Europe, Asia and Africa, covering developing regions and developed regions. Unfortunately, 8 of the respondents could not complete the questions in a correct way, so we had to remove their answers when we interpreted the results. 7 respondents showed that they haven't experienced any trips over night in a year and they don't have any future traveling plan, they are considered not suitable for answering our questionnaire, thus their responses has been removed too. As a result, we obtained 152 valid responses and the research will be based on those 152 respondents.

4.2 General about respondents

Question 1 to 4 was designed to gather background information of our respondents including gender, nationality, age and occupation. It is possible we would receive most of the responses from people within certain countries and regions, a certain age group or occupation status. Therefore, we need the statistics for the background information in order to consider those factors when we analyze the findings.

As a result of the questionnaire, we got an imbalanced division between gender with 58 males and 94 females. The age divisions are unequal with, 91 respondents placed within age group 18 to 25, 47 respondents placed within age group 26 to 35, 11 respondents placed within age group 36 to 55 and only 3 respondents placed within age group 56 and above. Furthermore, the imbalance also exists in occupation status, with 58 respondents declared themselves are working, 4 respondents are unemployed, 77 respondents are studying, 2 respondents are retired and 11 respondents are working while studying. Statistically, over 90 percent of our respondents are under 36 years old, thus the result of our investigation can barely explain the behavior and attitude of people over 36 years old. Moreover, most of the respondents are either working or studying, the result of the investigation might be inaccurate in explaining unemployed or retired people's behavior.

4.3 General about using the Internet

Question 5 and 6 were designed to measure our assumption of people who spend more hours on the Internet to see whether the results have anything to do with their online buying behavior. We started to ask out respondent to rate their internet skill from a scale of 1 to 5, where 1 means “not confident at all” and 5 means “very confident”. We also added another question to see how many hours they spend on the Internet, on a daily basis in their spare time. According to “Pearson education” (2008) the most popular activities on the Internet has always been checking email and searching for information, other high ranking activities are online banking and shopping, and the usage of the social network.

By asking how confident people think they are in their Internet skills, we were trying to measure their knowledge of using the Internet for all kinds of purposes. Here we allow the respondent to answer openly about how confident they would rate their Internet skills regarding to activities they perform online. According to our findings, from a scale of 1 to 5, 1.3% responded in scale “1” meaning not confident at all, while 2% rated in scale “2”. Furthermore 31.6% answered in scale “3” out of 5 (maybe the definition of 3 should be given too, like medium confident, so-so confident), but the majority of respondents were 35.5% and said their skills lies in scale “4” out of 5. Finally, 29.6 % rated in scale “5” stated that they feel very confident with in Internet skills. With this figures we can conclude that most respondents rated their Internet skills to be and very confident.

Question 6 is regarding to how many hours spent on the Internet during spare time daily. Our aim was to find out approximately how many hours they spend on the computer, performing leisure activities. We added “spare time” in this question because we didn't want the respondents to count the amount of time they spend on Internet while working or studying; we were aiming to make them think about the amount of time they spend browsing the web on their leisure time. To this question we gave four options, they are: less than 1 hour, 1 to 3 hours, 3 to 7 hours or above 7 hours. In our findings, only 2.6% respondents answered that they spend less than 1 hour daily on the Internet at in their spare time. The majority of respondents rated at 44.7% said they spend 1 to 3 hours on Internet at their spare time. Another group of respondents with 40.1% said they spend 3 to 7 hours daily on/in their spare on time. 12.5% of respondent stated that they actually spend more than 7 hours daily on the Internet at their spare time.

4.4 General about traveling

After the basic questions regarding to background information and internet skills in our questionnaire, we designed question 7 and 8 to ask about traveling habits. We asked how frequently they travel over night annually including domestic trips and international trips, and if they chose “never” in question, they were asked whether they plan to travel and spend over night in the future. Our aim was to find out how many times in a year people travel both internationally and domestic. This question was to provide us with information about whether the respondent actually makes any trips annually outside their places of origin. In order to analyze the results, we provided respondents with 5 different alternatives to choose from never, 3 times and under, 4 to 8 times, 9 to 15 times and 16 and above. Our most important response that we needed to highlight and be understood was the option of choosing “never”. Apparently according to our results only 6.6% of total respondents said they never make trips annually whether overseas or domestically.

Looking at our findings the majority respondents at 50% stated that they travel less than 3 times a year both international and domestic trips. Meaning half of respondents actually make trips 3 or less time a year, while 28.9% responded that they make annual trips between 4 to 8 times both internationally and domestically. Furthermore, figures indicates that both groups stating they travel 9 to 15 times and more than 16 times shared the same percentage of 7.2%.

The group of people stated that they “never” made any overnight trips internationally and domestically for the past year were asked to continue the following question which concerns if they had any future plans of spending overnight while traveling. The option provided was either yes or no. Among 17 respondents who chose never, 10 of them answered yes in the following question number 8, meaning that they actually have future plans of spending overnight while traveling either internationally or domestically. While, 7 of those respondents stated that they never had any trips in a year and they chose no which means they didn’t have any plans to have trips in the future either. Due to the reason that the following questions were regarding to traveling, it is not necessary for those who don’t travel to continue the questionnaire to answer irrelevant questions. Therefore, this group of respondents was kindly asked to exit the questionnaire and not answer any further questions.

Question 9 is regarding the purpose of traveling. It is designed as an open question with no words limitation, in which respondents were able to type any answers they came up in mind. This question will help us to gather qualitative data for the study. There are some examples as possible answers under the question, which work as hint to help respondents figure out their answers, but not guiding them into certain answers. After we gathered all the responses, we divided the purposes into 5 groups: leisure, visiting relatives and friends, business, education and others.

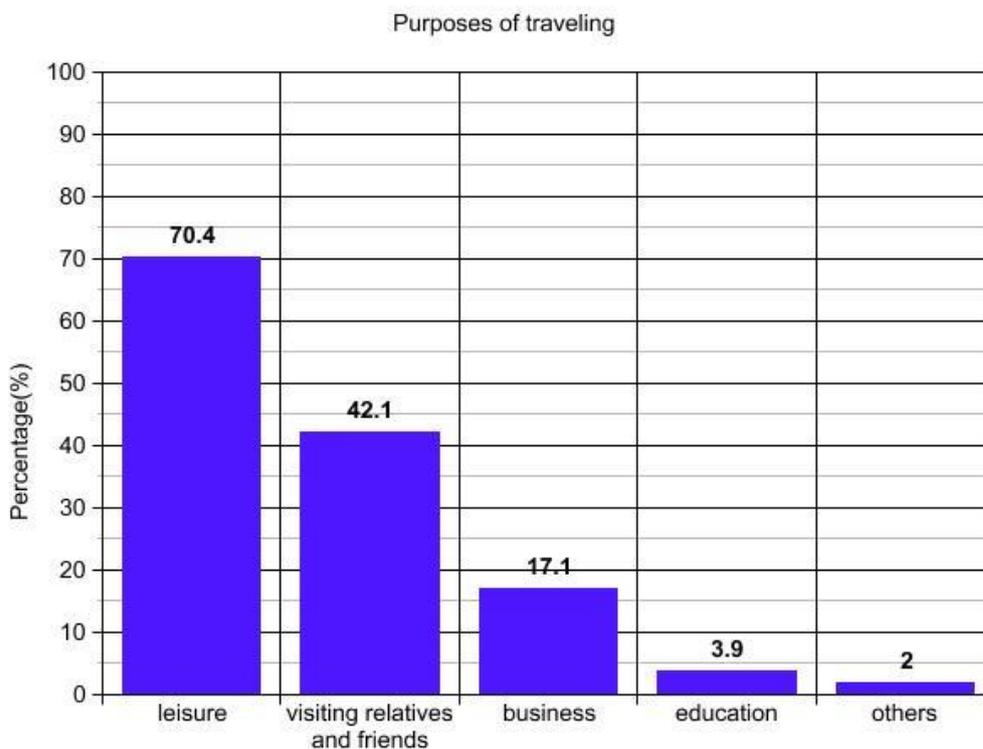


Figure 1 – Main purposes of traveling in percentage

Due to the reason that respondents were able to name multiple answers for this question, many of them voted for leisure and visiting relatives and friends. Leisure here includes sightseeing, shopping, hanging out with friends, exploration, vacation, etc. It is the most common answer and 70.4% of the respondents mentioned their main purpose of traveling is leisure. 42.1% of the respondents stated that visiting relatives and friends is their main purpose of traveling. Besides, 17.1% of the respondents travel for business reason and 3.9% of the respondents travel for education purposes. Also, there were some uncommon answers like religious purposes mentioned by several respondents.

Question 10 (including question 10.1 and 10.2) is one of the key questions for our

research that was aimed for the researchers to determine whether people actually plan or purchase their trips through a travel agency and then find out which type of travel agency is most common and more preferred between online and traditional travel agency. The respondents were asked if they plan or purchase trip through a travel agency and the options provided were yes or no answers.

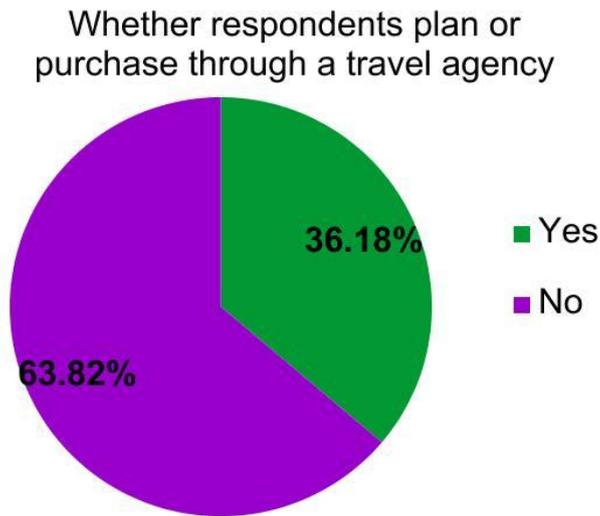


Figure 2 - Whether respondents plan or purchase through a travel agency

In our findings 36% of the respondents said that they do plan or purchase their itinerary through travel agency, unfortunately the majority of 64% said that they don't plan or purchase their trips through travel agency. If the respondent said "yes", we asked them which type of travel agency they prefer most and if they answered "no", they were asked instead to state which type of travel agency they would prefer in future.

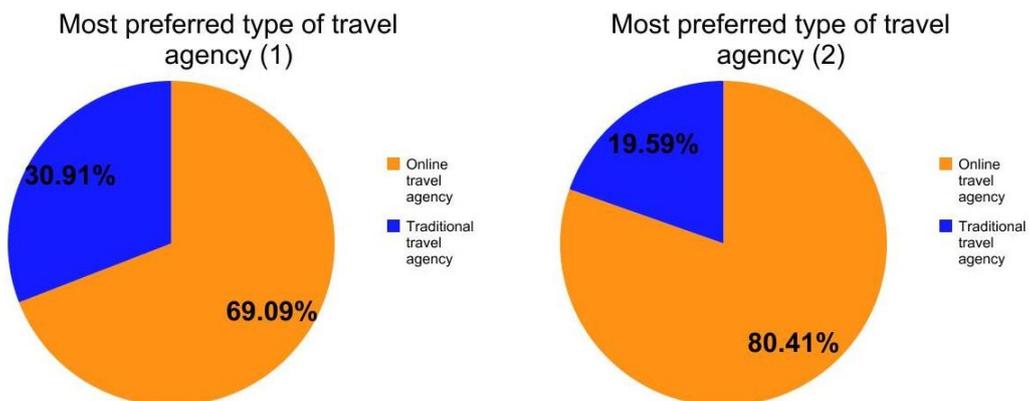


Figure 3 – most preferred type of travel agency (1) & (2)

The left chart above, indicated that people who stated that they plan and purchase their trips through travel agency, 70% said they prefer to plan and purchase from an online travel agency, while only 30% said they prefer traditional travel agency. Meanwhile, we also asked the respondents that said they don't plan or purchase from a travel agency to choose the type of travel agency they would prefer if they were to make plans or purchase trips. The right chart above shows that 80% of the respondent that answered "no" to the question whether they plan or purchase from a travel agency said they would prefer online agency, while less than 20% said they would consider to plan or purchase their trips from traditional agency.

4.5 Marketing efforts

Question 11 to 14 was designed into multiple choices questions (MCQ) to gather information about how people choose travel agencies to plan or purchase their trips. Eight options were given in each question based on the marketing efforts in existing theories and model: 4Ps, 4Cs, 7Ps, which we have explained in theoretical frameworks. They reflected products and customers, price and cost, place and convenience, promotion and communication, people, process, physical environment. Therefore, our options have covered the marketing elements we have discussed in theoretical framework. Besides, we have also given "others" as an option where respondents were able to type reasons they could not find in the given options. This question would also help us to gather personal attitudes and opinions as qualitative data for the study.

4.5.1 Reasons for preferring to choose online travel agency

Reasons for booking at online travel agency

Reasons provided by respondents who prefer to

<i>Plan and purchase their trips through an online travel agency</i>	<i>%</i>
Wider choices of products and services (brand, quality)	56.0%
Relatively lower price (sales, payment methods)	56.9%
Convenient accessibility	62.9%
Attractive advertising (customer relationship, non-physical communication)	11.2%
More self-service while less customized service (less professional advice, productivity)	32.8%
More efficiency (time saving, easiness)	54.3%

Comfort, trustworthy (information security, payment security)	14.7%
Others	2.6%

Table 1 – Reasons for booking at online travel agency

Question 11 was designed for the respondents who prefer to choose online travel agency instead of traditional travel agency. There are 116 respondents in total stated that they would prefer to buy from an online travel agency instead of a traditional one. We asked what the reasons are for them choosing to plan or purchase their trip through online travel agency. As we can see from table 1 above, the top 4 most selected reasons for choosing online travel agency with over 50% of the respondents answered are: wider choices of products and services, price advantages and payment methods, accessibility and efficiency. The 5th influential reason is “self-service process”, with 32.8% of respondents chosen. Only 11.2% of the respondents agreed that they were affected by advertisement to choose online travel agency. In the option “others”, few respondents mentioned the reason for them to choose online travel agency is the easiness of comparing price with other travel agency companies.

4.5.2 Reasons for not preferring to choose traditional travel agency

Reasons for not booking at traditional travel agency

<i>Reasons provided by respondents who don't prefer to</i>	
<i>Plan and purchase their trips through traditional travel agency</i>	<i>%</i>
Limited choices of products and services (brand, quality)	34.5%
Relatively higher price (sales, payment methods)	42.2%
Less convenient accessibility	49.1%
Less attractive advertising (customer relationship, physical communication)	7.8%
More customized service while less self-service (professional advice, productivity)	12.1%
Less efficiency (time-consuming, difficulty)	49.1%
Comfort, trustworthy (information security, payment security)	1.7%
Others	0.0%

Table 2 – Reasons for not booking at traditional travel agency

Question 12 was still given to the respondents who prefer to choose online travel agency instead of traditional travel agency. The aim for this question was to find out what factors causes traditional travel agency services to be undesirable comparing to online rivals. 49.1% of the respondents chose “less convenient accessibility” and

another 49.1% chose “less efficiency” to be the reason why they don’t prefer traditional travel agency. The “price disadvantage” and “limited choices of products” became the 3rd and 4th influential reason for respondents who do not prefer to plan their trips through traditional travel agency, with 42.2% for the former, and 34.5% for the later. Only 1.7% of the respondents mentioned that they don’t prefer traditional agency for its “comfort or trustworthy”.

4.5.3 Reasons for preferring to choose traditional travel agency

Reasons for booking at traditional travel agency

Reasons provided by respondents who prefer to

Plan and purchase their trips through a traditional travel agency %

Wider choices of products and services (brand, quality)	36.1%
Relatively lower price (sales, payment methods)	19.4%
Convenient accessibility	33.3%
Attractive advertising (customer relationship, non-physical communication)	16.7%
More customized service while less self-service (professional advice, productivity)	52.8%
More efficiency (time-savings, easiness)	33.3%
Comfort, trustworthy (information security, payment security)	66.7%
Others	2.8%

Table 3 – Reasons for booking at traditional travel agency

In question 13 the respondents were asked to choose the reasons to why they prefer traditional travel agency. According to the data above 66.7% of those respondents agreed that the main reasons for choosing traditional travel agency is because of its comfort, trustworthiness, information and payment security. While 52.8% said they preferred this type of agency due to customized services and psychological interaction with the supplier. 33.3% said because of its convenient accessibility and 36.1% said it’s because of wider choices of products and services. While 19.4% of those respondents said it offers lower prices. Only 16.7% said that promotion has attracted their decision making of planning and purchasing from an online travel agency.

4.5.4 Reasons for not preferring to choose online travel agency

Reasons for not booking at online travel agency

Reasons provided by respondents who don’t prefer to

<i>Plan and purchase their trips through an online travel agency</i>	<i>%</i>
Limited choices of products and services (brand, quality)	19.4%
Relatively higher price (sales, payment methods)	16.7%
Less convenient accessibility	19.4%
Less attractive advertising (customer relationship, physical communication)	11.1%
More self-service while less customized service (less professional advice, productivity)	38.9%
Less efficiency (time-consuming, difficulty)	38.9%
Comfort, trustworthy (information security, payment security)	50.0%
Others	5.6%

Table 4 – Reasons for not booking at online travel agency

When asked, the reasons for not preferring online travel agency, 50% of the respondents agreed on comfort and trustworthy regarding to procedure of booking a trip, sensitiveness to online payment methods and personal. Meanwhile 38.9% said they don't prefer online agency because they think it is less efficiency and it offers less customized services. Furthermore 19.4% of respondents stated that they would not choose online travel agency because it offers limited choices of products and services and its inconvenient accessibility. Consequently, 16.7% would not prefer this type of agency due to the reason that some of their products have relatively higher prices and unattractive sales activity and payment methods. 11.1% of those respondents choose poor advertising and 5.6% had other personal reasons for not choosing online travel agency in comparison with traditional travel agency.

4.6 Conclusion

When making questionnaire our aim was to analyze the results concerning people traveling habits and investigate how different marketing efforts affects their choices of planning and purchasing through an online or a traditional travel agency. Even though our questionnaire was anonymous, we started by asking basic questions to gather some personal information of our respondents such as gender, nationality, age and occupation. Because the research aims at studying buying behavior at online or offline travel agency, we wanted to measure the respondents Internet skills. We continued our question by asking how confident they are in their Internet skills from a scale of 1 to 5. According to our findings the majority rated their skills from scale of 3 and above meaning, confident to very confident. We also asked how frequent they use Internet in their spare time on a daily basis. Furthermore, we started to ask our respondents key questions regarding to

their traveling habits for example, how frequent they travel annually and what are the main purposes of their travel. By then our audience may have an idea about purpose of the questionnaire. We finished the survey by asking whether they prefer to plan or purchase their trip through an online travel agency or traditional travel agency. In addition, we guided them to choose multiple choices and also give open answers to state which type of travel agency they prefer and why they prefer the one and not the other. Our aim of the findings was to compare which type of travel agency is most common and more preferable and how different marketing efforts of service management affects consumers buying behavior.

5 Analysis

The aim of this study was to understand how different marketing efforts affects consumer decision making of planning and purchasing trips from either a traditional travel agency or an online travel agency. An online survey was conducted to support findings of the study, a number of targeted audience were involved in this research of which type of travel agency is most common and more preferred, and by inserting marketing mix, the reasons for choosing either travel agency could be identified. In our research the purpose was to find out to what degree marketing mix of Ps including product, price, place, promotion, people, process and physical environment have influence on consumers buying behavior of choosing traditional and online travel agency. The other consideration, of marketing mix known as 4Cs includes customer, cost, convenience and promotion, was included in our study.

By analyzing our theoretical frameworks with our empirical findings, the purpose here is to answer our two research questions, first: how marketing mix of product, price, place and promotion affects consumers choice of planning and purchasing through a traditional versus an online travel agency. Furthermore, by analyzing other marketing efforts in marketing mix of people, process, physical environment, the second research question will be answered, regarding what and how other marketing efforts affects consumers decision making of planning and purchasing through an online travel agency versus traditional travel agency.

5.1 General analysis

As we all know, in regions with developed Internet system, online shops are accessible to anyone using computer and the Internet while physical shops may only be accessible to certain people in the area. Instead of searching or going to a physical shop that takes time and energy, most people may prefer to visit online travel agency to book their trips. On the other hand, in regions with poor Internet connection, it is almost impossible for some people to purchase their trips online, and in those areas, physical stores tend to serve more purpose for the locals. This means Internet tends to favour agencies that choose to run their business online, it can be online travel agency or traditional travel agency that offers multiple distribution channels of their products and services such as online web shops.

As mentioned earlier in our methodology the respondents were reached through the Internet whereby an electronic link was sent out to them via emails, social media and their cell phones. This means our chosen respondents have good Internet accessibility in order to respond the survey. This assumption has also been proved in our findings. Most of the respondents have a certain confidence in using the Internet, 96.7% of the total respondent stated that their Internet skills are above scale 3 out of 5 and 97.4% in total stated that they spend averagely over an hour a day in their spare time on the Internet.

When asked whether the respondent plan or purchase their trips from travel agency over 36% said yes, agreeing that they have used travel agencies before to plan or purchase a booking, while less than 64% said they have not planned or purchased from travel agency before. However, when the respondents who said “yes”, stating that they have booked earlier from travel agency were asked which type of agency they prefer, 69.1% said that they preferred online travel agency. Besides, the people who said “no”, stating that they have never used travel agencies to book their trips 80.4% said they would prefer online travel agency in future if they were to plan and purchase a booking. These results may indicate that the products and services of online travel agency are more preferred than the traditional travel agency, whether the respondents have used or were planning to use a travel agency as a part of their booking process.

Obviously, the majority of respondent are skilful and confident in using the Internet, we assume these findings may have an impact on our result that most people would prefer to make a booking or plan their trips from an online travel agency. These results led by our distribution channels may also limit our findings regarding which type of travel agency that is most common and more preferable.

5.2 4Ps and 4Cs

The marketing mix consists of all the elements that a company needs to influence customer demands and expectations. It is a set of controllable, tactical marketing tools that supplier to the targeted market. The “Ps” focuses on producing the right product at the right price and distributing at the right place with the right promotion. Today’s market requires the providers to see things from consumer perspective in order to gain their trust. Therefore, the 4Cs was created and developed by marketers who wanted to have an emphasis on customers’ perspective.

By analyzing our results accordingly to 4Ps together with 4Cs, this research will respond the first research question regarding how marketing mix affects consumers’ choices of planning and purchasing through an online travel agency versus a traditional travel agency.

5.2.1 Product or customer

Product in marketing mix is something the organization manufacture to supply to targeted audience, it is described as tangible and intangible products and services that serve different purposes to add value for the customer and satisfy their needs. On the other hand, some organizations are customer-oriented and focus mainly on making products fitting their customers’ desires, not just products they estimate the market demands (Armstrong & Kotler, 2009, p. 39).

We believe that travel agency should focus on supplying products and services that add value to their customers for example, by developing relationship between them and their customers or by receiving feedback from them through different marketing channels. In doing so, the customer can provide the agencies with the information they need to improve or upgrade their products and services for the existing as well as new customers.

In our empirical findings online travel agency was more preferred by the majority of respondents, 56% stated that product is the 3rd most selected reason why they choose to buy from online travel agency. They agreed that wider choices of products and services as well as brand, quality are the main attractive elements that affect their decision making of purchasing from an online retailer. However, 19% of the respondents stated that they don’t prefer to plan their trips from online travel agency due to limited choices

of products and services are not preferable for them.

Meanwhile, 36% of the respondents that didn't choose online agency said they would choose traditional agency instead because of the opportunity of getting tailor-made products and services and the choice of combining multiple choices of products that are customized. The group that don't prefer traditional agency, 34% argued that limited choices of products and services are not attractive for them to choose this type of agency.

To sum up, product of marketing mix is one of the most attractive marketing elements that determine which type of agency customer would prefer while planning or purchasing their trips. Online travel agency set of products is one of the most influential service elements that makes customer prefer their services. Most people prefer it because of its wider choices that customers can combine from, also the chance of purchasing free-style products. People who prefer traditional agency also identify products, as the major reason to why would choose services of this type of agency.

5.2.2 Price or cost

As we stated earlier, the price is a certain amount of money that customers must pay for the product. The price concept in marketing mix can be explained as list price, discounts, payment period, credit terms, etc (Kotler & Armstrong, 2012, p. 76). To companies, price is something they are willing to charge for their products and services, while in a customers' perspective, price is the money that they spend on products and all other cost involved while purchasing the products (Lovelock & Wirtz, 2011, p. 46). The price setting largely affects consumers' choice of buying.

Through the questionnaire, we found that for those respondents who choose online travel agency instead of traditional travel agency, price is one important factor that makes online travel agency more attractive. 56% of those respondents agreed that they choose online travel agency for its relatively cheaper price, sales promotion, preferable payment methods, etc. Price related marketing elements is the 2nd influential reason to the respondents for travelling consumers to plan and purchase their trips through online travel agency. Meanwhile, 42% of the respondents stated that the undesirable price, sales activities or payment methods are the reason for them not to choose traditional travel agency. This ranked as the 3rd most selected reason in "reasons for not booking at traditional travel agency" among 8 choices.

However, for those respondents who chose traditional agency instead of online agency,

price related factors are not the main consideration. Only 19% of the respondents answered question number 13 and 14 mentioned that price is the reason why they prefer traditional travel agency. And 16% of those respondents agreed that “price setting, sales and payment methods” affects their choice to not purchasing through online travel agency. In both questions, price factors came as 6th influential reason that affecting buying behaviour among 8 choices.

In summary, for those respondents who prefer online travel agencies, price is one of the most influential considerations; while for those who prefer traditional travel agencies, price seems not to be one big reason that affects their choices. Which means, the price advantage or price related marketing elements do help online travel agency attract their customers. While for traditional travel agencies, they have something more valuable to their customers than price.

5.2.3 Place or convenience

Place represents the location or the distribute channel of a product in where or through where customer can purchase (Lovelock & Wirtz, 2011, p. 44). In a customers' perspective, a place needs to be easy to find and convenient to get to. Therefore, the accessibility of the product either in physical places or on the Internet largely affects customers buying behaviour.

In our findings, place or accessibility counted as the number one common reason for choosing online travel agency. Among those respondents who prefer planning or purchasing their trips through online travel agency, 62% answered that accessibility is the most important reason that affects their buying decisions. 49% of those respondents agreed that the key reason why they don't prefer buying from traditional travel agency is its less convenient accessibility. However, for the respondents who preferred purchasing from traditional travel agency, place once again is not their most important considerations. 33% of those respondents mentioned that the accessibility for traditional travel agency is convenient for them and they choose to buy from because of the convenience. 19% of the respondents preferring traditional travel agency argued that online travel agency has a less convenient accessibility and this affects them not to choose online travel agency.

It is highly possible that those respondents, who stated online travel agency is less convenient for them to purchase from, either have poor accessibility to the internet or not confident in using computer and the internet. In summary, place or accessibility could both be an influential factor or unattractive factors for two types of travel agency.

It especially weighs more for online travel agency “supporters” and it counted as the most influential marketing effort affecting consumers’ buying decision from online travel agency. However, for traditional supporters, place or location doesn’t affect that much on their buying decisions; some people think traditional travel agency has a more convenient accessibility and they might value other marketing elements more than place.

5.2.4 Promotion or communication

Promotion in marketing mix for organization is a way of communicating products and services to customers through advertising, direct marketing, PR, sales promotion and etc. Through promotion, companies try to reach their customers and influence customers’ decision making of buying their products. It is how they advertise the companies’ existence, the brand and advantages of their products. On the contrary, communication serves a customer perspective and mainly focuses on creating meaningful interaction between the supplier and end consumer (Kotler & Armstrong, 2009, p. 383). Communication in customer perspective includes any form of personal interaction where companies use different communication methods such as social media, emails and direct marketing to reach their customers continuously.

However, looking back at our findings, promotion as marketing effort is the least common reason why people prefer to choose online agency. Only 11% among the respondents said that advertising, non-physical communication and customer relationship between them and the agency has some affect on their decision making of planning or purchasing from an online retailer. The group of these respondents argued that attractive advertising does not have much influence on their buying behavior but other marketing efforts are the reason why they would prefer online agency. Also, respondents that don’t prefer to purchase their trips from online agency shared the same figure, 11% agreed that promotion of online agency has little influence on their buying behaving but instead would consider other elements of online services.

Furthermore, the respondents who chose traditional agency and stated that promotion have some influence on their decision making of purchasing from traditional are slightly higher than those who chose online because of advertising. 16% answered that they would consider promotion among other service elements as the reason why they turn to traditional agencies. Only 7% of the respondents that don’t prefer to purchase from traditional agency said it is because of less or unattractive advertising that they don’t chose traditional, ranking 7th reason out of 8 of “reasons for not booking at traditional

agency. This group of people doesn't seem to find any physical contact or active interaction with the agency necessary in their decision making of buying from traditional stores.

In summary, promotion seems to be the least influential marketing element that attracts consumer to choose products or services of either agencies, with figure not higher than 20% both agencies advertising efforts are less considered by customer while purchasing from either online or offline agency. Instead, the respondents would consider other marketing elements in their decisions making of buying from traditional or online agency other than promotion.

5.3 Other marketing considerations from 7Ps

Apart from the marketing mix of 4Ps and 4Cs, other marketing efforts in marketing mix were studied throughout the research. Service marketing mix, 7Ps, is the extended version of marketing mix of 4ps, stands for people, process and physical environment which is used in addition to market the intangible services through people, process and physical environment (Lovelock & Wirtz, 2011. p. 44). It will be used to analyze how other marketing elements may affect consumer decision making of planning and purchasing from online travel agency versus traditional travel agency in order to answer the second research question.

5.3.1 People

In service industry, "people" or human resources are considered as a crucial part because they involve not only in the process of production, but also in delivery and consumption of service products. The interactions with the employees largely affect the customer's impression of the company and judgment of the product. Well-trained employees in travel agency industry could often offer professional advice or precise traveling plans to their customers. Their understanding of customers' needs and working attitude may directly affect how customers perceive the value of the service. Also, professional agents can work in a more efficient and productive way and are sometimes considered as competitive advantage for the travel agency company (Lovelock & Wirtz, 2011, p. 48).

Through our questionnaire, we found that people is the number two common reason for our respondents to choose traditional travel agency instead of online travel agency.

52.8% respondents stated that they prefer to book their trips through traditional travel agency because it offers more customized service. And 38.9% answered that they found online travel agency less attractive because it offers self-service instead of tailor-made service. People in traditional travel agency could be considered as a competitive advantage against the online rivals. Although some gigantic online travel agencies try very hard to improve their customer segmentation system, they can barely successfully fulfill each customer's needs. Most of the time, their systems are trying to divide the individual customer into a certain group, sharing common requirements. To the contrary, traditional travel agency offers customized service to each individual because they have staffs to serve each customer according to different requirements and produce the service products with their customers through conversation. Therefore, people became the number two influential reasons for traveling customers to choose traditional travel agency.

However, for those respondents who prefer online travel agency, "people" wasn't counted as one important consideration. Customized service seems not to be the attractive factor for online consumers. 32.8% of those respondents mentioned that self-service style of the online travel agency is more attractive comparing to professional traditional agency. Some people found that free-style self-service process is more productive and efficient; some people found that professional advice is not attractive because they want to experience something new or different from others. 12.1% stated that customized-service and professional advice was the reason why they found traditional travel agency not as attractive and turned to purchase from online travel agency.

In summary, people could be considered both as an attractive and unattractive marketing factor. While for traditional travel agency, "people" was found more valuable and attractive. For online travel agency consumer, "people" is not the most important consideration, they are more attracted by other advantages that online travel agency has to offer.

5.3.2 Process

Service process is provided by travel agency and received by customers through a certain process. It includes the efficiency of delivering service, the attitude a company has towards customers during service, the functionality of the system, etc. A good process, for instances, should not keep customers waiting too long for the service, and should have understandable and efficient system when customers are searching for

information. Thus, an efficient, ease of using, time-saving and perhaps cost-saving process is considered as good process for many people. It is crucial to reach customer satisfaction and win competition against rival companies.

In our findings, we found process has a significant influence in both online and traditional travel agencies customers' buying decision. Our respondents, who preferred online travel agency, argued that process of the traditional travel agency is less efficient, time-consuming and difficult to use. 49.1% of those respondents chose process to be the main factor that affects them not to purchase from a traditional travel agency. Process ranked number one together with place and is the reason why some people found traditional one not attractive. 54.3% stated that the process of online travel agency attracted them for its efficiency and easiness to use. Apparently, those who chose online travel agencies don't appreciate the process of traditional services. They found this process not efficient and hard to reach their expectations. On the other hand, the respondents who chose traditional travel agency instead of online travel agency stated that the process of online service seems to be less efficient, time-consuming and difficult to them. 38.9% of the traditional supporters found the process of online travel agency not attractive. And 33.3% of those respondents agreed that the reason why they chose to book in a traditional travel agency is because it has efficiency and easiness during the whole service process.

Before we started our questionnaire, we had this assumption that people who don't have access to the internet and not confident in computer and internet skills might find it hard to use online system while those who are confident in using internet might agree that online system is more efficient and easy in providing service. However, according to our findings, there is no significant relationship between internet skill and the choice of process. As we mentioned before, due to the limitation of our distribution, over 97% of our respondents has a certain confidence (from medium confident to very confident) in using the Internet. Still, there are many respondents that found online process less attractive while traditional process more preferable.

In summary, process for both travel agencies is considered as one influential factor to affect consumers buying decision. It especially values more in customers that prefer online travel agency.

5.3.3 Physical environment

Physical environment refers to something tangible coming along with the intangible service goods. It is a general concept of the tangible factors along with service products

such as the employee's uniforms, interiors of a company or printed material (Lovelock & Wirtz, 2011, p. 48). Therefore, in our questionnaire, we designed physical environment as one option that refer to comfort, trustworthiness and security. For instances, the warranty of service products, trustworthiness of business, customers' information security and a comfortable design of the physical store or the web shop are considered as physical environment.

Through our investigation, physical environment seems to be a not very important consideration for online travel agency customers. Respondents who preferred to plan or purchase their trips through online travel agency stated that physical environment doesn't largely affect their decisions. 14.7% of those respondents found online physical environment is comfortable, secured and trustworthy and agreed that physical environment leads them to purchase from online travel agency instead of traditional one. Only 1.7% of the online supporters stated that the less comfortable and trustworthy physical environment makes them concern that traditional travel agency is undesirable.

To the contrary, physical environment is considered as the most important reason for respondents who preferred traditional travel agency over online one. 66.7% of those respondents agreed that the most attractive factor on traditional travel agency is its comfortable, secured trustworthy physical environment. It ranked as number one popular reason both in "reasons for booking at traditional travel agency" and "reasons for not booking at online travel agency". 50% of traditional supporters stated that they don't choose online travel agency because it's not trustworthy and it can barely keep personal information secured.

In summary, physical environment seems to be the most important reason for people to choose traditional travel agency instead of online one. For traditional travel agency, physical environment could be considered as a big competitive advantage against online rivals. Traditional customers obviously value physical environment more, while online customers found it is not an important consideration when they make their purchasing decisions.

5.3.4 Others

Our 8th option: others, where respondents were able to freely write about their other considerations that haven't been covered by other options. It helps us to collect qualitative data, and enables us to find other interesting factors that affect consumer behavior.

Several people mentioned that the reason why they preferred online travel agency is because it is easier to compare prices among multiple agencies. Also, some respondents who were trying to avoid personal communication mentioned that there is no personal contact required in online travel agency, thus they found it is more preferable. On the other hand, some traditional supporters stated that personal contact is the attractive part of traditional travel agency. This could be understood as people's different reactions to "people", "promotion" and "process".

In summary, there are some other marketing stimuli besides those in 7Ps need to be considered by travel agencies.

6. Discussion and Conclusions

In this chapter, we will answer our research questions, conclude our findings and make comparisons with previous research.

6.1 Answers to research questions

Research question 1: How does marketing mix including products, price, place and promotion affect consumers' choices of planning or purchasing through online travel agency or traditional travel agency?

Product

According to findings from our questionnaire product is an important element when a customer chooses whether to plan or purchase their trips from either online or traditional agency. The advantage of booking through online agency is the opportunity of finding wider choices of products that can be combined according to customers' needs. On the other hand, traditional agency offers customized products and services to their clients, where physical interaction and professional advice is a part of their business transaction. In our findings product is the 3rd frequent reason (among price, place and promotion) to why the respondents would choice services from online travel agency. This finding is in line with previous research in which Ku and Fan concluded that product quality, safety and privacy were the most important factor attracting consumers to purchase service products on the Internet (Ku & Fan, 2009, p. 482).

Meanwhile, in traditional agency product is the most influential reason for respondents to chose this type of agency even though they offers limited choices of products, they do appreciate customized service and physical interaction. This finding is opposite to what Degeratu and others stated in the previous research in 2000, that product factor (including quality and brand) has higher impact on online travel agency than traditional one (Degeratu et al., 2000, p. 30).

Price

Price is the 2nd frequent reason to why some respondents would choose to purchase their trips from an online agency, because of constant sales, comfortable payment methods and their relatively lower prices of products. Price in marketing mix ranks as the 3rd most selected reason that would affect online consumers not to plan or purchase from a traditional agency. This finding is in line with the previous research in which Mayr and Zins claimed that the most important factor influences the acceptance of online travel agency is price favorableness and convenience (Mayr & Zins, 2009, p. 164). However, our finding regarding to convenience and accessibility is different from the previous research made by Ku and Fan, who stated that convenience is not a main factor attracting consumers to buy from online travel agency (Ku & Fan, 2009, p. 482). On the other hand, when it comes to choosing traditional agency, price does not affect customer's decision of planning to purchase from this agency. Price factors came as 6th influential reason that affecting buying behaviour.

Place

Place in marketing mix is said to be the most important service element. The biggest advantage of online agency, is their ability of providing their services through the Internet, this makes it convenient for customers to access products comfortably. Yet, traditional agency specializes on selling their product mainly in physical stores but has limited opening hours and less convenient to access. Thus, place became the most selected option why online supporters find traditional travel agency is not desirable and choose to purchase from online travel agency. Place has an impact on consumers decision making of buying from both online and traditional agency. This finding is also in line with Mayr and Zins statement that convenience together with price favorableness is the most influential factor when travel consumers make decisions (Mayr & Zins, 2009, p. 164).

Promotion

Promotion is the least selected service element that affects customer to purchase from online than traditional agency based on the questionnaire. It is the 4th influential reason to why they would choose either online or traditional. The lack of physical interaction and less customized services makes the online agency less attractive while, less advertisement does not have any effect on customer decision making of planning or purchasing from traditional travel agency. This finding is opposite to what Mayr and Zins stated in their previous research that promotions or direct marketing is the third effective factor in consumers' decision making process (Mayr & Zins, 2009, p. 164)

Research question 2: What are the other marketing elements and how do they affect consumers' decision making of planning and purchasing through online travel agency versus traditional travel agency?

We found out what other elements are through building our theoretical frameworks by studying existing theories such as 4Cs, 7Ps and 8Ps and through our questionnaire. As a result, other marketing efforts could be people, process, physical environment, physical evidence, productivity and quality and easiness of comparison with other companies in price. The marketing stimulus, productivity and quality, is considered as a part of product and process in this study therefore, it has been covered in answering research question one.

People

This marketing stimulus is more appreciated by traditional travel agency buyers. Because of people, customers can gain valuable advice and professional help more efficiently. This finding is in line with the previous study by Mayr and Zins who concluded that personal contact with the competitive and friendly counter agents attract customers to buy from traditional travel agency (Mayr & Zins, 2009, p. 165-166). While, to online customers who might prefer self-service and free-style, "people" is not an influential attractive factor.

Process

Process is considered as one of the most influential factors for both types of travel agency. Online travel agency buyers most likely hold the opinion that process of buying online is more productive and efficient with a good system, while traditional buyers prefer the process of buying from traditional travel agency. Therefore, traditional supporters are more attracted by the smooth flow of service arrangement and efficient process that a travel agency can provide. This founding is corresponding with the study

made by Sarker, Wang and Begum, who emphasized that tourism operators should take good care of all the procedures involving in service because this process affect customer satisfaction (Sarker, Wang & Begum, 2012, p. 275).

Physical evidence

Physical evidence that includes physical environment is particularly influential to traditional travel agency customers. They are attracted by the comfort they can experience and the warranty of trustworthiness from physical stores. This finding is also similar to the Sarker, Wang and Begum's study which showed that physicals affect customers purchasing experience and satisfaction (Sarker, Wang & Begum, 2012, p. 275). Traditional customers found online travel agency comparatively riskier and uncomfortable to buy from. On the other hand, online supporters most likely don't think physical evidence is an important marketing effort that affects their buying decisions.

Others

The most important consideration hasn't been covered by the existing theories is the easiness of comparison. It seems to be especially important to online buyers because they can compare multiple travel agencies at the same time and compare the best deal. Therefore, the easiness of comparing price or other service elements with other companies could affect consumers buying behavior especially online buyers. Cho and Anrousa also stated in their research that price sensitivity and ease of price comparisons induce a change in consumers' buying behavior (Cho & Agrousa, 2006). Shankar and others also mentioned the same finding that customers may attracted to online companies because it's easier to compare alternatives than offline companies (Shankar et al., 2003).

6.2 Limitations of the study

While doing our study, some critique has occurred throughout the research. First of all, the survey was distributed through internet with an electronic link whereby the respondents' only option was to answer online, this may have affected our results in a way that the majority of our respondents, when asked which type of travel agency they prefer, online travel agency was the most preferable. The first study's limitation is that it's hard to judge those people who don't get a chance to answer the questionnaire manually if they do not have Internet access; therefore, those people are not included in this study.

Second, the researchers' nationality and background may have affected the results of survey; due to the targeted respondents are more or less having similar backgrounds with the researchers. Also, the age and gender of researchers may have influenced the results of survey. Our findings shows that the majority of the respondents are female and between the age group 18 to 26 years. Other similarities can also be found in occupation, the majority of respondents are students. When we made the questionnaire we choose the respondents who were available and willing to help at the short period of time. Due to the reason that both researchers are female, studying and are between 18 to 26 years, this can be explained why the majority of respondents are female, studying and same age group as the respondents of survey. However, because of the limited time of this research, we found this way of gathering empirical data most efficient and we didn't expect these limitations and problems to happen.

Finally, when doing quantitative data it was almost impossible to avoid errors in our findings when the data was to be analyzed. However, using quantitative method was crucial to our study since we wanted to investigate how marketing elements affects people decision making in planning or purchasing through online or offline agency. In our questionnaire we asked people to choose which marketing efforts affects their decision if they are going to buy through the Internet or a physical shop. When analyzing data, we encountered some errors; some people answered the question they were supposed to skip. Due to this reason, we had analyzed questionnaire one by one in order to maintain accurate responses. Furthermore, question 11 to 14 were presented into multiple choices questions whereby the given multiple choices didn't show to what scale the respondents would rate the reason of choosing one travel agency and not the other. Therefore, it is difficult to convert into statistics results and analyze. This could have been covered by providing choices related to theoretical frameworks consisting of Ps in a scale ratio, in order to measure which degree the marketing efforts affects consumers decision making.

Mistakes also happened not because the questions are too complicated, but because some people may not have read the context carefully. There was no way to avoid careless reading and impatience, therefore we had to neglect unqualified survey although those respondents also took precious time to finish it, and only use the data that was complete and correct.

6.3 conclusions and recommendations

In conclusions, the marketing stimuli discussed in this research have great influence in consumers' decision making process. Some of them might value more for online travel agency customers such as price, place and ease of price comparison; some might be more appreciated by traditional travel agency buyers such as people, physical evidence and process.

One of the most key findings of this research is: it is not only important to understand the existing customers' needs, but also important to hear opponents' customers' opinions. We found that in online travel agency customers' perspective, the unattractive factors of traditional travel agency are different from those traditional travel agency buyers' view. The reason could be that the existing customers to a certain type of travel agency might neglect some problems of it while the opponents' customers might have more critical views towards its service marketing. Therefore, for service marketers from both types of travel agencies, enhancing the marketing efforts that their customers value the most, minimizing their weakness and seeing from opponents' customers' point of view are necessary in making their next marketing strategies.

This study mainly focuses on marketing stimuli, starting from 4Ps then its alternative versions that are closely related to service marketing. However, companies and marketers should not only focus on marketing efforts but also consider about economic, technological, social and cultural environmental factors. Furthermore, companies could understand their customers' needs better by having a close look at consumer segmentation which focuses on investigating consumers' characteristics from demographic, psychological or cultural behaviors (Kotler & Armstrong, 2012, p. 159). Just like Kotler stated in his Stimulus-Response Model of Buying Behavior, there are multiple factors that need to be considered when creating marketing strategies.

Through this study, we find marketing stimuli work differently for different travel agency types although they are similar to each other in the same industry. For instance, price factor might affect more for online customers while physical evidence has greater influence on traditional buyers' decision making. It could be a good idea to put efforts on strengthening their existing advantages and not trying to compete their rivals with their weaknesses. It is important to not study their customers' needs, but also their rival's customers' opinions. This could help both travel agencies to understand better about their disadvantages, and establish strategies to minimize those weaknesses to be more desirable to a wider consumer group.

This study could not cover all the marketing stimuli because there are many companies or marketing experts that have their own versions of “n”Ps. Some might have a particular emphasis on company’s culture and philosophy; some might focus on public relationship, promise, etc. It is also important for a company to find marketing stimuli that is most suitable for their business. For further study, researchers are recommended to not only investigate other marketing mix approaches but also marketing environmental factors. Also, researchers are suggested to focus on consumers’ perspectives by studying consumers’ background, psychology, culture, etc.

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Appendix 1

QUESTIONNAIRE (regarding buying behavior through online and offline travel agencies)

Declarations:

This questionnaire concerns your traveling habits and your choice of travel agency. It aims to form an overall view of how people from different countries and regions make their choice of planning and purchasing trips through travel agency. All questions are formulated into three types: single choice, multiple choices and open question. Before you start to answer the questions, please read the definitions carefully. Please choose the option (or options) you agree and check the box. It may take you approximately 3 to 5 minutes to finish this questionnaire, and we appreciate you taking your precious time and patience in doing it.

Definitions:

Online travel agency: It is an electronic intermediary specializes in providing tourist services, products and booking capability on World Wide Web. It also works as a communication and distribution channel which can provide travel products and services at any time globally. **Purchasing online but through a traditional travel agency's website is not considered as making use of online travel agency in this questionnaire.**

Traditional travel agency: It is a private retailer to leisure and business travelers that provides tourism related services to the public on behalf of travel provider such as, airlines, hotels, car-hires, cruise lines, foreign currency and packages tours. Although it offers products and service mostly in a store, it also creates websites to display information and fulfill services and transactions.

1. What is your gender?

- a. Male
- b. Female

2. What is your nationality?

3. Which age group do you belong to?

- a. 18 to 25
- b. 26 to 35
- c. 36 to 55
- d. 56 and above

4. What is your occupation?

- a. Working
- b. Unemployed
- c. Student
- d. Retired

5. From a scale of 1 to 5, where 1 means “not confident at all” and 5 means “very confident”, how confident are you in your internet skills?

1 2 3 4 5

6. How many hours do you use the Internet on a daily basis in your spare time averagely?

- a. Less than 1 hours
- b. 1 to 3 hours
- c. 3 to 7 hours
- d. Over 7 hours

7. How frequent do you travel over night annually including domestic trips and international trips?

- a. Never
- b. 3 times and under
- c. 4 to 8 times
- d. 9 to 15 times
- e. 16 times and above

8. If you choose “a. never” in question number 5, do you plan to travel and spend over night in the future?

- a. Yes
- b. No (Thank you for your cooperation, you don't need to continue the rest of this questionnaire.)

9. What are the main purposes of your travel?

(For examples: business, leisure, visiting relatives and friends, shopping, medical etc)

10. Do you usually plan or purchase your trip through a travel agency?

- a. Yes
- b. No

10.1. If yes, which type of travel agency do you prefer?

- a. online travel agency (please continue to answer question 10 and 11, but skip question 12 and 13)
- b. traditional travel agency (please skip question 10 and 11, but continue to answer question 12 and 13)

10.2. If no, which type of travel agency would you prefer if you are going to plan and purchase your trip?

- a. Online travel agency (please continue to answer question 10 and 11, but skip question 12 and 13)
- b. Traditional travel agency (please skip question 10 and 11, but continue to answer question 12 and 13)

11. If you prefer online travel agency, what are the reasons? (Multiple choices)

- a. Wider choices of products and services (brand, quality);
- b. Relatively lower price (sales, payment methods);
- c. Convenient accessibility;
- d. Attractive advertising (customer relationship, non-physical communication);

- e. More self-service while less customized service (less professional advice, productivity);
 - f. More efficiency (time-savings, easiness);
 - g. Comfort, trustworthy, information security, payment security
- Others _____

12. If you don't prefer traditional travel agencies, what are the reasons? (Multiple choices)

- a. Limited choices of products and services (brand, quality);
 - b. Relatively higher price (sales, payment methods);
 - c. Less convenient accessibility;
 - d. Less attractive advertising (customer relationship, physical communication);
 - e. More customized service while less self-service (professional advice, productivity);
 - f. Less efficiency (time-consuming, difficulty);
 - g. Comfort, trustworthy, information security, payment security
- Others _____

13. If you prefer traditional travel agency, what are the reasons? (Multiple choices)

- a. Wider choices of products and services (brand, quality);
 - b. Relatively lower price (sales, payment methods);
 - c. Convenient accessibility;
 - d. Attractive advertising (customer relationship, non-physical communication);
 - e. More customized service while less self-service (professional advice, productivity);
 - f. More efficiency (time-savings, easiness);
 - g. Comfort, trustworthy, information security, payment security
- Others _____

14. If you don't prefer online travel agencies, what are the reasons? (Multiple choices)

- a. Limited choices of products and services (brand, quality);
- b. Relatively higher price (sales, payment methods);
- c. Less convenient accessibility;
- d. Less attractive advertising (customer relationship, physical communication);
- e. More self-service while less customized service (less professional advice,

productivity);

f. Less efficiency (time-consuming, difficulty);

g. Comfort, trustworthy, information security, payment security

Others_____

Appendix 2

Reasons for preferring to choose online travel agency

Reasons for booking at online travel agency

Reasons provided by respondents who prefer to

Plan and purchase their trips through an online travel agency %

Wider choices of products and services (brand, quality)	56.0%
Relatively lower price (sales, payment methods)	56.9%
Convenient accessibility	62.9%
Attractive advertising (customer relationship, non-physical communication)	11.2%
More self-service while less customized service (less professional advice, productivity)	32.8%
More efficiency (time saving, easiness)	54.3%
Comfort, trustworthy (information security, payment security)	14.7%
Others	2.6%

Table 1 – Reasons for booking at online travel agency

Appendix 3

Reasons for not preferring to choose traditional travel agency

Reasons for not booking at traditional travel agency

*Reasons provided by respondents who don't prefer to
Plan and purchase their trips through traditional travel agency*

	%
Limited choices of products and services (brand, quality)	34.5%
Relatively higher price (sales, payment methods)	42.2%
Less convenient accessibility	49.1%
Less attractive advertising (customer relationship, physical communication)	7.8%
More customized service while less self-service (professional advice, productivity)	12.1%
Less efficiency (time-consuming, difficulty)	49.1%
Comfort, trustworthy (information security, payment security)	1.7%
Others	0.0%

Table 2 – Reasons for not booking at traditional travel agency

Appendix 4

Reasons for preferring to choose traditional travel agency

Reasons for booking at traditional travel agency

Reasons provided by respondents who prefer to

Plan and purchase their trips through a traditional travel agency %

Wider choices of products and services (brand, quality)	36.1%
Relatively lower price (sales, payment methods)	19.4%
Convenient accessibility	33.3%
Attractive advertising (customer relationship, non-physical communication)	16.7%
More customized service while less self-service (professional advice, productivity)	52.8%
More efficiency (time-savings, easiness)	33.3%
Comfort, trustworthy (information security, payment security)	66.7%
Others	2.8%

Table 3 – Reasons for booking at traditional travel agency

Appendix 5

Reasons for not preferring to choose online travel agency

Reasons for not booking at online travel agency

Reasons provided by respondents who don't prefer to

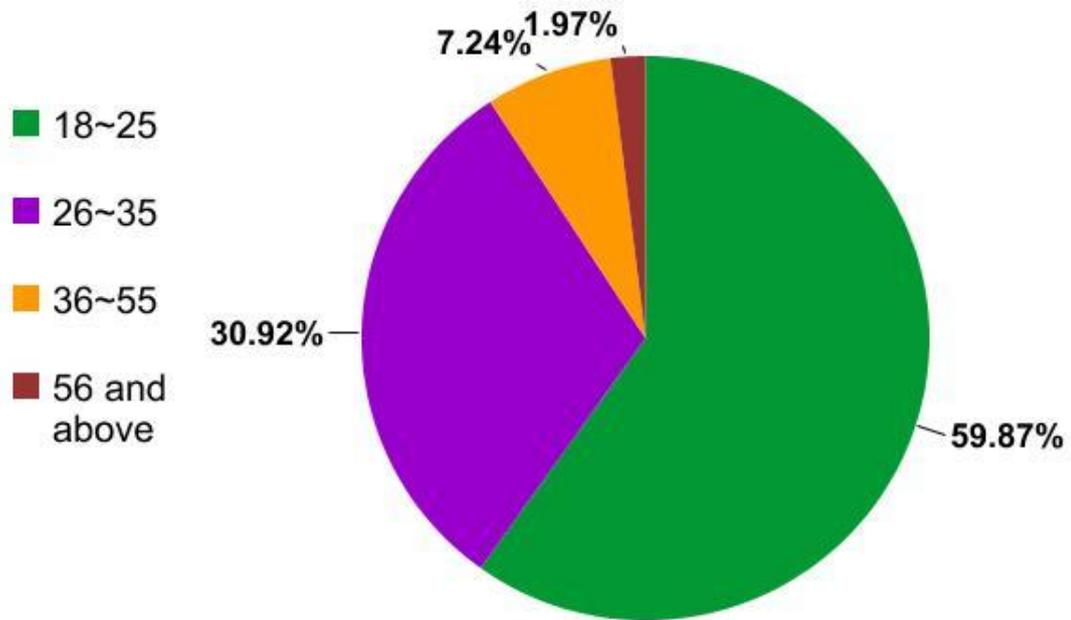
Plan and purchase their trips through an online travel agency %

Limited choices of products and services (brand, quality)	19.4%
Relatively higher price (sales, payment methods)	16.7%
Less convenient accessibility	19.4%
Less attractive advertising (customer relationship, physical communication)	11.1%
More self-service while less customized service (less professional advice, productivity)	38.9%
Less efficiency (time-consuming, difficulty)	38.9%
Comfort, trustworthy (information security, payment security)	50.0%
Others	5.6%

Table 4 – Reasons for not booking at online travel agency

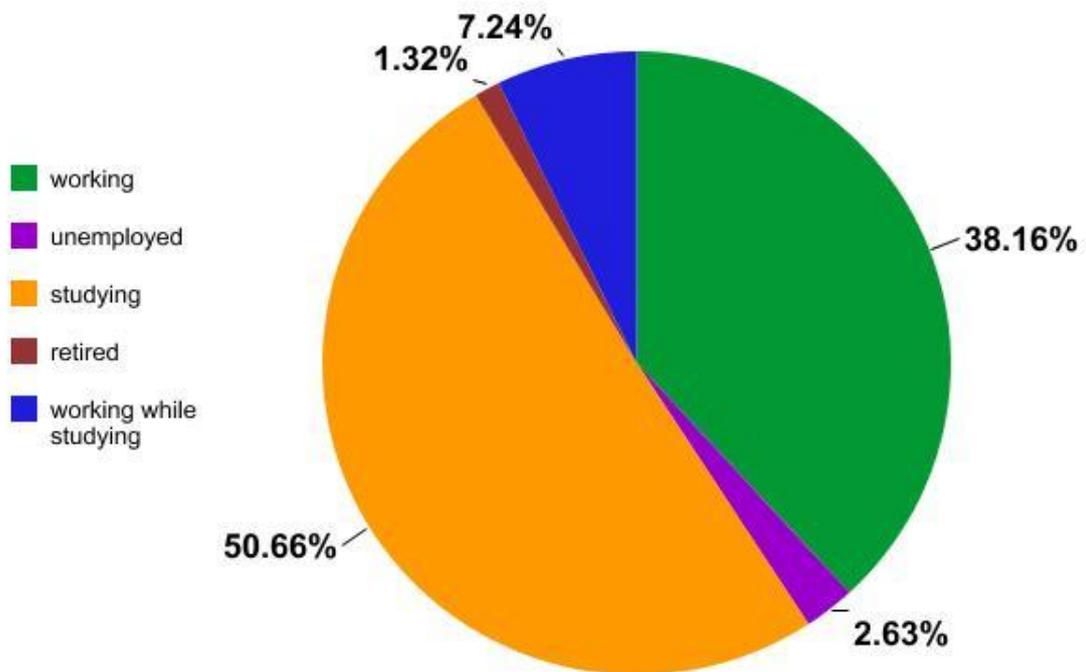
Appendix 6

Ages of respondents

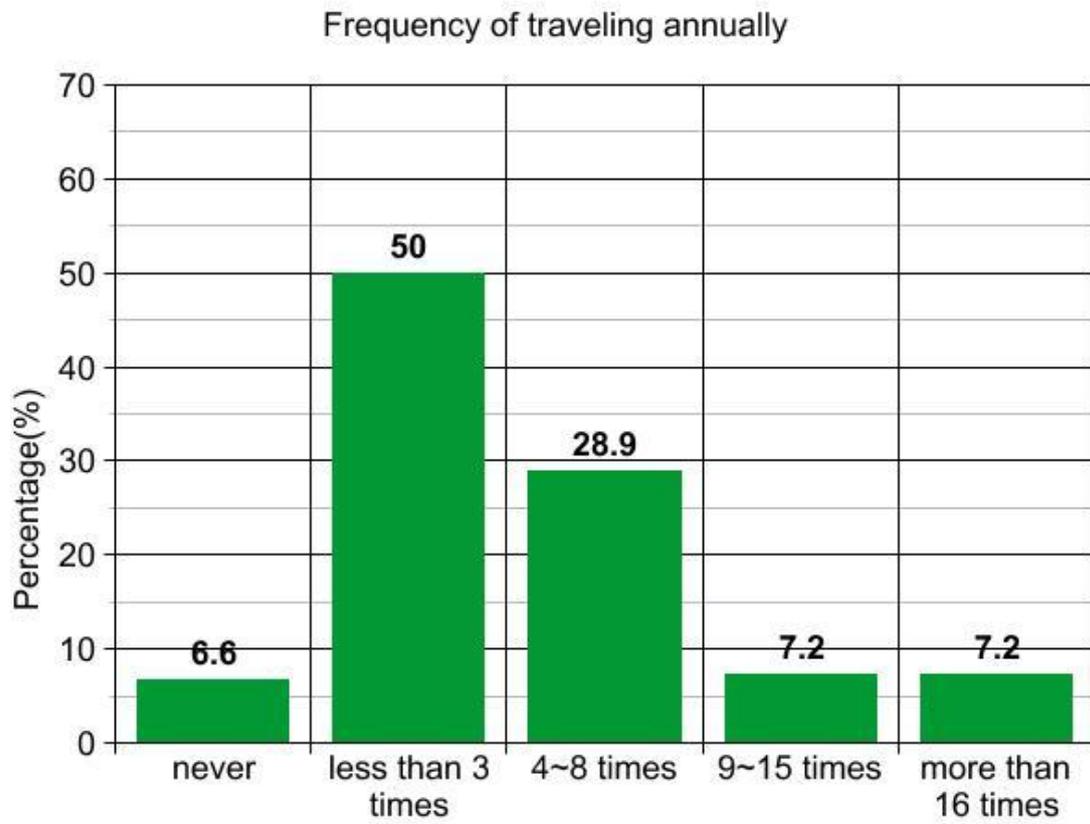


Appendix 7

Occupations of respondents



Appendix 8



Appendix 9

Confidence in using the Internet

