The value of traditional travel agency in the digital age

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Abstract

In contemporary tourism, technology enables travelers to make travel arrangements in various ways, for example they can reserve tickets directly from airlines company's website or purchase products from online travel agencies. Considering that travelers have many alternatives but insist in making transactions with traditional travel agencies, there must be something that makes traditional travel agency a valuable object. The research sets out to find out why traditional travel agency survives and what value it presents. The thesis is therefore a value study specific in the pre-consumption stage.

It is believed that the value construct is constituted by value preposition offered by company and customer perceived value. Therefore, the study looks into perspectives from both service provider and customers. The results suggest that traditional travel agencies have evolved their business model in many aspects and offer greater value preposition so as to secure their position in the value chain. Also, despite possibilities in making travel arrangements independently, under several circumstances, travelers express specific need to purchase services from traditional travel agency. Four specific scenarios are identified. Further, it is recognized that traditional travel agencies possess both cognitive value and affective value, while the cognitive one determines traveler's willingness to visit the store and pay for the services.

Key words: traditional travel agency, value, digitalization, tourism.

Acknowledgements

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1. Introduction

Travel agencies have long had the role of intermediation between travelers and primary suppliers in tourism service (Zhou, 2016). In the past, travel agents were in high demand as travelers mainly got travel information from the travel consultants and they purchased tourism products primarily through the travel agencies (Sabiote-Ortiz et al., 2016). However, from 2000 onwards, internet alters the tourism distribution chain and therefore changes travel agency's business practices (Bennett & Lai, 2005; Buhalis & Law, 2008). To date, the influence of digitalization in tourism is ongoing (Navío-Marco et al., 2018).

Since the wide adoption of information technology, industries like airline companies tend to establish a direct purchase channel with customers through the internet. In this light, travel agency as an intermediary purchase channel is greatly challenged, as a big portion of its income relied heavily on the commission fees of selling ticket during the past (Zhou, 2016). Also, travelers no longer need to depend on travel agencies for accessing traveling information and the reservation system (Law, Leung & Wong, 2004). People find alternatives from the internet to manage traveling itinerary. As a consequence, the role of intermediary is gradually less desired, the commission cutting is threatening, and travel agency was thereafter predicted to be extinct (Vasudavan & Standing, 1999; Barnett & Standing, 2001; Buhalis & Law, 2008).

Today, relating our daily experience, we still spot physical stores of traditional travel agency on the street. Not as anticipated before, traditional travel agencies are apparently still accepted by the market. Yet in which level they are preferred by the travelers nowadays is under explored. According to Statista (2018), the revenue and profits of travel agencies have been increasing again since 2010. Considering in such digital era, travelers have many other options to retrieve traveling information and make travel reservation independently, the reason behind why they insist to purchase tourism products or services from travel agency is of interest.

With the fierce competitive environment nowadays, it is observed that traditional travel agency has been evolving by developing focused niche market and providing special services and products so as to survive (CNN, 2013; Zhou, 2016). Rationally, it is proper to assume that traditional travel agencies remain certain uniqueness and perform irreplaceable value compared to the others. For the reason that company gains competitive edge over rival businesses for its value (Grönroos, 1997). Also, it is held that value is the basis for marketing activities and value is pivotal to all successful transactions (Oh, 2003; Moliner et al., 2007; Morar, 2013). Besides, customer behavior is deemed to be goal-directed which means consumers keep searching for products/service provided with highest value (Bagozzi & Dholakia, 1999; Oh, 2004; Morar, 2013). In sum, it is the value of one product/service

that motivates consumer to choose the item rather than any others. Likewise, it is the value of traditional travel agency that makes it alive and being preferred by travelers. Thus, the present study intends to find out the value of traditional travel agency in the digital age.

Value is a critical concept in marketing literature and service-value management is a field of significance. First and foremost, it is believed that value has potential to lead to customer satisfaction and enhance customer loyalty (McDougall & Levesque, 2000; Woodall, 2003). Because of this, numerous applied research (see Silverman, 2007) of value can be found in the field (e.g. Moliner et al., 2007; Kuo et al., 2013; Lai, 2014). In those cases, value is discussed as a moderating actor so as to understand how to serve customer better and to increase revenue. In other words, it is studied as a medium in the chain of service quality-perceived value-customer satisfaction-customer loyalty construct. However, seeing that value is the basis for marketing activities, I suppose value plays a more critical role than a medium, for example, it might explain the rationale of the object. Therefore, in this study, the concept of value will be studied as an uncommitted factor – it is to explain the rationale of traditional travel agency. This is called a pure research (see Silverman, 2007).

In fact, it is not rare to apply the concept of perceived value in tourism field. However, value study in tourism field is often discussed in the stage of tourism service consumption, namely service received during the journey or after the use. It is pointed out that except for the consumption phase, interactions within purchase channel, namely travel agency in this study context, might also have impact on customer's overall value perception (Sánchez et al., 2006). In other words, travelers have a certain value judgement on experiences before purchase as well as the moment of purchase. Interactions and activities happened in travel agency are evaluated. These judgements matter to traveler's overall value perception. Also, it is believed that there is a certain value derived from such pre-consumption stage and this kind of perceived value is differentiate from those that is perceived in the post-purchase stage (Sánchez et al., 2006). Nevertheless, value derived in the pre-consumption stage is not well discussed. Regarding to this, the present study puts special attention on customer perceived value of traditional travel agency and the research will be a value study specific in the pre-consumption phase.

It is worth mentioning that the present study differs from previous researches by studying value as an uncommitted factor (a pure research conducted) as well as focusing value perceived in the pre-consumption phase. Next, to evaluate value judgement, it is desired to look into its antecedent. Studies show that service quality is the antecedent of perceived value (Oh, 2003). Accordingly, the measurement of service quality often contains three aspect, that is physical environment quality, personal interaction quality and outcome quality (Brady & Cronin, 2001; Caro & García, 2008).

Among which, it is indicated that interactive quality is the key measurements of service quality (Parasuraman, Zeithaml & Berry, 1985; Lehtinen & Lehtinen, 1991) and is highly valued among a certain group of consumers regarding factors affecting their choice of service provider (Persia & Gitelson, 1993). Naturally, the customer-employee interaction is identified as a key factor affecting customer perceived value (Heung & Chu, 2000; Sánchez et al, 2006). Specifically, Zhou (2016) suggests that the quality of human touch and the personalized services provided by travel agency today determines travelers' willingness to visit and pay.

By linking interactive quality with human touch, its emotional attribute therefore exposed. Compared to physical environment quality and outcome quality, personal interaction quality tends to be less concrete. As mentioned, service quality is the antecedent of perceived value and the value judgement is made based on the service quality measurement. By acknowledging these, it helps to understand the attribute of perceived value, that it involves cognitive and affective dimension. Specifically, cognitive value refers to the utilitarian function, that is a rational component used to explain consumer's purchase decision, whereas affective value corresponds to attributes of activities or interactions in which customer's feelings and emotions generated, such as love and hate.

Among which, affective value nowadays enjoys more attention for its emotional benefits regarding factors influencing consumer's consumption decision (Sánchez et al., 2006). Especially in leisure service industry, there's a trend people tend to believe affective value is more critical (e.g. Zhou, 2016). Although travel agency deals with traveling-related products/services, as a purchase channel that is mostly used before traveling, interactions between staffs and customers and other activities happened in store is deemed to be less hedonic. Plus, since consumers are goal-directed (Bagozzi & Dholakia, 1999; Oh, 2004; Morar, 2013) and look for specific outcome, I therefore suppose in the context of travel agency, cognitive value plays a rather significant role in explaining consumer behavior regarding travelers' purchase decision towards travel agency.

1.1. Research problem, aim and questions

To clarify, in this study, the value does not merely refer to customer perceived value – although it is indeed a critical part of the value construct, but also the value preposition offered by the travel agency. First of all, I adopt the idea of value co-creation that value is an outcome of co-creation (Vargo & Lusch, 2008) and is generated in the phase of interaction between customer and organization or in the use of products/services (Grönroos & Voima, 2013). In this sense, the value of traditional travel agency is determined by consumers' evaluation of the received benefits of products/services. Therefore, the perceived value featured by customers is the value of travel agency itself.

However, it is acknowledged that customers form value perception from the value preposition offered by the organization. Thus, despite the importance of customer perceived value, taking service provider's perspective into consideration by knowing what value proposition is to offer also matters. To illustrate, prior to the value formation, travel agents offer value propositions to clients (Grönroos & Voima, 2013). The product/service benefits offered by the service provider form the basis of value perception of customer. By looking into what value proposition is to offer from service provider's perspective helps to understand the final perceived value from customer's perspective, and the two components construct the concept of value.

The aim of the study is to examine the value of traditional travel agency in the digital age. The thesis largely focuses on customer's perspective of value perception. Nevertheless, before investigating what and how value is perceived, it is desired to look into what value proposition is offered first. To do so, a qualitative method is adopted and interviews are carried with both service providers and customers so as to access opinion from both sides. As the subject is studied in the digitalization context, during the interview, respondents are encouraged to relate their consumption experiences in traditional travel agency to their previous experience which they used ICT (Information and Communication Technology) to manage traveling itinerary – namely being independent from traditional travel agency. From the two perspectives of service provider and consumer, the thesis asks:

RQ1: How do traditional travel agencies secure their position in the value chain?

RQ2: What motivates travelers choose to use traditional travel agencies among other alternatives?

RQ3: What are the valued features of travel agency's offering depicted by travelers?

Note, the first research question is actually asking what value preposition do traditional travel agencies offer so as to retain customers and survive. The second one put attention on customer behavior – in what context customers make such purchase decision. Based on the first two, the last research question finally asks – so what is the value of traditional travel agency.

1.2. Structure of the thesis

The thesis is divided into 7 chapters. Following the present introduction, a literature review about the field of study will be presented. The purpose of this chapter is to overview the current development of the traditional travel agencies in the digitalized context, including its changing role, its dilemma (i.e. disintermediation) and opportunities (i.e. re-intermediation). Also, critical review about previous findings can be found in the end of this chapter. After that, a chapter on the theoretical framework of

the study will be presented. It first stressed the justification of this study that is to discuss perspectives from both service provider and customer. The first theory used is value co-creation. It helps to understand what value is and how value is constructed. By using Holbrook's (1999) definition of value, it shows relevance of value-in-context. Also, by elaborating the relationship between value and its antecedents, it constitutes a framework for the analysis of data – what customers are looking for from the products/services, from where value is derived and how it is perceived. After the theoretical framework follows the methodology. The research design, the method employed, and other ethical considerations will be presented in this chapter. Next, the empirical data will be presented and analyzed in the fifth chapter. The analysis is divided in three main sections which is in accordance with the research questions. The discussion then follows. It summarizes the empirical findings and establishes connections between empirical results and theories. The thesis ends with a conclusion in which contributions and limitations of the study as well as suggestions for future research could be found.

2. Literature review

The advent of internet has changed traditional travel agency in many aspects. Before discussing challenges and opportunities it brings, we shall start the review from looking at the changing role of travel agency due to the digitalization.

Rationally, travel agency is an intermediary standing between suppliers of travel services and clients (Cheung & Lam, 2009; Zhou, 2016). Lately, due to the power shift in transaction relationship that happened in many industries, the role of middleman is found transformed. Generally speaking, the power is shifted to customers as a result of information technology (IT) (Pötzl, 2000). For the reason that IT enables individuals to capture information on electronic platform. The process is attributed to following factors: (1) the ease of gathering information from the internet makes comparison shopping more convenient; (2) people who decide to shop off-line become more informed by grasping certain information in the pre- and post-purchase stages; (3) more purchase channels are made available to customers, so that consumers are no longer restricted to make transactions in "brick and mortar" store (Morris & Morris, 2002). In sum, the internet has changed the balance of power among customers, distributors, manufacturers and service providers (Holma, 2009). Since the power shifts to consumers, manufacturers have to become customer-oriented, so does distributors.

In the study context of travel agency, the power has shifted to the travelers from organizations like hotels and airline companies. In the past, travel agency as an intermediary acted in the interest of the suppliers as its revenue was based on the sales commission. Today, travel agency yields financial benefits from clients by assisting their travel management work (Aguiar-Quintana et al., 2016).

Travelers thus gain power over suppliers in the relationship with travel agencies. Speaking of travel agencies' changing role, though it is still an intermediary, it turns to a "traveler's assistant" – responsible to customers and committed to improve customer experience, from a "producer's salesperson" – responsible to the suppliers and rely on commissions based on sales volume.

In fact, Devece et al. (2015) suggest that the basic function of traditional travel agency 20 years ago as an intermediary is less relevant in the increasing competitive environment. Traditional travel agencies nowadays have to face the reality that its previous strong position in distribution channel is weakened due to the fact that the gap between suppliers and customers is virtually closed (Capriello & Riboldazzi, 2020).

To illustrate, before the emergence of the internet, travelling intermediaries controlled the distribution channel (Devece et al., 2015). Traditionally, travel agency was the main sales channel in the travel industry (Cheung & Lam, 2009). Travelers purchased tickets or other traveling-related products mainly through travel agents (Del Chiappa, 2013). As technology developed, suppliers see possibility and profits in conducting business online. Companies take the initiative to reach consumers by establishing various direct channels on the internet and encourage travelers to bypass travel agencies to purchase tickets (Cheung & Lam, 2009). The importance of the role of intermediary is therefore decreased. As companies save fare commissions to intermediaries, travel agencies experienced a drastic reduction in their income and many of them were eliminated (Cheung & Lam, 2009).

In fact, supplier is not the only factor causing the situation. Challenges were also brought by travelers' decreased need for travel agencies' selling products/services. To begin with, in the late 20th century, a fundamental shift in capitalist economies is witnessed. As post-Fordism emerges, the ideology of differentiated consumption/production replaces the dominance of mass standardized consumption/production (Urry, 1995, 2011). The shift is reflected in tourism practices as well. A decline of mass package tourism and the subsequent rise of more individual forms of tourism was witnessed (Urry, 1995, 2011). Whereas people expect non-mass forms of consumption, travelers expressed increasing interest for individuated, flexible and customized tourism goods and services (Yamamoto & Gil, 1999). However, back at that time, travel agencies sold packaged tour as their main product, which is considered to be rigidly homogeneous (Vainikka, 2014). In this light, people show less interest in purchasing packaged tour.

Today, due to the emphasize of "experience", travelers seek for authenticity and adventures – that is unlikely to be found in packaged tour – as if traveling is a learning or even a "self-actualization" experience rather than activities with pure pleasure purpose (Urry, 2011; Yamamoto & Gil, 1999). Further, purchasing packaged tour is regarded as "following the herd" (Vainikka, 2014). In this sense,

travelers intend to make travel arrangements independently and then follow personally determined schedule during the trip. Consequently, the demand of travel agency is negatively affected. By mentioning these, I try to present the dilemma of traditional travel agency in a different light – other than attributing the situation to suppliers who bypass agents to reach customers directly, traveler is another factor contributed to the situation because they show less interest for travel agencies' selling products, and this also results in the reduction of agencies' income.

By no coincidence, the internet enables people to complete their traveling arrangements and thus be independent from travel agency's services (Del Chiappa, 2013). As ICT prompts the emergence of user generated content (UGC), in this study context, a group of internet users is enabled to share traveling experience online and the other group of internet users find ways to collect traveling-related information based on others genuine experience. Thanks to this, people who intend to enjoy individual traveling experiences can create their itineraries independently.

In sum, ICT enables travelers to complete their traveling arrangement on their own, as they can reserve tickets by themselves and retrieve many kinds of travelling information from the internet (Del Chiappa, 2013). The demand of travel agency is therefore decreased – their service, such as ticket reservation, is less valued and their products, such as packaged tours, receive less concern. In other words, ICT provides the means and rationale for eliminating intermediaries (Tsai et al., 2005). Traditional travel agencies were therefore predicted to be extinct in the late 1990s (e.g. Palmer & McCole, 1999; Vasudavan & Standing, 1999; Barnnet & Standing, 2001) and disintermediation seems to be inevitable (Potzl, 2000; Tsai et al., 2005).

To describe the interaction between sellers and buyers, the intermediation-disintermediation-reintermediation (IDR) model is proposed (Chircu & Kauffman, 1999). Intermediation is a phase in which the role of middleman is created. New firms realize profits in interjecting the relationship between sellers and buyers (Cheung & Lam, 2009). Later on, disintermediation occurs when the middleman is pushed out and the transaction relationship returns to dyadic (Holma, 2009). For example, the decline of market share of traditional travel agency is seen as disintermediation (Potzl, 2000; Tsai et al., 2005). Depending on situations, reintermediation occurs as the once dis-intermediated actor re-establish its role in the value chain. In the internet-focused context, the reintermediation is explained by: (1) weak appropriability of e-commerce innovation; (2) ownership of co-specialize assets; and (3) economies of scale (Chircu & Kauffman, 1999).

By having suppliers sell directly to users, e-commerce was seen as a way of cutting costs of serving customers. However, suppliers soon face problems in handling individual consumers. Without the help of intermediaries, suppliers have to bear higher cost. For example, more money is spent in

developing their websites and massive amount of time or other resources are required to deal with customer service issues – both in the pre- and post-sales phase (Holma, 2009). In fact, since the prevailing use of internet, a rapid growth of OTA was witnessed in the last two decades.

It is said that OTA is growing faster than the traditional one for its numerous advantages, such as timely response, immediate and cost-effective information (Lai, 2015). Talwar et al. (2020) further indicate that quality-of benefits, monetary, social status, preference, and information values predict purchase intention toward OTAs rather than traditional travel agencies. More importantly, one of the core value online travel agencies perform to consumers is affordability, that travelers can compare prices from website to website with convenience and then choose the most appropriate deal (Lai, 2015l Del Chiappa, 2013).

It is now clear that traditional travel agencies are challenged in many aspects due to the use of the internet. In short, traditional travel agencies are challenged to be disintermediated, since suppliers tend to bypass them, travelers show less desire for their products/services, and they are obliged to compete with OTAs. In a digitalized context where people are used to make transaction online, traditional travel agencies have to come up with strategies to increase competitiveness. In other words, they have to perform their uniqueness in order to be distinct from major tourism web portals (Devece et al., 2015). More illustrations see below.

First of all, a certain perceive risk is recognized while making transaction online (Suki & Suki, 2007). This might because consumers are skeptical to the reliability of online businesses – concerning whether they would be cheated, or consumers doubt the trustworthiness of the information provided – as web information is somehow regarded noncommittal, nonneutral and thus untrustworthy (Dolnicar & Laesser, 2007). In comparison, although information provided by travel agent might not be neutral, it is considered as trustworthy or committal, for the reason that any misleading information might bear consequences on an interpersonal level (Dolnicar & Laesser, 2007). Secondly, it is observed that consumers often need to face excess of information on the online media (Del Chiappa, 2013). This sort of information overload is called online confusion and is identified as a side effect of tourism e-commerce model (Lu et al., 2016). For instance, travelers might experience confusion when facing too much unprocessed information online, while they could have had a personal travel agent to act as network information broker and to provide critically assessed information as well as customized services. Additionally, compared to having face-to-face conversation with professional travel agents, exchanging information online is considered as lack of clear and free-flowing feedback (Devece et al., 2015).

With above-mentioned advantages, the justification of intermediation is re-established. As Morris and Morris (2002) predicted, disintermediation occurs only in a short turn as traditional intermediaries would find ways to fight back and re-intermediate themselves. Regarding tourists' information search, a recent study shows that online information does not totally replace analogue channels as personal service is yet of value (Zillinger et al., 2018). Similarly, it is observed that in travel agency domain, technology can hardly eclipse the need for human service as it could be superior to technology in some circumstances (Zhou, 2016). Although the internet revolution brought the idea of disintermediation, traditional travel agencies nowadays thrive again.

A number of literatures are found contributing to the discussion on how traditional travel agencies could resist the technology impulse (e.g. Aguiar-Quintana et al., 2016; Huang et al., 2011; Abrate et al., 2020; Capriello & Riboldazzi, 2020). For instance, it is suggested that traditional travel agencies should shift their focus on taking reservation to performing advice giving capacity (Aguiar-Quintana, 2016). Likewise, Cheung and Lam (2009) suggested that travel agencies have to play multi-roles other than a mere reservation taker or transaction processor, for example advisor for value-added information, seeing that the wish to gather comprehensive information motivates travelers to consult or even make a booking on the alter stage with a travel agent (Dolnica & Laesser, 2007). It is summarized that traditional travel agencies should follow certain strategies so as to improve its competitiveness: in addition to embrace e-commerce, they shall (1) provide value-added services (e.g. offering consultation, providing customized product); (2) focus on specific segments of the market (e.g. the elderly); and (3) focus on specific specialized service (e.g. assisting customers to obtain a visa) (Dolnicar & Laesser, 2007; Tsai et al., 2005; Cheung & Lam, 2009; (Capriello & Riboldazzi, 2020).

Further, researchers are interested in identifying attributes that define travelers' preference on traveling arrangements. First of all, it is held that traditional travel agency performs better customer-employee interaction (Sabiote-Ortiz et al., 2016). For this, Bogdanovych et al. (2006) propose that social interaction with travel agents as well as simplification in decision making made possible by travel agents are reasons why travelers rely on traditional travel agents instead of booking their trips online. Except for human touch, travelers value the reduction in uncertainty and insecurity ensured by travel agencies as they assume their responsibility for any arrangements (Del Chiappa, 2013). Similarly, Cheyne et al. (2006) highlight a number of service dimensions of travel agents: handling complexity, assurance, good deals and security. Mayr and Zins (2009) summarize that traditional travel agency distinct from the online one for its value of face-to-face contact, personal and competent counselling, and avoiding high search costs.

Also, a number of studies were found contributed to identify characteristics of whom prefer making traveling arrangements online or in the store. According to (Castillo-Manzano & Lopez-Valpuesta, 2010), travelers who choose to make their bookings online tend to be younger (between 15 and 30 years of age) and have higher academic level while passengers who are over 65 or those who have lower education background are more likely to make their purchases in-store. In the context of online hotel reservation in particular, Del Chiappa (2013) proposes that the buyers' tendency to purchase online increases with their age, education level and income, despite Kim and Kim's (2004) result indicating online purchasers do not differ from non-online purchasers by gender and income. Nevertheless, it is agreed that people who are older and have more experience purchasing online show higher likelihood to make future purchase on the internet (Del Chiappa, 2013; Kim & Kim, 2004). Besides, it is said that business travelers do not use internet as frequent as leisure travelers to reserve traveling-related product (Del Chiappa, 2013; Kim & Kim, 2004; Castillo-Manzano & Lopez-Valpuesta, 2010).

On a general level, Wolfe et al. (2004) contend that users of various travel intermediaries do not show different characteristics in terms to frequency of travel or number of information sources used. Through which channel travelers choose to purchase products depends on situations. For instance, travelers intend to create their own itineraries online when they travel to (nearby) destinations they are familiar with (Cheyne et al., 2006; Castillo-Manzano & Lopez-Valpuesta, 2010). However, when travelers plan to go on a complicated journey to an international destination which requires greater preparation, they might choose to use services from traditional travel agency (Castillo-Manzano & Lopez-Valpuesta, 2010). In short, traditional travel agency is preferred when purchasing complex products and internet shows more advantage on short-haul and short-term travels (Del Chiappa, 2013; Castillo-Manzano & Lopez-Valpueste, 2010).

In sum, numerous researches have been conducted to find sociodemographic and behavioral characteristics of online/offline customers. However, after reviewing a certain amount of literature, the reliability of previous results is being doubted. Results do not show stability and replicability over time on the issue of what sociodemographic factors affect customers' way of making traveling arrangements (cf. Del Chiappa, 2013; Kim & Kim, 2004). It is therefore questioned whether consumers who prefer purchasing tourism product online or offline share similar sociodemographic patterns. Can this consumer behavior be attributed to sociodemographic characteristics or it is more likely to be a personal one, for instance people make their decision based on their cultural background, personal thinking, attitudes, concerns and other social context (see Shim et al., 2001; Talwar et al., 2020). Interestingly, Sabiote-Ortiz et al. (2016) reveal that geographical location and cultural dimension moderate customers' decision-making and value perception of tourism (offline vs. online)

distribution channels choice. On the other hand, Dolnicar and Laesser (2007) suggest that there's no clear association exist between travel agent use and sociodemographic characteristics of travelers.

In this regard, Devece et al. (2015) established a relationship between trust and customer loyalty, considering the loyalty of clients as a key element of the survival of travel agencies. Two components of trust are distinguished – cognitive and behavioral (Devece et al., 2015). Cognitive trust is constructed by travel agencies' credibility, competence and reliability, whereas behavioral trust stems from travel agencies' benevolent performance, such as honesty. Specifically, Devece et al. (2015) suggest that the behavioral component of trust is the differentiating element in achieving loyalty from customers of travel agencies. That is to say, trust from customers explains the survival of traditional travel agency. As suggested, the lack of trust in engaging in direct relationships with unfamiliar producer leads to reintermediation in tourism sector (Devece et al., 2015).

I do believe that trust plays essential role in customer loyalty to travel agency. However, I doubt whether customer loyalty is the rationale of the survival of travel agencies. According to Del Chiappa (2013), the use of internet makes price transparency. It therefore increases price competition and decreases customer loyalty. As customer loyalty is less significant than ever, it does not explain the rational of the assiduous exist of travel agencies. On the other side, the IDR cycle as a predictive mechanism proposes that it is possible for traditional travel agency to regain its lost market shares for its significant ownership of co-specialized assets such as their expertise, reputation, customer base and relationships with suppliers which it is unlikely for OTAs to acquire (Chircu & Kafuffman, 1990). Indeed, such attributes seems persuasive but some other elements of the rationale of travel agencies are apparently missed.

Generally, it is of researcher's interest studying why and how traditional travel agency survive in the digital era, but none of the previous research are thorough enough. To find out the contributors supporting traditional travel agencies, it is therefore desired to apply a more comprehensive framework – for example, the theory of value, seeing that value is the basis for marketing activities (Holbrook, 1999). In this study, I intend to apply the framework of service value to explain the rationale of traditional travel agency, and this is how this study differ from previous researches regarding why and how traditional travel agency survive in the digital age. More illustrations are as follow.

3. Theoretical framework

Value is a critical concept in marketing field as well as in customer behavior research (Gallaraz et al., 2017). From company's perspective, value is regarded as the key factor of organizations gaining

competitive edge. It is pivotal to all successful exchange transaction (Morar, 2013). Also, customer behavior is goal-directed and consumers keep searching for products/services provided with highest value (Bagozzi, 1999; Morar, 2013). In sum, value is the basis for marketing activities (Holbrook, 1999). Therefore, in order to answer why traditional travel agency still survive and what makes travelers choose traditional travel agency, looking into the concept of value is deemed appropriate.

In tourism field, many have been examining the question of value. A range of studies are found discussing value in the consumption phase of the tourism service, that how travelers appreciate the tourism service in the destination and how value is therefore perceived. However, in this sense, the effect of purchasing channel, for instance travel agency, may have on the traveler's overall value examination is overlooked (Sabiote-Ortiz et al., 2016). Thus, examining how travelers perceive value from the product purchase channel also matters to the value research. Also, since travel agency is a critical actor in the tourism sector, studying its value construct is of importance.

3.1. The value construct of traditional travel agency: value proposition and customer perceived value

Rationally, the notion of value is rather elusive and scholars tend to assess it from different perspectives and define it differently (Sabiote-Ortiz et al., 2016). Hence, it is necessary to figure out what value actually is above all.

First and foremost, service-dominant logic (SDL) has received great research interest in the field of value and service marketing. The SDL is a paradigm shift from goods centricity to service centricity. It is first proposed by Vargo and Lusch (2004). It suggests that value is the outcome of co-creation between service provider and consumer. Accordingly, companies no longer produce value but offer value proposition instead and it is the consumers who assess value – during the stage of interaction or in the stage of product/service use, and the value is judged within context (Grönroos & Voima, 2013; Edvardsson et al., 2011). Although the two parties – service providers and consumers – are both entitled value co-creator, how much they matter to the value construct is not equal. In recent literature, customer's role in defining value is being more stressed, due to the power shift in the transaction relationship (see Pötzl, 2000; Holma, 2009). However, without receiving value proposition, customers are unlikely to perceive or create any value. Therefore, service provider's role in offering value proposition is not an element that should be neglected. This justifies the present study intending to look into both sides of service providers and consumers.

Holbrook's (1999) definition of consumer value is considered to be the one contributes the most to the study of the nature of perceived value (Sánchez-Fernández & Iniesta-Bonillo, 2007). In this

regard, Holbrook (1999) defines consumer value as an "interactive relativistic preference experience" (p.5). By this it means value is an evaluation made by the subject of the specific object. Opposed to the traditional belief that value is embedded within the product (or service), it is alluded here that consumer is the one who makes value evaluative judgements. Besides, it indicates the value judgement is made within consumer's evoked set, that a comparative and situational context is needed (see Zeithaml, 1988). Generally speaking, the evaluative judgement involves a relationship between the customer and the organization, a comparative context with specific settings and scenarios, a preference judgement, and a need- or want-satisfied consumption experience (Holbrook, 1999).

By saying consumer value is generated in the interactive relationship between the customer and the organization (Holbrook, 1999), it indicates the value construct involves the participate of both service provider and consumer. It is already clear that value is defined by consumers but also depends on the value proposition offered by the company. However, as value is a relativistic and situational experience, it is not possible that people perceive all the same from one service/product. It might differ across consumers as people appreciate value in different ways within their unique social context (Chandler & Vargo, 2011). It is therefore suggested to study value within context (Edvardsson et al., 2011). With a certain social context, consumers make preference judgment by relating the object with one another in specific settings and scenarios. Likewise, Barbin et al. (1994) suggest that the nature of perceived value is multifaceted, and its conceptualization therefore vary depends on the study context. Thus, the present study will put special attention on the concept of value-in-context. In short, value is derived from a series of interaction, evaluation and appreciation in the consumption experience.

3.1.1 Value conceptualization

It is reported that the notion of value is elusive and people are often confused about its meaning. Despite its nebulous nature, the confusion surrounded is possibly caused by different approaches used by different actors. There is more than one conceptualization regarding what value is, whereas no general consensus is reached (Sánchez-Fernández & Iniesta-Bonillo, 2007). Regarding value conceptualization, Gallarza et al. (2017) has identified three different approaches used by scholars while assessing the concept of value, that is trade-off, dynamic and experiential.

To begin with, it is generally agreed that the axiology in marketing-related discipline origins from Zeithaml's (1988) benefits-versus-sacrifice conceptualization as value is a trade-off between the two elements (Gallarza et al., 2017). Together with Monroe's (1990) price-based value studies, Sánchez-Fernández & Iniesta-Bonillo (2007) categorize them as a unidimensional approach to perceived value. The approach interprets value as a multiplicative function between the "get" and the "give".

The "get" refers to what the consumer wants in a product - the utility provided by the attributes of the product (or service), and the "give" equated to the cost of the object, for example the price that the customer has paid, or the time spent. Hence, value is implemented in exchange, that is, value is the utility of the product which is created by the manufacturers and is exchanged with its price. From this perspective, value is a mere assessment of utility and it is often money related (Sánchez-Fernández & Iniesta-Bonillo, 2007). Although it is acknowledged throughout the years that value is a broader and richer construct, putting it in the previous goods-dominant study context, it is therefore understandable how value is merely related to "utility" and "price".

Secondly, the dynamic approach is being favored at a later stage. While relating the value types to moments before and after the purchase (e.g. Sánchez et al., 2006), it makes progress in differentiating transaction value and acquisition value. This distinction echoes the notion of value-in-exchange and value-in-use, which is in line with the service-dominant logic and marks a paradigm shift from exchange value centricity to use value centricity (Gallarza et al., 2017).

In general, value-in-use is highlighted in comparison with value-in-exchange. The philosophy behind the idea of value-in-exchange is, value is embedded in products which is created by the manufacturers. In this sense, value of the product refers to the economic value. In other words, the price represents the value of the products. Customers pay more amount of money for the exchange of products with higher value. Also, during the process of using, value is destroyed by customer. By that it means, a brand-new product contains highest value. When it is being used, value starts decreased. Contradictory, value-in-use highlighted the value generated in the use of product/services. Simply, value is the utility. By that it means, value is not embedded within products/services by any means. Manufacturers produce goods with no pre-set value. Same apply to the services offered by service provider. In this sense, products/services are a proposed value proposition and the use of products/services generates value. The process of creating value is the process of maximizing the utility.

The third experiential approach emphasizes the distinction of utilitarian value and hedonic value. It puts more focus on symbolic and emotional aspect of consumption experience (e.g. Holbrook, 1999), allowing high subjectivity in the measurement of value. As a consequence, researchers reveal the ambiguity in nature of this multi-dimensional approach and the subjectivity leads difficulties in empirical operationalization (Sánchez-Fernández & Iniesta-Bonillo, 2007; Gallarza et al., 2017). The utilitarian and hedonic aspect of a consumption experience is often referred to cognitive value and affective value respectively.

Applying value to tourism studies is quite recent but proved to be relevant (Gallarza & Gil, 2008).

Sánchez et al. (2006) developed a scale of measurement of the overall perceived value (GLOVAL - GLObal purchase perceived VALue) in tourism context. When assessing the overall perceived value of tourism product, the authors are one of the few contemplate not only the complete consumption experience, but also the interactions with the purchase channel before the consumption. The GLOVAL instrument (Sánchez et al., 2006) in the end proposed 6 dimensions in measuring overall perceived value: functional value of installation, functional value of professionalism, functional value of price, functional value of quality, emotional value and social value.

According to Sánchez-Fernández and Iniesta-Bonillo (2007), a range of value typologies have been developed in the study context of consumption-value theory (e.g. Sheth et al., 1991; Sweeney & Soutar, 2001; Petrick, 2002; Sánchez et al., 2006). However, many of them focusses on different dimensions while none of them is adequate covering all situations, that is the lack of generalizability (Sánchez-Fernández & Iniesta-Bonillo, 2007). For instance, the value proposal initiated by Sheth et al. (1991) is regarded as a significant contribution to the perceived value studies, as it defines a complex multi-dimensional structure for the concept (Sánchez-Fernández & Iniesta-Bonillo, 2007). It proposed that the forms of value can be categorized as functional, social, emotional, epistemic and conditional. Later, the followed discussion focused on its empirical operationalization. Subsequently, the epistemic and conditional measures were omitted for its transiency (Sweeney et al., 1996), but years later, Williams and Soutar (2000) argue that the epistemic value is rather evident in their study. Hence, when it comes to operationalizing, the validity of the model is questioned.

It is noteworthy that Holbrook's (1999) typology of perceived value is considered to be the most comprehensive approach to the value construct (Sánchez-Fernández & Iniesta-Bonillo, 2007). Based on three dichotomies – extrinsic versus intrinsic, self-oriented versus other-oriented, and active versus reactive, the author proposed eight types of value, that is, efficiency, play, excellence, aesthetics, status, ethics, esteem and spirituality (Holbrook, 1999). It contributes the most among others for it covers all the four components of perceived value, that is, economic, social, hedonic and altruistic (Sánchez-Fernández & Iniesta-Bonillo, 2007). Seeing this, many have applied the typology into tourism value studies. While some provide empirical support, others report difficulties in its operationalization, as all the eight types of value tend to occur at the same time but to varied degrees (Sánchez-Fernández & Iniesta-Bonillo, 2007). In spite of its contribution, Holbrook's (1999) value typology doesn't seem to be appropriate in this study. For the reason that consumer's behavior in a traditional travel agency, namely a purchase channel in this context, is deemed to be more goal-directed and less hedonic. In this sense, some of the proposed value, for instance play, esteem and spirituality are not on the focus. Hence, less attention would be paid to Holbrook's (1999) value typology in the following text.

The conceptualization of perceived value remains unclear (Sánchez-Fernández & Iniesta-Bonillo, 2007). Nevertheless, seeing the big picture of value assessment, the distinction between cognitive value and affective value is unequivocal. In the cognition-affect-behavior paradigm, the cognition conforms to the information processing activities, while the affect corresponds to activities generate customers' feelings and emotions (Sánchez et al., 2006). However, whether the cognition value and affective value is independent from each other is under discussed (e.g. Sheth et al., 1991), as the utilitarian and hedonic components of the attitude are deemed to be related (Sweeney & Soutar, 2001).

Despite the significance of utilitarian component of consumption experience, Holbrook and Hirschman (1982) were one of the first that observed the neglected role of hedonic value. Babin et al. (1994) contend that all consumption activities generally produce both utilitarian value and hedonic value. Speaking of the term itself, utilitarian value is elsewhere found to be called cognitive value, intellectual value, functional value (e.g. Sheth et al., 1991) or practical value (e.g. Mattsson, 1991), while the hedonic dimension is sometimes referred to affective value or emotional value (Mattsson, 1991; Sheth et al., 1991). In order to avoid terminology confusion, I would pay more attention to the cognition-affect paradigm in the following text.

Naturally, the cognitive value can be easier measured in an objective manner, that in a task-related context, what is the instrumental use of the specific product or service and what the customer leaves with. On the other side, the affective value reflects the symbolic and emotional worth of the consumption experience, which is mostly measured in a personal and subjective manner. In industries providing leisure services, for instance tourism businesses, affective evaluation is nowadays believed to be more critical in regards customer's overall perceived value.

However, as mentioned, it is problematic that most of the value studies in tourism field focus on the post-purchase phase, that during or after the trip – how travelers perceive value from the tourism service in the destination. As traveling experience is quite a personal one, it is therefore imaginable how and why affective component matters to traveler's value perception. Meanwhile, if we look into the pre-trip stage, for instance customer's value judgement on purchase experience in travel agency, it wonders would affective dimension still be dominant. Considering the fact that compared to consumption experiences, customers' purchase experience is less hedonic and more goal directed, it is therefore expected to be different. In order to find out what kinds of value are generated and how they are appreciated in such pre-consumption context, looking into the antecedent of value is necessary.

3.2.   The antecedents of perceived value

According to service marketing literature, it is clear that value is strongly linked to profits, seeing that

perceived value is the antecedent of customer satisfaction and loyalty. Value's profit-related nature motivates many to devote into the value study – that how to deliver higher value in order to attain higher customer loyalty and profits. However, with this background, less effort is put in studying value as an end in itself. In order to understand what kinds of value motivates travelers to choose traditional travel agency, it is desired to comprehend what value means to them, how value is generated and from where value derives, that is the antecedent of value.

3.2.1 Service quality and value

Service quality is considered to be the antecedent of perceived value. Customer form overall judgement about the service based on the evaluation of varied dimensions of service quality and thus perceive value. According to Zeithaml (1988), value is perceived service quality in higher-level abstraction. The two concepts are associated in many aspects. Particularly, both perceived service quality and perceived value are judged and defined by the customers in their initiatives (Parasuraman et al., 1988).

Similar to the cognitive-affective dichotomy in customer perceived value, service quality in literature is claimed to have cognitive attribute and affective attribute as well (see Holbrook & Corfman, 1985, Zeithaml, 1988). Rationally, despite similarities, service quality is a concept distinct to perceived value. Although service quality is the antecedent, value is more individualistic and personal than perceived quality. Also, value involves more relativistic assessment and it is captured in higher level of abstraction.

To begin with, Grönroos (1984) is one of the first attempted to conceptualize service quality. He recognized both the technical and functional nature of service quality which respectively refers to the outcome of the service delivery and the subjective perception of the process itself (Grönroos, 1984). Later, Parasuraman et al. (1985) introduced the SERVQUAL model to assess the service quality, which was then refined into a 5 dimensions scale, with criteria of tangibles, reliability, responsiveness, assurance and empathy (Parasuraman et al., 1988). In short, service quality is distinguished as objective quality and perceived quality (Grönroos, 1984; Parasuraman et al., 1988).

Despite several critiques of the SERVQUAL model (Parasuraman et al., 1985), it is one of the most inspiring models in the field. The SERVQUAL model is based on the satisfaction paradigm measuring the discrepancy between customers' expectation and the service performance. Although service quality is reckoned to be an abstract and elusive concept, it was at first measured in a quantitative yardstick in which equation is used. In this regard, the perceived service quality is measured in a perception-minus-expectation model (Teas, 1993). The expectation refers to the "norms" (Carman, 1990) that what is supposed to be offered as customers believe in while the

perception is defined as the real experience which is evaluated by the customers (see Teas, 1993). However, these are pointed out to be problematic (e.g. Carman, 1990; Babakus & Boller, 1992).

The SERVQUAL model was criticized for being hard to operationalize and lack of theoretical justification (see Cronin & Taylor, 1992; Teas, 1993). Some alternatives are therefore developed. Cronin and Taylor (1992) suggest operationalizing the service quality in performance-based measures. The proposed SERVPERF model implies that the service quality should be measured as an attitude (Cronin & Taylor, 1992).

While many were focusing on the SERVQUAL replication and modification, Brady and Cronin (2001) revisited Grönroos (1984) perspective and hence introduced a revised framework. The framework comprehensively integrates the interactive quality and outcome quality with service environment quality, while factors indicated in SERVQUAL were repositioned as modifiers of the subdimensions (Brady & Cronin, 2001). The main contribution was the identification that customers evaluate service quality on multiple levels and their service quality perception is therefore of multi-dimensional nature (Brady & Cronin, 2001).

It is noteworthy that the definition of service quality was pointed out varied in different industry, depending on the level of customer involvement (Cronin & Taylor, 1992). Therefore, industry-specific measures of service quality is proposed and individual dimension is suggested to be taken into account (Babakus & Boller, 1992). Accordingly, Dabholkar et al., (1996) explore the evaluation of service quality in retail settings specifically. With qualitative research techniques, a hierarchical factor structure of retail service quality is proposed. The five dimensions - physical aspects, reliability, personal interaction, problem solving and policy - are modified from SERVQUAL while fetching up some of the critics and overlaps of it (Dabholkar et al., 1996).

More recently, some new thoughts of quality performance measurement in services context are found in Caro and García's (2008) studies. The paper proposed a multidimensional and hierarchical model of service quality tailored for travel agency sector. The proposed model is consistent with Brady and Cronin's (2001) framework, indicating three primary dimensions: personal interaction, physical environment and outcome. Also, each of the three primary dimensions are defined by several subdimensions: conduct, expertise, problem solving, equipment, ambient conditions, waiting time and valence (Caro & García, 2008).

The study confirms the significant effect of the outcome as well as the personal interaction on customers' service quality perception (Caro & García, 2008). Among which, personal interaction is the essential component in the services delivery which significantly influence consumer's service

quality perceptions. In other words, the personal interaction is referred to the service encounter in this context. Subsequently, this moment of truth is examined from the service providers' operant resources – the attitude, skills, and the ability in addressing problems and complaints. These subdimensions are called conduct, expertise and problem solving in the paper (Caro & García, 2008).

Next, the second dimension is the physical environment. Caro and García (2008) indicate that this is a concept broader than the tangible dimensions in SERVQUAL model (Parasuraman et al., 1985), as it covers both the equipment and the ambient conditions. To illustrate, the tangible evidence of the provided service indeed matters. Moreover, in this context, the technology used in the travel agency which provides indirect services to customers, the service-providing system, and the non-visual aspects like temperature, scent and music are all considered. In other words, it is the service environment that counts.

Finally, the third dimension comes the outcome. This can also be called technical quality according to the definition initiated by Grönroos (1984) – that means what the consumer is left with in the end of the service delivery process. This technical outcome can be either positive or negative, and more importantly, it is independent from the rest of the two attributes (Caro & García, 2008). The authors also suggest that the outcome is explained by the timeliness and valence. By that it means how long the waiting time is before being served is one of the evaluations of customer perceived quality, as the factor reflects how effective the service firm is to manage demand. Also, customers judge "is the outcome good or bad" by measuring psychological benefits (the valence) such as stress reduction and relaxation (Caro & García, 2008). In short, the outcome is a key manifestation of the service performance.

In sum, the model proposed by Caro and García (2008) is particularly valuable to this study. Questions from the interview guide are formulated in accordance with the service quality measures indicated in the model. In this way, by investigating the antecedent of perceived value (the service quality), questions of what service features are valued can be answered. Hence, with the help of the emerged framework of references, each of the dimension of service quality is examined in order to answer the research problem and the research questions

3.2.2. Risk and value

In service quality studies, performance and expectation are two essential concepts. It is suggested that the performance evaluation in multiple levels is the basis of service quality perceptions (Brady & Cronin, 2001). In this regard, the quality is the performance in a way. In addition, it is believed that service quality, as it resembles attitude, is perceived worthy when the service performance outweighs customer's expectation and service value therefore retained (Parasuraman et al., 1988). Specifically,

the expectation here refers to the norm, which serves as a standard hinting what customers can expect. In this sense, expectation is *what I want (e.g. appropriate services)*. Its management implication with this philosophy is – "*it is necessary to exceed customer expectations*". In this way, service quality is of cumulative nature and value is therefore perceived in a linear manner. Specifically, expectations and the cumulative quality are updated regarding the transaction performance perception. In this sense, value is perceived from the better-than-expected quality. All the models mentioned in the section 3.2.1 of service quality measurement fit into this description.

However, Rust et al. (1999) stand for another research stream of service quality. It is claimed that consumer not only consider expected quality but also perceived risk. In hospitality context, Kwun and Oh (2004) indicate that perceived risk is one of the most important antecedents of perceived value in pre-purchase decisions. According to Rust et al. (1999), instead of cumulation, quality is with a "diminishing returns utility" function (p.79). Given to this, service quality is gained from the lower expectation to experience variables. The variance hereby refers to the risk of the experience or transaction. Hence, the expectation in this context is *what I don't want (e.g. risk)*. Consumer's choice of purchase is thereby made on the basis of certainty judgements, that greater perceived variability results in worse perceived value. Therefore, the perceived value is not derived from the "exceeded quality"; rather, it derives from the probability judgement and the perceived-risk avoidance. According to Rust et al. (1999), the "*worse-than-expected quality hurts more than better-than-expected quality helps*" (p. 89). Simply, in the study context of travel agency, there's at least one type of value determined by the service quality of certainty guarantee. This provide another valuable insight to the study of how to look into the relation between value and its antecedent – the certainty judgement, an overlooked aspect in service quality studies.

3.2.3. Price and value

Service quality is not the only antecedent of service value. For instance, although prices were eliminated from the understanding of service quality in the literature (e.g. Brady & Cronin, 2001; Dabholkar et al., 1996), it is rather a direct determinant of perceived service value (Zeithaml, 1988).

Factors such as brand name and price are considered as extrinsic attribute of the service/product. It thus serves as a general indicator of quality instead of a product-specific quality (Zeithaml, 1988). In initial purchase situation when consumers have inadequate information about the intrinsic attribute of the service/product, for instance how good is the performance or how great is the uncertainty, extrinsic cues such as brand name and price act as a shorthand for the quality.

Zeithaml (1988) has pointed out a clear relation between price and the perceived value. Although value assessment is a highly personal and idiosyncratic one, when it comes to the evaluation of price

and value, four main common responds are found among consumers: 1) value is low price, 2) value is whatever I want in a product, 3) value is the quality I get for the price I pay, and 4) value is what I get for what I give (Zeithaml, 1988, p.13). As illustrated in sector 3.1.2, this trade-off perspective is narrow but is indeed the easiest and most operationalizable approach to conceptualize value. The conceptualization is mentioned once again here is to showcase how price matters to value perception.

In the case that same or similar quality (performance) presented in two services/products, customer tend to perceive greater value from the one comes with lower price. Although relevant, the value here dos not refer to a mere economic value. It is consistent with the interpretation of value as an "interactive relativistic preference experience" (Holbrook, 1999, p.5) – for instance, with similar quality, customer show more preference and therefore perceive greater value from the relatively cheaper product/service while relating and comparing it with the more expensive one.

It is noteworthy that neither service quality, risk perception or price is the only determinant of consumer perceived value. In most of the cases, customers consider multiple factors when it comes to value judgement. Therefore, again, it is deemed appropriate to study how do customer perceive value in a specific social context.

4. Methodology

The present research aims at examining the value remained in the traditional travel agency in relation to other alternatives regarding the issues of dis-intermediary and re-intermediary in current digital era. Given the elusive and subjective nature of the concept of value, it is nearly impossible to take the epistemological stance of positivism and objectivism as an ontological position. Simply, the value of the object, in the realm of social science and specifically in the service industry, can hard to be measured in an objective manner. Alternatively, the present research departs from an interpretivism epistemological approach with the ontological consideration of constructionism. Explanations are as follow.

Ontological stance of constructionism suggests that social reality is an ongoing accomplishment of social actors, by that it means social construction build up from the perceptions and actions of social actors (Bryman, 2016). Accordingly, interpretivism is to grasp the subjective meaning of social action by understanding how individual make sense of the world around them (Bryman, 2016). In short, the philosophical stance of the present research is based on a belief that social objects and categories are socially constructed and the social phenomena and its meaning are accomplished by individual. Hence, putting it into the context, the meaning and value of traditional travel agency is constructed and reflected by the perception of individual, that is to say, the travelers who has ever consumed in

traditional travel agency.

In order to figure out what individual's perception is, a qualitative approach is adopted and data was collected through in-depth semi-structured interviews. During the interview, respondents were encouraged to share relevant consumption experience and their personal opinion towards traditional travel agency. Also, their emotions and reactions were investigated – from voice or from countenance. Besides, topics such as purchase intention, consumer's concern, personal purchase preferences and customer satisfaction were touched upon. As some interviewees concerned if they were eligible to participate in such "*scientific research*" (interviewee's word), interviews were conducted in casual language without mentioning too many academic terminologies, so as not to confuse them.

Note that people who ever had consumption experience in traditional travel agency are all considered to be appropriate sample. More illustrations of interview sampling will be presented in the next section. Also, the interview guides are attached in appendix so that one can see what was discussed and how questions were asked. Three interview guides are provided in total, while the first one is used for travel agents, and the rest of two are for travelers (business/individual). It is noteworthy that the interview guides serve only as a cue because questions listed were not strictly followed in fact. During the interview, instead of interviewer keep asking pre-set questions in order, what question follows depends on what is shared and how the conversation goes. More details of data collection will be presented after the introduction of samplings.

4.1. Sampling

In order to explore what value derive from traditional travel agency in the modern digital era, I approach the subject from perspective of both travel agency and its customers, seeing the value proposition offered by organization is decisive to what types of value can be possibly perceived, and how the client react upon it afterwards defines the ultimate value of the organization. The two elements are highly associated and it is desired to look into both in this study.

Regarding the sampling selection, I adopt the purposive sampling strategy, that is sampled categories of people and organization are selected for their relevance to the research question (Bryman, 2016). First, I contacted personnel who work in travel agency directly through my personal network. Two requirements are considered during the selection process: (1) the person is expected to have great knowledge about the company's business model, and (2) the company he or she is working in has to have a physical store. Except for its physical existence, other elements, such as company size and selling products, are not considered in the selection criteria.

The justification of such sampled criteria of organization is confirmed in the first pilot study.

Specifically, during the pilot study, a part of the discussion was surrounded the definition of traditional travel agency – to which level of traditional should be regarded traditional. The participant at first showed reluctance to identify the traditional role of the company – since "*we don't sell packaged tour and we target at upmarket tourist only*". However, in this study context, considering the counterpart of online travel agency, the product that one company sells and its target group do not necessarily affect the traditional role of the company, as long as it has a physical existence – but not a virtual online shop. In fact, the mentioned selling products and target group echo the focused niche market which is later identified as a survival necessity for traditional travel agency nowadays. In this way, the justification of sampling is confirmed.

Next, although it is mostly held that people who choose to use travel agency share similar sociodemographic factors, in this study, there's no specific requirements on this while selecting possible interviewee. Dolnicar and Laesser (2007) contest earlier research findings as they argue traveler's sociodemographic characteristics do not necessarily influence travel agent use. Likewise, the only expectation on traveler participant is that they have the capability of organizing trip independently with the help of online traveling information searched by themselves and have ever done so – so that they can share relevant experience. In this case, both business travelers and individual travelers are taken into consideration. Also, it is required that the person can clearly recall at least one consumption experience in traditional travel agency. Not much focus has been put on whether the person is particularly loyal to any traditional travel agencies or not.

With regards how to reach competent interviewees, the initial plan was to primarily use personal network with posting publicly on the internet as a complement, for example on the Facebook group. It turns out that through personal network, respondents who show interest and eligibility in participating the study are enough. More importantly, after conducting interviews with acquaintances, patterns and themes already show clearly. Therefore, interviewees are all reached through my personal network.

Besides, one of the benefits on interviewing acquaintances is the ease of establishing rapport. As the intimacy between the interviewer and the interviewee has been built beforehand, interviewee tend to feel more relaxed and comfortable to confess innermost thoughts and emotions (Silverman, 2007). This particularly applies to the case of collecting data from companies. Because of the rapport with the interviewer, employees, while representing the company, are less vigilant to share opinions and therefore provide deeper insights to the topic.

Data has been collected from 5 interviews with 6 travel agencies, for the last travel agent operates two different travel agencies at the same time. The 6 companies have distinct business strategies. For

example, some focus on providing customized traveling products and consulting, and some others dedicated into providing service to specific group of people, such as business travelers, pupils who travel for the purpose of education, or the elders who prefer packaged tour. In terms to individuals, 9 travelers have been contacted while 2 are business travelers and the other 7 are individual traveler. Note, some of the individual travelers have business traveling experience as well and they occasionally share relevant opinion about it during the conversation. However, travelers are categorized into different group based on which experience they have talked about most, even if they are hybrid travelers and have shared opinions from different perspective.

It shows that travelers age range between 24 to 55, and three categories are further identified among travelers: 1) business travelers who contact travel agency located in his/her residence; 2) individual travelers who contact travel agency located in his/her residence; 3) individual travelers who contact travel agency located in destination.

4.2. Data collection: interviews

In order to encourage respondents to share as much experience as possible, interviews were initially not designed to be structured in a quantitative way. Considering there are certain specific topics to be covered, the method of semi-structured interview was chosen rather than a totally unstructured one, which is more used to deal with a certain range of topics (Bryman, 2016). As mentioned, although interview guides were prepared, interviews did not strictly follow all the questions. What question follows depend on what is said by the interviewee. In this way, interviewees have a certain leeway in how to reply and interviewer enjoy a certain flexibility in asking relevant questions (Bryman, 2016). Also, although specific interview guides are prepared, the aim is never to let it leads the discussion. Discussions are expected to come naturally from interviewee's responds. In fact, interview guides were barely used at the later stage, as I became more confident and familiar with the way of conducting interviews, and more realistic, I then remembered most of the questions by heart. Also, I realize that conducting interview without looking at interview guide helps to better observe interviewee's reaction.

As I was less confident to conduct interview with organization at the beginning, I decided to conduct a pilot study with employee who works in the field first so as to test questions prior to the data collection. The chosen interviewee for the pilot study is an acquaintance of mine who previously worked as a travel agent but also has the knowledge of social science research. The pilot study shows positive result that questions prepared are relevant and understandable. Moreover, as mentioned in the last section of sampling, the pilot study is even more meaningful because the arguments brought justify the samplings of travel agency in this research.

Empirically, data collection took place from the end of March to mid-April 2020 and all the conducted semi-structured interviews ranged from 45 minutes to 90 minutes. Interview begins with a brief introduction of the topic, the acknowledgement of the respondent's participation and any ethical considerations. Also, with approval of participants, all interviews were recorded with the purpose of seeking ease of the following transcription and analysis step. Notes were taken during interview but those were mostly used for picking up on things said by interviewees and then coming up with relevant questions. Influenced by the global outbreak of SARS-CoV-2 and to follow the stay-home recommendation, all interviews were conducted via video conference or phone call – depending on interviewee's preference.

Naturally, the effect of the SARS-CoV-2 crisis to this research is not only limited in the way of conducting interview. In fact, before collecting data empirically, the initial plan which was made before the crisis was to conduct observation together with interviews. For it is believed that many useful insights could be gained by observing authentic conversations and instant interactions between travel agent and customer inside the physical store of travel agency. However, because of the sudden outbreak of the SARS-CoV-2 in Sweden – where I studied and conducted the research – in March, the approach of observation is then regarded improper.

4.3. Transcription and analysis

As mentioned, interviews were all recorded with the approval of respondents. Thus, transcription is based on the recordings and data analysis is based on the transcription. First, an introduction of the transcribe process will be presented.

All transcriptions were done by the online application called iflyrec. With the help of the tool, a 60 minutes interview can be transcribed automatically within 10 minutes omit the time spent on revising the imprecise part which must be done manually later on (the machine is estimated to reach approximate 80% accuracy of transcribing interviews). In order to make sure transcription is precise, each interview recording was listened thoroughly at least once while revising the imprecise part of the transcription. Although some efforts are required for the revision, the online application saves much time on interview transcribing.

While reading transcriptions, valuable information is identified and meaningful information is quoted in the followed analysis chapter. It is noteworthy that as most of the interviewee come from China, interviews were mostly conducted in Chinese. Though transcriptions are not fully translated into English, the quotes from the interview used in the analysis are translated and that was done manually. In fact, the plan was to use online application (e.g. Google translate) to do the translation for its convenience. More importantly, it was believed that information can be assured to stay genuine in

the highest level in that way because machine don't change any wordings. However, after some attempts, I found out the translation done by the application is not accurate. For the reason that the machine is unable to understand the precise meaning of the slang/proverb used by the interviewee, which is emotional and contains rich information. Therefore, I then decided to translate them manually. Nevertheless, much efforts are put to assure information shared by the interviewees to stay genuine.

Next, analysis is firmly grounded in the collected data and it is done by transcription reading and data interpretation. To code the transcripts, the analysis process follows the steps of sorting, finding patterns, categorize, abstract and theorize. These are called thematic analysis (Bryman, 2016). Accordingly, the main practices were sorting data by reading materials closely, distinguishing repeated wording said by interviewee which then lead to the categories and themes extracted (e.g. time saving, money saving, restrictions, human aspect and store environment,). Further, with the theoretical knowledge in head, themes are theorized based on its relevance to the theory (e.g. the value of outcome, value of tangibility, and value of human touch). However, it is noteworthy that analysis starts earlier than the accomplishment of all transcriptions and its interpretation. Literature review was parallel to the research question operationalized, which is also a part of the analysis process as it provides theoretical backup to ask relevant interview questions and to anticipate responds. Also, while conducting interview, the analysis work has already started because I come up with ideas about thematizing things at the moment of hearing answers given by interviewees.

4.4. Ethical consideration

According to Bryman (2016), ethical principles in social research includes potential harm to participants; informed consent; privacy and deception. The present research follows these ethical principles and details will be presented next.

Firstly, potential harm entails physical harm and psychological harm. Considering the topic of this study is less sensitive, I did pay attention to the first ethical principle but it was not the foremost concern. Specifically, interviewees were all informed that they have the right to reject answering certain questions if they don't feel comfortable to, though questions were designed to be relevant only to the research and it proves that all interviews have been conducted successfully.

Secondly, the lack of informed consent is hotly debated that focuses on what is disguised or covert observation (Bryman, 2016). As mentioned, this study was not able to conduct any form of observation. Further, by interviewing participants, this study is an absolute non-covert research. To clarify, all interviewees are voluntary participants. Before every interview, introduction of the research, including its purpose, intended use and its methods are given to the interviewee.

Additionally, interviewees are informed about the modalities of data collection and they are further inquired whether they agree to be sound recorded during the interview.

Also, considering the ethical principle of privacy respect, interviewees were then promised that recording will be deleted once the thesis is completed. Besides, recordings will be protected and not to share with any other, unless it is asked by the thesis examiner. In addition, interviewee will remain completely anonymous for their private information, such as their name, will not be shown in the thesis. To better protect the privacy of interviewee, during the recording of interview, participants were not asked about their name and especially any specific company information. Interview is not started until it is assured that interviewee is aware and agree above-mentioning concerns.

Last but not least, it is emphasized that there's no deception occurs in this research. I represent the work and all its relevant information to participants with honesty. While conducting interview, participants express their own opinion freely and I don't lead the conversation as well as interviewee's thoughts in order to gain any expected answers.

5. The empirical findings

The empirical data will now be presented and interpreted through the theories of value creation and customer perceive value. As interviews were conducted with travel agents and travelers separately, in the following text, the result from the interviews with staffs will be presented first, indicating traditional travel agencies' strategies resisting against disintermediation. Then, the results regarding the choice of traditional travel agencies from traveler's perspective and the value dimensions associated with traditional travel agencies will be explained in the following section (5.2 & 5.3).

5.1. Evolving business model and changing mind as strategies to strengthen position in the value chain

Firstly, the collected data has given some insights on what challenges traditional travel agencies have been facing and how travel agents position themselves. To begin with, the chosen interviewed companies were in different size, as the first one(#1) was in small size with less than 10 people, the second one(#2) was in medium size with around 20 people and the rest of 4 (#3, #4, #5, #6) were chain travel agencies with more than 30 people. Accordingly, #1 mainly provides services to business travelers, #2 focuses on organizing outdoor activities such as helicopter skiing to high-end individual travelers, #3 sells traveling-related products/services. The rest of 3 (#4, #5, #6) sells traditional packaged tour.

According to them, the use of internet indeed poses several challenges to the industry. For instance, it is true that travel agencies can no longer rely entirely on the commission fees based on the sales

volume. "*We earn commission fees if we manage to clear their stock (*sell out the remained tickets/rooms*) in low season. But in high season, they (*suppliers*) are more willing to sell tickets on their own*" (#5, interview*). Secondly, it is considered "*inevitable*" that individual travelers show decreased need to travel agencies – "*especially those who know how to reserve their hotel rooms and book flight tickets from the internet*" (#1, interview). These support previous findings (e.g. Morris & Morris, 2002; Cheung & Lam, 2009; Devece et al., 2015). However, despite challenges that the use of ICT brings, traditional travel agencies still alive. What's more, travel agents show positive attitude about future development of the industry. In other words, they do not agree that they will be disintermediated one day. Rationally, they have strategies securing their position in the value chain. Accordingly, two themes emerge, that is evolving business model and changing mind.

The result shows most of traditional travel agencies have nowadays evolved from the previous business model. First and foremost, all of the interviewed travel agencies have developed their own platform online, that is embracing e-commerce to their business model (Cheung & Lam, 2009). As they acknowledge the importance of ICT, some of them have invested in developing their own website (e.g. #2, #3, #4). Otherwise, the others have at least developed virtual communities on social media platform for interacting with (potential) customers and posting advertisements (#1, #5, #6). Among them, #3 and #5 state that they post advertisements on some other online channels as well, such as Ctrip. Note, expanding their business to online platform does not mean they have become an OTA. As they keep running their physical store, they fit into the definition of traditional travel agency in this study context.

Besides, it is apparent that travelers nowadays show varied interests regarding different tourism products and experience. In this regard, travel agencies tend to develop a niche market and then provide services specifically cater for that group of travelers' needs. This goes in line with Dolnicar and Laesser's (2007) suggestion of focusing on specific segments of the market. For example, #2 aims at providing service to high-end customers by offering them extraordinary traveling experience, such as helicopter skiing in Patagonia or fishing in Iceland. By focusing on such specific segment of the market, #2's business thrives. As mentioned, #1 focuses on business travelers. That is their choice of focusing which niche market as well, depending on the type of travelers.

> #1: "*To survive, we welcome both individual travelers and business travelers at first. But later we decided to focus on business travelers only. Taking care of individual travelers requires too much energy and the profit is very little.*"

Except for the type of travelers, focusing a group of travelers by their age is also a way of choosing a niche market. For instance, #5 and #6 sells most of their packaged tour to people who are over 50

(women who are on their retired age). They survive for the support from the elderly. Additionally, although #6's offer is quite attractive to the seniors, they put effort in developing another market – "educational tourism" (yóuxué in Chinese) – which shows that market can be segmented by the purpose of traveling as well.

> #6: *"We find it profitable to organize pupils to travel to famous campus like Oxford and Beijing University. It doesn't necessarily to be a summer camp but the purpose is similar, to make the journey be educational and inspire them to study hard."*

When they focus on a specific group of customers, companies enhance their competitiveness as they show their uniqueness. However, in this regard, travelers might not show consistent loyalty to one specific service provider, as travelers show varied traveling interest and tend to seek different service provider who shows specific professionalism in the field. Nevertheless, the needs of services from the travel agency industry does not necessarily decrease.

It is now clear that except for adopting e-commerce business model, travel agencies survive for developing niche markets. Moreover, the data confirms another suggestion indicated in previous researches, that travel agencies need to provide value-added service (Tsai et al., 2005; Cheung & Lam, 2009). For example, when being asked, #6 booking flight ticket for its customers without making profits, seeing that as a value-added service.

> #6: *"I'm happy to book flight ticket for people. I don't charge them for commission fees and I don't make money from that, since I enjoy certain discount from the cooperated airline companies but I offer that discount to the customers, even though they're not planning to purchase other products from the store."*

As mentioned, #3 sells travel-related products. For instance, they sell discount train ticket and provide assistance in visa application to customers. Interestingly enough, #3 says:

> *"We welcome people to drop by our store, sometimes not for purchasing but for chatting with us, using our scanning machine or to have a cup of tea – free of charge. We want people to remember us"*.

Providing scanning service or serving tea is not necessarily traveling-related value-added service. However, it shows travel agencies find their way to establish relationship with customers. Compared to OTAs, traditional travel agencies gain advantage of establishing relationship marketing for its physical existence from daily interactions with neighboring community members. The value of traditional travel agencies is therefore added.

In sum, the result supports previous studies (Dolnicar & Laesser, 2007; Tsai et al., 2005; Cheung & Lam, 2009; Capriello & Riboldazzi, 2020), suggesting traditional travel agencies have been evolving themselves so as to resist against disintermediation in three aspects: (1) embracing e-commerce; (2) focusing on specific segments of the market; (3) focusing on specific specialized service.

Additionally, traditional travel agencies fight against disintermediation for its changing mind. The result shows travel agencies have a clear customer-oriented mind, or to say the awareness of service-dominant logic. It shows clearly from #1 and #4's response:

> #1: "*In the past 20 years, companies design products based on calculation of saving cost and making maximum profits. Customers by then was in a passive situation. Today, companies have to respect their clients, communicate with them first and then design a product based on their wishes.*"

Note, *companies* mentioned above refer to travel agencies and the *product* refers to the tour route. By saying respecting client's wishes and providing products/services based on customer's needs does not indicate that all travel agencies have to provide strict customized services or tailored made products, although that is certainly an option for companies to create value. Rather, it suggests companies to allow a certain flexibility within the product. For instance, #1 add: "*Alina's* (nickname) *family traveled to Russia in January. They first told me they want to spend a couple of days in Moscow, but they want to see the northern light as well. According to their wishes, I recommended them to visit Murmansk and then designed a tour package for them.*"

The example #1 gave wasn't necessarily a so-called customized product, for the reason that the itinerary in Murmansk and Moscow was pre-planned, which is a packaged tour they normally sell. However, by combining the two tours in one package, #1 managed to meet customers' needs by adding customized elements into the package and therefore satisfy them. In this sense, being customer-oriented and involving customers into the value-creation process allows companies to add more value or create greater value so as to resist against disintermediation.

Secondly, the awareness of service dominant logic is proved in the comment of "*selling services*" among travel agents. As #4 said:

> #4: "*Simply, we sell services to customers. Improving service quality is one of our priorities. This* (tourism) *is a service sector after all.*"

> #4: "*It is understandable why young people prefer not to purchase services from us, they have time to plan their trip, and more importantly they have limited budget. But when they get older*

and get financially independent, they would naturally have the need to enjoy services– and then we (as service providers) *are always there*."

From travel agents' perspective, the personal interaction happened in the store between travel agents and customers is with warmth, which can hardly be found elsewhere, regardless customers choose to purchase products from OTAs or to plan their trip independently. This kind of warmth aspect of traditional travel agencies' services are one of their competitiveness and uniqueness in securing their market share. Putting it into the context of digitalization, the result supports earlier findings: despite the ubiquitous availability of online information, internet doesn't substitute analogue channels but becomes a complement as source of information (Beritelli et al., 2007; Zillinger et al., 2018).

It is added that the trust is another important factor why traditional travel agency survives.

> #5: "*I barely spend money on advertising. Most of my clients are repeat customers and repeat customers bring new customers. I build fine relationship with all my clients, and they trust me so much. Because of the trust, they purchase tour package from me every time.*"

In sum, from travel agents' perspective, internet brings a certain challenge to the industry. For example, one could no longer rely entirely on the commission fees and they have to make profits from elsewhere. Also, as travelers get access to nearly all the traveling information online, the idea of disintermediation is brought up as some travelers could plan their trip on their own and therefore be independent from traveling intermediaries. However, with such background, traditional travel agencies still survive. According to the collected data, companies use three main strategies in securing their role as intermediary in the value chain: (1) they have been evolving their business model by establishing e-commerce, developing niche market and providing specific value-added service; (2) they improve service quality by being more customer-oriented and bearing service dominant logic in mind.

Next, we shall further analyze the data collected from travelers. Compared to service provider's perspective, travelers opinion is more important in this study context: what value do travelers perceive from the travel agency.

5.2. Choosing the traditional travel agencies: a strategy based on specific context

Travel agencies have done several things to enhance their position in the value chain. It offers a valuable insight on how traditional travel agency resist against disintermediation. However, this does not explain why they are still accepted by the market, namely by consumers. Before discussing value

dimensions perceived by customers, it is necessary to analyze why do travelers purchase tourism products/services from the store, especially in the digitalized context that they actually have multiple alternatives other than making transaction with traditional travel agencies. The following text is to explain under what circumstances travelers prefer consulting travel agencies and further purchase products/services from them.

The data is collected from 9 travelers, as #7 and #8 are business travelers, #9, #10 and #11 are solo travelers (traveling alone), and #12, #13, #14 and #15 travel with friends/family. Among them, #14 and #15 are at their retired age (over 50). As mentioned, the selected interviewees show capabilities in searching traveling-related information online and then traveling independently from travel agencies. Meanwhile, during the past 1-2 years, they have had experience purchasing services/products from traditional travel agencies.

First of all, the previous literature suggests that travel agencies should improve their businesses by providing value-added services such as offering consultancy service (Aguiar-Quintana, 2016) and become a source of information for travelers. However, the collected data in this study do not fully support this affirm. When being asked, travelers express unwillingness to pay consulting fees, although they've never been charged for this. Travel agencies confirm that they don't charge customers for consulting, even if the customer does not show interest in further purchase of their products. More importantly, according to travelers, they usually don't consider travel agents as a source of information. They contact travel agencies only when they consider purchasing products from the store, and that motivate them to ask for more information from the personnel.

> #13: "*of course they* (travel agents) *know the destination better than I do, but I would rather search information online than asking them. I can find all the information I need on the internet.*"

> #7: "*I don't contact travel agencies if I don't have the plan to make deal with them. I don't want to waste their time.*"

> #8: "*I don't ask them for information, even if that's more convenient and for free. Because I'm afraid they have my contact and then keep bothering me asking whether I would be interested in one of their packaged tour.*"

The result shows that travelers are more willing to search for information online, rather than asking travel agencies. Travel agencies are considered to be information source when customers compare prices among different service providers. Customers then look for information about the offer from different travel agencies with the purpose of finding the best deal. In this sense, travel agencies are

considered to be information source, but for offer-related information rather than traveling-related information.

From the data, it emerges that none of the respondents are the "perfect" loyal customers that claim to always stick to purchase tourism products from the travel agency. Regarding in which level they are loyal to the travel agency, respondents show variance. Among which, #7 and #8 indicated that from a business traveler's perspective, they choose to purchase services from the travel agency habitually, however, as an individual traveler, they barely made transaction with travel agencies. In terms of other individual travelers who has no business traveling experience, #9 said generally he tend not to depend on travel agency, but in some special situation, he purchases services from the travel agency when he feels obligatory to do so. The rest of interviewees claimed to use travel agency often or sometimes, depends on where is the destination, who is their travel accompany, how good is the travel agency's offer and other factors.

For business travelers, it is quite a certain thing to purchase services/products from traditional travel agencies. Although they might prefer DIY their own itinerary when they travel as an individual travel, they always choose to use travel agency when they travel for business purpose. As #7 was planning a team building trip for the company, she chose to use travel agency since: "*I have the budget to do so. Purchasing services from the agency saves me a lot of time so I don't need to do everything on my own, and signing the contract with them is a way protecting myself, because I can't take the responsibility if any accidents happen during the trip*" (#7, interview).

Except for business travelers, individual travelers have certain needs in travel agencies' services as well, even if they are good at planning trip by themselves. Within the planning process, a pattern of travel agencies use emerged from the data. Although travelers explained various reason why they choose to use travel agencies, it shows that the decision of purchasing products/services form travel agencies is strategic. It is identified that travelers prefer using travel agencies under these circumstances: (1) travel to a destination that requires great preparation; (2) travel agencies offer excellent deal; (3) the trip organizer is assigned great responsibility; (4) to follow the traveling regulation and (5) having specific personal preference.

It is clear that travelers have increased needs toward travel agencies when they travel to destinations in which require great preparation, for example long-distance destination, remote area and high mountain area. #15 said: "*I often purchase tour package when I travel abroad, because I'm afraid having trouble in places where I'm not familiar with*" (#15, interview). Also, #13 share the same logic: "*In case I don't feel well in the plateau or I can't drive well, it is safer to follow a tour guide*". Similarly, #12 worried not being safe driving to the seaside at night (to see the blue sand), she decided

to purchase a one-day tour from local travel agency. In short, when people travel to places that require greater preparation, they show higher likelihood to purchase products from travel agencies. This goes in line with Castillo-Manzano & Lopez-Valpuesta's findings (2010).

As customers know travel agency as an intermediary has cooperation with different kinds of suppliers, they assume that travel agency enjoys specific discounts in certain products. Therefore, travelers believe that travel agencies sometime offer great deal with attractive price – price that is too low for travelers to find it elsewhere. In this case, despite disadvantages of the product, such as lack of flexibility in packaged tour, customers would be willing to choose travel agencies for their products rather than other way of arranging the trip.

It is also clear that when the trip organizers are assigned in great responsibility, they would go for travel agencies. As #12 said: "*it is not often for me to choose travel agencies when I travel alone. However, when I travel with my family and I'm the one to arrange the trip, I would go for travel agencies. It is too tiring to arrange the whole trip for this many people all on my own*". #13 added: "*I wouldn't choose travel agencies when I travel with my friends, because friends take part of the responsibility arranging the trip like booking flight ticket, it is then unnecessary to ask help from travel agencies*".

Another emerging theme for travelers to purchase from travel agencies is because external limitations. As #9 traveled to Svalbard and #14 travel to the North Korea, destinations that require tourists to follow professional tour guide in any outdoor activities, the two interviewees were obliged to book tour package from the local travel agencies. Also, #14 added: "*we were obliged to be accompanied by local guide when hiking in Kilimanjaro. So in this circumstance, we have to contact local travel agencies, regardless how much information we retrieve from the internet*".

Except for external factors, travelers might prefer travel agencies' services based on their personal preference. For #10, choosing to use travel agencies is his way of traveling, as he dislikes reading others traveling experience-sharing post online and then follow it. In his words, purchasing packaged tour from travel agencies is "*old-fashioned but convenient, efficient and enjoyable*" (#10, interview).

In sum, it is now clear that travelers choose to use travel agencies for reasons. It is a strategic plan for travelers to choose travel agencies under several circumstances. In other words, travelers are looking for specific benefits and outcome when they decide to purchase products/services from travel agencies. Next, we shall discuss what is valued in the traditional travel agency based on factors that motivate customers to choose them.

5.3. What is valued in the traditional travel agency

Several elements emerged from the data make traditional travel agency a valued object. The value dimensions presented in the following text are depicted by travellers but refer to the travel agency itself, as it can be understood as benefits that travellers are looking for, or value that travel agencies present.

5.3.1. Convenience and excellence of travel agencies' services

One of the things that was commonly brought up by the interviewees was convenience that brought by travel agencies' services. Although travelers show competence in retrieving traveling-related information online, reserving accommodation and transportation by themselves, and therefore being independent from travel agencies, it is somehow regarded "exhausted" in making all the arrangements on their own. Despite the lack of flexibilities in packaged tour, having someone to take care of the itinerary saves customer time and energy.

> #13: *"That is convenient! Wherever we're going and whatever we're going to do, staffs are ready and just waiting there for us. We don't waste time in finding restaurants and hotel."*

> #7: "*Except for accommodation and flight tickets to Taiwan, they* (the travel agents*) provided convenience for us to apply the visa, which saves us a lot of time. And then things were off our mind and that is good."*

It is recognized that the convenience includes two aspects: (1) saving time – "*we don't waste time*" (#13, interview) and (2) releasing stress – "*things are off our mind*" (#7, interview). Hence, the attribute of convenience is one of the manifestations of the outcome.

When travelers tell the outcome is convenient, some relate the experience during the journey (i.e. service consumption stage) while some others relate the experience on preparation stage (i.e. pre-consumption stage). In light of this finding, it suggests that travelers evaluate experience based on an overall impression, rather than separating stages from the whole event. This supports Sabiote-Ortiz et al. (2016) suggestion that value do not only derived from the service consumption stage, rather, activities happened in the pre-consumption stage, such as experience in the use of tourism purchase channels might also have an impact on travelers' final judgement of overall perceived value.

With a general comparison between the use of internet and travel agencies, another theme emerges, that is excellence. By purchasing services/products from travel agencies, travelers do not need to bother with traveling arrangements, so that much of cognitive effort is reduced. Although the ubiquitous availability of the Internet allows travelers certain flexibilities in arranging their trip,

people do not always praise this way as traveling preparation. For example, people do show online confusion while searching for information online or being skeptical to advice that is found online. Conversely, recommendations provided by travel agencies is regarded more valuable to some extent.

For people who are looking for non-individualistic traveling experience – "*just to tick things off the must-see list*" (#13, interview), they would rather choose a packaged tour provided by travel agencies. "*Travel agents must know the destination better than I do, so although the product is standardized, the quality of it is guaranteed*" (#13, interview). Compared to DIY a trip, travelers enjoy all pre-planned services which reduce much of the cognitive effort for them to make traveling arrangements, like #10 said: *when I go traveling, I prefer paying someone to take care of everything for me. I just need to enjoy the journey without bothering myself of accommodation and so*".

Secondly, by accepting travel agencies' arrangements, travelers do not need to suffer from online confusion (Lu et al., 2016) like they do when they try to find proper information online.

> #9: "*Last time when I was planning my trip to the USA, I really felt frustrated when I tried to find useful information online, because there were too many.*"

> #12: "I used to trust the information shared by others online, like 7-8 years ago. Bloggers by then were real travelers and they share authentic experience and information. But today, I feel like most of the traveling information I found online are fake – they *are advertisements but faking themselves as genuine experience sharing* ("soft-advertisement" in Chinese – the word used by #12)*.*"

Except for online confusion – struggling from facing overwhelming information, people show skeptical attitude towards information that is found online. People not only have to spend time on filtering information, but also need to evaluate the trustworthiness of the information that is found (Del Chiappa, 2013). In this sense, having access to online information is not necessarily a positive thing. Furthermore, #12's comment confirms Dolnicar & Laesser (2007) proposal, that web information is noncommittal, nonneutral and thus untrustworthy. In comparison, accepting travel agents' suggestion saves customers' energy in finding solutions to the two issues.

Surprisingly, #14 and #15 express tolerance to the unlimited and unfiltered online traveling information. Particularly, #14 added: "*the more* (available information online) *the better, so that I get to know the destination more. It is a learning process*". Considering #14 and #15 are seniors among other interviewees, this result doesn't show alignment with the earlier studies (e.g. Beritelli et al., 2007), suggesting the elders assign high importance to the WWW as a source of information as well.

Speaking of which, travel agencies' excellence does not only reflect in the information search stage. It shows advantages in helping travelers to overcome certain limitations during the journey. To illustrate, under some circumstances, travelers require assistance from traditional travel agencies in particular.

> #14: "*It is of concern if one can handle unexpected trouble during traveling. For example, one couldn't find the bus station in the airport, or one couldn't order food in the restaurant for not speaking the language.*"

It is common that travelers present internal limitation while traveling, such as language barrier and difficulties in understanding public transportation system in foreign countries (#12, interview). Such internal limitations sometimes drive travelers to purchase services/products from travel agencies, where travelers can require a professional tour guide in presence to help solving problems.

Other than this, travelers sometimes face external limitations in the destination, such as being restricted to do activities with the accompany of tour guide. Such obligatory is regulated by the local authorities which travelers have to obey. Therefore, in order to visit the destination and accomplish the journey, travelers have to go for travel agencies and ask help to overcome the external limitations.

> #14: "*From my experience of visiting North Korea and climbing the Kilimanjaro, travelers are regulated to be accompanied by local tour guide. In that case we had to go for the local travel agencies.*"

> #9: "*I was kind of obliged to purchase packaged tour from local travel agencies in Svalbard. We have to be accompanied by professional tour guides for any outdoor activities there. So without travel agencies organizing activities for me, I can only stay in the hotel.*"

The result shows that travel agencies present capabilities in assisting travelers to overcome both internal and external limitations, which is one of the rationales of traditional travel agencies' survival, as such excellence is unlikely to be found in OTAs or accomplished by travelers independently.

5.3.2. The relevance of physical environment of traditional travel agencies

In this study, traditional travel agencies refer to those who possess physical store in comparison with digital online travel agencies. At first, it arouses curiosity why people insist running physical store when they have option to transform business online – which allows companies to save cost, like rent and human resources. The results provide a clear answer to this – because several types of value derive from the physical characteristics of the company. Generally speaking, customers perceive trustworthiness and reliability from the tangibility of the travel agencies.

As mentioned in the last sector, business travelers use traditional travel agencies more habitual than individual travelers, especially for HR who is about to organize corporate travel for the company (e.g. #8). According to #8, she first evaluates reliability of one travel agency based on the fact that whether it runs a physical store – especially when she has no previous consumption experience with the company to rely on. The idea was that unlike e-mailing OTAs, by visiting the store in person, one could see the servicescape and evaluate service encounter and thereby form an overall judgement of the service quality of the company. More importantly, business travelers need other party to bear the responsibility for unexpected accidents during the business trip. In this sense, business travelers prefer making transaction to physical travel agencies and to have the paper contract.

Note, tangibility is one of the characteristics distinguishing services from products according to service management literature. As one might doubt whether travel agencies as service companies could present tangibility, in this study, the physical store of the traditional travel agency and the paper contract is regarded as proxies of tangibility – which OTAs do not possess. Therefore, reliabilities derive from tangibility of the traditional travel agency.

In fact, individual travelers tend to feel more secured making transaction with physical travel agencies, as business travelers do – especially when the counterpart is an unfamiliar OTA. Although one might not visit the store every time – "*it is important to know where the address is*" (#9, interview). In fact, travelers are afraid of being cheated when they make transaction to the travel agencies. However, they feel relief by knowing the travel agency has a physical store and more importantly, where the store is. According to Rust et al. (1999), certainty judgement is another important factor which has an effect on customer's perceive value. The result supports this argument. As being asked why you prefer a travel agency who has a physical store, it is answered "*I don't want to be cheated* (by OTA)" (#15, interview; #12, interview) and "*safety first*" (#13, interview). It shows clearly travelers value such tangibility by seeing it as a symbol of security.

> #12: "*Worst case, if something bad happen, I could go to the store and talk to their manager. It's not possible that they move the store away within one night, right?*"

> #15: "*I feel secured, as long as I know the store is still there and I can find relevant employee to solve problems. In this case things wouldn't be too bad.*"

It shows that customers do not necessarily value the physical existence of the store, but the certainty it brings – as one knows where to find people to solve problem, that is a way of avoiding risk (being cheated). In this regard, the store itself is considered as a kind of certainty – "*it will be there, they can't move it away within one night*". In other words, as long as the store can be found and employees

are present, to a very large extent, the risk of being cheated is reduced and the chance of solving problem is increased. Hence, travelers tend to perceive greater value out of this kind of certainty. Altogether, the reliability and trustworthiness are recognized from the physical characteristics of traditional travel agency.

5.3.3. Non-functional aspects

Another insight that emerged from the data is how customers value personal interaction in the service delivery process. Caro and García (2008) suggest that affective value, such as personal interaction is the essential component in service value construct. As many have suggested that in leisure service industry, affective evaluation is more critical in regards customers' overall perceived value. Regardless whether non-functional value plays a more significant role than the functional one, such as convenience, excellence, reliability and trustworthiness, we shall take a look into the value of personal interaction from customers' perspective.

Accordingly, three patterns emerged from the evaluation of personal interaction: 1) responsiveness; 2) human touch; and the 3) professionalism. These echo the subdimensions of personal interaction – conduct, expertise, and problem solving – interpreted by Caro and García (2008). Within a digitalized context that many get more used to rely on ICT for communications, meeting travel agents in person is somehow regarded "*unnecessary*" (#8, interview; #9, interview). However, to some other people, having face-to-face communications is of value. Choosing to have a real person in front to talk to is a way of "return to the primitive" – that reflects one's lifestyle and attitude.

To begin with, people insist that analogue channels show advantages in providing efficient responsiveness. This supports the previous finding that analogue channels are of value and they are not totally eliminated by the development of ICT (Zillinger et al., 2018). According to the data, it is affirmed that having face-to-face conversation is efficient, although one should spend time on arranging the meeting – unlike one could leave/reply messages to others despite time and space limitations. However, it is believed that problems are likely to be solved more quickly from face-to-face communication as people receive immediate response and personal interactions like body language smooth the conversation.

> #10: "*I prefer visiting the store and have conversation with a real person, not robot. I'm tired of explaining things to a robot or random people who have no idea about the situation from the call center. Despite the time spent on queuing, having a real person in front to talk to is more efficient, as we get immediate response.*"

> #12: "*We just can't do everything behind the screen. For example, I get instant response when*

I talk to the agent in the office. But if I text or leave a message to the agent, I get response when he is available. I don't like waiting. Imagine there's an emergency but I don't get the reply in time, that causes catastrophe."

In fact, interviewees like #8 and #9 state that when they travel as individual travelers, they usually choose not to have conversation in person with service providers like travel agents, but an online communication instead, since they don't want to bother with visiting the store (#9, interview), or trying to avoid the emotion derived from the interaction (#8). However, there's one thing neglected. Traditional travel agencies which provide present customer service offer customers a certain freedom to choose in which way they would like to be served – for example answering customers questions by phone, or by a meeting. In comparison, OTAs do not possess such flexibilities.

As #12 mentioned "*we can't do everything behind the screen*", she further explained that "*we, as a human being, are social animal. Human interaction is important in our daily life*". Thus, from the comparison between "*talking to a robot*" and "*talking to a real person*" (#10, interview), as well as "working behind the screen" and "socialize behavior" (#12, interview), a theme emerged, that is the emotion and warmth derived from the interaction.

Human interactions are deemed to have certain interpersonal warmth, that is valued by some of the travelers. The warmth of traditional travel agencies' services is related to the relationship that was established between the service provider and the customer by interpersonal interaction during the service delivery process. It proves the relevance of relationship marketing in the travel agencies sector (Devece et al., 2015). Such human touch is one of the highlights of valued service feature of traditional travel agency.

Next, during the interviews, the topic of whether purchasing services from travel agencies is worthy was touched upon several time. Accordingly, professionalism and price are most discussed. Caro and García (2008) suggest the professionalism is one of the attributes of personal interaction in travel agency sector. In this study, the results show relevance between professionalism and knowledge, as customers consider professionalism as travel agents' expertise in organizing journey, for the knowledge they have.

#15: "*Travel agencies survive for reasons, like, they can manage the tour better than I do.*"

#14: "*They have been working in the field for a long time, so surely they are more familiar about the region and the route than I do. No matter how much information I found online, they have local connections which I don't have, so I believe they could handle my journey better.*"

In fact, trusting the professionalism of one travel agency doesn't necessarily relate to previous consumption experience. Even if one has never used travel agencies before, he or she acknowledges the significance of the company. The trust in companies' professionalism is more likely to be a belief – which is built upon company's image or customer's imagination. As interviewees (e.g. #14, #8, #13) said: "*there're specific things that meant to be handled by the professionals*" (a Chinese proverb). The idea is that, staffs are all professional, and the professionals show competences in doing things well. In this sense, purchasing services from traditional travel agency is worthy, because they are looking for *excellence* (see 5.3.1) from the professionals. In fact, it is not certain that staffs are all professional, but customers tend to believe so. This kind of belief stems from the trust of the title (as one being called product manager or senior travel agent), which serves as a cue of one's capabilities. With the same logic, traditional travel agency is believed to be professional for their physical existence.

In terms of price, according to the result, customers do not have consensus whether purchasing products from travel agencies is cheaper. Nevertheless, it shows that price is clearly relate to the factor of professionalism. First of all, considering travel agencies provide services, they must charge certain fees for such professionalism and therefore purchasing product from them is no cheaper – including the service fee that is charged (#14, interview). On the other hand, some people believe that products purchased from traditional travel agency is cheaper, for the reason that travel agencies enjoy cooperating discounts with suppliers for their professionalism, and therefore offer good deal to customers (#10, interview).

Altogether, according to Zeithaml (1988), travelers therefore perceive greater value from the lower price. Also, based on the reputation of the whole travel agency sector, some travelers have a deep belief in travel agents' professionalism. Thus, one of the values of traditional travel agency derived from here.

6. Discussion

Based on the above-mentioned valued features of traditional travel agency, value that derives from the object is therefore identified. First of all, travel agencies perform certain value by offering distinct value proposition to customers. However, with different social context, customers expect different outcome and benefits from companies' services and therefore perceive value differently. Also, choosing to use travel agency is customer's strategy of overcoming certain difficulties and the decision is made within context.

Traditional travel agencies first offer value proposition to customers: (1) since they embrace e-

commerce to their business model, they offer customers flexibilities to choose whether receiving services in the store – which is unlikely to be achieved by OTAs, or gaining information from the organization by visiting their website; (2) as companies focus on niche market, they provide more specialized services to specific groups of customers who show interest in specific types of tourism; (3) they are more customer-oriented nowadays, providing customized products that cater for customer's needs, rather than merely provide standardized products as before. In short, the value proposition offered by traditional travel agency form the basis of its value construct.

By saying value is perceived differently based on context, that means, customers perceive the need to use travel agency under circumstances and then perceive value based on preference judgements and situational experience. Specifically, travelers desire services specifically from traditional travel agencies. For example, to save times in arrangements or to have the third party to bear the responsibility for unexpected accidents, business travelers express specific desire of traditional travel agencies' services. In terms of individual travelers, they show preferences on making transaction to traditional travel agencies when (1) they travel to long-distance or unfamiliar destinations; (2) they travel to a places that require great preparation; (3) they were assigned great responsibility in organizing the trip; (4) they have certain limitations, both internal and external, in implementing activities in the destination. These are factors shown from the result that motivates customers to consult or purchase from travel agencies. In other words, under these circumstances, customers choose to use travel agencies and expect a certain outcome. When customers are looking for specific outcome, they evaluate the consumption experience based on the expectation. Value is therefore perceived within context.

After acknowledging the need of using traditional travel agency, the value perception of customers start to form from the moment of interacting with service provider, evaluating service quality, expecting specific outcome and then judging the received benefits. It shows that convenience and excellence as one of the value type is brought up most commonly, as attributes like time saving, stress released, and cognitive effort reduced are appreciated. Excellence also refer that travel agencies are capable to help customers to overcome certain limitations, for example language barrier as customer's internal limitation, and external limitation such as administrative regulation – for example travelers have to be accompanied by local tour guides. Secondly, tangibility is another feature that makes the object valuable. Customers perceive reliability and trustworthiness of travel agencies for their physical existence, seeing the physical store as a guarantee of the service quality. Thirdly, compared to e-services, traditional travel agencies' service distinct for its human interactions. A group of customers show preferences toward the warmth and responsiveness of human interaction, rather than digital communication with "cold" conversation. Also, professionalism is considered derived from

such human interaction.

The above-mentioned functions of convenience, excellence, tangibility and human interaction are factors that drive customers to choose traditional travel agencies. In other words, traditional travel agencies present such functions to attract customers. These are the rationales of traditional travel agencies being accepted in the digitalized context. Clearly, the first three qualities are functional related, except for the quality of human interaction as a non-functional aspect.

It was affirmed that the quality of personal interaction is more dominant in customers perceived value – especially in the service industry, however, the results from this study do not show accordance with the affirm. There's no evidence indicating customers who choose to use traditional travel agency is mainly looking for a human interaction experience. Although some travelers highlight such emotional attribute of personal interaction, that is not sufficient to explain the consumption behavior. In fact, such consumption behavior is more likely to be explained by the desire of functional value, as those were mentioned more often. In other words, travelers are pragmatic. As it was assumed at the beginning, the purchase activity within the travel agency is less hedonic and such customer behavior is goal-directed.

It is necessary to point out the influence of digitalization on the development of traditional travel agency. Other than the idea of disintermediation that it brings, in fact, ICT presents opportunities to traditional travel agency in many aspects. For example, customers are found to be hybrid (Mieli & Zillinger, 2020) as they like combining different sources of information. In this study context, travelers not only use internet for searching itinerary information, but also use it for comparing prices. Compared to organizing traveling accommodation and transportation independently, it is not rare that travelers find travel agencies' offer more attractive and then make the purchase decision with them. Besides, using ICT for information search is not always being praised. As travelers express online confusion (Lu et al., 2016) and being skeptical to online information, a tendency emerges that customers expect one acting the role of information processor, and the role is likely to be taken by travel agents. Altogether, it confirms the IDR cycle that traditional intermediary will be able to re-intermediate in the long run, considering the weak appropriability of EC innovations as well as ownership of co-specialized assets for market intermediation (Chircu & Kauffman, 1999).

It is noteworthy that Holbrook's (1999) framework of consumer value is indeed inspiring for this study, however, the study fails to follow the proposed value typology strictly. According to the typology, 8 value types are proposed, they are efficiency, excellence, play, aesthetics, status, esteem, ethics and spirituality (Holbrook, 1999). The study confirms the efficiency and excellence value of travel agency. However, not much hedonic value, such as play, aesthetics and the others are found in

such purchase channel. Nevertheless, this study proposes that traditional travel agency present both the two types of value – cognitive value and affective value. According to McDougall and Levesque (2000), the cognitive value derives from the core service quality such as the contractual promise of certain outcome, and the affective value derives from the relationship service quality, which is enhanced during the service delivery process (see table 1 as below).

Value type	Category	Performance	Context
Cognitive value	Efficiency	Time saved; Stress released; Cognitive effort reduced	Customers seek convenience in making traveling arrangements
	Excellence	Overcome internal limitations	Customer requires assistance of specific knowledge from the travel agency
		Overcome external limitations	Customers are obliged to purchase tourism services from local travel agency
	Tangibility	Reliability	Customers perceive security from the physical characteristics of travel agency
		Trustworthiness	
Affective value	Responsiveness	Instant response	Customer prefer face-to-face communication for instant response
	Warmth	Human touch	Customer expect interpersonal interaction
	Professionalism	Know-how	Customer believe that traditional travel agencies have experience in handling unexpected accident

Table 1. Findings summary: value performance of traditional travel agency.

To answer the question why traditional travel agencies survive, except for the service value they present, I argue they survives for their traditionality. It is persuasive when travelers – especially business travelers, consider the tangibility (physical characteristic) of traditional travel agency as a cue of security and safety guarantee. As mentioned, in this study, the only criteria of distinguishing traditional travel agency is the physical existence of the travel agency. Therefore, the tangibility is part of the traditionality. It is even more apparent when customers have no previous consumption experience to rely on, they tend to believe that traditional travel agencies are more reliable, trustworthy and professional. All these expectation and positive impression do not necessarily derive from the service quality or service value of the company, but the traditionality of it. As people know

its existence for long, they tend to persuade themselves saying "it survives/thrives for reasons". By saying that, people might not really know the reasons behind, rather, the existence of the company/industry is in a way serves as accumulated reputation. This kind of trust is an affective predisposition (Moliner et al, 2007), and is distinct from the insistence of another affective construct – personal interaction in this study context.

7. Conclusion

It is true that within a digitalized context, travelers possess multiple options regarding making traveling arrangements. It was assumed that with such background, traditional travel agency will soon be disintermediated. However, it doesn't seem to be so, and the survival of the traditional travel agencies is not of random.

Empirically, the study explains the rationale for the survival of traditional travel agencies. With the challenges brought by the ICT, traditional travel agencies reconstruct their business model and provide more valuable services – so as to retain customers, not to be eliminated and to resist against disintermediation. Strategies used by traditional travel agencies in reconstructing business models are the way they secure their position in the value chain. To be even more specific, they took the initiative to evolve their business model by, for example (1) embracing e-commerce, (2) developing niche market, (3) adopting the service dominant logic and therefore being more customer oriented. Additionally, according to the strategies adopted, the offered value propositions include (a) providing flexibilities to customers to choose whether enjoy services in store or via online channel; (b) provide more specific and professional services/products; and (c) provide more customized services. These answer the first research question.

It is acknowledged that the offered value preposition forms the basis of the value construct. In addition, customer perceived value constitutes another part of the value construct, and that is pretty much depends on customer's unique social context. To illustrate, the finding suggests that even with the use of ICT, travelers are still within certain limitations and therefore express specific needs to use traditional travel agency under circumstances – for example when (1) they travel to long-distance or unfamiliar destinations; (2) they travel to a places that require great preparation; (3) they were assigned great responsibility in organizing the trip; (4) they are limited by internal or external factors in implementing activities in the destination. Additionally, business travelers mostly rely on traditional travel agency on traveling despite the use of ICT. In short, the purchase decision for using traditional travel agencies is strategic and goal directed. Within specific social context, travelers choose to use traditional travel agency among other alternatives based on expected outcome, compared benefits, personal preference and other present limitations/requirements. These answer the

second research question.

Then, people form value perception based on the offered services (value preposition). Accordingly, traveler perceive both cognitive value and affective value. Specifically, the formation of cognitive value derives from the performance of outcomes, which is a manifestation of contractual promises. Secondly, physical characteristics as another service quality element enhance the cognitive value. Additionally, the affective value stems from the quality of personal interaction (Caro & Garcia, 2008). These answer the third research question.

The present research contributes to the topic of traditional travel agency as a field of study, as well as to the theory of service value. As mentioned in the beginning, this is a value study specific in the pre-consumption stage. First of all, the study indicates that travelers tend to be pragmatic in this stage, as activities are less hedonic and their purchase behavior is clearly goal-directed. Accordingly, cognitive value performance is mentioned more frequently among others and traveler take outcome quality most seriously. In this regard, cognitive value plays a rather significant role in explaining traveler's consuming behavior. In other words, affective value is suggested to be less relevant. This finding partly contradicts with Zhou's (2016) suggestion, that the quality of human touch is not the dominant factor determining traveler's willingness to use traditional travel agency.

Besides, it is also found out that traveler's value judgement in such pre-consumption stage indeed matters to the overall value formation, this is in accordance with Sánchez et al., (2006). For example, people tend to become more relaxed during the journey when they had pleasurable contact with the travel agency prior to that. However, it is noteworthy that people do not always separate any event from the whole experience. For example, while evaluating the purchase experience in travel agency, people often relate it together with the traveling experience, namely the post-consumption experience, considering value is generated from the whole event rather than a separated piece.

In terms to the societal relevance, first of all, by studying the value of traditional travel agency in the digital age, it has proved that technology do not completely replace analogue channels. This goes in line with Zillinger et al. (2018), that human relationship and personal service is yet of value, since customers still show desire for enjoying service in store. Also, it is pointed out that traditional travel agency survives for its traditionality – its physical existence indicates its reliability and trustworthiness, by that it suggests, to some extent, within a digitalized context, people perceive tangibility as reality. In comparison, online business is relatively less reliable and less trustworthy for its virtual nature.

For any managerial implications, it is suggested that travel agents need to show more professionalism

and customer-oriented attitude during the interaction with clients. For the reason that ICT has already enabled travelers to complete traveling arrangements to a very large extent. Therefore, when travelers turn to travel agency, they have specific expectation for some value-added services. Travel agents are thus suggested to come up with strategies to perform value, for example, playing multi-roles of taking care of customer's journey in many aspects, or satisfying customer's need to the largest extent.

In short, traditional travel agencies have done well figuring out strategies maintaining the position in the value chain. They possess a certain value and therefore thrive again. Naturally, the thesis presents several limitations. First of all, as the research use qualitative method, most of the interviewee were contacted base on my personal network. As most of the interviewees are from China, the sample is therefore suggested to be homogeneous. It is believed that cultural dimension plays a certain role among travelers regarding value perception of travel agency, however, the study has failed to take this into account. Also, most of the interviews were conducted in Chinese and as mentioned, the used quote is translated manually for some reasons. Although much attention has been put on assuring the accuracy and genuineness of the translation, it is believed that the result would be more persuasive if the quote could be presented originally in the language of English.

Future studies are encouraged to investigate the value of traditional travel agency that is in different location in order to observe if travel agency located in different nations/areas present different value. Also, future studies could use this study to make comparison and understand how value of traditional travel agency change through time, and more importantly, whether customer's purchase behavior towards travel agency remain the same over time. Further, the study suggests that service value is indeed a useful and applicable tool to investigate the reason behind the survival of traditional travel agency. Therefore, future researches are encouraged to apply the theory to study the rationale of one company or even one industry, and not restrict the value study in applied research only.

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9. Appendix

Interview guide 1 (travel agents)

Companies description
- Could you provide some information about the company and your daily work? (e.g. Where is the company & physical stores; when was the company founded; What is the main focus of the company – to B or to C; How about the scale)
- What kinds of services and products do you provide?

Clients
- Could you provide some information about the clients (e.g. age; mostly repeat customers or new customers).
- How do the customers get to know you in general? (from word-of-mouth/ online advertisements/ offline advertisements/others)
- How do you reach customers?
- What is the most popular products/services in the company?
- Do you focus more on provide repeat customers, or to attract new customers?
- How is the repeat customer rate?
- Do you see any patterns on how clients compare prices (with other travel agencies, with the price they found online, etc.)?

Advertisement
- Where and how do you put advertisements?
- Do you have your own online platform? For example official website, a social media account, cooperation with expedia, etc.
- Which one attracts most customers?
- Do customers usually come visit the physical store?
- How much does the office environment affect customers purchase decision, in your opinion?

Strategy
- Who is the target group?
- Do you focus on any niche market? If yes, which niche market do you focus on?
- Which highlight do you stress to attract customers? What is emphasized?
- What is the uniqueness of the company?
- Is there any rational strategy changes made in recent years? If yes, why?

Personal
- Since when you devoted yourself into this industry?
- What motivates you?
- How your daily work looks like?

- Based on your experience, did you see any increase/decrease demand on travel agencies during the past years? Or it remains stable? What is the reason do you think?

- Based on our experience, what is the most important thing/ what is the expectation of clients to the company?

- It is said traditional travel agencies are challenged by the internet, and it will extinct. As a practitioner, what is your opinion on this?

Other
- Would you like to share any feedback or suggestions?

Interview guide 2 (Business travelers)

Introductory questions

- When was your last time purchase tourism services/products from traditional travel agency?

- Can you describe the process?

- How did it go, were you satisfied with that experience? How was the service or product provided?

- Were you a business traveler or individual traveler? (business traveler, see interview guide 2; individual traveler: see interview guide 3)

1.   Business traveler

- Why do you purchase the products/services from the travel agency? What is the motivation?

- Was that your first time using travel agency, or you use it habitually?

- Do you only use travel agency while going for business trip? How about non-business trip?

- How do you choose a travel agency? Based on what consideration?

- And what is the most important factor? Could you rate them?

- If it is assigned but the company? What is the reason behind you think?

Experience

- What did they do for you? (what did you get from them?)

- How do you like their service?

- How many service providers are involved / you've contacted with?

- What is most appreciated from what they provided?

- Do you keep in touch with them (the travel agent) after the travel?

- Have you visited their store? How was the environment?

- Does that affect your purchase decision?

- Are you satisfied with the experience? Why?

- Relate it to the digitalization background, what's your opinion of the provided services? (e.g. there's no value - I can organize the trip by myself, probably with higher quality, or they definitely create value for customers - they helped a lot, without them I can't have such efficient trip)

- When you chose a travel agency, what is the most important factor?

- Will you choose that travel agency again in the future?

- Will you use at same travel agency when you travel individually? (Have you ever used it? Will you give it a try in the future? Why?)

- It is said traditional travel agencies are challenged by the internet, and it will extinct. As a

practitioner, what is your opinion on this?

Other

–   Would you like to share any feedback or suggestions?

Interview guide 3 (Individual travelers)

Introductory questions

–   When was your last time purchase tourism services/products from traditional travel agency?

–   Can you describe the process?

–   How did it go, were you satisfied with that experience? How was the service or product provided?

–   Were you a business traveler or individual traveler? (business traveler, see interview guide 2; individual traveler: see interview guide 3)

Experience

–   How did you find that travel agency?

    Found it locally?

    a.   You found them after you get to the destination

    b.   You contacted them before you go there

–   Not found it locally —>

    c.   You found them in your resident

–   What did they do for you?

    a.   They plan the whole trip for me (including transportation + accommodation+activities)

    b.   They plan parts of the trip for me (organize one/several activities for me during the trip) (not including transportation/accommodation)

    c.   They reserve the flight ticket/accommodation only

–   How much were you involved with planning the trip?

–   Why did you choose a travel agency to assist you plan the trip? What was the motivation?

–   What's special? To put it in a digitalization context then, why not plan the trip by yourself?

–   Why did you choose that specific travel agency? Based on what consideration? Which is the most important factor?

–   Do you visit the store? Does the environment affect your purchase decision?

–   Do you always purchase services/products from travel agency, or sometimes you plan the trip by yourself instead?

    —> if yes

    —> under what circumstance you use/don't use?

    —>How many times?

    —>Which one you prefer?

    —>Why?

–   Are you loyal to one travel agency, or you have tried many? Why?

- Do you keep in touch with the travel agent after the trip?
- (as for some other people, they prefer plan their holiday by themselves, as all the information needed are available online and they can make all the reservation by themselves) —> what's your opinion about organizing the trip by yourself with the help of internet?
- Is there any consultant fee charged from the travel agency?
- Do you compare price? How?
- Do you think you pay more or less amount of money by purchasing tourism products from traditional travel agency?
- In general, what is appreciated the most regarding the services/information/… provided? Please rate the mentioned attributes that affect your choice of travel agency.

  Customized services, human interaction

  Goo deal (economic)

  Advanced information

  Good service (after sales)

  Environment

  Trust

  Adjustment

  ......
- What can be improved in your opinion?
- Will you keep using it in the future?
- It is said traditional travel agencies are challenged by the internet, and it will extinct. As a practitioner, what is your opinion on this?

Other
- Would you like to share any feedback or suggestions?