ABSTRACT

Travel agents are key elements in the distribution chain of the travel products. However, changes in characteristics of the consumer, growth of use of Information Communication Technology (ICT) and the popularity of the internet as a product distribution platform, have all led to the weakening of the role of the travel agent. Travel agents in Zimbabwe have also been affected by the prevailing global trends. The aim of the study is to investigate and evaluate the survival strategies that have been employed by travel agents in Zimbabwe. The study used a mixed method approach with the questionnaire as the key data gathering instrument. 150 travel agents were investigated. The study revealed that survival strategies being used include product diversification and establishment of internet presence. It is recommended that the travel agents develop and implement consistent staff training programmes, improve internet platforms and create effective one stop shops for the travellers.

Key words: Internet, tour operator, tourism, travel agent, Zimbabwe

1. INTRODUCTION

Travel agency is a retail business that sells travel related products to customers on behalf of the suppliers such as airlines, car rentals, cruise lines, hotels, railways and tours operators, (Bennet et al, 2001). It can also simply be defined as a business or someone who acts on behalf of a travel and tourism producer such as hotel, airliner or tour operator. The travel agents can be grouped into two categories; the multiples and the independent. The former comprises of national chains which are owned by international conglomerates like Thomson Holidays whilst the later are usually family owned small and medium sized enterprises (SMEs) (Sosa, 2005). Traditionally, a travel agent sells the producer's services to final consumers and receives, in return, an agreed commission on each sale. This implies that the travel agent does not take ownership of the service but he receives commission from the principal. Thus the principal returns total ownership of the service/product being offered.

1.1 BACKGROUND

The tourism industry has experienced major evolutions since the growth of mass tourism during the 1960-1970 period which has weakened the traditional role of the travel agent in the product distribution chain. The evolution has encompassed changes in the characteristics of the customers, changes in the types of products on offer, changes in supply chain characteristics, growth of innovations in the value chain and gradual changes in the enterprises business model. The changes in the traditional channels of distribution became evident in 1990 (Karcher, 1996; Poon, 1993). One of the major drivers of change in the distribution chain has been the growth and adoption of information, communication technology as a key tool for product distribution and for communicating with potential customers (Alford, 2007; Buhalis and Soo, 2009). The internet has become a convenient virtual market place where suppliers and customers can directly transact (Syratt, 1996). Gosh (2000) postulates that the internet fuelled the development of Centralized Reservation System (CRS) and Global distribution system (GDS). This has pushed intermediaries out of business as the travel information is readily available online or on the suppliers website thus there is little incentive to seek the services of the travel agent. For example, South African Airways on its website www.flysaa.com has a platform where travellers can book and pay for their tickets. This is the case with most service providers across the world, ranging from hoteliers, car rental companies to tour operators.
1.2 Problem Statement
The use of virtual platforms by principals for selling their tourism products has resulted in the total elimination of the commission to travel agents provided by airlines. This has resulted in a drop of the total revenue earned by travel agents worldwide. Travel agents in Zimbabwe have also been affected by the changes that are occurring at the global level. For example, between 2007 and 2011, South African Airways experienced a decline of 23% revenue being generated by travel agents, with the number of travel agents dealing with the airline dropping from 74 to 43 during the same period (South African Airways Internal Revenue Journal, 2011). The purpose of this study was to identify the challenges being encountered by Zimbabwean travel agents and to recommend strategies that will assist them in ensuring long term sustainability.

1.3 Objectives of the Study
The objectives of the study were:
• To identify and explain the challenges, if any, being faced by the travel agents in Zimbabwe and show how they are affecting business efficiency;
• To explore survival strategies that are being used by travel agents in Zimbabwe;
• To critique the product and services being currently offered by the local travel agents.
• To offer recommendations that will assist in ensuring the sustainability and profitability of the travel agents in the country.

2. LITERATURE REVIEW
According to Sosa, (2005) there are two types of travel agents. One is the traditional, multi-destination, out-bound travel agent based in the source market. The other is the destination focused; inbound travel agent that is based in the destination. It is now common for the large mass-market tour companies to purchase a controlling interest in a chain of travel agents in order to control the distribution of the product (Horner, 1996). Independent agents usually cater for a special or niche market, such as the needs of residents in an up market suburb or a particular group interested in a similar activity such as sporting events. Horner (1996) adds another category, the implant travel agent, which are travel agents that are based at the offices of the corporate customer.

2.1 Challenges faced by travel agents
The traditional importance of the travel agent as a retailer in the travel industry has been diminishing over the years. According to Buhalis (2007), the tourism and hospitality industry has digitalized most of its operations using technologies like the Central Reservation Systems, Global Distribution Systems and the internet. This has had both positive and negative impact on the travel agency business as a whole. Grossman (2007) argues that the introduction of e-tickets by airlines was a critical move as it was no longer necessary to rely solely on travel agents for tickets. The introduction of the technology also paved the way for online reservations. This point is further highlighted by Buhalis and Law (2007) who indicate that online bookings can yield up to seven per cent savings and are attracting price sensitive customers. This has seen the travel agent being bypassed more by customers as the product is now cheaper and more accessible if purchased through the principal's virtual platform.

Besides reduction of prices online, reservations tools also enable airlines to use dynamic pricing, a practice for which the airline industry is notorious for. According to Bawany (2010), this includes discounts on early bookings or non-changeable itineraries, red-eye flights (departing late at night) and further sub-classing within the business and economy class. Such dynamic pricing allows consumers to balance their own ticket features and pricing. Since all this can now be achieved through technology, the travel agent's work has been greatly undermined.
Across the world, airlines have been reducing and eliminating commissions (Hudson 2008). In 2002, Delta Airlines announced a zero commission base for USA and Canada. After a few months, United Airlines, American Airlines, Continental Airlines, Northwest Airlines, US Airways and American Trans Air joined Delta Airlines and also went for zero commission bases. Such reductions in commission have reduced the total profits earned by the travel agents. They have had to charge extra for the products and services they sell in order to make their own profits. To try and add their revenues, the agents now charge service fees or charge for their consultation and expertise. This makes the purchase of travel products from the travel agents more expensive in comparison with buying from the principal directly.

According to Scherller and Buhalis (1999), the initial cost of setting up an information and computer technology in a business, is reasonably expensive. The components of the information and computer technology system is made up of various software, hardware and NetWare, which are expensive to buy and install as it requires expert knowledge to assemble and operate. In the travel agency business, the machines need to be compatible with modern versions of software that operate the various CRS and GDSs and other internet based operations. All this requires substantial amounts of money and in many cases; the small travel agent companies cannot afford such heavy investments.

Easy accessibility of information to clients and easy price comparability through websites has, according to Werthner and Klein (2005), caused great challenges for the contemporary travel agent as the ‘new tourist’ seeks the maximum value for money. Websites like Kelkoo.com provide comparisons of various travel and tourism products. This state of affairs exposes the travel agents as their prices are in most cases higher than those being charged by the product provider. Furthermore, the product providers in most cases charge less for all purchases that are done online. The travel agent is viewed by customers as offering exorbitant prices and is therefore shunned by the potential clients.

The tourism market is now characterized by a new tourist who has great product knowledge so much so that he knows almost the same if not more than the travel agent. He is well travelled and researches on the internet. In order for the travel agents to capture the new tourist, it is critical to invest in research and market knowledge so that they are able to fully cater for the needs of such clients.

In Zimbabwe, a lot of market entry barriers have been lifted and many small players have found it easy to come in and establish their own operations. This has caused a serious challenge for the established travel agents as they now have to share the small market with more players as the product has high substitutability. This has seen travel agents spending more on advertising and educational tours so that they produce the best service as per clients’ request.

2.2 Factors assisting the survival of travel agents

Although travel agents have been threatened by the existence and improvements in technology, chance of survival still exists due to various factors.

According to Schmoll (2005) the fact that ICTs are connected to the internet through fixed lines and other technologies means that they are prone to hacking by unscrupulous individuals or businesses if the security is not very strong. Hand in hand with this challenge is the fact that a large part of the travel market is not yet confident in using ICTs and the virtual platforms for purchasing their holidays. (Sosa :2005). Segregation of clients has also resulted from over digitalization of business (Rheingold; 1993). The over digitalized organizations fail to realize that there are people who have a phobia for technology who therefore shun accessing computer based products and services.

According to Horner (1996), the aged and visually impaired are slowly becoming a viable source of business that will be missed out if travel agents are operated on the internet fully. Furthermore, it has been discovered that only those people who have visited a particular website for more than five times are the ones commonly in a better position to purchase the products being sold there. Hence the travel agent still has a chance for survival if he/she is able to cater for the segregated groups in the market.
3. METHODOLOGY
3.1 Research design
The study used both the qualitative and quantitative methods in conducting the research. This was considered the most appropriate approach because of the nature of the investigation that was being undertaken (Creswell, 2009; Dowson, 2009). This was due to the fact that the study needed to understand the characteristics of the challenges that the Zimbabwean travel agents were encountering in their activities and at the same time the study needed to gather quantitative data on the operations of the travel agents business in the country.

3.2 Target population and sampling procedure
The sampling framework used for the study is the International Air Transport Association (IATA) national register of travel agents that is kept by Zimbabwe Tourism Authority (ZTA). The study used a combination of probability sampling and non-probability sampling in selecting participants for in-depth interviews and the companies to whom survey questionnaires were administered. In-depth face to face interview were conducted with 30 participants from randomly selected travel agents in Harare. In addition, telephone interviews were conducted with 20 management and shop floor staff of travel agents located in the major cities of Bulawayo, Gweru, Mutare, Masvingo and the resort towns of Victoria Falls and Kariba.

70 questionnaires were emailed to randomly selected travel agents in Bulawayo, Gweru, Mutare, Masvingo, Victoria Falls and Kariba. 80 questionnaires were physical administered to travel agents in Harare. A total of 150 (N=150) questionnaires were therefore sent out to travel agents through the email and through physical delivery to the participants. In all, a total of 50 completed questionnaires were returned. A response rate of 33% on the questionnaire survey was therefore achieved. According to Jennings (2001) the best response rate for mail survey questionnaires is between 25-30%.

Secondary data from published articles in journals, books and the internet was widely consulted.

3.3 Data analysis
Data from the in-depth interviews with participants was content analysed whilst the data gathered through the survey questionnaires were processed through the Statistical Package for Social Science (SPSS).

4. RESEARCH FINDINGS
4.1 services offered by Zimbabwean travel agents
Figure 1: Summary of services offered by Zimbabwean travel agents.
From the graph above, it is clear that all the travel agents in the country focus on reservations and issuing of tickets as their main business. The finding confirms that the major duty or role of the agents in Zimbabwe is basically making reservations and selling tickets of various principals which include airlines, hotels, coaches and cruises. All the other activities work to complement this main function.

The percentage of the respondents who confirmed that they offer foreign exchange services to their clients was 61.4%. The travel agents are either affiliated to some financial institution they deal with when trading in foreign exchange or they have their own in house foreign exchange facilities. Participants who do not undertake trading in foreign currency indicated stringent registration regulations and high capital outlay as key barriers for their entry into the business.

Out of the 50 travel agents who completed the questionnaires, 83% confirmed that they sell travel related products. The travel ancillaries being sold include maps of different destinations, general clothing with images of the destination, branded umbrellas and travel bags. From the in-depth interviews, it was clear that these activities help to increase the total revenue that the travel agents earn in each year. Most travel agents indicated that the sale of travel related products constitutes roughly 15% to 30% of their total yearly revenues. With regard to insurance, 74.3% of the participants indicated that this was a major service they offer to clients. From the interviews conducted with the management of the travel agents, it was however pointed out that travellers had a culture or had grown used to the idea of travelling without insurance so much so that they viewed the purchase of travel insurance as non-vital. It was also pointed out that the travel insurance was being offered in partnership with some well-established insurance companies like Nicoz Diamond whereby the travel agents provide expertise on the travel activities and insurance required and the insurance company provide expertise on the package to be offered.

Visa processing is the fifth key service offered by travel agents to their clients. As indicated in figure 1 above 85.7% of all the respondents offer this service. From the in-depth interviews carried out with top management from these organizations, it was noted that most agents are making money out of this activity. This was attributed to the fact that a traveller stands a better chance of getting a visa when it is processed through the travel agent as he is well versed in the processes and the requirements of different countries to which the applications will be made. It was further pointed out that travel agents have well established networks within the different embassies which make it easier to get visas processed without encountering too many technical and bureaucratic bottlenecks.

4.2 Market composition the travel agents
Table 1 below shows clientele groups that are bringing business to the travel agents.

<table>
<thead>
<tr>
<th>Clientele</th>
<th>Young travellers</th>
<th>Family travellers</th>
<th>Business travellers</th>
<th>Individual travellers</th>
<th>Honeymooners</th>
<th>Elderly travellers</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Frequency</td>
<td>58.6</td>
<td>91.4</td>
<td>92.9</td>
<td>91.4</td>
<td>55.7</td>
<td>50.0</td>
</tr>
</tbody>
</table>

4.2.1 Business travellers
From table 1 above, it is clear that the majority of business that comes through to the travel agents in Zimbabwe is mainly from business travellers. 92.9% of the travel agents who participated in the study agreed that business travellers made up the largest component of their clientele. According to the marketing manager of one of the travel agent companies, the business traveller normally does not have the time to search for travel products and make his own travel arrangements. This is a time consuming process and he resorts to the use of the services of the travel agents who will make all the necessary arrangements for him a fee.
4.2.2 Family travellers
The study further showed that the family travellers are the second biggest group that is bringing business to the travel agents. 91.4% of the respondents agreed that they get business from family travellers. According to Schmoll (2005), the family travellers prefer to plan all their holidays in advance, especially where young children are involved. They want to ensure that everything is done properly and they require the expertise of the travel agents. According to a manager at one of the travel agents interviewed, these travellers put all their trust in dealing with an individual who will assure them that their travel is well planned.

4.2.3 Individual travellers
91% of the respondents indicated that they get business from individual travellers. It was pointed out that the majority of the individual travellers who purchase their products through travel agents were mainly inexperienced travellers who lack information about the destinations they were travelling to. They required the travel agents to organize everything for them from the flight tickets, airport transfers, the visas arrangements to the foreign exchange purchases.

4.2.4 Young travellers
Only 58.6% of the respondents confirmed getting business from young travellers. There were a number of reasons that were suggested on why there was a low level use of the services of travel agencies by young travellers. It was pointed out that the country had a high unemployment rate of young people and hence holidays were the last thing that this group of the population was thinking about. It was further pointed out that the country’s young people have high ICT literacy rates and those that were fortunate enough to have disposable income would prefer to access these products via the internet.

4.2.5 Honeymooners
Respondents to the study indicated that this was a market segment that was gradually growing in the country. 55.7% of the sampled agencies indicated that they were offering service to honeymooners. More and more people are now taking some time out after their weddings for the honeymoon. As the honeymoon takes place immediately after the wedding, the couple will be so tied up with the wedding preparations that they will not have time to look for the destination and make travel arrangements for their holiday and they seek the services of travel agents.

4.2.6 Elderly travellers
50% of the travel agents who participated in the study indicated that they derive some business from the elderly. However, it was pointed out that the level of business from this group was low as most of the pensioners in the country have very low income. It was further pointed out that those who take holidays were being financed by their off springs who are in the Diaspora. In the majority of cases, the off springs deal directly with the travel agents in terms of making the necessary bookings and payments. The travel agent then contacts the clients and gives them the necessary documentations for the trip.

4.3 Impact of ICT on travel agents business
98.6% of the participants agreed that information technology has seriously impacted on the level of business being transacted through travel agents.

Figure 2 below shows the perceptions of the travel agents on clients’ use of the internet for sourcing information on holidays and other travel services.
According to 90% of the participants, travellers are now using the internet to source for their holiday requirements. 95.7% of the respondents indicated that the use of the internet gave the traveller more time to search for his holiday requirements as the internet is available 24 hours a day. This is unlike the office of a travel agent which opens at 0800am and closes at 16.30. The customer finds greater convenience in using the internet as he can access it at any time that is appropriate to him even within the comfort of his own home.

The internet is presenting a platform where the product suppliers like the airlines and hoteliers can interact with their clients without having the travel agents intermediating. Principals are therefore able to offer their products and services at a relatively cheaper price. For example, clients booking flights on the South African Airways website get a $35 discount. At the end of the day, the travel agent who in most cases includes service charges, end up being more expensive and is less preferred by the travellers. Hotels and tour operators also offer cheaper products online. Given these circumstances, the travel agent is slowly getting eliminated from the tourism value chain.

While the travel agents interviewed were agreed on the fact that there was a growing use of the internet by potential clients, they differed on how far the internet will become the key source of information on holiday for clients. 20% of the participants argued that although the mentioned options are available on the market they will not render the travel agent obsolete because not everyone has the ability to go and directly interact with the principal on their website. It was pointed out that while more and more people now resort to the internet for the travel planning, there is still a market segment made up of the elderly, business traveller and first time travellers who are still sceptical about transacting online. With such a market segment still available, it was argued that the travel agent will always be in business because these require the service assurance of the agents and prefer human to human interaction.

Figure 3 below shows the different types of information that is being sourced by travellers from the internet as perceived by travel agents that participated in the study.

The participants highlighted a number of other factors that were contributing to reduction in their business. These included, among others, the following:

- Poor customer service;
- Staff lack of product knowledge;
- Competition from principal product suppliers;
- Perception of products offered being expensive; and
- Stringent regulatory frameworks
4.4 Travel agents business trends
Various opinions were given by the management staff of different travel agents. Figure 4 below shows the different opinions expressed on the issue of current business trends.

While the majority of the participants indicated that business for the travel agents is decreasing, some respondents were of the view that the business had stagnated. Less than 10% of the participants indicated that the business trend was upward with less than 5% of the participant indicating that they were not sure.
4.5 STRATEGIES BEING USED TO REMAIN IN BUSINESS

For any business to be sustainable, it needs to operate within the confines of a strategy. A number of strategies are being used by the Zimbabwe travel agents in order to ensure sustainability and profitability. These include the following:

- Diversification into other products like car renting and tours;
- Offering flexible payment plans;
- Focusing on good customer care;
- Reduced service charges;
- Undertaking intensive marketing;
- Implementing efficient staff training programmes;
- Improvement of customer communication;
- Undertaking more research on the products they sell; and
- Setting up internet presence.

The majority of the strategies being implemented are on an ad-hoc basis in response to the present challenges. Although some of the strategies have met with some success, it is critical that the travel agents adopt a more systematic approach to dealing with the current challenges in order to ensure their long term sustainability.

5. CONCLUSION

Travel agents in Zimbabwe are facing a declining clientele base due to a number of factors which include; the growing use of the internet, removal of commissions by principals, competition from the principal product providers and inability to offer customers value for money services. In order for the travel agents to retain clients and ensure long-term sustainability, they will need to implement effective and innovative operational and marketing strategies.

6. RECOMMENDATIONS

i. Travel agents enterprises need to implement continuous staff training so that employees are up to date with the technological changes that are occurring in the industry.

ii. The travel agents that currently do not have websites should ensure that these are established. Internet platforms are no longer options for organizations in the travel industry. They are a must as the majority of travellers are now internet literate and the numbers are growing daily.

iii. Travellers expect to find a wide range of products when they visit a travel agent. It is therefore important that the travel agent provides an adequate one stop shop with a wide range of products and information that the potential client may be looking for.

iv. Given the liquidity challenges that the Zimbabwean economy is facing, travel agents should provide clients with innovative payments plans. For example, this could include a fly now pay later scheme where the client travels now and settles his debt over an agreed period after the holiday. Similarly, travel agents may offer their client a lay-by payment plan whereby the client pays an agreed amount every month until the total price for the holiday has be paid up after which they can go on their holiday.

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