

Travelers' Satisfaction on the Performance of Travel Agencies in Bangladesh

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Abstract

Travel agency plays a significant role in tourism distribution system in global world. Though there has been a reflection of disintermediation of travel agency in many countries worldwide, yet now this industry captured a significant portion of travelers in Bangladesh with their traditional service offerings. Travel agencies play different functional and operational roles; among them researcher provide special attention on travel information, tour organizing and planning, ticketing and visa processing, reservation and cancellation, contact with service providers and foreign currency exchange which stimulates travelers' satisfaction. The aim of this paper is to identify the traveler's satisfaction on the performance of travel agencies in Bangladesh. Through the regression analysis, though it has been explored that there is significant influence of the services offered by travel agency on travelers' satisfaction, only 10 out of 22 attributes has greater influence on stated satisfaction. In this aspect, travel agents play very important role for the growth of tourism industry. Adoption of advanced internet technology and focusing on personalized services can make travel agents unique and distinctive in tourism industry.

Introduction

Tourism is the single fourth largest and fastest growing industry (Davenport & Davenport, 2006; Hemmati & Koehler, 2000) of the world in terms of employment generation and contribution to national GDP (WTTC, 2013). Currently, travel and tourism share 9% of global GDP and have generated 260 million jobs in 2012 (WTTC, 2013). The tourism industry may become a tool for third world countries to combat poverty by generating income and employment (Tooman, 1997), as well diversifying the economy (Emaad, 2007), given that the Third World countries often possess unparalleled natural beauty. Many sectors and industries such as lodging, transportation, entertainment, casinos, cruise ships, airlines, etc., get to enjoy the benefits offered by the tourism sector.

In this sector the most important challenge for destination marketing therefore is to bring all individual partners together to cooperate rather than compete and to pool resources towards developing an integrated marketing mix and delivery system (Buhalis & Cooper, 1998; Buhalis, 2000). Tourism is a special and complex industry and its distribution has to be directed at a large

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number of people in various lands of different socio-economic structures having different needs, tastes, attitudes, expectations and behavior pattern. Therefore, planning effective marketing distribution strategy must penetrate in the people's taste and preference.

The tourist distribution channels involves the presence of retail travel agents, tour wholesalers and inbound tour operators whose expertise, experience and specialized roles drive a long way in making tourism a great success. Tourism distribution is different than other distribution, as there is no physical distribution, tourism services are intangible, cannot be physically packaged and shipped to visitors and they cannot be stored in inventory. Travel agencies suffice all kinds of customers who want to travel to destinations across the world for leisure, business, religious or any other purpose. They are connected with many services such as airlines, hotels, car rentals, cruise ships and tour operators so that they can cater to the different requirements of various kinds of customers. Considering the research goal, a traditional travel agency was conceptualized by the characteristics: mostly offline activity, physical locations, staff directly interacting with customers, printed contracts, printed informational and promotional materials, offline payments etc. Given the fact that in Bangladeshi travel agencies are subject to strict national regulations, having to comply with several restrictions to obtain a license issued by the Government, and due to the fact that agencies are moving toward online travel services and package tours are still underdeveloped, most travel agencies in Bangladesh still having a predominant traditional activity. In a research Moisescu & Gica, (2014) focused that traditional/offline travel agencies should be particularly focused on intangibles (especially on specific service quality items such as regarding agency staff quickly reacting to address any problem, and approaching each customer individually, in a personalized manner), rather than invest most of their efforts on tangibles such as visuals, looks, or physical endowments. Moreover, their proposed binary logistic regression model showed that even though, theoretically, an increase in either of the two components' value (intangibles and tangibles) would generate a higher probability for customers to make positive recommendations (the two components altogether being able to explain more than 21% of the variation in behavioral loyalty), only the intangibles part of service quality is statistically significant as a predictor. Though travel agencies contributing a lot on tourism development of a country, yet now this sector is facing extreme crisis of minimum foreign direct investments, low budget allocation and absence of comprehensible tourism policy for travel agency. In a study on travel agencies in Alba country, Pestue et al. (2014) explored some important factors affecting the implication of tourism development are the insufficient development of tourism resources in the area, lack of financial resources and poor general infrastructure. Less important are considered to be laws and excessive bureaucracy.

Objectives of the study

The main objective of this study is to know the traveler's satisfaction level on the performance of travel agencies in Bangladesh. In order to achieve the main objective, however the specific objectives of this study are:

1. To know the customers' socio-economic characteristics with their travelling purpose/ decision/habit,
2. To measure the perceived performance of travel agency based on their services offered,
3. To investigate the relative impact of performance of travel agency on customer satisfaction.

Literature Review

The agent as a marketing intermediary is an independent individual or company whose main function is to act as the primary selling arm of the producer and represent the producer to users. Agents take possession of products but do not actually own them. Agents usually make profits from commissions or fees paid for the services they provide to the producer and users.

In this perspective, travel agencies are defined as a firm qualified to arrange for travel-related retail services on behalf of various tourism industries principals (Goldblatt and Nelson, 2001). It should be created competitive advantage and this advantage should be kept for the long term sustainability of institutions, regions and countries (Porter, 1990). Albeit the proliferation of service quality studies, the quality of services of travel agents has been relatively neglected and has not been extensively researched. In his study on customer perceptions of service quality in travel agencies, Leblanc (1992) found that corporate image, competitiveness, courtesy, responsiveness, accessibility and competence were the most important factors that explain service quality in travel agencies. Luk (1997) adds that high quality service can be delivered when a travel agency successfully fosters a customer-oriented marketing culture characterized by a strong emphasis on service quality orientation and interpersonal relationships. He pointed out that commitment to quality service and service mentality are integral elements in the firm's culture and a positive attitude towards interpersonal relationships must be held by service employees. Lam and Zhang (1999) evaluate the customers' expectations and perceptions of service provided by travel agents in Hong Kong. Their results show that customer's perceptions of service quality fall short of expectations and the reliability dimension has the largest gap. Service quality has direct financial implications. Ryan and Cliff (1997) also altered the classic model when researching travel agencies in New Zealand by regrouping service quality items into three components: reassurance, reliability and tangibles. Caro and Garcia (2008) also modified the construct, while assessing service quality provided by travel agencies from Spain, grouping quality items into three components: personal interaction (conduct, expertise, problem solving), physical environment (equipment, ambient conditions) and, respectively, outcome (waiting time and valence).

Literature on tourist satisfaction with travel agencies

In competitive market economy, significant attention has been given to the concept of consumer satisfaction measurement (Oliver, 1989) since success in business is explicitly determined by customer satisfaction and thereby achieving loyalty. Assessing customer satisfaction compared with product performance and feedback received from customers can help managers improve their service performance (Fornell, 1992). In numerous literatures customer satisfaction has been described as the customer's evaluation of product or service in terms of whether that product or service has met their needs and expectations (Zeithaml and Bitner, 2000). This definition is rooted in Oliver's (1980) disconfirmation paradigm, which states that satisfaction is believed to occur through the process of matching the expectations with perceived performance. Schneider (2000) defines satisfaction through its creation process. He suggests that it is the result of the psychological process in which the customer is making a comparison of the perceived level of organization performance to his/her specific standards, known as expectations. For the purpose of this study we use the definition by Woodruff and Gardial (1996): 'positive or negative emotional feedback associated with product or service value offered in a specific situation.' According to this definition, customer satisfaction is the reaction to a specific product offering or the accumulation of overall experiences associated with a product or company. Considering the travel industry, where

the product offering addresses hedonistic needs, we took into consideration the definition provided by Oliver (1997, 1999) satisfaction is defined as pleasurable fulfillment. In tourism-related industries, overall tourist satisfaction encompass as many integrated service satisfaction process (Leiper, 1990) including tourist pre-experience and post experience process (Barsky&Labagh, 1992) as well as the cognitive and emotional aspect of tourist also influences satisfaction process (Oliver 1993; Yu & Dean, 2001). Therefore, the overall experience of the tourist is evaluated based on fulfillment of his/her needs, wants, desires and aspirations. Consequently, “satisfaction is the tourist's sense that consumption provides outcomes against a standard of pleasure versus displeasure” (Moliner at al., 2006). Consequently, when determining satisfaction with a travel agency it is fundamental to identify the variables or affective reactions that customers take into account. In a research John et al.(2004) explained that customers of travel agents in Northern Cyprus were most concerned with the efficiency and least concerned with the personalization of the services offered. The largest service gaps were identified with ‘modern’ aspects of the service and service-scape, and the smallest with interpersonal qualities of service. Promptness, empathy, efficiency and service-scape aesthetics were the most important determinants of customer satisfaction. Recently, researchers have suggested that satisfaction is a mixed feeling arising from a combination of product performance, consumer rational judgment, expectation and experience as well as the effective response to the outcomes. In this study, it is aimed to find out whether competitiveness in services (travel information, tour planning and organizing, ticketing and visa processing, reservation and cancellation, provision of foreign currency and contact with service providers) offered by travel agency determines a model and identify whether the model possessed any effect on the perceived performance of travel agency; if it had any effect on customer satisfaction, to what extent that effect is being observed.

Services offered by travel agency

The travel agencies are defined as firms’ qualification to arrange for travel-related retail services on behalf of various tourism industry principals (Goldbalt, 2001). There are more than a dozen of functional or operational areas that directly and indirectly determine the quantum of business with travel agency or tour operation firm for gaining profit as well as customer satisfaction. Generally the major functions of travel agencies and tour operators include travel information, booking tickets, itinerary preparation, designing of tour packages, travel documents, insurance, foreign exchange, franchising, conducting tours, marketing and publicity, research and development, training and development and personnel and front office functions (customers’ history, itinerary development, ticketing and communication with suppliers), which determine customer satisfaction. In a study, it has been explored that giving prompt service, instilling confidence in customers, completion of promised tasks, modern looking office decor and personal attention by employees also influence significantly overall customer satisfaction (Johns et. al. 2004).

The services and facilities offered by travel agency are those features of services that lead consumers to choose their services over others. In this perspective, travel information with their updated website and adoption of modern technology considered as the major services sought by the travelers. Travel agencies and tour operators sell a variety of products but reservation of tickets is still one of their sources of revenue. Reservation of airlines tickets, railway tickets, cruise lines and bus tickets can be done either at agency counters or through reservation engines available online these days. Itinerary reflects the nature of tour, types of services and duration of tour. Package tour is operated as per the descriptions and instructions in itinerary. Tour operators are now devoting their full resources for developing innovative package tour as it is the business of tour operator to

generate revenue as compared to traditional ticketing business. Group travelers and clients who want to take vacations benefit from customized tour packages offered by travel agencies as they get all-inclusive packages at excellent prices. Travel agents usually take the help of tour wholesalers and inbound tour operators for developing such packages for their clients. Travel agents promote destinations through their different packages and they are linked with service providers at the forward and backward points. Travel agents were not merely meant for selling travel-related services, but also used to take part individually or with group for promotion of tourism destinations. In this study, researchers investigated on some selected offered services which also influence travelers' perceived performance about travel agency and ultimately determine their satisfaction. For the study following hypothesis has been drawn

Hypothesis

H₀: Performance of travel agency's services has no significant influence on customer satisfaction.

H₁: Performance of travel agency's services positively influence customer satisfaction.

Methodology

Research instrument

Descriptive research design has been adopted to describe the salient factors and attributes of the services offered by the travel agency which determine customer satisfaction and dissatisfaction. A structured questionnaire has been prepared for this study which included two main sections. The first section of the questionnaire consisted travelers' socio economic characteristic and travelling characteristics of respondents for measuring the relative influence on their choice set. And second section consisted of 22 service attributes, for which travelers were asked to indicate their perceptions about services offered by travel agency which comprises travelers' satisfaction by using 5-point likert scale (itemized rating scale). These 22 service attributes were identified based on a review of the literature and focus group interviewing. Three identified groups were included as academicians, travel agency owners and experienced travelers in group discussion session. After screening, 22 variables under six constructs (travel information, tour planning and organizing, ticketing and visa processing, reservation and cancellation, provision of foreign currency and contact with service providers) were selected. The variables were selected on the basis of relevance of our country context.

The sampling method

A non-probabilistic convenience sampling technique has been used for selecting the sample. The respondents were selected both male and female who have already taken services from travel agency at least once earlier. The survey was conducted on 8 areas in the Dhaka city, i.e. Dhanmondi, Gulshan, Baridhara, Azimpur, Mohammadpur, Old Town, Mirpur and Uttara were selected areas. A total of 228 respondents completed the questionnaire out of 250 travelers which showed 76% of response rate.

Data Analysis

In this study, descriptive statistical tools such as simple frequencies, mean rating etc. have used to identify the demographic and travelling characteristics of the respondents and to measure the

customer satisfaction toward the performances of travel agency by evaluating the services offered to their customers. Multiple regression analysis was also used to explore the strength of relationship between the dependent variable and one or more independent variables. Cross tabulation were conducted to determine the relativity between travelers’ socio-economic characteristics and traveling characteristics.

Findings and Analysis

Socio-economic and traveling characteristics

In this study, researchers are interested to investigate the relative influence of respondents’ demographic characteristics on their decision of choosing the kind of travel by employing travel agency through cross tabulation. Table 1 and Table 2 show the statistics (cross tabulation) of traveling characteristics in accordance to respondents’

Table-1: Traveling characteristics in accordance to respondent’s gender

		For what kind of travel you generally engage travel agency		Total	
		Inbound	Outbound		
Respondent Gender	Male	Count	75	98	173
		% within Respondent Gender	43.4%	56.6%	100.0%
	Female	Count	35	19	54
		% within Respondent Gender	64.8%	35.2%	100.0%
Total	Count	110	117	227	
	% within Respondent Gender	48.5%	51.5%	100.0%	

socio-economic characteristics as gender and occupation. Table-1 indicates that out of this 228 respondents, 75(43%) male were decided to acquire travel agency services for inbound travel and 98(53%) male decided to take travel agency services for outbound travel purposes. On the other hand, majority (about 65%) female respondents prefer to acquire travel agency services for inbound travel purposes. Table 2 illustrates the traveling characteristics for different occupation group. Most of the respondents, 99 out of 228 total respondents occupy travel agency for their travel purposes, among them 39% travelers travel for leisure purpose and 42% travel for business purpose. On the other hand, most of the travelers (44%) take services from travel agencies for leisure purpose and 32% for business purpose. Other purposes include migration, study purpose, visiting relatives place and which also belongs a good number of respondents (14%) where private sector employees carries highest score.

Table-2: Traveling characteristics in accordance to respondent's occupation

				For what purpose you generally like service for travel agency					Total
				Leisure	Business	Cultural	Medical	Other	
Respondent Occupation	Private Sector	Count	22	18	3	0	10	53	
		% within Occupation Respondent	41.5%	34.0%	5.7%	0.0%	18.9%	100.0%	
	Public Sector	Count	13	2	0	5	7	27	
		% within Occupation Respondent	48.1%	7.4%	0.0%	18.5%	25.9%	100.0%	
	Business	Count	39	42	1	14	3	99	
		% within Occupation Respondent	39.4%	42.4%	1.0%	14%	3.0%	100.0%	
	Student	Count	8	10	0	0	3	21	
		% within Occupation Respondent	38.1%	47.6.0%	0.0%	0.0%	14.3%	100.0%	
	Other	Count	19	0	0	1	8	28	
		% within Occupation Respondent	67.9%	0.0%	0.0%	3.6%	28.6%	100.0%	
Total		Count	101	72	4	20	31	228	
		% within Occupation Respondent	44.2%	31.6%	1.75%	8.8%	13.6%	100.0%	

Travel agency services offered to generate customer satisfaction

Table-3 shows means and standard deviations for the services offered which determine the performance of travel agencies in Bangladesh for measuring customer satisfaction level. Hereit has been reflected that most of the services offered by travel agency shows low satisfaction (<3.8) toward the services by the travel agencies in Bangladesh. It is also noted that the standard deviation ratings indicates a high deviation among the responses of the respondents who were asked to rate their perception concerning on each services offered by travel agency. The average of the overall services offered by the travel agency is 3.17 which suggest that customers were generally dissatisfied with local agent services.

Table-3: Mean and Standard Deviation of services offered by travel agency

Attributes		Mean	S.D
T.I-1 (v1)	Necessary updated information	2.86	.671
T.I-2 (v2)	Good Communication skill	3.09	.840
T.I-3 (v3)	Use of modern technologies for advance services	2.53	.828
T.I-4 (v4)	Knowledge of foreign language	3.26	.546
T.I-5 (v5)	Understanding ability of customer queries	3.35	.905
T.O-1 (v6)	Information about advantages of tourism services (ex. trans, accom etc.)	3.13	.910
T.O-2 (v7)	Information about disadvantages of tourism services (ex. trans, accom etc.)	3.09	.667
T.O-3 (v8)	Advice about most convenient courses of travel	3.32	.827
T.O-4 (v9)	Knowledge of holiday packages about the seasons of the year	3.68	.982
T.O-5 (v10)	Organized and planned tour packaged service individually	3.23	.735
T&V-1 (v11)	Sell tickets of different modes of transportations	3.41	.909
T&V-2 (v12)	Appropriate knowledge about transportation cost	3.35	.989
T&V-3 (v13)	Tickets at concession price	3.79	1.074
T&V-4 (v14)	Detailed assistance about visa processing	3.39	.953
R&C-1 (v15)	Emergency reservation facility (ex. trans, accom etc.)	3.62	.818
R&C-2 (v16)	Any time cancellation facility (ex. trans, accom etc.)	3.49	1.035
F.C-1 (v17)	Provision of any foreign currency	3.47	.982
F.C-2 (v18)	Knowledge about currency exchange rate	3.33	.976
F.C-3 (v19)	Currency purchasing facility on behalf of travelers	3.48	.901
C.S-1 (v20)	Contact with hotel managers	3.13	.905
C.S-2 (v21)	Contact with transport managers	3.19	.801
C.S-3 (v22)	Contact with providers of restaurant managers	3.17	1.061
D.V	Satisfaction on overall performance of travel agency	3.32	.865

Source: SPSS output

Model Summary

For the purpose of analysis, multiple regression analysis has been done to determine the strength of relationship between the dependent variable customer satisfaction and independent more than one variable.

Table-4: Regression Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.875 ^a	.778	.702	.766
a. Predictors: (Constant), V22, V4, V3, V15, V7, V16, V2, V6, V8, V10, V14, V12, V19, V13, V5, V18, V1, V11, V20, V17, V9, V21				

Source: SPSS output

Table-4 shows the model summary of the regression analysis where the predictors are the mentioned 22 variables shown in table-3. The dependent variable is travelers' satisfaction toward travel agency performance. Here, the R square is .778 which is more 0 .5 indicates that there is moderate relationship between customer satisfaction and the independent variables mentioned in

the table-3. The value of adjusted R square is .702 which suggests that each of the additional independent variables after adding the first independent variable makes a significant contribution in explaining the variation in the dependent variable.

Significance Testing

From survey analysis, a test has been conducted to test the significance of the overall regression equation and specific partial regression of coefficients. Table-5 shows the level of significance of the overall regression equation, has been found that the significance level of the F-value (.000) is below $\alpha=.05$ with an F-distribution. The calculated value is 6.051, at 22 and 166 degrees of freedom, is also greater than the table value. These indicate that independent variables have significant relationship with the dependent variable. So, the null hypothesis (H_0) has been rejected.

Table-5: Significant Testing for Regression Model

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60.772	22	2.762	6.051	.000 ^b
	Residual	75.779	166	.456		
	Total	136.550	188			
a. Dependent Variable: Satisfaction on performance of travel agency						
b. Predictors: (Constant), V22, V4, V3, V15, V7, V16, V2, V6, V8, V10, V14, V12, V19, V13, V5, V18, V1, V11, V20, V17, V9, V21						

Source: SPSS output

Therefore, the regression equation is significant and independent variables which indicate travel agency performance positively influence travelers' satisfaction.

Relative importance of travel agency services on travelers' satisfaction

The regression results suggest that the major predictors of customer satisfaction were the 'understanding ability of customer queries' under travel information construct; 'information about advantages of tourism services' and 'knowledge of holiday packages according to the seasons of the year' under tour organizing & planning; 'appropriate knowledge about transportation cost' and detailed assistance about visa procession under ticketing & Visa processing; 'emergency reservation facility' under reservation & cancellation; 'knowledge about currency exchange rate' and 'currency purchasing facility on behalf of travelers' under foreign currency exchange and 'contact with hotel managers and food restaurants providers' under contact with service providers which are significant at .05 significance level (Table- 6).

Table- 6: Significance Testing for Coefficient analysis

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.211	.358		3.380	.001
	Understanding ability of customer queries	.465	.073	.289	3.642	.000
	Information about advantages of tourism services	.580	.064	.696	2.808	.006
	Knowledge of holiday packages according to the seasons of the year	-.521	.073	-.260	-3.010	.003
	Appropriate knowledge about transportation cost	-.623	.066	-.644	-1.875	.042
	Detailed assistance about visa processing	.761	.060	.796	2.686	.008
	Emergency reservation facility	-.765	.056	-.615	-2.928	.004
	Knowledge about currency exchange rate	-.457	.064	-.324	-4.023	.000
	Currency purchasing facility on behalf of travelers	.434	.065	.162	2.059	.041
	Contact with hotel managers	.635	.071	.286	3.329	.001
	Contact with providers of restaurant managers	.410	.065	.260	3.224	.002

a. Dependent Variable: Satisfaction on performance of travel agency

Source: SPSS output (Significant level, $\alpha=.05$)

Discussion

From the cross-tabulation data it is shown that the male respondents prefer to occupy travel agency services for outbound travel whereas female respondents prefer to engage travel agents for inbound travel. It is also being explored that a huge number of respondents are occupied as businessman who frequently travel for their business and leisure spent purpose and take services from travel agency. From the analysis, the mean score reflected that the travelers are not utterly satisfied with the services offered and the way of offered services by the travel agency. The regression analysis revealed the moderate relationship between customers' satisfaction with the performance of travel agency (determined with their offered services). Among the 22 attributes only 10 variables are significantly influence customers' satisfaction which primarily indicates that the performance travel agencies in our country is not up to the mark. Customers are not getting updated information and customized services from the travel agency which create dissatisfaction among them. Most of the travel agencies of our country are predominantly adopting traditional service-scope which generally becomes unable to meet customer satisfaction completely.

Recommendation

Though tourism has a profound effect on the country's balance of payment, yet now this sector has not been developed on the basis of customers' desire. To achieve proper customer satisfaction travel agencies of our country need to take functional and organizational strategies and decisions. To be competitive and develop strong working relationship in the global market there is no alternative except effective and high speed ICT application in business arena. Customer - management relations and supply chain management to be combined into a single source that facilitates a variety of operations - product selection, ordering, fulfillment, tracking, payment and reporting to be performed with one easy-to use tool. Through new technology and social and

economic ratings (e.g., social media platforms like Facebook, Twitter, and blogs) customers have the ability to share information about destination, quality of service of hotels and restaurants and environmental and social conditions. The effective evaluation of websites has therefore become a point of concern for practitioners and researchers (Yen, 2005). As the number of online customers increases day by day, travel-related website providers should consider how to capture customer preferences explicitly (Shen et al., 2009). Overall customer's impression of travel agencies would be raised by investment in technology and in the aesthetics of the service-scape. Storing information in data warehouse can also help them to develop proactive marketing tools in order to target individual customers with specialized products, thereby increasing the value added services offered to each customer, and to defend themselves against disintermediation.

Tourism marketing is different because the customer purchases a series of services, but is left with very little concrete value at the completion of his trip. As a result, the marketing initiatives have to emphasize on the value of the memories, make the collection of services easily accessible and add value through additional programming and other factors. Employee motivation and training, improvements in physical environment, liaison with government officials and different service providers can affect the performance level of travel agency as well as customer satisfaction. A key challenge is to convince potential customers that the item they are purchasing provides good value for the price, and that the services will be as described and expected. Promotion and branding demands high value in today's world so travel agencies can focus to achieve competitiveness by concentrating in this issues.

Conclusion

Tourism could be domestic or international although international tourism is being given more importance as it has a profound effect on a country's balance of payments. In fact, international tourism is something that affects both the host country as well as the source country. Though travel agencies are offering a bundle of services but all the attributes are not able to significantly affect travelers' satisfaction. There are many countries that thrive on tourism, with tourism being their major source of income. Travel agencies serving as intermediaries between consumers and hospitality providers, are important generators of jobs and revenue in their own right, and are similarly vulnerable to the exigencies of unpredictable external forces. Travel agencies are not just intermediaries; they act like as an interface between supply and different segments of demand. They have a great power to influence and direct consumer demand comparing to other industries. Modern travel agencies have many different forms and very complex relationships. Retail travel agencies are the department stores of tourism. A customer can buy all types of travel services at an agency including tickets for planes and railways, hotels and resorts, packages and tours, car rentals and travel insurance. They have a strong influence to visitor's purchase decision. A major role of travel trade intermediaries is the packaging of complementary tourism services and products to provide a more satisfying travel experience for the visitors. Travel agencies should have dynamic and structured organization with operational experience to manage business efficiently. It is essentially important to examine the fixed and variable investment to run the business.

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