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Hospitality

Thesis statement: digital revolution killed many travel agencies but the companies that adopted technology managed to stay in the industry.

Technology transformed the travel agency by allowing them to offer online booking services. Today people have become digitalized travellers due to the availability of online booking systems. The online booking system is the product of the digital revolution that provided an advantage to the agencies and allowed them to stay in the business. The companies that resisted to technological change lost clientele and faced massive loss. It is thus important to determine how technology impacted the travel agencies and their business. Travel agencies that managed to integrate digital technologies such as in the form of online booking systems earned competitive edge.

Due to digitalization the low-cost carriers and online travel agencies emerged as winners in the industry. They have established highly responsible websites where customers can view the offers including packages, tour prices, hotel rents and related features. The online travel agencies are thus raising awareness among travellers by providing all relevant information about their trips before they book travel. Online booking systems have allowed these modern agencies to broaden their customer base (Mohammad et al., 2012). It has become easier for travel agencies to reach their customers due to the availability of online platforms. However, the agencies that are unable to develop online systems failed to attain similar outcomes. This negatively impacted their relationship with customers as many agencies lost clientele.

Online travel purchase has changed the business in the travel industry. The customers rely on fast methods for making travel bookings and payments. ICT's has a direct relationship with the enhanced customer base. The factors associated with online travel include timely information, immediate response and cost-effectiveness (Amaro & Duarte, 2013). Companies integrating technology managed to capture wider customers by providing timely services. This is also linked with high customer satisfaction and increased profits. Online systems are important for building brand loyalty and this is one of the factors enjoyed by modern travel agencies (Blake, 2011). One of the most prominent advantages of online systems is to offer easy booking opportunities to customers. They only need to access the website and add personal details for getting the required information. On the contrary, the agencies that failed to integrate technology were unable to offer cost-effective services to the clients.

The Internet has also killed off many high-profile travel agencies because they failed to integrate technology. Their reluctance to the implementation of technology and reliance on old traditional methods resulted in their loss. These agencies remained at the losing end because they lacked the capacity of competing for the online high-tech travel agencies. The losers failed to recognize that clients today prefer to sit on their gadgets and book online trips (Berlin, 2012). Literature reveals that one of the prominent challenges faced by the travel industry is the adoption of technology. The study included interviews with the 19 owners of the travel agencies. Their responses to the questions depict that digitalization has profound impacts on the travel business. the comparison of the agencies indicates that the ones that integrated technology performed better compared to those that were lacking technology (Lawton & Weaver, 2009).

Technology has turned society, especially the younger generations, into a permanently connected consumer. This indicates that consumers can acquire complete information about the products and services offered by the agency. The websites are active 24/7 that means the customers can obtain the required information at any time. This adds to the convenience and comfort of the customers. The digital revolution has affected the retail travel business and specifically the young generation. This is due to the fact that youth is more inclined to receive a prompt response from the travel agencies.

Current dynamics of the travel industry suggests that the internet is capable of eliminating travel agencies from the industry that are relying on traditional methods. The findings are based on the opinions of 413 tourist transactions. The results indicate that agencies that offer online payment mechanism are more likely to grab customers. This also reflects that without online payment methods the traditional agencies failed to capture customers that resulted in their closure (Law, Leun, & Wong, 2004). Retail travel agents need to deliver a value proposition, expertise and service that makes working with them more desirable than finding solutions online. This requires using technology for creating attractions for the clients.

E-commerce has significant impacts on the travel and tourism industry. With the increased dependence on technology, the travel companies updated their services such as by offering online payment and booking methods. This strategy has been adopted by many travel agencies for capturing wider customer base (Mamaghani, 2009). The adoption of technology required an effective strategy for ensuring superior performance in the travel industry. Competitive strategies and resource allocation are useful means for attaining competitive advantage. The findings also depict that the companies hiring qualified and technically skilled staff is capable of making better use of technology that results in a competitive advantage. Compared to that the agencies lacking technically skilled staff were not able to survive irrespective of their digitalization. The results suggest that it is not possible to attain a competitive edge without hiring trained and competent staff (Lawton & Weaver, 2009).

Is it possible to leverage the digital revolution to attain a competitive advantage? This requires travel agencies to integrate technology for persuading customers. The methods identified for attaining competitive advantage include blog marketing channel. The agency blogs are used by the leading travel agencies and have significant correction with an increased customer base. The strategy is used for attaining competitive advantage by persuading an audience (Huang & Yung, 2011). A blog marketing channel is an effective tool used by travel agencies for gaining competitive advantage. This is also linked with fast delivery of information and increased customer satisfaction (Banyai, 2011). Evidence suggests that online booking has a positive relationship with customer satisfaction. The companies can thus attain a competitive advantage by providing efficient services to the customers through online platforms (Mamaghani, 2009).

The argument that digital revolution killed many travel agencies also emphasize on the future need for integrating technology. The survival of travel agencies is not possible without incorporating digital technologies. Travel agents can curate online information to provide recommendations to customers to provide a richer set of possibilities and save people time. the demand for travel will increase in future due to improvements in wages and economic indicators. The companies that will invest in digital technology will manage to attain significant market shares in the travel industry. facts also reveal that 60% of the arrangements for leisure travel are made through online platforms. The global industry is facing challenges for improving efficiency and quality of service that will maximize gains. To gain competitive advantage the travel agencies need to use technology for providing a unique experience to the customers. People value unique experience in all categories of travel including holidays, business or routine travel. Provision of personalized services is also an effective tool for building a strong customer base. Technology applications can be used for determining the personality of the traveller and that will be more useful for offering personalized services (Banyai, 2011).

Online booking is one of the prominent feature offered by technologically updated travel agencies. The companies that are aiming to stay in the industry and capture huge customers must invest in developing online systems that offer features like online booking, payments and cancellation of the booking. Over 60 per cent of the reservations is made on online platforms. The agencies can also offer other features for grabbing customers such as information about different deals and packages. This is also an effective way of meeting the needs and preferences of consumers. The agencies can build consumer loyalty by offering opportunities for booking, purchasing and itinerating online (Amaro & Duarte, 2013). The website can also provide information about the hotels, rates and the availability of the rooms. Another feature that can allow travel agencies to secure a good market share is by developing a phone app. This will provide easiest and faster access to travellers. The application can be combined with IoT for creating a high-quality platform. IoT will also connect smart devices for communicating through the internet. Other travel-related activities can also be added for making the app more attractive.

The argument on changing dynamics of the retail travel business aimed at determining the impact of digitalization and technology on the business of travel agencies. The global industry is facing challenges for improving efficiency and quality of service that will maximize profits. The empirical evidence indicates that companies gain a competitive advantage by introducing online travel methods and offering cost-effective services. Competitive strategies and resource allocation are useful means for attaining competitive advantage. If the travel agencies fail to take advantage of technology it will become a threat.

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