

## **Technology Adoption and the Accountability Factor: A Case for the Re-Intermediation of Travel Agencies in Small Island Developing States**

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### **Abstract**

This paper highlights the importance of trust and accountability to Caribbean consumers of online travel products. It reveals a critical element, which has been largely ignored in the literature related to travel consumer online purchasing decisions. Previous research on factors that influence consumer decisions about online travel purchase tended to focus on so called universal factors such as speed, convenience and cost, to name a few, while those that promote more traditional offline purchasing surround expertise, social interaction, privacy and security. While these cannot be overlooked, this work highlights that an important factor in the decision making process is the ability to hold persons accountable and depend on organizations to see their booking through to a successful end. This is particularly heightened if and when errors in bookings are made. A mixed-methods approach was used in this paper. The process began with 31 in-depth interviews with the Chief Executive Officers of all owner-managed travel agencies in Jamaica. Given that the Caribbean countries bear some similarities, a cross-national survey totaling 302 individuals was conducted between Jamaican and the Bahamas over a three (3) week period. The findings not only reveal that accountability is important to consumers in relationship-oriented societies such as Jamaica and the Bahamas, but that this concept must be explored for other countries and contexts, particularly for those interested in maintaining the buoyancy of travel agencies in a technologically advanced world.

**Keywords:** accountability, technology adoption, travel agencies in Small Island developing States

### **1. Introduction**

Travel is a six trillion dollar industry and has become the number one earner of online revenues (Blanke & Chiesa, 2013). Online bookings have become fairly international, with some territories adapting at a faster pace than others. Generally however, the traditional travel supply chain has been distorted in many industries around the world as a result of the World Wide Web. The concept of using Information and Communication Technologies in the travel industry is not a novel one and stems from the first reservation systems in the 1950s to the tourist information systems like Travel Industry Services (TIS) and Gulliver of the 1980s (Neuhofer, Buhalis, & Ladkin, 2012) to major global distribution systems like Semi-automated Business Research Environment (SABRE) and

Amadeus in the 1990s to the enormous number of current travel activities on the web. Now more than ever however, it brings a multiplicity of players together with relatively easy access to each other and each other's information base. The implication of this is that a more level playing field has been created with more options available to the creators of products and services and the final consumer. Internet booking brings new independence for suppliers and travelers (Xiang & Gretzel, 2010). New value chains and value systems are emerging and the players within the industry have to redesign their strategy under the power of Information and Communication Technology.

The international landscape over a decade ago showed internet readiness in some countries. Canadians and North Americans in general are keen users. According to Egger and Buhalis (2011) Europe lags behind North America by 14-18 months for internet penetration. Asian countries such as South Korea and Japan are far ahead of the game. Of particular importance is that some developing countries, particularly those in the Caribbean are experiencing a lag effect. There are obvious implications for countries which are slower on the uptake of ICTs and for businesses operating in those contexts. For example, intermediaries in Jamaica, which are predominantly travel agencies that focus on the outbound traveler, may therefore not experience some of these global issues at the same rate as more developed economies, based on internet readiness of the population.

Any discussion of internet readiness must also take into consideration groups of individuals mentioned by Jensen (2012). He states that some consumers are not computer literate and don't intend to be. She also highlights that some consumers simply prefer human interface whether literate or not, and that some consumers are internet savvy but fear lack of security with credit card transactions. Additionally many experienced internet users still opt to book traditionally for convenience. For many, 'techno-fear' may still exist since the technology changes so frequently. Each technological development brings with it a new "fear" even where changes are marginal.

The above mentioned however does not negate the significance of globalization and the need for firms to be competitive in international markets. It is in discussions surrounding the competitiveness of firms, that firms must seek to understand the dynamics of the travel consumer in context.

## **2. Literature Review**

According to Aldebert, Dang and Longhi (2011), there has been an evolution in travel bookings. Initial processes included traditional travel agents who had access to information stock that was generally unavailable to the consumer market. This then evolved to an environment with traditional e-mediaries, which involved the same travel agencies which now had access to global distribution systems (GDS) such as Amadeus, SABRE and Galileo; all owned by major airlines and gave agencies access to consistent information to avoid duplication of bookings. This was then followed by the advent of the internet which was initially just used for information search and subsequently direct bookings and payment with suppliers. Most recently there has been the emergence of a number of web-based agencies, which refers to a group of travel intermediaries with an online presence.

The use of online services immediately presupposes a level of internet readiness in consumer markets. The World Wide Web is used by millions of people connected to thousands of computers all over the world. The web puts a friendly face on the internet providing an interface that a 10-year old, or even a 70-year old, could easily understand (Middleton & Clarke, 2012). The web defines today's most important activities on the internet which include: communication, collaboration, information gathering, direct advertising and direct online selling.

### **2.1. The Travel Consumer**

There is a large body of research which addresses the travel consumer in the internet age. Following on decades of work in the area, Wen (2012) pointed out that convenience, value and merchandise

options are the most significant drivers of the consumer's intention to purchase travel products online. Castillo-Manzano and Lopez-Valpuesta (2010) focused less on the attributes of the distribution channel and more on the demographic factors of the consumer, highlighting that the online travel consumer is typically a young, highly-educated, habitual traveler who tends to travel with low cost carriers. Other researchers (Kamarulzaman, 2010; Park, Wang & Fesenmaier, 2011) also support this demographic approach. Arguments which focus solely on demographic characteristics, do not necessarily present an opportunity for struggling firms to find ways of being re-intermediated, but rather identify demographic segments which may now be out of the reach of the traditional agent. Distribution channel studies however, uncover important attributes in pulling consumers to a particular platform and allow players in different modalities to be able appeal to markets based on these variables. Consequently, this paper seeks to focus on travel purchase drivers with a view to identifying gaps in the literature.

Two of the seminal pieces of research in the general area of technology adoption were the diffusion of innovations by Rogers (1962) and the technology acceptance model (Davis, 1989). While the work of Rogers identified more institutional and systemic drivers of adoption; the technology acceptance model (TAM) by Davis emphasized perceived ease of use and perceived usefulness in consumers' decision to use a platform. Andreu, Aldás, Bigné and Mattila (2010) support and extend the TAM in positing that these two areas of perception were critical and that the perceived usefulness played a more pivotal role in organizational contexts.

Peng, Xu and Chen (2013) highlight convenience and social interaction as important to the buying process for the travel consumer, and Tsang, Lai, and Law (2010) add the elements of user friendliness and security to the discussion, as having high importance to consumers. More recently Chen, Hsu and Lin (2010) make the claim that the most important drivers for travel consumers are privacy, safety and product quality. While these elements tend to favour a continuation of offline purchasing Ganguly, Dash, Cyr, and Head (2010) posit that travel consumers place a high value on the level of control given to them by the internet.

Succinctly, attributes such as speed, efficiency, convenience, control and pricing (Ganesh, Reynolds, Luckett, & Pomirleanu, 2010; Jensen, 2012) support online travel purchase. While expertise (Walsh, Hennig-Thurau, Sassenberg, & Bornemann, 2010), social interaction, privacy and security (Nuseir, Arora, Al-Masri, & Gharaibeh, 2010; Nepomuceno, Laroche, Richard & Eggert, 2012) promote traditional purchasing. Therefore, consumer decisions about using online or offline platforms have a direct impact on the travel supply chain and often result in disintermediation.

## **2.2. Disintermediation**

Intermediaries have played a very important role in physical markets as well as in information markets from an economic standpoint. For instance, retailers provide access to goods produced by remote, in many cases overseas, sellers for consumers. They also act to ensure quality and diversity and provide comprehensive product information. Intermediaries are often adding cost for their services to the products that have to be paid by the suppliers and/or consumers. This is typically done through commissions (suppliers) or service charges (consumers). Essentially, a firm can undertake the same task, but an intermediary was traditionally preferred because it costs less especially for physical markets. It has been argued (Alt & Klein 2011; Doherty & Ellis-Chadwick, 2010; Chircu & Kauffman, 2013) that electronic markets lower the cost of market transactions. It will become easy to directly match buyers and sellers, and as a result the role of intermediaries may be reduced or even eliminated, thus leading to disintermediation. Disintermediation means that products and services are directly given to the consumers, thus having less cost, the web is a possible instrument to support disintermediation by directly connecting customers to producers.

The internet means lower distribution costs, larger market share and higher revenues (Lieber & Syverson, 2011). Supplier companies which are always seeking to cut costs are therefore exploring

the option of convenient market access. The Caribbean has experienced some effects of this as American Airlines, British Airways and the regional carrier Air Jamaica cut commission from 9% to 6% for travel agencies in the region in 2000. Kotler (2012) posits that many airlines opt for the internet in the face of inflation and competition because of reduced distribution costs. It must be noted that as a result of technological development, many airlines have become known globally. One of the primary roles of an intermediary was to ensure penetration into geographical markets which are more familiar to these agents because of their location. However, brand awareness has eroded this market ignorance that existed in some regions (Kracht & Wang, 2010).

Reduced transaction cost and commission present a strong case for complete elimination of travel intermediaries (Christodoulidou, Connolly, & Brewer, 2010). When Caribbean travel agencies attempted to boycott the sale of American Airlines tickets in response to the 3% cut in commissions in 2000, their efforts proved futile as the airline, which accounts for approximately 70% of air traffic to the region, simply made it known that “direct bookings” was always an option. Kotler (2012) states that the reduction of commissions paid and the competition provided by the internet present uncertain operating environments. In 2003, British Airways reduced agents’ income in the UK to 1%. What seems to be clear from these events is that organizations are in the business of making a profit; either by increasing revenues or reducing costs, or a combination of both. With inflation, competition and rising oil prices, revenue increases in many cases will only be marginal, as cheaper prices may not be passed on to the consumers. Hence the focus is predominantly on reducing distribution cost.

The IATA (2011) framework that covers passenger sales agency agreements is inadequate. As it relates to payments to agencies, it only articulates that agencies shall be paid in “a manner and amount to be determined by airlines.” In an environment of major cost cuts, airlines will continue to oppose and reject new passenger sales agreements that seek to include a proper remuneration clause for travel agencies as they did in 2002 in Miami. He argues that agencies are therefore being forced to cut costs and as a result, over two million jobs were lost between 2001 and 2003. In Jamaica the issue of cutting costs has been a real one for travel agencies. In 2003, coping mechanisms were implemented such as the rotation of staff, lay-offs, mergers and tightened inventory. In addition compensation packages had to be changed from fixed salary plus commission to a situation of “pure commission”. Changes are further demonstrated in a quote from Pauline’s Travel in 2003 which states “some staff are now working from home”.

One way for companies to differentiate their products from rival companies is faster and more efficient delivery of products to their customers. The behavior of customers who are already buying goods and services on-line clearly indicates that companies can use internet technology as a digital channel to deliver services to customers (Urban, Sultan, & Qualls, 2000). An important debate however surrounds whether particular markets are very accessible via this route, a missing element in the literature, and this research will attempt to address issues surrounding context and IT uptake.

It is fair to say that some level of disintermediation will take place for certain products, especially those that can be distributed over the internet, easily described or whose asset specificity is low. Intangibles such as travel fall squarely into this category as there is little need for physical outlets for large quantities of items to reach the market, as e-ticketing has become the order of the day. Intermediaries can be defined as market participants who neither supply nor demand but have the aim to facilitate the functioning of the market for which they receive a commission. If development of the internet leads to the simplification of channel structures (Kracht & Wang, 2010) and suppliers choose to deal directly with end-users, then facilitating the functions of the market becomes a role of the supplier and the information stock of the intermediary is eroded.

Until recently travel agencies were the key intermediary with information as their primary stock in trade (Kracht & Wang, 2010). They posit that changes in technology predominantly favour suppliers and many organizations utilize this to reduce distribution costs. As such they state that

online travel sales accounts for the largest retail e-commerce activity. Suppliers must then take advantage of cost reduction opportunities as well as the chance to manage the supply process.

The internet does not only mean reduced costs to suppliers. If this were the case then market forces would not enforce disintermediation so intensely. From a demand perspective, consumers also experience reduced transaction costs. There is a clear link between commission cuts and disintermediation. Suppliers aim to reduce distribution costs through reducing commission percentages. This means reduced revenues for travel agencies, who must then reengineer their processes to earn more revenues. One way in which this is done is through the introduction of service charges, which consumers must bear. In many cases these agencies become the most expensive option for consumers who then seek for more affordable ways to purchase travel and tourism services. One option being provided by suppliers is direct online booking, which very directly competes with the less convenient more expensive option of traditional agency bookings.

Casaló, Flavián, and Guinalú (2010) highlight that travelers are now able to purchase at any time and any place. This is in keeping with the view that modern travelers demand more high quality travel services, products, information and value for money (Chakravarthi & Gopal, 2012). The issue therefore for contemporary consumers is also one of convenience. Xiang and Gretzel (2010) argue that tourists can now receive comprehensive, timely and relevant information in a virtual environment to assist in their decision-making process. The internet provides convenient and instant access for enquiries and bookings at odd times and at a cost advantage (Kimber & Mason, 2013).

It is argued therefore that the internet reduces the importance of travel agencies and may result in them being bypassed (Andreu *et al.*, 2010). This gave rise to the strident position that agencies must change their business practices to survive (Castillo-Manzano & Lopez-Valpuesta, 2010). Xiang and Gretzel (2010) argue that travel agencies must be prepared for restructuring. One example of a restructured, re-focused agency is ThomasCook, which is known to many as Thomascook.com due to its adaptation of online channels. Castillo-Manzano and Lopez-Valpuesta (2010) further posit that there will be a "Natural Selection Process" which will separate those with sound business models and the possibility to expand on all distribution channels and platforms from those who will fail. This therefore suggests that companies must capitalize on online opportunities for distribution. They should not treat the internet as a threat but rather take advantage to offer additional value-added service that was once not possible (Huang, Yung, & Yang, 2011). Kracht and Wang (2010) argue that although somewhat a threat, the World Wide Web has created opportunities for flexibility and innovative agencies have developed online strategies to supplement offline channels.

Grimm, Hofstetter, and Sarkis (2012) argue that there is a new independence which is being experienced by supplier as well as consumer. The internet offers an effective means of developing a single and sustainable electronic infrastructure for information gathering and business transactions for both travelers and suppliers (Granados, Gupta, & Kauffman, 2010). They argue that a natural outcome is one to one marketing and mass customization. They further state that the contemporary consumer, who requires higher quality, has a greater propensity to purchase online with increasing income and education. Age also plays a significant role for internet usage with the majority of internet users being between the ages 18-34 (File, 2013).

The implications are clearly greater in large developed countries with a higher per capita income, greater access to education and overall higher Human Development Index. The suggestion therefore is that small developing states typically grasp new opportunities such as information technology more slowly. This may explain why the Caribbean in particular has been slower on the uptake of ICTs than the United States and Europe. A threat such as disintermediation may therefore be an issue in the longer term in such regions especially in markets such as Jamaica where the major market is outbound and therefore comprises residents of that country. However the implications are greater for other local tourism suppliers as inbound markets influence most of their business.

Many argue that discussions surrounding disintermediation are premature as what appears to be a likely challenge for agencies may just have presented greater opportunities. Although somewhat a threat, the World Wide Web has created opportunities for flexibility and innovative agencies have developed online strategies to supplement offline channels (Ashari, Heidari, & Parvaresh, 2014). The orientation of an intermediary toward the web will therefore determine its ability to maximize on its potential benefits. They therefore highlight that travel consultants do not seem to worry as they feel they are still deemed important and that they will remain secure if their advice-offering capability were strengthened on the internet rather than simply being booking agents. The argument of strengthening their capabilities makes the important suggestion that with current weaknesses there is cause for concern and that changes will be necessary.

Others (Busby & Huang, 2012) posit that the internet does not change the role of intermediaries who exist to simplify the buyer's choice process. They argue that making choices may have become just as confusing with the magnitude of information and options available to consumers. With greater information about international players being more available and accessible, and with new online entrants to markets, choosing may be difficult for consumers. The most significant role of the intermediary is to reconcile the different needs of producers and consumers. Producers or suppliers typically aim to provide a large quantity of a limited range of goods and services. Consumers on the other hand tend to demand a relatively small quantity of a wide range of goods and services. Intermediaries must then be able to bring these together in one place through an understanding of both needs. The heterogeneous nature of consumers' travel needs makes it important for intermediaries to reconcile the differences by retailing goods and services and meeting the needs of supplier and end-user. It is here that the need for the new info-mediary who gathers information on both parties and merge interests becomes vital.

Granados, Gupta and Kauffman (2012) highlight a number of factors which may contribute to the longevity of the traditional offline agency. They argue that the inability to locate websites, time factors, 'data overwhelm', lack of internet security and lack of human interface will ensure agency existence. Another point argued here is that they will continue to be indispensable for more complex travel arrangements. There is still some difficulty finding websites especially if there is relatively little experience using search engines. Phelan, Christodoulidou, Countryman, and Kistner (2011) support their position by pointing out weaknesses in some airline web pages such as the length of time for loading and the length of time for completing online reservations based on the number of pages. They also argue that there are some general distribution problems on the net for airlines. In addition Almunawar, Anshari, and Susanto (2013) categorize some groups of travel consumers stating that some are not computer literate and don't intend to be. Others simply prefer human interface even though they may be computer literate. Many other consumers they say are savvy but have great concerns about the perceived lack of security with using credit cards online. And so even many experienced internet users still opt to book traditionally. They posit that the issue of "techno fear" is real one which is not likely to be eroded soon, especially since the technology changes so rapidly. Galliers and Leidner (2014) argue however that as buyers' initial curiosity with the web wanes and subsidies end, companies offering services online will be forced to demonstrate that they provide real benefits.

Many discussions surround the statement that travel agents allow for better delivery of service. They save travelers a lot of time when planning and arranging travel, forge relationships and provide unbiased advice which adds value for consumers (Offutt, 2013). He purports that travelers use the internet for less expensive, less complicated travel to more familiar destinations. This is therefore a niche market for travel agencies focusing on specific, exotic destinations. Additionally he mentions business travelers who are mandated to take trips and whose arrangements are handled by travel agencies due to long-standing business relationships and in some cases the complexity of travel and accommodation arrangements. He argues that the service provided by travel agents is superior because of quality assurance, reliability, security and the ability to handle complexity. Travel agents

should therefore utilize the internet to improve the quality of advice by providing a synthesis of available data through converting large masses of data into meaningful information for consumers.

The above argument made by Almunawar *et al.* (2013) identifies what many may consider to be real categorizations. It has failed however to take into consideration the changing landscape. While the baby boomers still account for a large percentage of market share for travel and tourism services, generation x and generation y also include fairly active travelers, who will be the major income earners of the future (Kotler, 2012). It must be noted that these groups are much more fluent with computer, digital and information technology and are value-seekers who search for new and innovative products constantly. The implication therefore is that consumers who have no interest in becoming computer literate are a “dying breed”.

A consistent theme in most of the literature seems to be that it cannot be business as usual. According to Assaf, Barros, and Machado (2011) travel agents will always exist, however their methods and functions will change. The ability of traditional agencies to adapt directly impacts how suppliers may do business in the future. Tsang *et al.* (2010), state that innovative and successful agencies are doing more to provide comprehensive information and additional services. They are responding quickly to customer requests and building relationships with customers by tracking and targeting website users. It is those that are able to change with the landscape that will survive. A multi-platform approach that utilizes various available online and offline channels to serve different users at different times will enable the survival of the fittest (Xiang, Pan, Law, & Fesenmaier, 2010). It is these opportunities that provide the foundation for Smithson, Devece, and Lapiedra (2011) to state that talk of disintermediation has been premature and that the reverse process of re-intermediation is more likely.

### **2.3. Re-Intermediation**

It must be noted that the web also provides new possibilities and technologies for companies to create electronic marketplaces that support new types of intermediaries, a process known as re-intermediation. Many labels have been used to identify an intermediary in the new dispensation such as: info-mediary, e-mediary, cyber-mediary, e-tailors and virtual intermediaries. These new intermediaries perform functions that include matching buyers and sellers providing product information to buyers and marketing information to sellers, aggregating information goods, providing trust, and integrating components of consumer processes. It must be noted that while most of the names given to the “new” agency suggest extensive, almost exclusive use of cyber space, the term ‘info-mediary’ puts into perspective the contemporary role which must be performed, although it cannot be ignored that a major vehicle for reintroducing agencies into the supply chain will be cyberspace.

Bronner and de Hoog (2010) argues that the independent travel agent has a future provided it makes appropriate investment in technology, works closely with niche tour operators and creates competitive differentiation by focusing on specialist markets where core assets such as staff expertise can add value to the buying process and prevent the customer from ‘going it alone’. The fundamental position of their work is that the internet is complementary rather than a substitution for existing agencies.

The info-mediary will take the new role of brokering relationships between consumers and producers in the world of e-commerce. In addition to having an online presence, agents will still act as counselors, therefore they should be able to access and process large amounts of information to narrow down choices and match with consumer preferences (Kracht & Wang, 2010). Often the users get so much information that they cannot use it in a meaningful way. It is the job of intermediaries to eliminate these problems by providing a platform for information exchange between buyers and sellers, which aggregates the relevant information and brings the appropriate trading partners together.

Tsang *et al.* (2010) posit that the onslaught of many web-based agencies such as *Expedia*, *ebookers* and *Travelocity* signals the need for the middleman in the virtual environment. The process of restructuring in the travel and tourism industry has been driven by the rapid growth of ‘e-mediaries’ (Nalazek, 2011). Every market has some main components: market participants (supplier, buyer, wholesaler, and retailer), products and services, and transactions and processes (Palladino, 2010). The market is the location where the supplier and customer meet and whose activities are governed by price and competition. These components of the market may exist physically or digitally. A significant problem in respect of markets is the information deficiency or asymmetry between the market participants. This allows intermediaries to position themselves to solve these problems. The advent of the internet has made information very available for those suppliers operating on online platforms and so the issue of information deficiency becomes less of a problem. Information asymmetry however still exists to a large extent, in fact it may be more so. According to Tanford, Baloglu, and Erdem (2012), making choices may have become just as confusing for individuals trying to navigate a path and decide on the best option.

It may be argued that absence from digital economies and digitalized markets is uncompetitive in a globalized borderless environment where rivals capitalize on opportunities. Travel intermediaries therefore have the option of adding value online in much the same way that value has traditionally been added offline. This may however require more detailed analyses and business strategies that address what needs to be added as the needs of the online, digitalized market may vary somewhat from the traditional, physical, offline markets.

Other agencies have been re-intermediated through strengthening relationships. Travel agent frequent-users are more involved, enthusiastic, innovative, and take more trips (Mak, 2011). As a result of being more frequent flyers, they continuously gather more travel information. Some agencies have therefore identified heavy users, discovered their wants, needs and feelings and developed ties through guaranteed satisfaction and individualized attention. It must be noted that the minority of consumers account for the largest share of travel sales for agencies, somewhat in conformity to the Pareto Principle. The information technology also aids these efforts through customer relationship management programmes (Egger & Buhalis, 2011). Additionally, relationships are also more easily formed in smaller markets and in contexts that are more culturally predisposed to relationship building. This brings to the fore the needs of consumers and points to discourse surrounding what attributes are most important to them in the booking process.

### **3. Methodology**

#### **3.1. Research Question**

What are the key factors that contribute to the differences in the rate of disintermediation between Caribbean travel firms and Developed Countries?

#### **3.2. Objectives**

1. To identify moderating consumer variables that influence the decision to book online in the context of Jamaica and the Bahamas.
2. To explore the views of managers in Jamaican travel firms about their ability to compete in a new technologically driven landscape.

To address the research question, a mixed-methods approach was used in this paper. The process began with 31 in-depth interviews with the Chief Executive Officers of all owner-managed travel agencies in Jamaica. Given the small number of firms now existing in Jamaica, it was decided that the entire population of 31 firms should be investigated, rather than using a sample for the qualitative section of the study. The agencies are “brick and mortar” type firms and the interviews

revealed that in addition to previously identified variables such as social interaction, security, efficiency and price, the local market being served wanted “someone to blame” if there was a booking error; hereafter referred to as the “accountability factor”.

This recurring theme created a need to gather data from actual and potential travel consumers. Given that the Caribbean countries bear some similarities, a cross-national survey was conducted between Jamaica and the Bahamas over a three (3) week period to extend the study to another destination with similar mass tourism products. The sampling was purposive in that it aimed at getting a majority of young potential and actual travel consumers below the age of 35, as they represent the group, which most likely to engage in online purchases in the literature. By extension this means they are the group least likely to remain loyal to traditional agencies. The sample consisted of 92 males and 210 females, totaling 302 individuals. There were 211 Jamaicans and 88 Bahamians in the study. Approximately 61% of the sample were students and 35% employed. The questionnaire consisted of 23 closed-ended questions on demographics and comparisons between online booking and travel agencies. There were three (3) computed dependent variables: trust, preferences and accountability.

The instrument was designed based on the questionnaire adopted from the work of Wöber and Gretzel (2000). However many items had to be altered and created as there was a gap in the existing literature regarding trust and accountability as factors for consumer online decisions. Trust was computed from questions on: whether close friends trust travel agencies (q18), feeling safer with a travel agency (q19), belief that the elderly are safer with a travel agency (q20) and recommending first time travelers to travel agencies (q21). Preference was formulated from: family members preferring online booking (q14) and whether close friends prefer online booking. The accountability factor was derived from: belief that it is good to have access to a travel representative (q22) and belief that travel agents have a greater responsibility in booking than an online booking customer system (q23). Finally, basic analysis was done using chi-statistic to establish relationships and Spearman’s correlation, Mann-Whitney and Kruskal Wallis were applied to further test these statistical relationships. The results were then compared to the qualitative interviews with CEOs to assess consistency of findings at each stage of the data analysis process.

#### **4. Findings and Discussion**

The findings from the primary data collection reveal an element which is largely ignored in the literature on travel consumer online purchasing decisions: the issue of accountability. The qualitative interviews highlighted that traditional agents feel that they may be able to stave off the threat of becoming irrelevant in a relationship-oriented Jamaican society. Some respondents articulated that:

*“Our customers are trying to book for themselves online but always come back to us because one wrong click can be disastrous. So when they make mistakes they always come for us to fix it when it is too late. I always use it as a teaching opportunity so that the next time they will just come to me first.”*

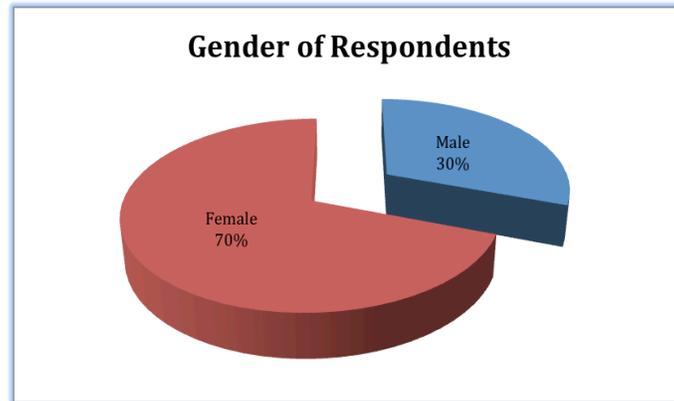
*“The people who come to me are afraid of the credit card security issue with the internet but also they don’t have the confidence that they will get the booking correct so they want somebody to blame if it goes wrong. Also if it gets messed up it would not be an additional cost to them to fix it from our end.”*

*“There is a technology fear in our society to the point that when some of my clients who have tried and failed at using some of these technologies to do business, find a good deal online, they still come to me asking me to use the company credit card to do the booking. Needless to say I also charge them for this service.”*

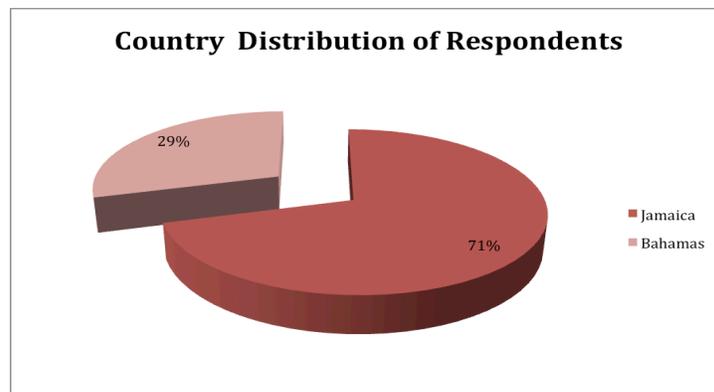
This recurrent theme in the responses from the elite interviews prompted a need to collect data directly from the consumer. The quantitative analysis revealed the following:

**4.1. Data Overview**

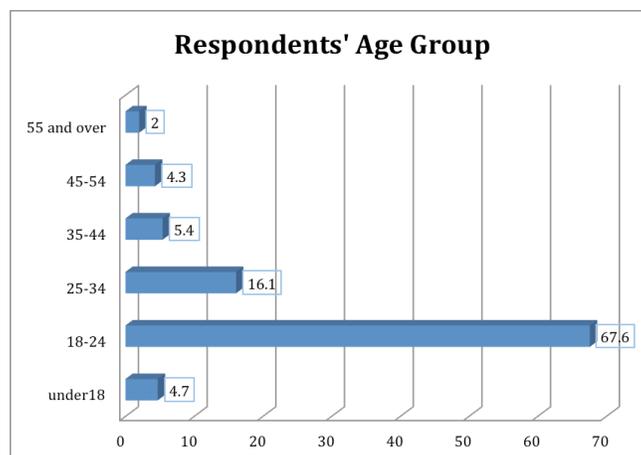
*4.1.1. Demographic Overview*



**Figure 1.** Showing gender distribution of respondents



**Figure 2.** Showing country distribution of respondents



**Figure 3.** Showing respondents' age group

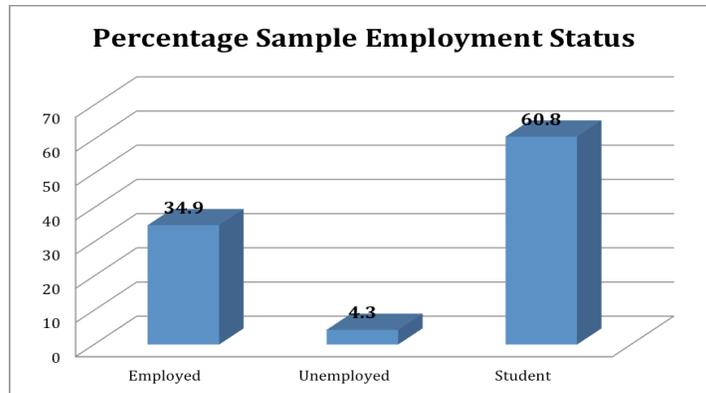


Figure 4. Showing percentage employment status

The population size of Jamaica ( approx. 2.7 mil.) warranted having a larger sample than the Bahamas (approx. 300,000) in an effort at being proportionate.

Figures 1, 2, 3 and 4 indicate the demographic overview of the respondents. The convenience sample was a young population of generation y (born 1980s and 1990s) travelers who were predominantly students. This was deliberate in that the market share which is more likely to be lost by traditional agencies is the young consumer who is more internet savvy (Castillo-Manzano & Lopez-Valpuesta, 2010). There is value in understanding their preferences in light of the prevailing argument in the literature that online bookings are largely driven by younger consumers with less loyalty to travel agencies, who will be the major income earners of the future (Kotler, 2012).

#### 4.2. Bivariate Analysis

Table 1A. The relationship between trust and country of residence

Level of Trust	Country of Residence		
	Jamaica n=210	Bahamas n=87	Total n=297
None	12.4	5.7	10.4
Low	40.5	27.6	36.7
Mid	30.0	40.2	33.0
High	17.1	26.4	19.9

P<.05

The chi-statistic reported a statistically significant relationship between levels of trust and country of residence ( $\chi^2=10.004, (3), .181$ ) as indicated in table 1A. This relationship is very weak and only explains approximately 3.2% of the variation observed in trust. Notably on a whole, 10% of the sample had no trust in travel agencies while approximately 20% showed high levels of trust. Further disaggregation reveals that 26.4% of Bahamians compared to 17.1% Jamaicans have high levels of trust in travel agencies. More than two-thirds of the Bahamian sample indicated mid to high levels of trust while less than 50% of the Jamaican sample indicated similar trust levels. Table 1B below goes further by providing analysis into the differences between the countries regarding trust levels and travel agencies.

**Table 1B.** The mean difference in trust by country of residence

Country of Residence	N=297	Mean Rank
Jamaica	210	139.58
Bahamas	87	171.73

U=7157.500, p=.002, .175

There is a very weak significant difference between Jamaicans and Bahamians in trust levels in travel agencies (**U=7157.7500, p=.002, .175**). Bahamians have higher trust levels and this is evidenced with a mean rank of **171.73** compared to **139.58**. This difference explains approximately 3.1% of the differences observed between Jamaica and the Bahamas.

**Table 2.** The relationship between trust and travel agency usage intent

Level of Trust	Do you intend to use a travel agency next travel time		
	Yes n=103	No n=182	Total n=285
None	3.9	12.6	9.5
Low	24.3	44.5	37.2
Mid	40.8	29.1	33.3
High	31.1	13.7	20.0

P<.05

As Table 2 shows, there is a significant relationship between trust and intent to use a travel agency for the next trip ( $\chi^2 = 25.121 (3) .285$ ). This relationship is weak and explains 8.1% of the variation observed within levels of trust. Approximately 43% of the sample who reported that next travel time they would not be using a travel agency also indicated mid to high levels of trust in travel agencies. This is counter intuitive and may be explained by the fact that younger consumers will typically be driven by convenience (Wen, 2012). It must however be highlighted that this does not constitute a majority of the sample. This can be compared to 28.2% of those indicating they would use a travel agency next travel time but “low to no” levels of trust. The implication is that higher levels of trust increase the likelihood of future bookings, which is intuitively aligned.

**Table 3.** The relationship between trust and travel agency usage

Level of Trust	Do you use travel agencies		
	Yes n=99	No n=137	Total n=236
None	0.0	16.1	9.3
Low	23.2	43.1	34.7
Mid	45.5	27.7	35.2
High	31.3	13.1	20.8

P<.05

Levels of trust in travel agencies and travel agency usage have a statistically significant relationship ( $\chi^2= 36.676 (3) .367$ ) as indicated in table 3. This is a weak relationship and explains approximately 13.5% of the observed variation in levels of trust. Notably 31.3% of those persons who indicated that they use travel agencies also highlighted that they have a high level of trust in the agencies compared to 13.1% of those who said they do not use but have similar trust levels. In fact, approximately 41% of those persons who do not use travel agencies indicate mid to high levels of trust. This is non-intuitive and points to the influence of other factors explored earlier in the literature such as speed, efficiency, convenience, control and pricing (Ganesh *et al.*, 2010; Jensen, 2012). Of importance is the fact that trust and accountability are not expected to explain why all consumers do not book with travel agencies but rather to add an element that was not previously considered in a small island state context. On the other hand 23.2% of those that actually do use travel agencies have low levels of trust.

**Table 4.** The relationship between levels of trust and travelling experience

Level of Trust	Travelling Experience		
	Yes n=227	No n=71	Total n=298
None	9.3	14.1	10.4
Low	34.8	43.7	36.9
Mid	36.1	23.9	33.2
High	19.8	18.3	19.5

p>.05

Table 4 illustrates that there is no relationship between levels of trust with travel agencies and travel experience<sup>1</sup> ( $\chi^2 = 4.884 (3), p>.05$ ). Those persons who have never travelled have a slightly higher distrust with approximately 58% reporting none to low levels of distrust compared to 44% of those with travelling experience. Notably there is a difference but this is only 14%. Therefore travel experience does not significantly influence trust in travel agencies. This is interesting and non-intuitive as it would be expected that perceptions would be influenced by experience. This highlights an even greater need for agencies to be expert advisors and provide a service which generates excellent word of mouth for the potential traveler who has never previously booked.

**Table 5.** The correlation between trust and preferences

	Trust	Preferences
Trust	1.00	.019
Preferences	.019	1.00
Correlation	.137	...
N	300	295

P<.05

There is significant weak positive association between trust and preferences seen in table 5 ( $p=.019, .137$ ). Approximately 2% of the variation in preferences can be explained by trust. Of

<sup>1</sup> Travelling experience is measured as having ever travelled

particular importance however is the importance of holding someone accountable for bookings and possible errors.

**Table 6.** The accountability factor and country of residence

Accountability	Country of Residence		
	Jamaica n=208	Bahamas n=88	Total n=296
Unimportant	4.8	0.0	3.4
Important	95.2	100	96.6

P<.05 (Fisher's exact)

Accountability is determined through responses which indicate that consumers believe it is good to have access to a travel representative, especially in terms of error reconciliation (q22), and the belief that travel agents have a greater responsibility in booking than an online booking customer system (q23). Table 6 indicates that a total of 96.6% of respondents between both countries are more inclined to book with a travel agent on the basis of accountability. In terms of differences between countries of residence, there is a weak significant relationship ( $\chi^2=4.379$ ,  $p=.036$ , .122). This is an extremely interesting finding as it points to possible similarities throughout the Caribbean region, which may render traditional agencies useful, and presents a need to replicate studies of this nature in other small island developing states. Approximately 2% of the variation in accountability can be explained by country of residence. Due to the cell count a fisher's exact was used as is the norm for contingency tables with small sample sizes.

## 5. Conclusion

Previous research on factors that influence consumer decisions about online travel purchase tended to identify factors that were considered to be universal. Typically online purchasing is said to be related to speed, efficiency, convenience, control and cost, while those that promote more traditional offline purchasing surround expertise, social interaction, privacy and security.

A key factor, which suggests a reason for why some consumers prefer offline booking channels (travel agents or direct), has been ignored and this may be applied to contexts in which "techno-fear" is high and where members of the population do not have extensive experience engaging in e-commerce. As indicated by the data, accountability is important to consumers in relationship-oriented societies such as Jamaica and the Bahamas where there is still a fair degree of uncertainty about online purchasing in general and in particular for a high-risk intangible service such as travel.

Qualitative results from CEOs stated that outbound consumers from Jamaica were less inclined to book online for fear of making errors and wanting someone to blame in the event the booking is incorrect. This was supported by the quantitative data in both countries and accountability was seen as a significant inhibitor to booking online. A combination of factors more clearly identify reasons for the lag in online booking uptake in these countries based on the data presented earlier. These are trust, family preferences, previous usage and accountability. These more adequately explain technology acceptance and adoption in these cases. It must be noted however, that the results of this study are generalizable only to small island developing states with similar characteristics. Future research may assess the impact of accountability in larger developing states as well as developed countries.

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