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**The Make-Over of the Travel Agent;  
Responding to the New Information Technology Environment**

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The travel and tourism industry is contributing to economic growth all around the world: globally the industry is recognised as having enormous potential. Relying as it does on the flow of information, travel and tourism is fundamentally affected by changes in information technology (IT). Recent IT developments like the Internet and World Wide Web directly impact on the industry. The nature and size of the impact remains unclear, since at the one extreme there is the establishment of virtual travel offices and at the other extreme there are travel agents who show little interest in embracing IT. This paper examines some factors impacting on developments in the travel agency business environment. The first section explores the traditional role of travel agents, followed by a brief overview of the changes in their environment in the last decade. The travel agency's link to IT and, more precisely, the Internet and its impact is considered next; the impact of changes on the role of customers, training and various ways of coping by travel agencies are also briefly considered. The paper concludes with some comments on the means whereby travel agents can redefine their role and ensure the survival of their business.

### **The traditional role of travel agents**

Since the early 1800s entrepreneurs have promoted travel to affluent members of society. A system developed whereby agents were representatives and sellers of travel components on behalf of the service providers. Over the years, a travel agent has become a cost effective means of promotion for the supplier of travel products and services principally by providing advice and making bookings. The beginning of travel agency practices is attributed to Thomas Cook who started special-interest tour groups on a commercial basis. The principles used then, and other developments in the field of travel, are still very much part of the framework of today's travel industry (Pearce, Morrison & Rutledge, 1998).

Traditionally, travel agents have acted as intermediaries between airline companies, wholesale travel companies, tour and accommodation providers and the consumer. The primary role of travel agents is to market and sell products and services provided by other players in the travel and hospitality industry. This includes, inter alia, providing travel information, organizing tour packages, facilitating hotel bookings, issuing air tickets and arranging car rental services (Lam & Zhang, 1998; Standing & Vasudavan, 2000). The intermediary role of travel agents can be summarised into three groups of activities. First, passing information on between buyers and sellers, thus being information brokers. Second, executing transactions including issuing tickets and receiving payment. Third, giving advice based on their specialised knowledge of different products and services.

Data reflecting the activities of travel agencies confirm their primary role as intermediaries for other travel and tourism services. Travel agencies in Australia play an important role as intermediaries; 87 per cent of agencies were primarily involved in the distribution of travel products in 1997 (Standing & Vasudavan, 2000). In the U.K., travel agents are the key distribution channel for air tickets, booking 80 per cent of scheduled flights (Dumazel and Humphreys, 1999).

### **The environment of travel agents**

Being predominantly intermediaries, the environment within which travel agents work is directly related to the operating environment of airlines. As a result of competitive pressures and tendencies towards privatisation and deregulation, the travel industry has experienced pressures on operational profitability. One way of reducing the pressure is by

using available information technology that enables direct transactions and excludes the intermediaries (Vasudavan & Standing, 1999). Internal competition, mostly based on prices, and increasing customer demand, has contributed to a more difficult business environment in the travel industry. Customer service is increasingly crucial to being competitive and successful (Lam & Zhang, 1998). The travel and tourism industry pivots predominantly on the exchange of information and, thus, is directly affected by the progress in information technology. Internet and other IT applications have become a key aspects of innovation and competitiveness (Buhalis, 1998). The development of the telecommunications industry, especially advanced computer capabilities and software to support service delivery, is increasingly a factor that impacts on the travel and tourism industry (Olsen & Connolly, 2000). The impact of such change in the travel industry, spurred on by the growth of the Internet, has created a threat to travel agencies. To survive in the new environment, travel agencies will have to alter their business practices. Point-to-point bookings are expected to be made increasingly via the Internet (Standing & Vasudavan, 2000).

Olsen & Connolly (2000) identify a number of aspects as drivers of change in the travel industry. These include the following:

- Internet - Facilitating real time transactions and instantaneous access to information.
- Real time – Technology allows, and customers expect, a rapid transaction turnaround.
- Cyberspace regulations – The development of technology has left regulators behind. Regulations in terms of legislation, tax and rules of conduct impact on the use of the Internet.
- Data management – Being able to manage high volumes of customer and market related data and to determine its value in terms of marketing and managing the travel activities.
- Segments of one – Moving from the traditional competition based on price, location and amenities to an individual focused knowledge based competition.
- Archaic technology – Replacement with a multimedia approach to customer service requiring investment in hardware, software and training.
- IT awareness – Creating an awareness of the impact, value, capabilities, potential, limitations and threats of information technology in the industry.
- Cost of Technology – Analysing the capital investment (hardware, software, maintenance and training) required to lead or keep in touch with technological developments and applications in the industry.

The drivers of change listed above all have a direct link to the use of information technology. On top of this, information is considered the lifeblood of the travel industry. Unlike durable goods that can be physically displayed, presented and inspected before purchase, tourism is based on information. Tourism is purchased before, and away from, the place of consumption. To attract customers, travel agents have to represent and describe the products and services. In order to obtain business success, travel agents need to supply information that is timely, competitive and accurate (Buhalis, 1998). The crucial roles of information gathering and transmittal demonstrate the importance of having relevant information technology available

## **The IT environment**

Information technology is a collective term used to describe developments in the mode used for the acquisition, processing, analysis, storage, retrieval, dissemination and application of information. Recent developments in the field of IT have revolutionised programme capabilities and application. The impact of these developments affects increased computer speed, smaller hardware size, lower hardware and software costs, improved reliability, compatibility and interconnectivity; thus IT forms a crucial link in the life of the travel industry. Changes in IT force the sector to rethink the way in which information is to be organised and distributed (Buhalis, 1998). This, in turn, influences the efficiency and effectiveness of the industry itself. The impact of IT, on efficiency, competition, operational costs and response time, contributes towards a transformation of the strategic and managerial best practices in the industry. According to Buhalis (1998) the focus of the industry is shifting towards individual travel and dynamic packages targeting mini-segments of the public.

Travel agencies are no strangers to using information technology. The travel and tourism industry has embraced the use of IT since the early seventies, well ahead of other industries. In the early 1970s the Computerised Reservation Systems (CRSs) became central to the distribution of airline services. The CRSs were used as an instrument of operational and strategic management. In the mid 1980s the CRSs evolved through expansion of geographical coverage and horizontal and vertical integration into Global Distribution Systems (GDSs). GDSs emerged as the backbone of the industry by establishing a global communication standard and a new electronic tourism distribution channel (Buhalis, 1998). Access to and use of both CRSs and GDSs remained limited to participants in the tourism industry however. In addition, both systems showed a lack of flexibility, complex data entry and lack of updatability (Dewar, 2001). The worldwide use of GDSs is supported by organisational information systems in accounting, billing and record keeping (Standing & Vasudavan, 2000).

The development of IT indicates that travel and tourism products and services will be at a competitive disadvantage unless they use emergent electronic distribution channels. IT has transformed distribution of travel information to an electronic marketplace (Buhalis, 1998). Trends in the IT area influence travel and tourism markets in the following ways (Selby, 2000):

- Speed - Improved IT enables business to be executed quickly and more efficiently.
- Constant Change - Business practices change continuously and rapidly.
- Formation of Networks - Geographically dispersed companies can meet in electronic market places and knowledge sharing facilities.
- E-commerce - New ways of direct selling and buying online are established.
- Increased importance of Knowledge Sharing - The speed of business and pressure to continually innovate raises the value of differentiated intellectual capital.
- Erosion of distinction between 'domestic' and 'international' business - Web sites used by suppliers or customers can readily reach foreign and domestic customers and suppliers.

Most of the trends are directly related to the development and use of the Internet.

## **The Internet**

The IT revolution was put on a different level with the introduction of the Internet in the early 1990s. Developments on the world wide web (WWW), as the fastest growing area

on the Internet, instituted a platform for efficient, live and timely transfer of information of products and services. The use of the Internet significantly alters the relationship between service providers and customers; customers are no longer dependent on intermediaries to provide relevant up to date information (Olsen & Connolly, 2000)!

Travel and tourism has been identified as the perfect product for online sales and distribution (Beeton, 2001). The Internet serves as a medium to distribute products to all Internet users and, simultaneously, allows settlement to take place. The traditional role of travel agent; i.e. being predominantly distribution and settlement agencies, is directly threatened by the rise of the Internet (Vasudavan & Standing, 1999; Buhalis, 1998).

Nevertheless, the introduction of the Internet does not guarantee growth or profitability. The introduction of Internet will be associated with costs which sometimes exceed the benefits generated (Buhalis, 1998). Four major areas of change tend to be associated with the introduction of IT and Internet implementation of travel and tourism programmes; environment, competition, use and Virtual Travel Agencies.

### Environment

The availability of hotel rooms, car rentals and airline bookings on the Internet raises the risk that customers will view these items as commodities. This being the case, decisions may well be made based only on price and location; intermediaries will have no role to play (Olsen & Connolly, 2000). In turn, this creates opportunities for marketing, allowing for computer-mediated empowerment of customers by replacement of the former one-way information flow. The Internet also leads to affordable opportunities for global marketing, including Internet reservations, e-ticketing and self check-in facilities (Buhalis, 1998). The Internet and the world wide web interrelate in a direct and simple way with the tourism industry. One of the most important characteristics of the Internet is its ability to reach the global market. This enables even small players to gain a considerable advantage by using the available technology (Dewar, 2001).

These influences affect the role of intermediaries in the distribution channel, the composition of travel products and the overall transformation of the tourism and travel industry. The industry is moving more towards a flexible, individual oriented, integrated composition of players (O'Brien as quoted by Vasudavan & Standing, 1999).

### Competition

The introduction of the Internet as an instrument in the travel agent environment has changed the competitive framework of the industry. Physical aspects of location and size become irrelevant to a business' competitiveness. However, the Internet can be used as an instrument to establish a competitive edge in the industry (Buhalis, 1998). The Internet provides a new distribution channel, and with it a threat to travel agents. Travel companies offer their products and services directly to the customer without the assistance of intermediaries. In addition there are on-line agencies that are leading a restructuring in the functioning of the travel industry (Standing & Vasudavan, 2000).

In 1997 (Hardie as quoted by Dumazel and Humphreys, 1999), 75 per cent of airlines indicated that they were planning to sell services on-line. The Internet is attractive to airlines because it offers savings in terms of staff, ticketing and commissions as well as increased market coverage for their products; it would effectively establish airlines as competitors to the travel agents in terms of air tickets.

Most airlines and larger travel agencies have developed their own websites to participate in the e-commercialisation of a section of the industry. This establishes players to be active in both the online and the off-line segments of the market. Most sites are developed to provide a one-stop service, providing both information and functionality (Chu, 2001). In addition, there are new entrants to the industry that were lured purely by the information technology. The most important of these are referred to as Virtual Travel Agents and are discussed later. All groups now compete for the same travel activities that were traditionally served only by off-line travel agents.

### Use

Ignoring or under-utilising the Internet might create a strategic vulnerability or competitive disadvantage for travel agencies. At the same time it is necessary to redesign organisational structures and systems to ensure integration (Buhalis, 1998).

Buhalis (1998) identifies three distinct areas where the Internet can be used as an instrument to support and execute the functioning of the organisation. These are:

- Intra-organisational use of the Internet includes intranet, management information systems, decision support systems, accounting and the like. Using the Internet as an instrument to integrate front and back office functions within the organisation can enhance efficiency, productivity and even strategic and operational management.
- Inter-organisational systems refer to facilitating information flow and interconnectivity between individual organisations. The CRSs and GDSs are an example of the extensive use of these systems in the tourism industry.
- Although the Internet empowers customers, providers in the tourism industry can use it as a tool to interact with their customers. This, inter alia, could take the form of giving travel advice, making and amending reservations and bookings, facilitating payment and enquiries and giving feedback.

Research by Standing & Vasudavan (2000) indicates that travel agents in Australia increasingly are using the Internet. The three main uses by customers are accessing tourist attraction information, fare information and package tour information. From a strategic perspective the use of the Internet and web technology is considered to be an add-on to current operations. Its impact on, and potential for, business operations is also rarely considered. Although the Internet is promoted and used by many businesses to meet the immediate demands of 'visitors', it fails to capture business (Cano & Prentice, 1998).

### Virtual Travel Agencies (VTAs)

The emergence of so-called Virtual Travel Agencies (VTAs) occurred initially in the USA. The number of VTAs has increased in the late nineties; estimations indicate that online travel could account for 35 per cent of all online sales by 2002 (Ozemail, 1998). The introduction of recent VTAs implies that customers can also directly access information of the Sabre computer reservation system (Aldred, 2000). This means that customers can access discounted fares that would otherwise not be available to them, and book these fares.

The VTAs are in the process of taking over the traditional order-taking role of travel agencies. This is done by introducing new consumer-centred methods of buying and selling products and services (Olsen & Connolly, 2000). VTAs must create product and

service offerings that exceed the value or simplify the procedure of travelling compared with off-line products and services (Chu, 2001). VTA services and information exceed that offered by traditional travel agents. Over and above the products and services offered by their physical counterparts, VTAs offer information on weather, currency exchange, city maps and other detail which enables them to supply a more individual oriented service (Vasudavan & Standing, 1999). Although most VTAs operate at a substantial loss, the industry is showing signs of viability. Most VTAs report increases in revenue and bookings. Travelcity.com for example reported its first quarterly operating profit in April 2001 and an annual increase of average monthly bookers of 67 per cent. In turn, Expedia.com expects to make an operating profit in the third quarter of 2001 (Gordon, 2001).

Over and above the increased volume and detail of information available to customers, the advantages of VTAs include convenience and variety of products; e.g. potential customers can purchase the product anywhere, anytime (Chu, 2001).

### **Empowering consumers**

The consumer-centric way in which VTAs offer products to customers establishes a demand driven industry where consumers take charge and dictate the price of products and services to be consumed (Olsen & Connolly, 2000). Possibly the most significant Internet impact lies in the empowering of consumers to develop and purchase their own travel plans (Buhalis, 1998).

Increases in reliability, speed and user friendliness of Internet applications make information instantly available to customers of the travel and tourism industry (Olsen & Connolly, 2000). In the interaction with travel agents, consumers rely on the information supplied to them. The use of the Internet empowers consumers in the sense that it supplies all the information that travel agents have available. These clients are more on a par with travel agents and can manage the marketing and selling activity themselves (Vasudavan & Standing, 1999). As a result of being better informed, customers seek even more detailed information and sophistication of products. This translates to a higher demand for the right combination of products and services at the best prices within the shortest delivery time (Chu, 2001).

The developments of the telecommunication industry accelerate customer knowledge about the travel industry and ability to reshape the nature of and way in which products and services are offered. This places the customer in a different bargaining position and will change the competitive environment of the industry. The Internet provides customers with a new tool for gathering information, contributing to demands of instantaneous response to enquiries and hassle free service. In order to meet these demands, service providers need to be flexible and quick (Olsen & Connolly, 2000). According to Buhalis (1998) the demand for tourism products has changed in both complexity and time delivery. Travellers increasingly access reliable and accurate information at a fraction of the cost, time and inconvenience of conventional methods. This puts them in a strong negotiation position. At the same time as travellers are empowered by additional information, they enjoy the greater flexibility, speedy transactions and being allowed to do 'last-minute' transactions.

The profound and continuous changes in information technology and their consequences for travel agents in particular, require a strategic rethink on the wider travel and tourism

industry. Travel agents will have to map out different ways to cope with the pressures on their role.

### **Addressing the pressure**

Production and consumption functions in business and in tourism in particular, are increasingly dominated by IT networking and interactivity. Service providers which fail to participate in the electronic marketplace will face a competitive disadvantage and risk losing market share in the long run (Buhalis, 1998). In coping with changes in electronic information management and communications, participants in the travel and tourism industry have to decide on their approach towards the changing business environment. The ultimate choice is between taking a reactive or a proactive position (Dewar, 2001). The decision on how to address the volatile environment and, ultimately, hedge against the pressures could be based on various approaches towards the travel and tourism market.

### Niches

Travel agents will need to re-assess their environment and decide which market segment they will concentrate on (Buhalis, 1998). Niche marketing, which easily can be done via the Internet, is expected to become increasingly necessary (Standing & Vasudavan, 2000). Agents can consider specialisation either in market segments or service delivery in order to: gain a broader use base; differentiate value by designing high quality personalised travel arrangements for consumers; follow a preferred product orientation or market segmentation from a supply perspective (Pearce, Morrison & Rutledge, 1998; Buhalis, 1998).

Within the travel and tourism market various niches are based, amongst others, on income, age, destination, cultural exposure and experience. As with any small business, it is imperative for a travel agent to specialize and serve a niche in the market (Bermant, 2000). This approach is confirmed by the study of Vasudavan & Standing (1999) who indicated that 39 percent of Western Australian travel agents specialize in segments like cruise travel, 'seniors' travel or Asian destinations. In reality, different market segments will use different distribution channels. Older generation travellers and infrequent travellers are expected to continue to use traditional office based travel agents (Buhalis, 1998) thereby creating a lifeline niche for off-line travel agents.

### Outsourcing of IT

It is hard for providers in the travel and tourism industry to assess the benefits of using information technology. The pace of technological development requires a continuous updating of both hardware and software. Without a valid and reliable valuation model providers tend to under invest and use inadequate technology. The value and potential of outsourcing of the technological side of business should be considered. Support roles falling outside the set of core competencies of the business can be executed by other firms (Olsen & Connolly, 2000). This applies especially to activities in the technology field.

The World Tourism Organisation (as quoted by Beeton, 2001) supplies sound advice on the contracting of agencies to maintain, evaluate, implement and promote business web sites.



## Integration

IT provides new opportunities and challenges for integration between participants in the travel and tourism industry; this integration could be either horizontal, vertical or diagonal (Buhalis, 1998). The tourism sector offers a logical arena for integration. The nature of initial high capital cost and low marginal cost in the airline, hotel and car rental industries creates opportunities for seeking economies of scale. These can be realised by pursuing horizontal integration; the tendency of airlines to form partnerships and alliances is a prime example. Vertical integration, in turn, is expected to lead to a competitive advantage; however the lack of successful vertical integration in the tourism industry suggests that this is difficult to achieve (Lafferty & van Fossen, 2000).

One alternative to addressing the technology issue is to expand the travel domain by integrating it with other businesses. Diagonal integration is based on offering a travel experience where all products and services are offered as part of one experience. This is done by integrating the logistics, hospitality and experience requirements of the customer into one package (Olsen & Connolly, 2000). This could be illustrated, for example, in the development of a regional tourism destination system which could enhance market awareness, boost business images, offer diverse multiple experiences and attract direct bookings (Buhalis, 1998).

By forming a partnership with other providers in the travel and tourism industry, both traditional travel agents and VTAs can create a lifeline for their business (Bermant 2000). Partnerships allow the client to experience a one-stop-shop which addresses the convenience often required by travellers. The partnership principle is a service concept which affects not only interactions amongst businesses but also includes establishing a partnership with customers.

## Changing roles/Adding value

Travel agents are experiencing a change in the roles they exercise in the hospitality industry. Instead of presenting products and services from third parties, travel agents will have to redefine their role. The challenge lies in their ability to provide a source of value in the travel value chain (Olsen & Connolly, 2000). Buhalis (1998) agrees that travel agents will need to transform their core business from being simply booking offices to that of travel managers and advisers, thereby adding value to the total travel experience. Successful agents will need to add value to the travel experience of customers (Pearce, Morrison & Rutledge, 1998).

The changing information environment in which travel agents find themselves demands that they look at the industry from a different perspective. Travel agents should adopt a strategy to become gatekeepers for the experiences of customers. By doing this, hotel rooms, airline seats and rental cars will not become commodities in the consumers' eyes. The future role of travel agents will be to arrange not only accommodation and transport but also to put together total experience related services (Olsen & Connolly, 2000).

Olsen and Connolly (2000) predict that the hospitality customer of the future will show very little, if any, brand loyalty. Each transaction will be considered to be a new decision. In order to tap into this type of opportunity market, service providers will have to exhibit superior products and services and add real, significant value to the guests' experiences. Personal, relationship building agents who assist customers to find exactly what they want will be needed to address this issue.

### No threat

In examining the projected potential and threats of VTAs, one of the most common concerns expressed is that there are many lookers but few bookers (Vasudavan & Standing, 1999). Wheelam (as quoted by Bermant, 2000), the CEO of Adventureseek.com, argues that customers do not book at their first visit. It is important, therefore, that instruments are in place to develop a partnership with customers. Chu (2001) confirms that customers tend to look for products and prices online, but predominantly are still offline shoppers; i.e. they seek detailed information online but tend to finalise their travel arrangements offline.

Often, the Internet is not used to its full potential by many participants in the travel industry; this may be partly the result of a lack of appreciation of what the Internet can do, problems with data security, the quality of the site design, transfer speed or the level of computer and Internet penetration in the customer market (Cano & Prentice, 1998). The strategic use of the Internet and e-commerce by travel agents depends, as with business generally, on the security of transactions, the reliability and quality of information provided to customers and the convenience of the entire process (Buhalis, 1998).

According to Standing and Vasudavan (2000), the most important obstacles in the adoption of the Internet are related to operation and implementation costs. Few travel agencies, however, have attempted to make a specific cost/benefit analysis of the implementation of the Internet. Purchasing online is further hampered by a number of obstacles and shortcomings of e-trading. These include lack of insecurity, lack of privacy, limited discounts, technical obstacles, credibility of information, intellectual property and copyright, bandwidth and speed limitations, user dissatisfaction, lack of adequately trained specialists, equal access and pricing (Buhalis, 1998). These issues need to be addressed before the Internet can reach its full potential in the travel industry.

Although online technology in the travel and tourism industry has expanded dramatically over the past 10 years, participants do not have a firm grasp of either the demand or supply side of travel and tourism online (Beeton, 2001).

### **Training**

One of the most significant barriers in the adoption of the Internet and other Web technology is related to the lack of expertise and training (Standing & Vasudavan, 2000). Inadequate staff training and development is common in small businesses and is not different in the travel and tourism industry. This tendency was confirmed in a 1998 WA survey which found that very few travel consultants had been sent on formal training courses or been given individual training in relation to the Internet (Vasudavan & Standing, 1999).

The introduction and use of information technology requires relevant and up to date training. Although travel consultants are familiar with information technology systems used in the industry, training on the use and application of the Internet, web pages and other more recent technologies is crucial; it will empower consultants to use available IT as part of their services and ensure an appropriate level of competitiveness (Vasudavan & Standing, 1999). Training and education of staff in both innovation management and IT will allow the industry to keep in step with contemporary developments (Buhalis, 1998).

In order to adapt to the new environment, travel intermediaries will need to have the proper type of employee. In order to address the higher demands of customers, empowered and informed staff should support reliable and user-friendly equipment. Employees need to be able to work in a technological environment, manage information exchange and have the skills to create and operate matching systems (Olsen & Connolly, 2000). Being personal consultants, employees need to determine and understand the customer's problems, needs and expectations. This implies that staff members will have an in depth knowledge of products and services in the hospitality industry. Another contributing factor is that remuneration in the travel agent sector is relatively low and staff tend to stay in the industry for relative short periods of time. This contributes to the fact that travel agents find that anything more than basic training is not financially viable (Shaw as quoted by Dumazel and Humphreys, 1999). One of the greatest challenges for the implementation of IT is to train travel managers who will effectively and innovatively use the Internet as a tool in decision-making that establishes strategic and competitive advantages (Buhalis, 1998).

### **The new role of travel agents**

Changes in distribution methods of travel products and services are forcing a re-creation of the roles of travel agents. The travel agent is expected to become more of a leisure consultant and establish a competitive advantage based on an overall industry knowledge. This implies an ability to establish networks to gain knowledge on current and future behaviour of customers, competitors, suppliers and regulators (Olsen & Connolly, 2000). It is argued that increased formation of networks becomes a major positioning tool for travel agents. These networks are required to cover the whole continuum of tourism activity to meet the increasing expectations and demands of more knowledgeable, sophisticated and discerning customers.

Eventually, the required one-to-one marketing and packaging of tourism experiences for the individual needs of consumers can only be facilitated by IT (Buhalis, 1998). According to Olsen & Connolly (2000) this entails the following:

- Internationalisation. The Internet facilitates global exposure and, thus, creates opportunities for wider exposure. At the same time, international destinations offer a broader range of product options and chances to address customer preferences.
- Electronic business is expected increasingly to replace the fixed office. The use of open reservations systems where both intermediaries and users can access information will demand that intermediaries establish a more interactive role.
- Changing shopfronts. Although the electronic trading pressures on travel agents resulting from might be counteracted by promoting the increase in first-time travellers, the travel agent industry will have to establish both a physical and electronic shopfront.
- The brand based needs of each customer require a composition of products and services. Travel agents can add value by putting together the products and services that match the customer's portfolio. Success will depend on the availability and management of information, both on the demand and supply side.

Sustaining a viable travel agency in the future is expected to depend on the agent being able to meld the demands of the customer with the available products and services in the industry. This process has to meet high standards for integrity, honesty, immediacy and value (Olsen & Connolly, 2000). In addition, adequate equipment, training and service will be core competencies impacting on long term competitiveness. The more the needs of the customer can be addressed comprehensively by offering the right package, the more value the travel agent has contributed to the customer and the travel agency itself. The

providers in the industry that develop and perfect this process will re-create their own role and secure survival (Olsen & Connolly, 2000).

**Reality check.**

The arguments in the travel industry on the perceived and/or real role and impact of IT, in general, and the Internet, in particular, are multiple. The crucial difficulty, however, is to measure and value the impact in order to determine the different ways in which travel agents can best adapt to the presence of the Internet. Early indications are that considerable segments of the travel industry are reluctant to introduce high levels of Internet involvement as a marketing or strategic management tool within their operational functioning.

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