

Internet vs. Travel Agencies: the Effect of Online Booking on Travelers Purchasing Behavior and the Future of Travel Agencies

Dalia Zaki

Department of Tourism Studies, the High Institute for Tourism, Hotels and Computer, Alexandria, Egypt.

Abstract

Internet is a reality of today's tourism industry, as it offers a new context in which to do business, switching from a channel to a media perspective. Advanced communication technologies and the growing availability of travel services and related tourism products on Internet over the past few years have aimed at encouraging travelers to give up using travel agencies. Travel services and tourism products are usually bought without experiencing them first, so buying them online is not so different from offline experience. Thus, some authors have predicted that travel agencies will no longer exist in the future as travelers turn to Internet to book their travel and tourism products. This exploratory research identifies opinions on Internet, online booking and the future of travel agencies. A questionnaire survey was conducted among Egyptian travelers. The research results suggested that although more travelers are turning to Internet, yet some were doubtful to book online. Currently, online booking is increasing; as more experienced and active young Internet users are entering the travel market and making online reservations. It might be impossible to make accurate forecast of the effects of Internet on the travel agencies, but what is more important is that travel agencies must be aware of the changes that are taking place in the travel and tourism industry, and realize how travelers see and use Internet.

Keywords: e-commerce, internet, online booking, traveler, travel agencies, tourism suppliers, World Wide Web.

Introduction

Information technology (IT) has significantly transformed travel and tourism (Sheldon, 1997; Werthner and Klein, 1999). From the development of Computer Reservation Systems (CRSs) in the 1960s to

the Global Distribution Systems (GDSs) in the 1980s and the dawn of Internet in early 1990s (Xiang et al., 2015), the tourism industry has always been faced with the rise of new technological developments that created both opportunities and challenges (Buhalis and Law, 2008).

As Internet reached more than twenty years, it continues to change and impact the way travelers access and use travel-related information (Xiang et al., 2015). First, Internet is now consisted of a massive amount of information which basically symbolizes the 'external memory' for many people; accordingly, they have become ever more dependent upon it for everyday life (Sparrow et al., 2011). As a result, tools such as search engines have become a dominant force that influence travelers' access to tourism products (Xiang et al., 2008). Second, the remarkable growth of social media has altered the dynamics of online communications (Xiang and Gretzel, 2010; Sigala et al., 2012). Third, recent developments in mobile computing, particularly with the implementation of smart phones and their applications for travel, posed new area for information search and use (Wang et al., 2012), thus by all means Internet become more and more important to nowadays travelers.

The effect of Internet on the tourism industry is clearly evident in which, is 'highly information intensive' (Sheldon, 1997), as information is widely circulated by Internet so it is easily understood why Internet is a perfect distributing channel for tourism (Lang, 2000). From a supplier's perspective, the success potentials derived from operating a Website consist of lower distribution costs, higher revenues, and a larger potential market share (Dolnicar and Laesser, 2007). For travelers, Internet allows direct communication with tourism suppliers to facilitate requests for information, and allows services and products to be purchased at any time and any place (Olmeda and Sheldon, 2001).

Internet is one of the most important issues for travel agencies. Some authors have predicted that travel agencies will no longer exist in the future as travelers turn to Internet to book their travel and tourism products (Lang, 2000). It is important to note that Internet is not a new distribution channel, suppliers, such as airlines and hotels, are making strategic decisions to target travelers directly and bypass the traditional distribution channels (Walle, 1996). By selling direct on Internet they allow travelers to directly access their reservation systems (such as British Airways, Marriott Hotels, Avis) or Web-based travel agents (e.g. Expedia.com, ebookers.com, Travelocity.com) (Buhalis and Licata, 2002). In addition to the previously stated channels, there is a gradual emergence of further new ones using mobile devices (e.g. mobile phones,

palm tops, etc) (Buhalis and Licata, 2002). Travel services and tourism products are usually bought without experiencing them first, so buying them online is not so different from offline experience (Bringgs, 2001). For this reason, Internet has become an essential distribution tool for the tourism industry (Cosma et al., 2002). There is no doubt that the number of Internet users has been growing exponentially, along with the number of travelers turning to Internet for their travel arrangements (Lang, 2000).

A lot of the latest literature has focused on the dynamic and competitive environment in which travel agencies operate. Nevertheless, there are apparently little researches on the impact of online booking from the travel consumers' perspective. Therefore, the aim of the present exploratory research was to investigate the purpose of using Internet by Egyptian travelers, to identify online travelers' socio-demographics and in particular, to examine the trend to use Internet or a travel agency when planning and arranging their trips. Finally, the research also expands on the expected future of travel agencies. Accordingly, the study hypothesized that:

- H1: The socio-demographic characteristics significantly influence travel consumers booking online.
- H2: Using Internet in Tourism is significantly correlated with travel consumers booking online.
- H3: The existence of travel agents in the future is significantly correlated with travel consumers not booking online.
- H4: The increase in online booking by travel consumers is negatively correlated with the existence of travel agents in the future.

The structure of the paper was as follows. This is the first section in which an introduction and background of the topic was given. Section two presented the existing relative literature. Section three discussed the survey methods adopted. The findings derived were discussed in section four. The last section concluded the paper.

Literature Review

Internet and electronic commerce (e-commerce) developments in the late 1990s and the adoption of tourism as one of the prime 'Business to Business' and 'Business to Consumers' application (Buhalis, 1998; Smith and Jenner, 1998; O'Connor, 1999), has changed the way suppliers distributed their tourism products in the marketplace (Buhalis and Schertler, 1999; Sheldon et al., 2001). The introduction of Internet as a universal and interactive means of communication, and the parallel

change in travel consumer behavior and attitude, have therefore, shifted the traditional way tourism and travel products are distributed (Werthner and Klein, 1999; O'Connor and Frew, 2000).

Traditional distribution and, afterward, customer services related to the product depend upon what so- named 'intermediaries' (i.e., tour operators and travel agencies) (Xiang et al., 2015). Thus, product distribution and customer services were narrowed in their scope and reach in the period before Internet (Sheldon, 1997; Werthner and Klein, 1999). Since, the emergence of Internet in 1993, it has permeated all facets of life (Castells, 2011). Internet offers a new context in which to do business, switching from a channel to a media perspective (Rayport and Sviokla 1994), with numerous implications for the distribution of products (Weiber and Kollmann, 1998). This has led to drift towards 'disintermediation', so the exclusion of middlemen between travel services providers and consumers is eagerly noticeable (Cheyne et al., 2006).

Internet is a reality of today's tourism industry; it has penetrated the decision-making process of travel as well as affected how transactions are made (Gursoy and Umbreit 2004; Beldona 2005), resulting in some major changes within the travel industry (Smith 2004). The adoption of Internet provided the foundation for the development of new systems connecting travelers and CRSs/GDSs (Werthner and Klein, 1999), and in the late 1990s it allowed the entry of a series of online travel agencies such as Expedia, PreviewTravel, Priceline, and TravelBids providing travelers with direct access to the travel market (Xiang et al., 2015). These new intermediaries provided new benefits for both travelers and suppliers because they reduced transaction costs, increased discounts for travelers and eliminated the coordination mechanisms from other sales channels (Werthner and Klein, 1999). Apparently, these new intermediaries have been widely adopted by travelers, as it has been claimed that, as of July 2013 Expedia has almost 12.4 million monthly visitors, while Tripadvisor has 57 million users and approximately 2800 new topics were posted everyday to the Tripadvisor forums (Xiang et al., 2015). Thus, it might be assumed that travelers will make some changes in the travel industry, and Internet usage will eventually affect the future of travel agencies (Cheyne et al., 2006).

Gradually more travelers carry out their whole tourism information search or booking online and, therefore, the role of traditional intermediaries has been changing spectacularly (Buhalis and Licata, 2002). The travelers can tap several channels and different media in conjunction and simultaneously providers have to ensure that their services are present (in

terms of providing information as well as possibilities for transactions) on all relevant channels (Reinders and Baker 1998). Today, travel consumers are in the tourism driving-seat (O'Connor, 1999). They are more and more experienced of using Internet. Organizations that disregard this fact will be left behind in the rise of other organizations that offer more consumer-focused self-service technologies (Christiansson and Sporrek, 2003).

Previous studies illustrated that tourism services offered over Internet are becoming more common. Some frameworks provided insights to the understanding of travelers' usage of Internet for travel and tourism. For instance, a study investigated the travel purchasing behavior of Americans travel consumers, where it is generally recognized that a high level of Internet usage exists. The findings suggested that travel consumers were gradually turning to Internet and the main purpose for using it was for obtaining information but few regularly book online (Lang, 2000). Whilst, a more recent on-going longitudinal study that was conducted by the National Laboratory for Tourism and e-commerce at Temple University; to identify behavioral changes taking place in the past six years in American travelers' use of Internet in travel and tourism. The results reached the following: (1) Internet was number one source of information in trip planning and many travelers were extremely reliant on it in searching and organizing their next trip, (2) travel products such as air tickets, accommodations, and car rental lead the online travel market as the most products purchased online, and (3) in general, Internet has become the most important travel planning tool among all generations, however, younger generations, specifically Gen Y (age range between 20 and 32), are more active in using Internet and using online travel agencies to make reservations (Xiang et al., 2015).

A survey was designed to examine the function of Internet used as a self-service technology in an online booking service offered in an online site in the name of 'Book West Sweden'. The online site included packages and links to tourism products that the area offers. The result confirmed that online bookers only counted to about one third of the total bookers. In spite of the tourists' satisfaction with the experience of booking online and the intention to book again next time, however awareness of the booking site's existence was a key factor to consider, if many other consumers did not know about the online site so this would limit the number of bookers in the future (Christiansson and Sporrek, 2003). Another study was employed to find why Romanians use Internet, if they practice tourism and their online preference usage. The results indicated

that searching for information, followed by comparing tourism offers and shopping online tourism products were the most preferred usage of Internet (Cosma et al., 2012).

There are major challenges confronting travel agencies as the main intermediaries in tourism. It has been assumed for quite some time that a profound disintermediation is taking place (Dolnicar and Laesser, 2007), driven by the enabling power of Internet, which enables travelers to substitute themselves for travel agencies and make their own arrangements (Laesser and Jaeger, 2001; Tse, 2003; Law et al., 2004). Advanced IT and the growing availability of travel services and related tourism products on Internet over the past few years have aimed at encouraging travelers to give up using travel agencies (Caywood, 1999; Loverseed, 1999; Murray, 1999). In addition to, airline cutting of, and limits on commissions paid to travel agencies and the dawn of electronic ticketing (Cheyne et al., 2006), have collaborated mainly in favor of the suppliers and at the expense of the travel agencies (Barnett and Standing, 2001). This had exaggerated the competition between Internet and travel agencies further.

There is a great debate in the literature regarding the advantages for travel consumers doing their travel arrangements using Internet. Some authors had suggested that Internet provides them with more information, quicker responses and usually lower prices than they can accomplish when making travel arrangements through a traditional travel agency (Anthes, 1997). Conversely, many writers supported the travel agencies in providing better service than Internet; especially when making complex travel arrangements (Pappas, 1997), answering inquiries (Furger, 1997), solving problems (Cheyne et al., 2006) and maintaining a relationship with travel consumers (Fastie, et al., 1998). Travel agencies are considered as personalized consultants (Lyle, 1995; Walle, 1996; Paulson, 1997; Palmer and McCole, 1999). Travelers can save quite a time in the preparation and arrangements of their trips; by the unbiased advice that provide adds value for travel consumers (Cheyne et al., 2006), even though the increasing usage of Internet in making travel arrangements.

Still, the IT developments will generate more problems for travel agencies that fail to adapt, as new electronic intermediaries will be competing to maximize their market share by adding value and benefits for both service suppliers and travel consumers (Buhalis and Licata, 2002). Thus, travel agencies must specialize their activities (Lowengart and Reichel, 1998). They should reconsider the means of doing business to ensure that they remain in the market and benefit from the developing opportunities

(Buhalis and Licata, 2002). Travel agencies should move from a focus on transaction processing to the provision of consultative services (Standing and Vasudavan, 2000). They should place themselves as travelers' advocates who will find the best deals for them (Cheyne et al., 2006), and concentrate on providing information and details that are not available on Internet (Samenfink, 1999). On the other hand, there is a significant possibility for travel agencies to expand their use of IT, by developing their own websites to include online bookings (Cheyne et al., 2006). Using innovative interfaces, travel agencies will be able to distribute their products to a wider population and to enhance their competitive position (Buhalis and Licata, 2002).

Methodology

Research Instrument

To carry out with this examination; a questionnaire survey was conducted. The questionnaire consisted of three sections, in which the first section referred to the socio-demographic characteristics of the respondents such as gender, age, occupation, annual income and education. Following that, the respondents had to reply to a variety of questions related to their usage of Internet, channels in which they refer to when planning their travel, general travel purchasing behavior, using their credit card details over Internet and their opinion about the future of travel agencies. Afterwards, the respondents would answer according to their personal relevance a set of questions aimed at measuring the degree of agreement or disagreement of the usage of Internet in purchasing tourism products and the future of travel agencies; by using a five-point Likert Scale, ranging from 1= 'strongly disagree' to 5= 'strongly agree'. A useful listing of questions was found in earlier studies (Lang, 2000; Christiansson and Sporrek, 2003; Cosma et al., 2012). So the most relevant questions to the research objectives were adapted. Prior to the formal survey, various faculty members and practitioners in the field of tourism were consulted, and based upon that, a questionnaire was developed. A pilot test was conducted among 10 Egyptian residents to modify any ambiguous or misleading questions. This procedure provided also valuable information about the questionnaire design, wording and measurement scales.

Sample Size and Data Collection

The study population consisted of travelers who were Egyptian residents and who were in the public seating area at Borg El Arab Airport and Cairo International Airport on, 25th and 26th of November 2015. Travelers

who were 18 years or more where approached. It was carefully explained to the respondents that those who do not book online views were as important as those who book online, and that the questionnaire was not a test of their Internet knowledge. It was aimed to collect 200 questionnaires, but in total, only 83 completed questionnaires were obtained with response rate of 41.5%. Three questionnaires for respondents who were non Egyptian residents were excluded, which resulted in a final sample of 80. Those who refused to participate stated time and language (as the original questionnaire was written in English) as the main reason.

Data Analysis

To demonstrate the characteristics of the respondents obtained data, frequency and percentage distributions were calculated. Regarding the questionnaire statements, mean and standard deviation were computed. In respect of, the difference between independent variables and questionnaire statements whether it is meaningful to analyze; the one-way analysis of variance (ANOVA) and t-test were applied. Pearson Correlation was also analyzed to measure the degree of inter-relationship between the different categories of research questions. Cronbach's alpha was conducted; the values ranged between 0.86 and 0.91. Consequently, the questionnaire has considerable reliability (Kaiser, 1974; Nunnally, 1978).

Findings

Respondents Profile

Table 1 illustrates the distribution of the respondents' socio- demographic data, where 57.5% of the respondents were males and 42.5% were Females. More than half of the sample (63.7%) aged between 46 to 60 years, 27.5% aged between 30 to 45 years and 8.8% aged between 18 to 29 years. Almost half of the sample (48.8%) occupation was managers or business owners, 22.5% was free profession (doctor, engineer, lawyer, etc.), 15% was house wives, 7.5% was unemployed, and 6.3% was employees. Two-thirds of the sample (62.5%) annual income was more than 60,000 pounds, 16.3% ranged between 40,000 and 49,999 pounds, 7.5% of the sample annual income was under 20,000 pounds or ranged between 50,000 and 59,999 pounds, and 6.2% ranged from 30,000 to 39,999 pounds. Finally, 86.3% of the sample had a university degree and 13.7% had a post- graduate degree.

Table 1: Respondents' Socio-Demographics.

	Frequency	Percent
Gender:		
Male	46	57.5
Female	34	42.5
Age:		
18-29	7	8.8
30-45	22	27.5
46-60	51	63.7
Occupation:		
Manager or business owner	39	48.8
Employee	5	6.3
Free profession (doctor, engineer, lawyer, etc.)	18	22.5
Housewife	12	15
Unemployed	6	7.5
Annual income:		
LE 20,000 or less	6	7.5
LE 20,001– LE 29,999	-	-
LE 30,000– LE 39,999	5	6.2
LE 40,000– LE 49,999	13	16.3
LE 50,000– LE 59,999	6	7.5
LE 60,000 or more	50	62.5
Education:		
University degree	69	86.3
Post university studies	11	13.7

Respondents Purchasing Behavior

Table 2, showed a remarkable percentage (85) of all the respondents had been using Internet for more than seven years and only 15% of the respondents had been using Internet for less than that. Approximately, two-thirds (63.8%) of all the respondents referred to Internet when planning their travel, 28.8% of all the respondents referred to traditional Travel Agency and 7.5% of all the respondents referred to online Travel Agency. Nearly all (83.8%) of the respondents stated that they make their

travel arrangements prior to their departure and only 16.3% make their arrangements once they reached the destination. Almost three-quarters (71.3%) of all the respondents would put their credit card details over Internet, the remaining quarter (28.8%) of all the respondents are not sure to do so. Finally, regarding the respondents' opinion of the existence of travel agencies in the future, just about three-quarters (71.3%) of all the respondents stated that travel agencies would not exist in the future, while the remaining quarter (28.8%) of all the respondents stated the opposite. Those late two findings were exciting results as the same percentage of respondents who dared to put their credit card details over Internet felt that there was no need for the travel agencies in the future.

Table 2: Respondents' general travel behavior

	Frequency	Percent
How long have you been using the Internet?		
1–3 years	6	7.5
4–6 years	6	7.5
7 years or more	68	85.0
What channel do you refer to when planning your travel?		
Traditional Travel Agency	23	28.8
Online Travel Agency	6	7.5
The Internet	51	63.8
General travel purchasing behavior:		
Pre-booked travel arrangements prior to departure	67	83.8
Make arrangements once reached the destination	13	16.3
Would you put your credit card details over the Internet?		
Yes	57	71.3
Not sure	23	28.8
In your opinion travel agencies would exist in the future?		
Yes	23	28.8
No	57	71.3

Purpose for using Internet in Tourism

As highlighted in Table 3, Internet was used in Tourism especially; for checking information about hotels and air fares and flight schedules and making online Hotel booking and Flight reservation. Only in the fifth place was searching for information about a destination. Last but not least come last-minute or online specials and obtaining information before going to a travel agency. The least purposes for using Internet in Tourism were car hire and communicating with other travelers online. Definitely the most interesting point to note in Table 3 was that, respondents had obtained information on Internet before going to a travel agency. In addition, as stated previously that two-thirds of all the respondents referred to Internet when planning their travel and nearly all of them had been using Internet for at least one year (Table 2). This could certainly threaten the future of travel agencies as more experienced Internet users substituted themselves for travel agency.

Table 3: Respondents' perception of purpose for using Internet in Tourism.

Purpose for using Internet in Tourism	Mean	S.D.	Rank
to search for information about a destination	4.70	0.46	5
to check air fares and flight schedules	4.78	0.80	2
to check for information about hotels	4.86	0.35	1
to make an online Hotel booking	4.78	0.42	3
to make an online Flight reservation	4.70	0.60	4
to make an online car hire	3.73	0.94	8
to search for last-minute or online specials	4.64	0.73	6
to obtain information before I go to a travel agency	4.10	0.96	7
to communicate with other travelers online	3.49	0.98	9
Total	4.23	0.42	

Advantages of online booking

Respondents were asked to rate the advantages of online booking; the results are given in Table 4. From the respondents point of view the most important advantages of online booking was the detailed and up to date information, easy to compare prices, easily accessible, convenient and instant access for enquiries and bookings, avoidance of travel agency fees and charges and no sales pressure to make instant decisions. Other

advantages included saving time, easy to use and personal control over booking. Noteworthy points that must be taken into consideration were no travel agency fees when booking online and no sales pressure, which means that the respondents could search for information online and were not under pressure to take an immediate decision for purchasing or paying extra fees for information available on Internet with only a touch of a button. In addition to, the results of the survey mentioned previously in Table 2 that three-quarters of all the respondents stated that there was no need for travel agents in the future; this would show that the respondents were not happy with the way travel agencies are doing business and did not encourage the existence of travel agencies in the future.

Table 4: Respondents' perception of advantages of online booking .

Advantages of online booking	Mean	S.D.	Rank
Easy to use	4.30	0.60	8
Detailed and up to date information	4.93	0.27	1
Easily accessible	4.86	0.35	3
Convenient and instant access for enquiries and bookings	4.79	0.41	4
Avoidance of travel agency fees and charges	4.39	0.61	5
No sales pressure to make instant decisions	4.38	0.49	6
Easy to compare prices	4.93	0.27	2
Personal control over booking	4.23	0.57	9
Saving time	4.36	0.48	7
Total	4.37	0.49	

Reasons for not booking online

Obviously, the most stated reasons for not booking online (Table 5) were special offers not available online, Websites not capable of complex booking and issue of credit card security. The next most stated reasons were lack of personal service and no reason to change, which was just respondents' pure habit. Other important reason for not booking online was happy with my travel agency, which showed that some respondents were loyal to the travel agency. Followed by, lack of confidence in technology use, cannot confirm validity of Websites, too close to departure date to book online, information overload and confusion, prices or information not up to date and takes too much time. The issue of credit card security is still the key that hinders booking online which was already noted by the respondents in Table 2, as almost quarter of all the

respondents were not sure when asked if they would put their credit card details over Internet. Perhaps this would be simply the main reason for the existence of travel agencies in the future as some travelers just did not trust Internet and did not believe in complete security.

Table 5: Respondents' perception of reasons for not booking online.

Reasons for not booking online	Mean	S.D.	Rank
Takes too much time	1.35	0.71	12
Happy with my travel agency	1.86	1.25	6
Lack of confidence in technology use	1.86	1.19	7
Information overload and confusion	1.64	1.11	10
lack of personal service	2.09	1.37	4
Issue of credit card security	2.20	1.26	3
No reason to change	1.90	1.07	5
Websites not capable of complex bookings	2.35	1.24	2
Cannot confirm validity of websites	1.86	1.14	8
Prices or information not up to date	1.56	0.88	11
Too close to departure date to book online	1.69	0.94	9
Special offers not available online	2.42	1.61	1
Total	1.89	0.85	

Reasons for travel agencies existence in the future

Nearly three-quarters of all the respondents stated that there was no need for travel agencies in the future, while the remaining quarter stated the opposite (Table 2). The main reasons for travel agencies existence in the future as perceived by the respondents were illustrated in Table 6. Travel agencies help simplify options and reduce confusion and information overload, travelers have techno-fear and will never use Internet and Internet cannot replace humans were rated as the most important reason for having travel agencies in the future. Other significant reasons were that no one to blame when things go wrong if not booked with a travel agency and travelers would rather pay someone else to arrange their travel. In addition to, travel agencies could design custom packages, need of travel agencies for complicated travel was also included. Travel agencies have expertise and experience which cannot be obtained on Internet, more people will be travelling in the future and therefore need travel agencies and travel agencies are better at finding cheap packages and fares were also among the reasons indicated. It would be simply

recognized that a major obstacle against online booking were lack of confidence with the technology and the need for a personal service and human interface. Although, all of the respondents have been using Internet for at least one year (Table 2), however most of them and even the most experienced Internet users were not confident about making complex travel via Internet, but they still use it in their searches for travel information before booking their arrangements through a traditional travel agency.

Table 6: Respondents' perception of reasons for having travel agencies in the future.

Reasons for travel agencies existence in the future	Mean	S.D.	Rank
Need of travel agencies for complicated travel	3.48	1.06	7
Internet cannot replace humans	3.91	0.72	3
Travelers would rather pay someone else to arrange their travel	3.79	1.05	5
Travelers have techno-fear and will never use Internet	4.04	1.11	2
Travel agencies could design custom packages	3.56	0.81	6
Travel agencies have expertise and experience which cannot be obtained on the Internet	3.33	1.02	8
Travel agencies are better at finding cheap packages and fares	3.05	1.09	10
No one to blame when things go wrong if not booked with a travel agency	3.90	0.59	4
More people will be travelling in the future and therefore need travel agencies	3.11	0.97	9
Travel agencies help simplify options and reduce confusion and information overload	4.18	0.52	1
Total	4.01	0.73	

Hypotheses Testing

One-way analysis of variance (ANOVA) was applied to the data to examine the relation between the socio- demographics characteristics and travel consumers booking online. Table 7 shows the relation between respondents' socio-demographics and online booking. The results revealed that the respondents' gender and education were not a significant influence on travel consumers booking online. However, the results illustrated that the respondents' age was a significant influence in relation to online booking in favor to respondents from 18 to 29 years,

representing generation Y; who grow up in a highly sophisticated media and computer environment and are more Internet savvy and expert than the forerunners, which would defiantly increase their online booking. The results revealed also that the respondents' occupation was a significant influence in relation to online booking in favor to housewife and unemployed; it is assumed that online booking is time consuming when it comes to finding good deals and offers and this was only available to housewives and unemployed respondents. The results indicated that the respondents' annual income was a significant influence too in relation to online booking in favor to those who hold income less than 20,000 pounds a year and those who earn from 40,000 to 49,999 pounds annually, which meant that respondents who hold the less annual income persist to find good deals and offers and this would also apply to those who hold a tight budget. Hence, H1 is sustained regarding age, occupation and income, on the contrary, H1 is not sustained regarding gender and education.

Table7: Relation between respondents' socio-demographics and online booking

	N	Mean	S. D.	F	p
Gender					
Male	46	4.28	.45	4.04	.048
Female	34	4.50	.50		
Age					
18-29	7	5.00	.00	40.33	.0001*
30-45	22	4.77	.43		
46-60	51	4.11	.33		
Occupation					
Manager or business owner	39	4.00	.00	80.34	.0001*
Employee	5	4.58	.51		
Free profession (doctor, engineer, lawyer, etc.)	18	4.28	.45		
Housewife	12	5.00	.00		
Unemployed	6	5.00	.00		
Annual Income					
LE 20,000 or less	6	5.00	.06	22.22	.0001*
LE 30,000– LE 39,999	5	4.00	.00		
LE 40,000– LE 49,999	13	5.00	.00		
LE 50,000– LE 59,999	6	4.00	.00		
LE 60,000 or more	50	4.22	.41		
Education					
University degree	69	4.36	.48	.33	.563
Post university studies	11	4.45	.52		

A Pearson's correlation was run to examine the inter-relationships between the different categories of research questions. All of the Pearson's correlations between categories were less than 1 (Table 8). There was a very strong positive correlation between using Internet in Tourism and online booking, as it had the highest correlation value. This meant that the more the respondents used Internet in Tourism, the more they booked online, and hence, H2 is significant and secured. A significant correlation was also existed between travel agencies existence in the future and not booking online, which showed that any increase in the numbers of travel agencies in the future, would be associated with increase in number of respondents not booking online; implying H3 is supported. On the contrary, there was a very strong but negative correlation between booking online and travel agencies existence in the future. In this case, the negative correlation indicated that as online booking increased, the numbers of travel agencies in the future decreased, thus, bring support to H4.

		Purpose for using the Internet in Tourism	Advantages of online booking	Reasons for travel agencies existence in the future	Reasons for not booking online
Purpose for using the Internet in Tourism	Pearson Correlation Sig. (2-tailed)	1			
Advantages of online booking	Pearson Correlation Sig. (2-tailed)	.386** .000	1		
Reasons for travel agencies existence in the future	Pearson Correlation Sig. (2-tailed)	-.085 .455	-.578** .000	1	
Reasons for not booking online	Pearson Correlation Sig. (2-tailed)	.200 .076	.269* .016	.229* .041	1

** . Correlation is significant at the 0.01 level

* . Correlation is significant at the 0.05 level

Table 8: Pearson Correlations between the different set of research questions.

Conclusion

The aim of the present research was to investigate the purpose of using Internet by Egyptian travelers, in particular, to examine the trend to use Internet or a travel agency when planning and arranging their trips, and to discuss the expected future of travel agencies. It must be acknowledged that many of the respondents' views presented in this study were generally supported in the literature.

The research results suggested that although more travelers were turning to Internet, yet some were doubtful to book online. Many of the respondents surveyed had used Internet for checking information about hotels and air fares and flight schedules and often made online hotel booking and flight reservation. Many advantages were also stated by the respondents when using Internet to book online. They included the detailed and up to date information, easy to compare prices, easily accessible, convenient and instant access for enquiries and bookings and in particular avoidance of travel agency fees and charges and no sales pressure to make instant decisions.

The main obstacles against online booking as mentioned by the respondents were special offers not available online, Websites not capable of complex booking and issue of credit card security. Respondents would probably search Internet for information, make travel planning and arrangements and might book some details of the trip such as an accommodation or a flight or less expensive tourism product, but when it comes to complex reservations and putting their credit cards over Internet they would defiantly chose the assertion and safety of the travel agencies (this must be no longer the issue as many booking websites are totally secured and scam free). Closely related with this, nowadays using credit cards especially when purchasing international tourism products will submit the buyer to high bank commission and additional currency exchange fees (Hammad, 2016), despite of the fact that this was not mentioned in the original survey as the new currency rates and exchange regulations were not released then, but they would defiantly restrain the online booking in the near future.

The research results for this study were not all gloom and doom for travel agency. There were many reasons indicated by respondents for the continuing of existence of travel agencies in the future. Among these reasons were travel agencies help simplify options and reduce confusion and information overload, travelers have techno-fear and will never use Internet and Internet cannot replace humans. It might be noticed that

some travel agents knowledge is less than their customers. However, it is not supposed that travel agents have to know everything, but it is assumed that they know where to get the information. When predicting the future of the travel agencies, it is important to keep the current situation in mind. Currently, online booking is increasing; as more experienced and active young Internet users are entering the travel market and making online reservations. It might be impossible to make accurate forecast of the effects of Internet on the travel agencies, but what is more important is that travel agencies must be aware of the changes that are taking place in the travel and tourism industry, and realize how travelers see and use Internet.

So, chances might exist for travel agencies to gain from this new era by working with, rather than against Internet. There is a possibility for travel agents to act as trip advisors and use Internet to add value for their customers by transforming the overloaded data available on Internet into meaningful information. Travel agencies could also benefit from well informed travel consumers and formulate an easy and profitable trade by booking complex reservations that they hesitate to do. There is also a potential for travel agencies for a niche market, focusing on travel arrangements for exotic, maybe unusual destinations which could not be found over Internet.

The research opens areas for future researches. Since, the results reached might not be generalized beyond the precise background of the study due to the small sample size. Further researches should be carried out on a bigger diversified sample. More researches could be conducted to discover possible services that could be provided by travel agencies, besides the existing services. Future research may expand also to the adoption of IT by travel agencies and its impact on travelers' purchasing behavior.

Limitations

The research does not predict the number of travel agencies expected to exist in the future. Nor the research estimates the numbers of Internet users or calculates online travel bookings. The purpose was to identify whether travel consumers are using Internet in tourism, and to discuss the related implications for travel agencies.

References

- Anthes, G. (1997). Travel takes off online. *Computer world*, 31(29):49-50.
- Barnett, M. and Standing, C. (2001). Repositioning travel agencies on the internet. *Journal of Vacation Marketing*, 7(2): 143-52.

- Beldona, S. (2005). Cohort Analysis of Online Travel Information Search Behavior: 1995–2000. *Journal of Travel Research*, 44(2):135-142.
- Bringgs, S. (2001). *Successful Web Marketing for the Tourism and Leisure Sectors*. London: Kogan Page Limited.
- Buhalis, D. (1998). Strategic use of information technologies in the tourism industry. *Tourism Management*, 19(5): 409-421.
- Buhalis, D. and Schertler, W. (Eds.) (1999). *Information and communication technologies in tourism*. Wien: Springer.
- Buhalis, D., Law, R. (2008). Progress in information technology and tourism management: 20 years on and 10 years after the internet- the state of eTourism research. *Tourism Management*, 29(4):609–623.
- Buhalisa, D. and Licata, M. (2002). The future eTourism intermediaries. *Tourism Management*, 23: 207-220.
- Castells, M. (2011). *The Rise of the Network Society: The Information Age: Economy, Society, and Culture, I*. Wiley
- Caywood, T. (1999). New squeeze by airlines threatens travel agents. *Providence Business News*, 14(30): 9.
- Cheyne, J., Downes, M. and Legg, S. (2006). Travel agent vs internet: What influences travel consumer choices? *Journal of Vacation Marketing*, Vol. 12 No. 1, pp. 41-57.
- Christiansson, H. and Sporrek, K. (2003). The Role of the Internet as an SST- an Online Booking Service. Master Thesis, Graduate Business School, School of Economics and Commercial Law, Göteborg University: Elanders Novum.
- Cosmaa, S., Botaa, M. and Tutuneeaa, M. (2012). Study about customer preferences in using online tourism products. *Procedia Economics and Finance*, 3:883-888.
- Dolnicar, S, and Laesser, C. (2007). Travel Agency Marketing Strategy: Insights from Switzerland. *Journal of Travel Research*, 46:133.
- Fastie, W., Garris, J., Cohen, A., Dawes, T., Leger, J., Rabinovitch, E., Munro, J. and Lidsky, D. (1998). Be your own travel agent. *PC Magazine*, 17(1):177-87.
- Furger, R. (1997). Online travel: Time vs. money. *PC World*, 15(7):33-5.
- Gursoy, D. and Umbreit, T. (2004). Tourist Information Search Behavior: Cross-Cultural Comparison of European Union Member States. *International Journal of Hospitality Management*, 23(1):55-70.
- Hammad, I. (2016, 18 February). New controls to dollar withdraw for travelers abroad. Elwatan. Retrieved from <http://www.elwatannews.com/news/details/977188>.
- Kaiser, H. (1974). *An index of factorial simplicity*. *Psychometrika*, 39, 31-36.
- Laesser, C. and Jaeger, S. (2001). Tourism in the New Economy. In Keller, P. and Bieger, T. (Eds.), *Tourism growth and global competition*, St. Gallen, Switzerland: AIEST, 39-84.
- Lang, T. (2000). The effect of the Internet on travel consumer purchasing behaviour and implications for travel agencies. *Journal of Vacation Marketing*, 6(4):368-385.

- Law, R., Leung, K. and Wong, J. (2004). The Impact of the Internet on Travel Agencies. *International Journal of Contemporary Hospitality Management*, 16(2):100-107.
- Loverseed, H. (1999). Travel agents in Canada. *Travel and Tourism Analyst*, 1:71-86.
- Lowengart, O. and Reichel, A. (1998). Defining opportunities and threats in a changing information technology environment: The case of the travel agent. *Journal of Hospitality and Leisure Marketing*, 5(4):57-71.
- Lyle, C. (1995). Agent blues. *Airline Business*, 11(11):56-9.
- Murray, M. (1999). Tripped-up travel agents. *National Journal*, 31(49):3476.
- Nunnally, J. (1978). *Psychometric Theory*. New York: McGraw-Hill.
- O'Connor, P. (1999). *Electronic information distribution in tourism and hospitality*. Oxford: CABI Publishing.
- O'Connor, P. and Frew, A. (2000). Evaluating electronic channels of distribution in the hotel sector: A Delphi study. *Information Technology and Tourism*, 3(3/4): 177-193.
- Olmeda, I., and Sheldon, P. (2001). Data Mining Techniques and Applications for Tourism Internet Marketing. *Journal of Travel and Tourism Marketing*, 11(2-3):1-20.
- Palmer, A. and McCole, P. (1999). The Virtual Re-Intermediation of Travel Services: A Conceptual Framework and Empirical Investigation. *Journal of Vacation Marketing*, 6(1):33-47.
- Pappas, C. (1997). Have modem, will travel. *Home Office Computing*, 15(7):46-7.
- Paulson, L. (1997). Software agents encroach on travel agents' turf. *Computer Shopper*, 17(7): 118.
- Rayport, J. and Sviokla, J. (1994). Managing the Marketplace. *Harvard Business Review*, 72(6):141-150.
- Reinders, J. and Baker, M. (1998). The Future of Direct Retailing of Travel and Tourism Products: The Influence of Information Technology. *Progress in Tourism and Hospitality Research*, 4(1):1-15.
- Samenfink, W. (1999). Are you ready for the new service user? *Journal of Hospitality and Leisure Marketing*, 6(2):67-73.
- Sheldon, P. J. (1997). *Tourism Information Technology*. New York : CAB.
- Sheldon, P., Wober, K. and Fesenmaier, D. (Eds.) (2001). *Information and Communication Technologies in Tourism*. Vienna: Springer.
- Sigala, M., Christou, E. and Gretzel, U. (2012). *Social Media in Travel, Tourism and Hospitality: Theory, Practice and Cases*. Oaks, CA: Sage.
- Smith, A. (2004). Information Exchanges Associated with Internet Travel Marketplaces. *Online Information Review*, 28(4):292-300.
- Smith, C. and Jenner, P. (1998). Tourism and the Internet. *Travel and Tourism Analyst*, (1): 62-81.

- Sparrow, B., Liu, J. and Wegner, D. (2011). Google effects on memory: cognitive consequences of having information at our fingertips. *Science*, 333(6043):776-778.
- Standing, C. and Vasudavan, T. (2000). The impact of internet on travel industry in Australia. *Tourism Recreation Research*, 25(3):45-54.
- Tse, C. (2003). Disintermediation of Travel Agents in the Hotel Industry. *International Journal of Hospitality Management*, 22(4):453-460.
- Walle, A. (1996). Tourism and the Internet: Opportunities for Direct Marketing. *Journal of Travel Research*, 35(1):72-77.
- Walle, A. H. (1996) 'Tourism and the Internet: Opportunities for Direct Marketing', *Journal of Travel Research*, Vol. 35, No. 1, pp. 72-77.
- Wang, D., Park, S. and Fesenmaier, D. (2012). The role of smart phones in mediating the touristic experience. *Journal of Travel Research*, 51(4): 371-387.
- Weiber, R. and Kollmann, T. (1998). Competitive Advantage in the Virtual Market: Perspectives of Information Based Marketing in Cyberspace. *European Journal of Marketing*, 32(7/8):604-616.
- Werthner, H. and Klein, S. (1999). *Information technology and tourism a challenging relationship*. New York: Springer
- Xiang, Z. and Gretzel, U. (2010). Role of social media in online travel information search. *Tourism Management*, 31(2):179-188.
- Xiang, Z., Magnini, V. and Fesenmaier, D. (2015). Information technology and consumer behavior in travel and tourism: Insights from travel planning using the internet. *Journal of Retailing and Consumer Services*, 22: 244-249.
- Xiang, Z., Wöber, K. and Fesenmaier, D. (2008). Representation of the online tourism domain in search engines. *Journal of Travel Research*, 47(2):137-150.