

# Customer Engagement in Travel Industry: OTA's vs. DIY Travels

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Customer Engagement in Travel Industry:

OTA's vs. DIY Travels

Senior Capstone Project

RIT Croatia

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## ABSTRACT

The purpose of this study was to establish determinants that influence customer choices between do-it-yourself travel arrangements and travel agents. For technologically empowered customers, experience and co-creation play a significant role. The primary research has shown that safety, value/experience, savings, customization time & effort, control, trust, ease of use of internet tools, online payment mechanisms, information overload and accurate information are the main determinants of customer choices. Millennials are more willing to consider travel agents than older generations. To stay competitive, travel agents must fully include potential customers in the process of travel organization, and their offer must be personalized rather than standardized.

## INTRODUCTION

Social media and always-online have disrupted the traditional approach to tourism, because the customers have become more focused on emotional experiences. This phenomenon has been explained in the way that customers nowadays “seize the prey and flaunt the trophy”, meaning that they are willing to invest in the research for product/service and show admiration for gained experience (Massoletti, 2016). This in turn means that those who offer products must understand customers’ behavior and needs in order to create memorable experiences worth talking about and passing on to others (Tung Jr. & Ritchie, 2011). It could be debated that this is nothing new, because tourism has long been viewed from a Durkhemian angle with attributes of a quasi-religious pilgrimage, sacred journey or myth-making, and a search for freedom, novelty, change, exotic, meaning and playfulness (Hennig, 2002). Even the seemingly more novel terms such as escapism and authenticity, highlighted by Pine & Gilmore (1999) (2007), have been in the spotlight at least since the 70s and 80s. Some authors, such as Van Den Abbeele, (1980) went as far as paraphrasing Marx and stating that tourism is an opiate for masses, similar to the role that religion plays in the

psyche of an unassuming plebeian, which gave tourism a relatively radical psychedelic quality and important place in the capitalist social order. The question is then what has changed with the rise of the experience economy?

### *Experience Economy*

According to Pine and Gilmore (1999), experience is the fourth economic offering following commodity, good and service, and is perceived as the highest and most important point of delivery enabled by technological progress and resulting economic evolution. Experiences, as a form of economic output, are memorable events staged by the firm in order to engage the customer in a very personal way. As the goal of the engagement is to create a meaningful relationship, the memory becomes the product itself. These authors believe that service without context is a commodity, i.e. holding no marketable value in the present economy.

### *Co-Creation*

It goes without saying that, in this process of engagement and personalization; customers must play an active role in the process of product, service and/or experience creation and thus become co-creators of their own unique personalized value. If this process does not take place, customers will remain overwhelmed and unsure whether they are getting the right value for their money. Their confusion and uncertainty arise from the fact that they, in this day and age, have infinitely more choices than ever before, and they cannot be sure whether they are making right decisions and, consequently, whether they are getting the best value for their money. Since the modern technology can create new cognitive demands on human beings and this cognitive workload and resulting fatigue can negatively impact the functions of their working memory, the abundance of choice can paradoxically result in a lesser satisfaction. Prahalad and Ramaswamy (2004) explained that this is

precisely the reason why firms are integrating the processes of co-creation of unique personalized customer value and changing their operating paradigm from firm-centric to customer centric. Since technology definitely has its brighter sides, the co-creation and massive interaction is enabled by internet technologies and, by virtue of using those, customers are becoming better informed and therefore have substantial ability to analyze and evaluate offers. In the traditional firm-centric model, firms create standardized offer and decide what is valuable for customers. In the new paradigm, firms engage customers in the process product creation with the end goal of producing unique personalized value, i.e. memorable experience, and, provided they are successful, attract more customers who in turn promote their brand recognition. Prahalad & Krishnan (2008) emphasized that the new operating paradigm is no longer a matter of choice. This is because a whole generation of customers has grown up with the means and propensity to engage in the co-creation processes and an expectation to be treated as individuals with their own specific contexts and needs, although the company may be serving millions of individuals worldwide.

Speaking specifically about travel, the main old-paradigm characteristics of tourism were visiting, seeing and living in a different mode of life. However, with the emergence of the experience economy, people started to travel to discover, educate themselves and embrace different values (Stamboulis & Skayannis, 2003). In travel industry, co-creation of unique personalized experience became a very valuable element receiving customers' attention. As the tourists increasingly demand a higher standard in quality services, the marketing/management research of the tourist experience is focused on the operation ability of travel service quality, i.e. hospitality, accommodation, and transportation. A good example of how a tourist experience should be promoted and operationalized through co-creation is offered at the Margaret River official webpages. There a potential customer can find all the attractions and ideas, and customize his

personalized tour based on his unique preferences. There are packages designed according to specific categories: family friendly, conference, history & heritage, dog friendly and even things to do during the rainy days. They offer standardized packages and provide options including activities and attractions, restaurants and bars, shopping and events, etc. There is also a map of the region and transportation options that can be booked directly through the web page. As the available accommodation is divided into sections, the visitor can easily select/book his own desired type: Best Deals, Bed & Breakfast, Budget Friendly & Backpackers, Camping, Farmstays as well as Luxury Retreats, which makes the user experience transparent and easy to create (Your Margaret River Region, n.d.).

### *Modern Traveler*

Technologically empowered customers are changing industries and the biggest challenge for marketers is meeting customers' expectations by connecting online, mobile and physical locations. Travelers want to have an easy and consistent access to services. However, the ease and comfort are not a guarantee that the travelers' satisfaction will be high, but merely that their absence can generate dissatisfaction. Since every traveler is unique, how big of a role various components of the travel experience play in the overall satisfaction, partly depends on the travelers' individual expectations and on their own adaptability. Since value is derived and determined in a specific context and the resources of the service provider must be integrated with the competencies and resources of the receiver before value is determined, co-creation almost certainly plays a constructive role in the process of value creation. Therefore, before we can hope to satisfy the needs of modern travelers, in-depth research of their habits is needed. (SDL, 2013)

Modern travelers are travel-ready individuals and majority of them are well educated. Millennials are the generation driven by digital and mobile and they seek experience, discovery and education

while travelling. As a result of digitalization, millennials depend highly on online recommendation, and organization. (Understanding the Modern Traveller, 2017)

According to a research conducted by conducted by the American Association of Retired Persons (Gelfeld, 2017) , 74% of Millennials are taking their job along with them while travelling and being, so called digital nomads. This group of travelers is focusing on work same as on discovering the world, so combining both is a perfect deal for them. According to the media company Skift (Sheivachman, 2017), Millennials travel around 35 days per year. In 50% of cases, relaxation and adventure is their main motive, 53% book travel via OTA and in 72% of cases, their decisions can be influenced by advertising.

Generation X, on the other side, are more conservative regarding travelling and budgeting. Majority of them shows interest towards culture and art, and in most cases, those are their travel motives. According to the AARP report, cost is the first reason why they do not travel more, followed by family and work obligations. (Gelfeld, 2017). 93% of them, say that finding the best deal for their travel is crucial and 55% of them use OTA to find out all the packages available at the best price (Tran, 2018). According to the media company Skift (Sheivachman, 2017), Generation X travel around 26 days per year, in 51% of cases relaxation is their main motive, 55% book travel via OTA, while Facebook and Pinterest most influential advertising platforms.

Lastly, Baby Boomers travel to create meaningful experience and memories. They look for adventure with their family and friends and they have funds to finance it (Understanding the Modern Traveller, 2017). Baby Boomers are determined and already know where they want to go next. Only 57% of them said that budget might be important when booking, but still lot of them are prone to booking luxurious hotels. This group of travelers is tech-savvy generation as well; so many agencies and companies are creating online packages for them specifically. (Tran, 2018)

Baby Boomers travel around 27 days per year, in 67% of cases visiting family is their main motive, when booking the trip they search via OTAs, hotel and airline websites, while 66% are influenced by the ads. (Sheivachman, 2017)

### *Impact of Social Media and Do-It-Yourself (DIY) platforms*

Digitalization had a tremendous impact on travel industry and, consequently, the nature of travel has changed radically since the dawn of the internet era. With the emergence of high-speed internet, social media, apps and web sites, accessibility to information became easier than ever. Recommendations and online reviews on different web pages and chat boxes have created opportunities for both marketers and travelers. They provide guidelines and tips for customers and better engagement for marketers. (SDL, 2013)

With the help of social media, travelers are finding information needed for their trip or field of interest in a nonstop process of interaction of constant co-creation between themselves, marketers, the media and other stakeholders. According to a well-informed travel blog, 55% of travelers find the idea for their future trip on social media; 30% of them via Facebook and 14% via Trip Advisor, while others via Twitter, Pinterest etc. Another benefit of social media is for marketers. Around 52% of people say that the incentive of their travel was recommendation of a friend or photos that were posted online. This is an evolved version of word of mouth, always known as the best marketing tool, except that, in the new paradigm, it became electronic word of mouth. It is still the best form of marketing for all service providers because it is reducing the effort that would be usually used in attracting the same. (Carter, 2017)

Facebook groups are used for exchange of knowledge and experiences so many Facebook users can easily reach any information about any place desired in one place. Croatian Facebook group



called Travel Advisor is the biggest such group on this part of Europe, and it has over 60 thousand members that are daily sharing stories and photos of their trips. (Savjetnik za putovanja, n.d.)

### *Travel Agencies*

The core of any business model is in defining the manner by which an organization delivers value to customers, attracts them to pay for value while converting those payments to profit. (Teece, 2010). Travel agencies deliver value based on their ability to connect supply and demand in the tourism industry. Thus value is being created by the ability of a travel agency to facilitate the sale and delivery of tourism services from suppliers to consumers (Buhalis & Laws, 2001). Countless online travel tools available for travelers are making travel agencies redundant. However, they still exist. Services that travel agencies provide are valuable and relevant even today. Value creation is based on personalized service, expertise of agents, their skills and knowledge, established connections as well as ability to negotiate prices. According to the Forbes magazine, travel agents also have insights into deals and benefits that are not directly available to public, and can upgrade hotel amenities and room, special tours and access to different exclusive events that travelers who do their own booking are probably not capable of doing. Further on, benefits offered by travel agencies increase as the travel package becomes more specialized and luxurious and that travel agent should be in position to personalize travel experience to meet the needs of each individual client. (Olmsted, 2012)

According to Harris and Duckworth (2005), travel agencies need to constantly follow marketing principles as well as apply clear and specific differentiation in order to reach the desired target market. As an outcome of online developments, suppliers become more autonomous and slowly decrease their dependence on travel agencies. Simultaneously, travelers are motivated to buy directly from supplier and therefore not using travel agency services.

### *Decision determinants*

The question is what defines the customer's propensity to engage in online processes of co-creation of personalized travel experiences and, to this end, it would be useful to define the decision-making determinants.

According to Casalo, Flavian, & Guinaliu (2010) there are several factors expressed as a determinants of intention to participate in the online and premade package processes.

Participation is the dominant factor that determines success of online community in the long run since its main focus is on promoting relationship among community members (Algesheimer, Dholakia, & Herrmann, 2005). Strong sense of participation indicates large level on engagement and creates common values and cohesion. As a result, behaviors of individuals are defined and measured in a context of technology acceptance. This becomes a great indicator of a level of engagement that is translated as a customers' demand (Karahanna, Straub, & Chervany, 1999). Through participation, customer is enforced to receive impressions and expectation, while employees gain knowledge of their desired segment, which is expressed as a harmony of interface (Sridhar, 1998).

Social identity is another factor that is proposed as a theory explaining that individuals' sense of who they are depends on the groups to which they belong. According to Hogg & Terry (2000), belief of belonging to the certain group creates significant value and builds sense of unity among group members. A shared identity might increase the value of the community as well as create emotional involvement in the process. In the travel sector, online communities might provide added value to their users due to information being supplied. Therefore, sense of belonging might be very important when deciding travel options.

When considering technology acceptance model, ease of use is highly important in travel-organization process. Perceived usefulness can be defined as a perception of an individual that usage of technology will be effort-free and will improve personal performance (Davis, 1989). In the context of online shopping, this can be connected to the degree of customers' beliefs of productivity improvement as well as final outcome/ experience. Accessibility, speed, accurate information and continuous availability are specified as the main benefits of online shopping (Monuwe, Dallaert, & De Ruyter, 2004).

According to Casalo, Flavian, & Guinaliu (2010) ease of use improves the comprehension of content and thus creates more comfortable atmosphere for users. Therefore, it might affect the attitudes towards participation. Perception of time and effort is related to actual time needed to organize certain activity and amount of effort invested in it.

According to article Martin Fuentes, Fernandez, Mateu, & Marina Roig (2018), there are several extra factors expressed as determinants of intention to participate in online purchase of premade travel packages.

Lack of trust is the main barrier of peer-to-peer communication. Akerlof (1978) has proposed that information asymmetry can be explained as host's real knowledge of true state of service offered and guest's lack of trust in what is being offered with. Thus, lack of trust influences customers' choices and negatively affects the perception of quality of service providers. Another aspect that is connected to trust is information overload. It occurs when the user cannot find useful and quality information and as a result, user becomes overwhelmed. With the sudden boost of online reviews, chat boxes and groups of interest, overload has become a problem for both service users as well as service providers. Therefore, the process needs to be simplified for users, so they are presented with unbiased, unsolicited and cost-effective information. This matter is of true importance in

travel sector, because with the increase of travel options, a surge in the lack of trustworthiness occurs as a result (Fang, Ye, Kucukusta, & Law, 2016). Safety is another aspect of trust connected to online transaction processes. Users start to question reliability of service providers due to high level of online theft. Perception of risk and safety might have a tremendous influence on travel decisions. Once the risk is detected it can change the route of trip planning. Safety can also be related to travel choices. Service providers also agree on the importance of user experience, simplicity, reliability as well as control. Actual control refers to explicit control that traveler gains in decision-making processes. Significance of this matter is in that the more customer feels in control, the more satisfied he will be with the outcome. This can be connected to the customer's knowledge of itinerary, exact plan and options that can be implemented during the process of organization (US. Department of Transportation, 2017).

Lastly, customization and developing true relationship should be in focus. Customers are overwhelmed with all the information available and are not satisfied with the standardized offer but rather seek for individualized approach for travel planning (Traveler'sQ, 2018).

To summarize, determinants listed as factors that influence on travelers' choices are the following:

- Participation – Harmony of interface
- Social identity – Cohesion
- Ease of use, time & effort
- Customer loyalty
- Trust
- Information overload

- Safety
- Control
- Customization

## METHOD

Main purpose of this questionnaire was to elaborate the factors previously explained and for each one of them measure importance and influence on decision making. Questionnaire was published online in the Facebook group Travel Adviser that has 64,753 members. Members of this group can be described as frequent travelers seeking for new adventures and travel ideas and they are using this group as a platform to exchange experiences or look for suggestions. They travel both via travel agencies as well as individually (self – organized). Possible limitation to this method might be that members of this group are already perceived as self-organizers, however after examining the posts published, many of the also use travel agency services. This method of electronic distribution was used to gain more responses so the final results can be more valid and applicable. In addition to validity, specific group of people was chosen as participants due to their high interest in this topic. Questionnaire was written in Croatian language because majority of members of Travel Adviser group are using this language or languages closely related to Croatian. Primary intention of this questionnaire is to collect 100 responses; however number has been exceeded. Questionnaire had 336 responses in total and there were 19 questions. First eleven questions of the questionnaire were linear scale type of questions where participants could choose from 1 to 5 – strongly disagree to strongly agree. Second part included multiple answer type of questions and final part was demographics of participants. First question of the questionnaire had a lower response rate due to graphic error, however it has been changed thereafter. Pilot testing has been

conducted prior to actual distribution and the feedback has indicated minor mistakes that were revised.

## RESULTS

The online questionnaire had 19 questions and 336 responses in total. First question was "I usually travel..." there were three possible answers to choose from. There were 303 responses in total for this question. 18 participants (5.8%) are using only tourist agency services, 149 (49.3%) are organizing trips by themselves, while 139 (45.9%) are using both options.

Eleven following questions were linear scale type of questions from 1 to 5, meaning 1 – Strongly disagree and 5 – Strongly agree. For each question in-depth analysis has been done and results for the raw data, percentages, average, standard deviation and median have been proposed for better understanding. Regression analysis has been conducted for these questions that allowed examination of relationship between variables of interest. Question number one has been a dependent variable Y, and following questions were independent variables X. In order to prove that variables are in correlation, p-value need to be lower than 0.05. Research has shown the relationship and impact of variables X on variable Y.

First question was "I feel more safe when traveling with tourist agency rather than when traveling by myself" and there were 336 total responses. 104 (31%) participants strongly disagree, 50 (14.9%) disagree, 99 (29.5%) are neutral, 60 (17.9%) agree and 23 (6.8%) strongly agree. Average for this question was 2.53 and the standard deviation was 1.28. Median was 3, meaning that half of the responses were above, and half below 3. Regression analysis had shown strong correlation between dependent variable Y and independent variable X having p-value 0.000000004775.

Second question was “I believe that travel agency itineraries fulfil my expectations and needs regarding travel” and there were 336 responses in total. 53 (15.8%) participants strongly disagree with this statement, 86 (25.6%) disagree, 121 (36%) are neutral, 62 (18.5%) agree and 14 (4.2%) strongly disagree. Average for this question was 2.66 and the standard deviation was 1.05. Median was 3, meaning that half of the responses were above, and half below 3. Regression analysis had shown high correlation between dependent variable Y and independent variable X having p-value 0.004915569043

Third question was “Information provided by travel agencies are accurate and unbiased” and there were 336 responses in total. 12 (3.6%) participants strongly disagree with this statement, 47 disagree (14%), 147 (43.8%) are neutral, 116 (34.5%) agree while 14 (4.2%) strongly agree. Average for this question was 3.18 and the standard deviation was 0.86. Median was 3, meaning that half of the responses were above, and half below 3. Regression analysis had shown no correlation between dependent variable Y and independent variable X having p-value 0.5982683711.

Forth question was “I can get more value if I invest more time and effort in my own customization of trip rather than by buying premade travel agency packages” and there were 336 responses in total. 5 (1.5%) participants strongly disagree with this statement, 5 (1.5%) disagree, 33 (9.8%) are neutral, 75 (22.3%) agree while 218 (64.9%) strongly agree. Average for this question was 4.48 and the standard deviation was 0.84. Median was 5, meaning that half of the responses were 5, and half below 5. Regression analysis had shown no correlation between dependent variable Y and independent variable X having p-value 0.4988336042.

Fifth question was “I feel overwhelmed by the information available to me online and it is difficult to process them and make sense out of them” and there were 335 responses in total. 106 (31.6%)

participants strongly disagree with this statement, 99 (29.6%) disagree, 69 (20.6%) are neutral, 48 (14.3%) agree while 13 (3.9%) strongly agree. Average for this question was 2.29 and the standard deviation was 1.15. Median was 2, meaning that half of the responses were above, and half below 2. Regression analysis had shown no correlation between dependent variable Y and independent variable X having p-value 0.3602817862

Question number six was “I am comfortable using online payment system when organizing my own trip” and there were 336 responses in total. 16 (4.8%) participants strongly disagree with this statement, 23 (6.8%) disagree, 63 (18.8%) are neutral, 120 (35.7%) agree while 114 (33.9%) strongly agree. Average for this question was 3.84 and the standard deviation was 1.11. Median was 4, meaning that half of the responses were above, and half below 4. Regression analysis had shown high correlation between dependent variable Y and independent variable X having p-value 0.02563370871.

Question number seven was “I believe that I can save more money if I organize trip by myself” and there were 335 responses in total. 9 (2.7%) participants strongly disagree with this statement, 22 (6.6%) disagree, 52 (15.5%) are neutral, 83 (24.8%) agree while 169 (50.4%) strongly agree. Average for this question was 4.12 and the standard deviation was 1.09. Median was 5, meaning that half of the responses were 5, and half below 5. Regression analysis had shown high correlation between dependent variable Y and independent variable X having p-value 0.0000005044022984.

Question number eight was “I believe I can gain more experience if I organize trip by myself” and there were 336 responses in total. 4 (1.2%) participants strongly disagree with this statement, 12 (3.6%) disagree, 44 (13.1%) are neutral, 93 (27.7%) agree while 183 (54.4%) strongly agree. Average for this question was 4.33 and the standard was 0.88. Median was 5, meaning that half of



the responses were 5, and half below 5. Regression analysis had shown high correlation between dependent variable Y and independent variable X having p-value 0.000000266465657.

Question number nine was “I prefer to be in control in terms of itinerary planning and options available during the process of trip organization” and there were 335 responses in total. 2 (.6%) participants strongly disagree with this statement, 14 (4.3%) disagree, 55 (16.4%) are neutral, 89 (26.6%) agree while 175 (52.2%) strongly agree. Average for this question was 4.24 and the standard deviation was 0.93. Median was 5, meaning that half of the responses were 5, and half below 5. Regression analysis had shown high correlation between dependent variable Y and independent variable X having p-value 0.0005690223079.

Question number ten was “I believe I will save more time and effort if I buy pre-made travel itinerary” and there were 335 responses in total. 50 (14.9%) participants strongly disagree with this statement, 75 (22.4%) disagree, 83 (24.8%) are neutral, 81 (24.2%) agree while 46 (13.7%) strongly agree. Average for this question was 2.98 and the standard deviation question was 1.27. Median was 3, meaning that half of the responses were above, and half below 3. Regression analysis had shown high correlation between dependent variable Y and independent variable X having p-value 0.000003852083389.

Question number eleven was “Online apps and web pages available for booking self-organized travel are easy to use” and there were 333 responses in total. 4 (1.2%) participants strongly disagree with this statement, 8 (2.4%) disagree, 43 (12.9%) are neutral, 125 (37.5%) agree while 153 (45.9%) strongly agree. Average for this question was 4.22 and the standard deviation was 0.87. Median was 4, meaning that half of the responses were above, and half below 4. Regression analysis had shown high correlation between dependent variable Y and independent variable X having p-value 0.005758263832.

Two following questions were multiple choice type of questions and participants were asked to choose either one or two possible answers. Limitation for the following questions is the fact that some choose more or less answers than it has been asked.

First question was “Choose three most important factors in the process of choosing desired option regarding travel organization”. There were 333 responses in total. 203 (60.9%) participants state that gained experience is most important, followed by safety (201 participants – 60.3%), customization (176 participants - 52.8%), trust – accurate information (173 participants – 52%), control (148 participants – 44.4%) and ease of use (97 participants – 29.1%).

Following question was “What are your travel motivations?” and there were 336 responses in total. Participants could choose two answers that they see as main motives. Out of 336 participants, 313 (93.2%) votes are for the need to meet different cultures, 211 (62.8%) votes are for the need to escape from everyday life, 89 (26.5%) votes are for the need to meet new people while 7 (2.1%) votes are for following trends. Limitation to this question is that some people choose just one response.

Question “How often do you travel” had 329 responses. 128 (38.9%) participants travel 1 to 2 times a year, 127 (38.6%) travel 3 to 4 times a year, 36 (10.9%) travel 5 to 6 times a year and 38 (11.6%) travel more than 6 times a year. Regression analysis has been conducted for this question and it had shown that there is no correlation between dependent variable Y and independent variable X having p-value 0.66575068.

Next question was to state the reason of travel and there were 331 responses. 283 (85.5%) participants travel for vacation, 3 (.9%) for business and 45 (13.6%) both for business and vacation

reasons. Regression analysis had shown that there is correlation between dependent variable Y and independent variable X having p-value 0.066575068.

Last three questions were demographic questions about the gender, age and education. Regarding gender, there were 335 responses-295 (88.1%) participants are female while 40 (11.9%) are man. Regression analysis had shown high correlation between dependent variable Y and independent variable X having p-value 0.003012412. However, limitation for this question was that mostly women participated in this survey so the data collected for this question can be understood as one group based.

Age question had 333 responses in total. 63 (18.9%) participant are in between 18 and 25, 131 (39.3%) between 26 and 35, 127 (38.1%) between 36 and 55, while 12 (3.6%) are over 56 years old. Regarding education, there were 327 responses in total. 84 (25.7%) participants have high school diploma, 121 (37%) bachelor's degree while 122 (37.3%) have master's degree or PhD. Regression analysis had shown no correlation between dependent variable Y and independent variable X for these two questions having p-value 0.324639442 and 0.363368003.

Tables and graphs with all the analysis conducted are provided for the each question

## DISCUSSION

The purpose of this paper was to identify most important factors that influence customer choices regarding travel organization. After an in-depth research and data collection, results were established and their further elaboration is needed. As a primary method of elaboration, this discussion will focus on the regression analysis results.

Based on the regression analysis, these are the factors that are in a high correlation with the organization method (DIY or Travel Agencies), organized from most important to least important:

1. Safety
2. Value/Experience
3. Economic reasons
4. Customization - time & effort
5. Control
6. Trust
7. Ease of use
8. Online payment
9. Information overload
10. Accurate Information/TA

Safety is seen as the most important factor in determining how to organize travel. Safety in this sense is seen in terms of itinerary planning and unpredictable situations. It is relatively surprising that the majority of participants stated that they do not feel as safe when traveling with the travel agency as they do when their travel is self-organized. This is contradicting the other finding that those who use travel agencies mention safety as the main reason of their choice, because they can always rely on their travel agent, if something unexpected occurs. A possible explanation and at the same time a limitation of this study might be that the selected participants already have

experience in self-organization. However, results have shown that almost half of the participants use both options: self-organization and travel agency services.

Modern travelers tend to rely more on their own technical skills and as a result they are more independent in unpredictable situations. This also influences their final experience since they prefer to be in control of their choices. According to Pine & Gilmore (1999), staging experience is not about entertaining customers and offering them what they demand, but rather it is about engaging them in the process. Experience gained throughout the process of co-creation can surpass the experience the customer would receive in those instances when she is merely a recipient. In other words, process of travel organization can be valuable experience in itself. In terms of trip planning, those who are not experienced and lack skills, after using services of travel agencies for the first time are more likely to become more independent afterwards.

Cognitive dissonance may be closely related to satisfaction with self-customized tours, since independent decision-making reduces general dissonance and is result of voluntary, important and irrevocable decisions (Bawa & Kansal, 2009). In other words, choices that an individual makes cannot be influenced or blamed on others; therefore, those choices are self-reliant and valuable.

Today's travelers travel to meet new cultures and people, as well as to escape from everyday life. They seek such places where they can fully relax and recover while exploring the destination. For that reason, it is simple to conclude that modern travelers prefer to be in control of travel organization and the fact that more than half of the participants agreed on this statement is additional confirmation. Further on, participants in the survey stated that three most important factors that influence travel organization are, indeed, safety, experience gained and customization of itinerary. Participants also stated that they prefer to invest more time and effort in customization of itinerary rather than buying premade package from travel agency in order to gain more

experience and value, not only during the process of organization, but also in the desired destination.

Today's travelers are expecting to be treated as unique individuals. With their skills and propensity towards undiscovered and new, they are easily engaging in the marketplace. Best deals and cheap flights are a few clicks away with the adequate knowledge and technical skills. Over 50% of the participants claim that they can save more money if they organize trip by themselves, which means that their skill level is very high. Half of the participants have agreed that online travel apps for self-organization are easy to use, which again indicated that the skill level of the selected participants is high. Information overload does not seem to have an impact on those who seek perfect itineraries. However, a minority of participants that see this as a problem tend to travel with travel agencies.

Although it has been seen that participants rather organize travel by themselves, they still trust travel agencies. Many of them agreed that the information provided by the travel agencies are accurate and unbiased. This is the main indicator that travel agencies offer quality itineraries, however they seem to lack an element of experience which customers highly value. Travel agencies are therefore an option for those who lack technological skills and feel overwhelmed with information available.

Around 15% of participants are neutral about their skill level for using online travel apps, meaning that they lack either knowledge or organizational experience. Another opportunity for travel agencies is attracting people who do not have much trust in online travel tools as well as those who are in need to save more time and effort in organizing their travel. Customization requires time, which not all have, and not everyone is capable of inventing a personalized itinerary. This is confirmed with the fact that almost half of the participants believe that buying pre-made package

would reduce invested time and effort in customization. This does not necessarily indicate that participants are contradicting their previously stated opinion, but rather that they recognize travel agencies as a great choice for those who do not want to invest time and effort in itinerary planning.

## CONCLUSION

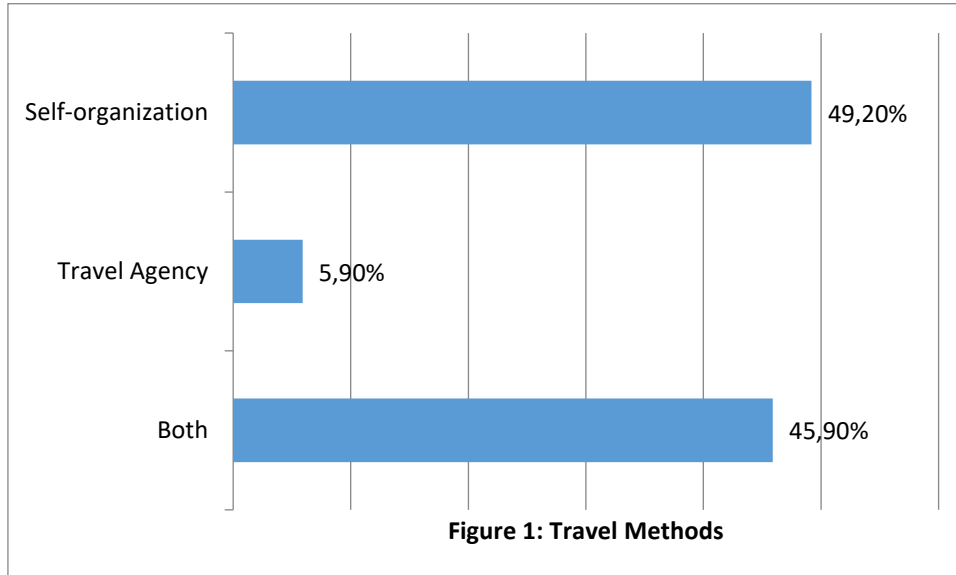
Based on primary and secondary research, it can be concluded that modern travelers prefer DIY method of travel organization, since travel agencies cannot wholly meet their needs. Travel behavior has changed due to information available online and, for travel agencies, this is a true challenge. In order for them to stay competitive, they will have to build such approach that would fully include potential customers in travel organization and their offer will have to be customized rather than standardized.

Travel advising industry could rise again. Millennials are considering using travel agents' services more than Baby Boomers and Generation X. Suggestion for the future research on this topic would be to include wider range of participants in order to collect more valid data. The limitation of this research is its focus on technologically savvy customers aligned around an online community.

## APPENDIX

I usually travel:

Total responses: 306



- I feel more safe when traveling with tourist agency rather than when traveling by myself.

Total responses: 336

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
104 (31%)	50 (14.9%)	99 (25.9%)	60 (17.9%)	23 (6.8%)
Average		2.53		
Standard deviation		1.28		
Median		3		



- I believe that travel agency itineraries fulfil my expectations and needs regarding travel.

Total responses: 336

Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
53 (15.8%)	86 (25.6%)	121 (36%)	62 (18.5%)	14 (4.2%)
Average			2.66	
Standard deviation			1.05	
Median			3	

- Information provided by travel agencies are accurate and unbiased.

Total responses: 336

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
12 (3.6%)	47 (14%)	147 (43.8%)	116 (34.5%)	14 (4.2%)
Average			3.18	
Standard deviation			0.86	
Median			4	

- I can get more value if I invest more time and effort in my own customization of trip rather than by buying premade travel agency packages.

Total responses: 336

Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
5 (1.5%)	5 (1.5%)	33 (9.8%)	75 (22.3%)	218 (64.9%)
Average			4.48	
Standard deviation			0.84	
Median			5	

- I feel overwhelmed by the information available to me online and it is difficult to process them and make sense out of them.

Total responses: 335

Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
106 (31.6%)	99 (29.6%)	69 (20.6%)	48 (14.3%)	13 (3.9%)
Average			2,29	
Standard deviation			1,14	
Median			2	

- I am comfortable using online payment system when organizing my own trip.

Total responses: 336

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
16 (4.8%)	23 (6.8%)	63 (18.8%)	120 (35.7%)	114 (33.9%)
Average			3.84	
Standard deviation			1.11	
Median			4	

- I believe that I can save more money if I organize trip by myself.

Total responses: 335

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
9(2.7%)	22 (6.6%)	52 (15.5%)	83 (24.8%)	169 (50.4%)
Average			4.12	
Standard deviation			1.09	
Median			5	

- I believe I can gain more experience if I organize trip by myself.

Total responses: 336

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
4 (1.2%)	12 (3.6%)	44 (13.1%)	93 (27.7%)	183 (54.5%)
Average			4.33	
Standard deviation			0.88	
Median			5	

- I prefer to be in control in terms of itinerary planning and options available during the process of trip organization.

Total responses: 335

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
2 (0.6%)	14 (4.2%)	55 (16.4%)	89 (26.6%)	175 (52.2%)
Average			4.24	
Standard deviation			0.93	
Median			5	

- I believe I will save more time and effort if I buy pre-made travel itinerary.

Total responses: 335

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
50 (14.9%)	75 (22.4%)	83 (24.8%)	81 (24.2%)	46 (13.7%)
Average			2.98	
Standard deviation			1.26	
Median			3	

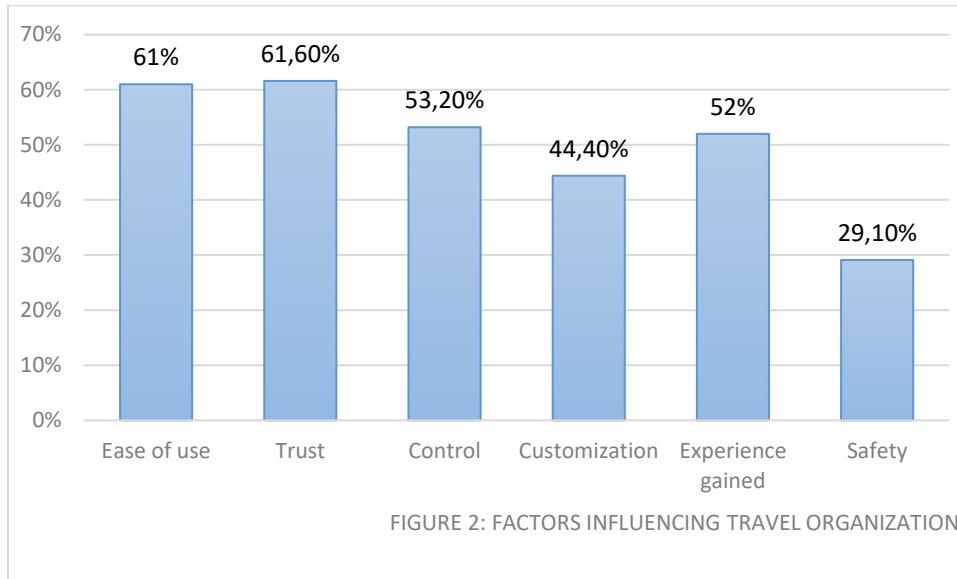
- Online apps and web pages available for booking self-organized travel are easy to use.

Total responses: 333

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
4 (1.2%)	8 (2.4%)	43 (12.9%)	125 (37.5%)	153 (45.9%)
Average			4.22	
Standard deviation			0.87	
Median			4	

- Choose three most important factors in the process of choosing desired option regarding travel organization.

Total responses: 333



## SENIOR PROJECT QUESTIONNAIRE

### Factors Influencing Travelers' Choices

#### – DIY Itineraries vs. Travel Agency Packages

- How do you organize your travels?
  - Travel agency packages
  - Self – organization
  - Both
  
- Please respond to each statement by indicating how much you agree or disagree with it, using the scale ranging from **1-strongly disagree** to **5-strongly agree**.

QUESTION	STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE
I feel more safe when traveling with tourist agency rather than when traveling by myself.	1	2	3	4	5

I believe that travel agency itineraries fulfill my expectations and needs regarding travel.	1	2	3	4	5
Information provided by travel agencies are accurate and unbiased.	1	2	3	4	5
I can get more value if I invest more time in my own customization of travel rather than by buying premade travel agency packages.	1	2	3	4	5
I feel overwhelmed by the information available to me online and it is difficult to process them and make sense out of them	1	2	3	4	5
I am comfortable using online payment system when organizing my own travel	1	2	3	4	5



I believe that I can save more money if I organize travel by myself	1	2	3	4	5
I believe I can gain more experience when organizing my own travel	1	2	3	4	5
I prefer to be in control in terms of itinerary planning and options available during the process of trip organization	1	2	3	4	5
I believe I will save more time and effort if I buy pre-made travel itinerary.	1	2	3	4	5
Online apps and web pages available for booking self-organized travel are easy to use.	1	2	3	4	5

- Choose three most important factors in the process of choosing desired option regarding travel organization:
  - Experience gained
  - Safety
  - Customization
  - Trust
  - Control
  - Ease of use
  -
  
- What are your travel motivations? (2 possible choices)
  - The need to escape from everyday life
  - The need to meet new people
  - The need to meet different cultures
  - The need to follow trends

- How often do you travel?
  - 1 - 2 time a year
  - 3 - 4 times a year
  - 5 - 6 times a year
  - More than 6 times a year
  
- You often travel:
  - For business
  - For pleasure
  - Other
  
- Gender:
  - Male
  - Female

- You are
  - Between 18 and 25 years old
  - 26 and 35
  - 36 and 55
  - 56 and 75
  
- Education:
  - High school diploma
  - Bachelor's degree
  - Master's degree/PhD

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