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Article

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The perceived value and perceived benefits experienced by customers using travel agents

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Although many predictions have been made about the demise of travel agents because of the impact of the Internet on travel agencies, many customers still prefer that a travel agent should take care of their travel arrangements instead of doing it themselves. This study endeavours to identify the benefits customers perceive to obtain when they use a travel agent for their travel arrangements. The exploratory and confirmatory factor analyses following the personal in-depth interviews with 26 customers of a travel agency and an extensive literature review revealed significant positive relationships between four perceived benefits and customer loyalty. These perceived benefits were identified as financial benefits, emotional benefits, expertise and support. An assessment of the internal consistency of all these dimensions was undertaken and all the Cronbach's alpha coefficients of the dimensions were above the generally accepted cut-off value of 0.7. The structural model's fit statistics ($X^2 = 349.27$; $df = 125$; $X^2/df = 2.79$; $RMSEA = 0.0548$) suggested that the data fitted the theoretical model reasonably well.

Introduction

Brick-and-mortar travel agencies have been affected by advances in information and communication technology and by the widespread use of the Internet in the planning and purchasing of travel trips. The extent to which the Internet has affected brick-and-mortar travel agencies in favour of online travel agencies differs substantially among countries and market segments. The Bureau of Statistics in the United States reported that full-time travel agents in the United States decreased substantially from 124 000 in 2000 to around 74 000 in 2014 (Lam 2016; McCarthy 2016). In Western Europe, the number of bookings through brick-and-mortar travel agencies reduced from 33% to 20% between 2008 and 2012. Olenski (2015) adds that half of the Australian travellers who travel overseas prefer the personal contact of brick-and-mortar travel agencies for their travel arrangements. Although there has been a substantial decline in the number of these travel agencies, some have survived by developing personal relationships with customers in niche markets (McCarthy 2016; Oates 2015). In a recent study of 27 European countries, it was found that travel agents are still an important source of information for travellers (Korneliussen & Greenacre 2017). On average, 11.4% of the respondents consulted a travel agent for travel information, with Austrian respondents reporting the highest (17.6%) and Hungarian respondents reporting the lowest (5.7%) use of travel agents as sources of information (Korneliussen & Greenacre 2017). No reliable figures are available with respect to the effect that the Internet has had on travel agencies in South Africa. However, the South African Association of Travel Agents has recently stated that the number of travel agencies is on the increase again and that travel bookings through travel agents are on the rise as well (ASATA 2016). As indicated earlier, many customers still prefer the services of a travel agent. For the purposes of this article, a brick-and-mortar travel agent is a personal travel agent that assists an individual with the purchasing of retail services or products. Although some of the activities of the brick-and-mortar travel agents may be online, the interaction with such agents can be on a personal face-to-face level in a physical building that is owned or rented.

Research background, objectives and structure of the article

Since the 1990s, many predictions have been made about the disintermediation of the brick-and-mortar travel agencies that will be replaced by online travel agencies and the online travel-related reservation facilities offered by, for instance, airlines, hotels and resorts. The primary objective of this research was to determine why some customers, despite the popularity of online use for the shopping of travel services, still prefer to leave shopping of travel services to travel agents. The primary objective was thus to identify the value and benefits that travel agents offer to customers,

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which make travel agents preferable to online shopping for travel services. The second objective was to determine which perceived benefits have a positive relationship with customer loyalty. Thereafter, we report on a qualitative study during which a sample of frequent South African travellers was interviewed to identify the perceived benefits obtained when shopping for travel services with travel agents. In order to address these objectives, a review of the theory and literature that relates to perceived value and perceived benefits is provided.

The context of our study is perceived value and perceived benefits experienced by customers who use travel agents. Rational customer behaviour is to get the most out of the utility from an exchange process by maximising benefits and minimising costs (Hasan et al. 2017). Customer costs would typically include financial, temporal and physical costs (Markin 1979). Benefits, in contrast, refer to what is received, such as goods and services (Konovsky & Pugh 1994). Where costs exceed the benefits, customers will walk away from a deal; conversely, if the benefits exceed the costs, it is expected that rational customers will remain loyal (Settoon, Bennett & Liden 1996).

Much has been published on the advantages and benefits of people doing their own bookings, comparing prices and shopping for travel services online (Amaro & Duarte 2015; Nunkoo & Ramkissoon 2013; Wang et al. 2016). Although online shopping for travel services has become popular, there are still customers who prefer to leave the shopping for travel services to travel agents. Some customers prefer that travel agents do their travel arrangements instead of doing the travel arrangements themselves. These customers do so as the perceived benefits offered by travel agents exceed the costs of making their own arrangements. This phenomenon of the trade-off between perceived benefits and costs is explained well by the social exchange theory. This theory denotes that individuals' social behaviour is the outcome of an exchange process (Lawler & Thye 1999).

Literature review: Perceived value and perceived benefits

Since the 1990s, the customer perceived value concept and its contribution to consumer purchase intention and subsequent loyalty have received extensive coverage in the literature (Bove & Johnson 2002; Cronin et al. 2000; Slater 1997; Slater & Narver 1994; Sweeney & Soutar 2001; Woodruff 1997). Overall perceived value can be described as a subjective construct that will differ between consumers, between cultures and over time (Sabiote-Ortiz, Frías-Jamilena & Castañeda-García 2016). Perceived value has also been acknowledged in marketing research as central to the understanding of consumer behaviour (Nilson 1992; Ostrom & Iacobucci 1995). Hollebeek (2013) notes that perceived value has been referred to in various theoretical and contextual applications, including relationship marketing (McCull-Kennedy et al. 2008), the service dominant logic literature (Gummesson 2008; Woodruff & Flint 2006) and in

other areas such as hospitality (Oh 1999) and e-commerce settings (Chen & Dubinsky 2003). Extensive research has been undertaken on the conceptualisation of perceived value. In a shopping value context, Babin, Darden and Griffin (1994) distinguish between utilitarian and hedonic value dimensions and all the factors, qualitative and quantitative, subjective and objective, that make up the complete shopping experience. Utilitarian (extrinsic) value represents the instrumental benefits of shopping (i.e. buying a particular item or service), while hedonic (intrinsic) value signifies experiential benefits emanating directly from the shopping experience itself (i.e. fun, novelty, escape) (Babin & Darden 1995). In a comprehensive review of the perceived value concept, Sánchez-Fernández and Iniesta-Bonillo conclude that the concept implies an interaction between a customer and a product or service; that perceived value is relative by virtue of its comparative, personal and situational nature; and that perceived value is preferential, perceptual and cognitive-affective in nature (2007). Recently Kumar and Reinartz (2016:37) defined perceived value as 'customers' net valuation of the perceived benefits accrued from an offering that is based on the costs they are willing to give up for the needs they are seeking to satisfy'. They concur with Gutman (1982) that the perceived customer value of an offering is the combination of both the benefits that a customer seeks, expects or experiences and the unexpected consequences that come with the benefits. The vital aspect of their conceptualisation of perceived value is that customers 'choose actions that, *ceteris paribus*, maximize the desired consequences and minimize concurrent undesired consequences' (Kumar & Reinartz 2016:37). The benefits of an offering, as well as all the undesired consequences, are created by the offering of attributes. Gutman (1982) explains the differences between benefits and attributes, namely, that customers receive benefits, whereas an offering consists of attributes. Plewa, Sweeney and Michayluk (2015) argue that perceived value is equivalent to value-in-use, as perceived value is what emerges from or is created by the customer after interactions between the customer and the service provider.

Personal interviews with customers who travel frequently

Since the extant literature offers little guidance about the perceived benefits offered by travel agents to customers, we conducted interviews with people who travel frequently to identify the benefits they perceive they obtain when using a travel agent. A travel agent was requested to supply names of customers who travel frequently and who would be suitable to interview for this study, and who would be willing to participate. The travel agent obtained the consent of the customers to take part in the interviews before we approached them to schedule the interviews. Personal in-depth interviews were conducted with 26 customers. This sample of respondents consisted of 10 males and 16 females, with their ages ranging from 22 to 69 years. The interviewees were given a brief description of what the study entailed and what the concept of perceived benefits meant. The interviewees

then shared their views about the perceived benefits they experienced and which they felt were important when a travel agent proposed and booked a trip for them. The interviews were recorded and transcribed. The transcripts were read and analysed for coding. A categorisation process was followed to identify themes that recurred in the data. Words that reflected similar characteristics were grouped together to identify common descriptors that characterised each theme and to develop a definition for each theme. The following themes occurred most times in the transcribed text (the number in brackets indicate how many times a word(s) were used in a particular context):

1. Experience and knowledge of travel agents (53)
2. Assistance, support and advice provided by travel agents (48)
3. A positive emotional relationship with the travel agent (42)
4. Customisation and planning arrangements to a customer's needs (33)
5. Ability to find suitable and affordable financial offerings (27)
6. Convenience of not having to spend own time on searches (17)

The categorisation process identified six recurring themes. Based on the perceived benefits that emerged from the literature review and in-depth interviews, the six perceived benefits were identified as those perceived by customers when they use travel agents to do their travel arrangements for them. These perceived benefits were convenience, customisation, expertise, support and financial and emotional benefits. These six perceived benefits were classified as the dimensions of the value construct for customers who use travel agents to do their travel arrangements. Anisimova (2007) found that functional consumer benefits are the most consistent predictors of both attitudinal and behavioural loyalty. Appendix 1 contains a number of typical customer comments made during the personal interviews.

Perceived convenience benefits

Berry, Seiders and Grewal (2002:4) conceptualise service convenience as 'consumers' time and effort perceptions related to buying or using a service'. Mimouni-Chaabane and Volle (2010) view convenience as reducing choice, and saving time and effort. Berry (1995) believes that the benefit of convenience is to reduce or simplify the risk of decision-making. Gwinner, Gremler and Bitner (1998) found that the non-monetary benefits of time-saving also result from not having to search for another service provider. For the purposes of this study, the concept perceived convenience benefits is defined as the ease of concluding a transaction; the simplification of complicated itineraries; and easy decision-making to save time and effort. Based on the preceding discussion, the following is hypothesised:

H1: Perceived convenience benefits have a positive relationship with customer loyalty.

Perceived customisation benefits

Various authors have suggested that customised offerings can have a considerable effect on the way a consumer perceives the value of an offering, as the customised offerings can simplify the decision-making process and also convey more related benefits of using the service (Broekhuizen & Alsem 2002; Gazley, Hunt & McLaren 2015; Zarrad & Debabi 2012). Gwinner et al. (1998:105) assert that the 'customisation benefit can include the customer's perception of preferential treatment, extra attention or personal recognition, and special service not available to other customers'. For the purposes of this study, perceived customisation benefits refer to a product or service that is tailor-made to a customer's demands. It is therefore hypothesised that:

H2: Perceived customisation benefits have a positive relationship with customer loyalty.

Perceived expertise benefits

The three basic components of perceived expertise benefits are training, knowledge and experience (Business Dictionary 2017). Expertise is necessary to match product offerings to customer needs and expectations (Dampérat & Jolibert 2009). Furthermore, for professional services such as those offered by a travel agent, seller expertise is considered as 'product quality' and therefore seller expertise is the core element that customers seek when considering to buy a service of this nature (Wan et al. 2012). In this study, perceived expertise benefits include the opinions, advice, recommendations and answers to customers' questions and receiving relevant and accurate information. Given this reasoning, it is hypothesised that:

H3: Perceived expertise benefits have a positive relationship with customer loyalty.

Perceived financial benefits

The financial benefits of retail shopping have been operationalised as value motivations in the form of looking for sales, discounts and bargains (Arnold & Reynolds 2003). For the purpose of this study, perceived financial benefits are defined as money-saving, the best money deals given budget constraints, value for money and avoiding unexpected expenses by being informed of all costs before any financial commitment is made. Based on the preceding discussion, it is hypothesised that:

H4: Perceived financial benefits have a positive relationship with customer loyalty.

Perceived emotional benefits

The benefits of hedonic value offered by the interaction with a travel agent are experiential, emotional and symbolic in nature (Holbrook & Hirschman 1982). The inseparability characteristic of services and the interaction between the customer and supplier in the service exchange process leads to a shared responsibility towards the outcome, resulting in intensified emotions. When these heightened

emotions are positive, they lead to increased customer loyalty to the service provider (Sierra & McQuitty 2005). Positive emotional experiences by a customer interacting with a travel agent ultimately contribute to customer satisfaction that support customers' decisions to be loyal to a particular travel agent (Lam et al. 2004). We therefore hypothesise that:

H5: Perceived emotional benefits have a positive relationship with customer loyalty.

Perceived support benefits

In marketing, seller support refers to the integration of people, processes, technology and strategies that combine organisational resources and communication to enable customer value creation interactions. Seller support makes it possible for customers to access the services they want, when and how they want them (Nilsson 2007). On an individual level, perceived support benefits denote the extent to which a service provider shows consideration for a customer because the focus is on the dyadic relationship between the two (Yi & Gong 2013). Perceived support benefits are operationalised to include having a specific person to provide assistance, to solve problems that may arise and who can personally attend to customer complaints, cancellations, refunds and alterations. Against this background, it is hypothesised that:

H6: Perceived support benefits have a positive relationship with customer loyalty.

Customer loyalty

Although there is no consensus definition of loyalty, previous research generally demonstrates that it represents a mix of attitudes and behaviours that benefit one firm relative to its competitors (Dick & Basu 1994; Melnyk, van Osselaer & Bijmolt 2009; Watson et al. 2015). A considerable amount of existing theories frequently demarcate attitudinal loyalty and behavioural loyalty as the primary elements of customer loyalty (Watson et al. 2015). Customer loyalty, as an intangible asset, benefits a retailer in various ways. Customer loyalty, in terms of its attitudinal and behavioural dimensions, presents substantial opportunities for differentiation and as a foundation for a competitive advantage (Cossío-Silva et al. 2016). The consequences of customer loyalty are extensively recognised in the marketing literature (El-Manstrly 2016). A tiny increase in customer loyalty has a considerable impact on a firm's financial value, and loyal customers are inclined to purchase more (Lam & Burton 2006; Roos & Gustafsson 2007). In addition, loyal customers are more profitable, are more tolerant with respect to service failures, are resilient to competitors' products and services and need less effort to retain (Ganesh, Arnold & Reynolds 2000; Narayandas 2005; Reichheld 1996; Yi & La 2004). For the purposes of this research, the following definition of Watson et al. (2015:803) is used to portray customer loyalty, namely, that 'customer loyalty is a collection of attitudes aligned with a series of purchase behaviours that systematically favour one entity over competing entities'.

The relationship between perceived benefits by customers and customer loyalty

The relationship between the benefits that customers perceive and loyalty as an outcome thereof has been studied by various researchers. Hennig-Thurau, Gwinner and Gremler (2002) investigated the relationship between confidence benefits, social benefits, special treatment benefits and loyalty. In the Hennig-Thurau et al. (2002) study, confidence benefits and social benefits had a significant relationship with loyalty. Dagger, David and Ng (2011) studied the role that commitment plays in driving customer loyalty and in identifying the effect that confidence, social and special treatment benefits have on the development of commitment, and ultimately customer loyalty. Their findings indicate that to enhance customer loyalty (via customer commitment), firms have to provide confidence, social and special treatment benefits to their customers. Kuo and Feng (2013) studied the effect that hedonic, social, and learning benefits have on community commitments. They found that hedonic, social and learning benefits have a positive effect on community commitments and ultimately customer loyalty. Lin, Lobo and Leckie (2017) investigated consumers' perceptions of a brand's green benefits (GPV) and brand loyalty and found that the influence of GPV on brand loyalty was significant. Chen and Hu studied customer loyalty in the highly competitive Australian coffee outlet market and found that relational benefits have a direct positive effect on customer loyalty. In a somewhat different perspective, Mimouni-Chaabane and Volle (2010) investigated the benefits of loyalty programmes in various industries that appeal to customers. They found that both monetary and non-monetary benefits, such as monetary savings, exploration, entertainment, recognition and social benefits, that loyalty programmes offer appeal to customers. It is therefore evident that it can be expected that benefits that customers perceive have a positive relationship with their loyalty to a firm.

Figure 1 illustrates the hypothesised relationships of the perceived benefits with customer loyalty.

Methodology

The methodology that was followed consisted of questionnaire development, sampling, data collection and the statistical analyses of the data.

Questionnaire development

All six perceived benefits dimensions and the items measuring them were subjected to an assessment by a marketing research practitioner and senior marketing academics to ensure content validity of the questionnaire and items for a study in a travel agency setting. All the items in the questionnaire were measured on a 10-point Likert scale, where 1 represented 'strongly disagree' and 10 represented 'strongly agree'. The questionnaire comprised 38 items in total, of which 32 measured the six perceived benefits and six

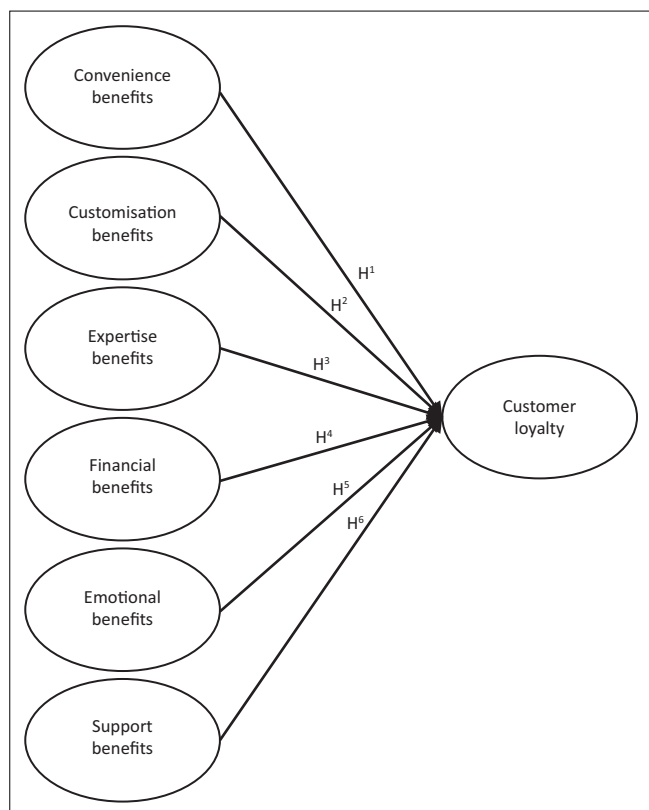


FIGURE 1: The hypothesised relationships of the perceived benefits with customer loyalty.

items measured customer loyalty, customer satisfaction and reputation (customer satisfaction and reputation were measured for purposes of nomological validity). All the questionnaire items emerged from the literature review and the in-depth interviews with customers. The final items that were used for data collection as well as their supportive sources are listed in Appendix 2.

Sample and data collection

The sample of the study consisted of South African respondents who travelled frequently and who used a specific airline. A random sample consisting of 5000 travellers was drawn from the airline's database of frequent travellers. An online questionnaire was e-mailed to all members of the sample and a total of 599 (11.9%) fully completed questionnaires were received. The majority of the respondents, namely 418 (69.8%), had been using a travel agent for more than 10 years. The respondents also made use of a travel agent on a fairly regular basis as 402 (67.1%) of them indicated that they had used a travel agent more than four times a year. Table 1 contains the details of the respondents.

Statistical analyses

An exploratory factor analysis was undertaken to test whether a relationship existed between the perceived benefits and the items measuring them. The sample for the exploratory analysis consisted of 599 respondents who had travelled frequently. The IBM SPSS statistics programme version 24

TABLE 1: Particulars of the respondents.

Variable	Gender		
	Male	Female	Total
Age category			
20–30	5	8	13
31–40	61	38	99
41–50	143	43	186
51–60	150	47	197
60+	89	15	104
Total	448	151	599
Number of years a travel agent was used			
1–2 years	6	6	12
3–5 years	39	20	59
6–10 years	73	37	110
> 10 years	330	88	418
Total	448	151	599
Number of times using a travel agent			
Once a year	32	23	55
Twice a year	37	23	60
Three times a year	33	12	45
Four times a year	28	9	37
> Four times a year	318	84	402
Total	448	151	599
Purpose of travel			
Leisure	15	18	33
Business	116	25	141
Leisure/business	317	108	425
Total	448	151	599

was used for this purpose. For the exploratory analysis, the factor extraction setting was Principal Axis Factoring with Direct Oblimin rotation. The exploratory analysis revealed four factors with factor loadings above 0.40 and which accounted for 81.79% of the variance in the data. These four factors were then labelled 'perceived financial benefits', 'perceived emotional benefits', 'perceived expertise benefits' and 'perceived support benefits'. The study thus could not support the dimensions 'perceived convenience benefits' or the 'perceived customisation benefits' that were identified during the interviews and the literature review. Only one customisation item was loaded with two expertise items to form an expertise benefit factor. The items provided strong contributions to the factor they represented (factor loadings ranged from 0.410 to 0.957). Tables 2 and 3 provide more details on the results of the exploratory factor analysis.

A confirmatory factor analysis was then conducted using LISREL 8.80 (Jöreskog & Sörbom 2006) to assess the measurement properties of the items used in the model. As it emerged that the data were not normally distributed, the Robust Maximum-Likelihood (RML) estimation method was used to test the theoretical model. Table 4 summarises the model fit statistics of the measurement model and suggests that it fits the data reasonably well (RMSEA = 0.0548; χ^2/df ratio = 2.79).

An assessment was made of the internal consistency of all the dimensions. All the Cronbach alpha coefficients of the dimensions were above the generally accepted cut-off value of 0.7 (Nunnally & Bernstein 1994). The reliability results are reported in Table 5.

TABLE 2: Results of the exploratory factor analysis.

Factor names	Items	Pattern matrix ^a : Factor			
		1	2	3	4
Perceived financial benefits	Fin5	0.957	0.000	0.057	0.009
	Fin4	0.878	0.006	0.074	0.050
	Fin1	0.871	0.014	0.054	0.016
	Fin6	0.811	0.103	0.004	0.039
	Fin2	0.799	0.062	0.121	0.079
Perceived emotional benefits	Symb4	0.015	0.888	0.013	0.051
	Symb7	0.026	0.886	0.035	0.037
	Symb3	0.055	0.771	0.030	0.088
	Symb5	0.027	0.730	0.178	0.042
	Symb6	0.042	0.687	0.038	0.200
Perceived support benefits	Supp4	0.001	0.007	0.884	0.012
	Supp2	0.087	0.001	0.851	0.004
	Supp1	0.017	0.118	0.683	0.075
Perceived expertise benefits	Exper1	0.010	0.019	0.071	0.848
	Cust1	0.062	0.042	0.012	0.833
	Exper2	0.154	0.012	0.397	0.410

Note: Extraction method: principal axis factoring; Rotation method: Oblimin with Kaiser normalisation.

^a, Rotation converged in 10 iterations.

TABLE 3: Results of the exploratory factor analysis: Factor correlation matrix perceived benefits

Perceived benefits	Financial benefits	Emotional benefits	Support benefits	Expertise benefits
Financial benefits	1.000	0.585	0.669	0.683
Emotional benefits	0.585	1.000	0.511	0.518
Support benefits	0.669	0.511	1.000	0.735
Expertise benefits	0.683	0.518	0.735	1.000

Note: Extraction method: principal axis factoring; Rotation method: Oblimin with Kaiser normalisation.

TABLE 4: Fit indices of the measurement model.

Fit indices	Value
Degrees of freedom	125
Minimum fit function chi-square	477.591 ($p = 0.0$)
Satorra–Bentler scaled chi-square	349.269 ($p = 0.0$)
χ^2/df	2.79
RMSEA	0.0548
ECVI	0.738
NFI	0.988

RMSEA, root mean square error of approximation; ECVI, expected cross-validation index; NFI, normed fit index.

TABLE 5: Reliability results.

Dimension	α
Perceived financial benefits	0.948
Perceived emotional benefits	0.919
Perceived support benefits	0.892
Perceived expertise benefits	0.902
Overall	0.952

The next step of the data analysis process was to assess the relationships in the structural model using LISREL 8.80. The model fit statistics ($\chi^2 = 349.27$; $df = 125$; $\chi^2/df = 2.79$; RMSEA = 0.0548) suggested that the data fitted the theoretical model reasonably well. The empirical results reported in Figure 2 show that Hypotheses 3, 4, 5 and 6 could not be rejected. In other words, a positive relationship was found between perceived financial benefits, perceived emotional benefits, perceived support benefits and perceived expertise benefits on the one hand, and customer loyalty on the other hand.

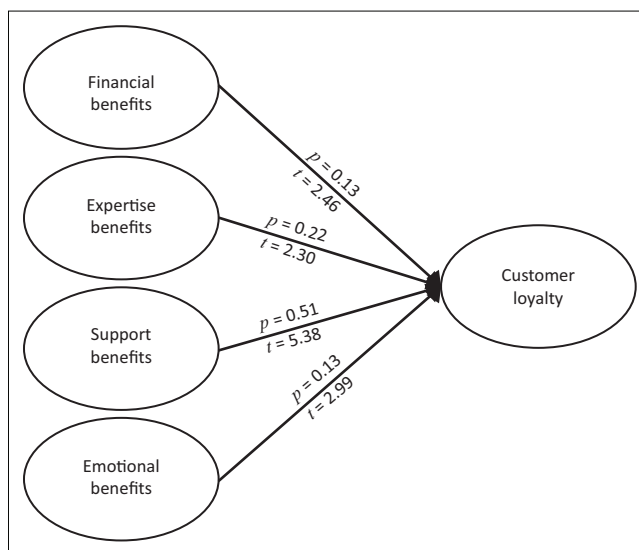


FIGURE 2: Empirical model.

TABLE 6: Items to measure the customer outcome variables.

Items	Supporting source
Item that measured customer satisfaction:	
Overall, I am satisfied with my travel agent.	Wang et al. (2016)
Items that measured reputation:	
My travel agent has a favourable reputation.	Nguyen and Leblanc (2001)
My travel agent is highly reputable.	del Bosque, Martín and Collado (2006)
I have never heard anything bad about my travel agent.	Schwaiger (2004)
Items that measured customer loyalty:	
I am loyal to my travel agent.	Walsh, Beatty and Shiu (2009)
I have developed a good relationship with my travel agent.	Walsh and Beatty (2007)

To assess the nomological validity of the model, correlations were used to measure the strength of the relationships between the four perceived benefit dimensions and the related constructs of customer loyalty, satisfaction and overall reputation. These three measures were expected to be positively associated with the mentioned perceived benefits. To show that the perceived benefit measures have nomological validity, the correlation between the measures and other related constructs should behave as predicted in theory (Churchill 1995). The items that were used to measure the customer outcome measures (customer loyalty, satisfaction and overall reputation) were based on previously published items in the literature and are indicated in Table 6. The reliability of the customer loyalty and overall reputation scales was assessed by means of Cronbach’s alpha measures (varying between 0.869 and 0.942). The strength of the relationships between the perceived benefit dimensions and the customer outcome variables of customer satisfaction, customer loyalty and overall reputation are illustrated in Table 7. Given the predicted positive association between the four perceived benefit scales and the three customer outcome variables, correlations were examined to assess nomological validity. These correlations are provided in Table 7. All 12 correlations between the perceived benefit dimensions and the customer outcome variables were significant at $p < 0.05$. These measures correlated in a manner predicted by theory, thus

TABLE 7: Correlation matrix of the perceived benefit dimensions and the customer outcome variables.

Variable	Expertise	Emotional	Financial	Support	Satisfaction	Loyalty	Reputation
Expertise	1	0.568*	0.712*	0.763*	0.835*	0.723*	0.695*
	599	599	599	599	599	599	599
Emotional	0.568*	1	0.598*	0.548*	0.560*	0.573*	0.519*
	599	599	599	599	599	599	599
Financial	0.712*	0.598*	1	0.658*	0.763*	0.663*	0.611*
	599	599	599	599	599	599	599
Support	0.763*	0.548*	0.658*	1	0.804*	0.744*	0.693*
	599	599	599	599	599	599	599
Satisfaction	0.835*	0.560*	0.763*	0.804*	1	0.805*	0.746*
	599	599	599	599	599	599	599
Loyalty	0.723*	0.573*	0.663*	0.744*	0.805*	1	0.717*
	599	599	599	599	599	599	599
Reputation	0.695*	0.519*	0.611*	0.693*	0.746*	0.717*	1
	599	599	599	599	599	599	599

*, Correlation is significant at the 0.01 level (2-tailed).

supporting nomological validity. Therefore, Hypotheses 3–6 failed to be rejected while Hypotheses 1 and 2 could not be accepted.

Findings

The Internet has been part of booking travel arrangements for almost three decades. Although the Internet has led to the disintermediation of travel agents on a large scale, some customers still prefer to book travel arrangements through travel agents. Apart from the perceived risks associated with the online environment, there are various other reasons why certain customers prefer travel agents to do their travel arrangements. During the personal interviews and the literature review, it became apparent that customers who use travel agents do so because of six perceived benefits they receive from the interaction with travel agents. In the online survey, only two of the six perceived benefits, namely, convenience and customisation, were not supported by the respondents. The statistical analyses of the study found a strong positive relationship between the four perceived benefits, namely, financial, emotional, expertise and support benefits, and customer loyalty. The items that were used to measure financial, emotional, expertise and support benefits appear in Appendix 3.

Conclusions and managerial implications

This research not only contributes to the body of knowledge of perceived value and perceived benefits but also advances our understanding of the relationship of these concepts with customer loyalty. The research also has useful implications for marketing managers and travel agency managers and their staff. In order to offer the desired perceived value, customers have to be convinced that the perceived benefits of the travel agent's offering must be at least equal to or greater than the total cost and/or sacrifices they would have to make when doing the travel arrangements themselves. A thorough understanding of this value and cost relationship and its influence on customers' purchase decisions is fundamental in the marketing task of travel agents.

In a service industry such as travel agencies, the association between perceived value and perceived benefits and a travel agent's offering is difficult to identify because of the intangibility of the service. Ideally, travel agents should endeavour to make the intangible tangible during their interactions with customers. Travel agents can offer a diversity of travel products and services to customers in combinations demanded by customers. In many instances, air tickets, accommodation reservations and land transport are part of a single travel arrangement. Such combinations of travel products and services provide travel agents the opportunity to match customers' expectations and travel experience. The offering of personalised services requires that travel agents are well-informed about the preferences of customers. One way to ensure that a travel agent is fully informed about a customer's preferences and how a particular travel trip was experienced is to personally communicate with a customer afterwards. The opportunity to reflect will not only give the travel agent valuable feedback for possible future transactions, but it is also likely to be appreciated by the customer that the travel agent cares. Essentially, an attempt or gesture like this raises the bar in favour of the travel agent when a customer might consider switching to another alternative for travel arrangements.

It is important to keep in mind that when perceived benefits have been received by customers, it may become an essential determinant of value or even entitlement by a customer in encounters that could follow. Because of the personal nature of the interaction between a customer and a travel agent, there should be opportunities to offer some form of gratitude to acknowledge the customer's support.

The perceived emotional benefits offer travel agents a great opportunity for customer involvement. Travel agents should encourage customers to participate in the perceived value creation process as customers are best aware of their own needs and preferences making it possible for travel agents to convert the perceived value offering into value-in-use (Plewa et al. 2015). Value-in-use is exclusive to the relationship between a travel agent and a customer and is a major advantage over competitors as the latter have little knowledge

about the criteria used by customers to form an exclusive value-in-use perception of a particular travel agent's offering. Other advantages of involving the customer are related to reducing the risk perceived or obtaining customer approval for the service that is actually required.

As mentioned earlier, the acceptance and use of the Internet for travel services is increasing continuously and it is likely that the Internet will be part and parcel of future generations' preferred platform of choice when shopping for travel services. As far as current customers are concerned, it is important to ascertain how they became and remain customers of travel agents. Some older customers might be afraid to use technology for transactions, while younger customers might feel insecure about purchasing trips and therefore they use travel agents for their first travel arrangements until they gain enough confidence to do it themselves. It is understandable that both these groups are, from a travel agent's viewpoint, just 'temporary' customers until they either gain confidence or lose their fear of using technology for travel transactions. It is imperative that travel agents offer the perceived benefits with every interaction with customers during and after a trip, thereby adding value.

Spielmann, Laroche and Borges (2012) emphasise the importance of personal interaction in the customers' perception to enhance credibility in their relationships with travel agents. Most of the perceived benefits that were found to positively influence customer loyalty in the present study stemmed from the interactions between customers and travel agents. Staff should be prepared for these personal interactions to respond with authority and expertise to the typical issues or concerns that customers may raise during personal interactions.

Furthermore, it should be kept in mind that customers can easily switch from a travel agent to another if there were no psychological bonds in place. The delivery of value via the four perceived benefits provides travel agents with both tangible and intangible means to create and maintain lasting relationships with their customers.

We suggest that the value of any trip or travel experience for customers can be adequately captured by measuring their responses to all four perceived benefits. The continuous measurement of the perceived benefits will enable travel agents to monitor changes in their own performance on a longitudinal basis and to timely identify deviations that warrant rectification. The findings from such surveys can thus serve as input for the prioritisation of staff training.

Lastly, it could be to the advantage of travel agents and their customers to provide information that is easy to use and that is easily accessible on their websites. All brick-and-mortar travel agents already have some presence on websites, but any further information that could add value to a customer's experience with a travel agent should also be available on the website.

Limitations and suggestions for future research

Given the confines of this academic article, it was not possible to provide all the answers as to why certain customers prefer travel agents to do their travel arrangements instead of doing it themselves using the Internet. Future research could study differences between the benefits perceived by leisure travellers and business travellers and the relationship between such perceived benefits and customer loyalty. Furthermore, diverse segments may exist of customers who prefer travel agents to take care of their travel arrangements. A thorough knowledge of these customer segments would be useful to develop marketing strategies (based on the bundling of particular perceived benefits) to appeal to customers from the different segments. It might also be of value for travel agents to study the relationship between other positive customer outcomes such as word-of-mouth, future patronage intentions and the perceived benefits obtained.

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Authors' contributions

N.S.T. and A.T. contributed equally to this work.

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Appendices start on the next page →

Appendix 1

TABLE 1-A1: Customers' perceived benefits of using a travel agent.

Benefit	Some comments by customers
Convenience	<p>The travel agent makes it easier to travel because they do all the thinking work...</p> <p>I know I can find better deals online but I prefer the convenience, time-saving, and first-hand experience of my travel agent.</p> <p>It's convenient and hassle free.</p> <p>I do expect to be able to phone my travel agent after-hours in the case of an emergency or have access to an after-hours service.</p>
Customisation	<p>We use a smaller travel agency because they know our exact requirements, such as that we will not wait at an airport for more than 2 h and that we prefer aisle seats, and they always accommodate these needs. They will book these seats online for us 24 h before even if it is on a Saturday or Sunday.</p> <p>I can have a conversation with my travel agent about my needs to obtain a logical and practical end product.</p> <p>I do like to have a bit of flexibility in the itinerary so that during the trip I can change my mind a bit.</p> <p>The ultimate thing is that the travel agent can recommend just the thing for you.</p>
Expertise	<p>It is especially gratifying if the travel agent has had personal experience in the destination you wish to visit and can offer first-hand advice.</p> <p>Professionals know about more options therefore they reduce the chance that you will find something better too late if you search on your own.</p> <p>I feel that there is too much information available [on the Internet] and I rely on the travel agent to sort through it.</p> <p>It is extremely important that the travel agent chats to the customer after the trip to see what they loved about it or what went wrong, and then they can pass this information onto other customers.</p> <p>Having options is a benefit of a travel agent.</p> <p>My travel agent knows my personal tastes and needs, and she matches options to my needs. She knows what not to recommend.</p>
Support	<p>If the trip needs to be cancelled or adapted, I will phone the travel agent to make the changes and pay the costs.</p> <p>I rely on my travel agent to have an established network so that if things go wrong she can tap into her network and find a solution.</p> <p>My travel agent has a contingency plan that I would never even have thought about.</p> <p>Personal connection and personal service is important to us because when we encounter a problem we phone our travel agent rather than having to figure it out on our own.</p>
Emotional	<p>They need to communicate what's going on and what problems they encounter.</p> <p>When I participate in the planning of the trip I feel a sense of accomplishment which is part of the whole travelling experience for me. It's also very important that I don't feel stressed or unhappy during the planning because it is part of the holiday and it helps me to look forward to it instead of hindering that positive anticipation.</p> <p>I feel that because we use the same travel agent she knows our personalities and provides options that suit us better.</p> <p>I feel a sense of affiliation to her [travel agent] and that's where my loyalty stems from.</p>
Financial	<p>Often our travel agent has found better deals for us.</p> <p>They are very honest in their pricing. They will issue a quote but if they find a better price they will let us know. They are always looking for the best flight prices and this makes me feel like their top priority and that they have my best interests.</p> <p>Although the Internet can get you cheaper options, the travel agent can get you better value for money because they are so in tune with what's going on in the travel industry and they know all about the deals and specials.</p> <p>They can give advice considering characteristics you want like in the city centre within your price range.</p>

Appendix 2

TABLE 1-A2: Questionnaire used for data collection.

Dimensions	Items	Source
Convenience1	Information provided by my travel agent made it easy for me to make decisions	Colwell et al. (2008)
Customise1	My travel agent is able to provide me with a customised end product/service	Coelho and Henseler (2012)
Expertise1	My travel agent provides me with relevant information	Auh et al. (2007)
Emotion1	When I plan a trip with my travel agent it reflects the kind of person I am	Rintamäki et al. (2006)
Support1	My travel agent provides assistance in the event of unforeseen circumstances	Lam and Zhang (1999)
Financial1	I get the best possible prices when I plan a trip with my travel agent	Gwinner et al. (1998)
Loyalty1	I have developed a good relationship with my travel agent	Walsh and Beatty (2007)
Emotion2	Planning a trip with my travel agent 'gets me away from it all'	Babin et al. (1994)
Support2	My travel agent successfully deals with changes to my travel plans	Nikbin and Hyun (2015)
Financial2	When I plan a trip with my travel agent I receive value for money	Sweeney and Soutar (2001)
Satisfaction1	Overall I am satisfied with my travel agent	Wang et al. (2016)
Convenience2	I can communicate with my travel agent through various ways	Colwell et al. (2008)
Customise2	I accomplish what I want to when I customise a trip with my travel agent	Babin et al. (1994)
Expertise2	My travel agent provides me with correct information	Auh et al. (2007)
Emotion3	I experience a sense of belonging when I plan a trip with my travel agent	Auh et al. (2007)
Support3	My travel agent solves problems that arise when planning a trip	Caro and Garcia (2008)
Financial3	My travel agent finds me the best options within my budget	Self-generated item
Reputation1	My travel agent has a favourable reputation	Nguyen and Leblanc (2001)
Emotion4	Planning a trip with my travel agent feels like an escape from my daily life	Babin et al. (1994)
Support4	My travel agent successfully deals with cancellations to my travel plans	Boshoff (1999)
Financial4	Planning a trip with a travel agent is economical	Sweeney and Soutar (2001)
Loyalty2	I am loyal to my travel agent	Walsh et al. (2009)
Convenience3	My travel agent makes it easy to complete my purchase	Colwell et al. (2008)
Emotion5	Emotionally I prefer the exclusivity that my travel agent offers	Ryan and Cliff (1997)
Expertise3	My travel agent has the knowledge to answer my questions	Parasuraman, Zeithaml and Berry (1991)
Support5	My travel agent quickly handles queries related to my travel plans	Millan and Esteban (2004)
Reputation2	My travel agent is highly reputable	del Bosque et al. (2006)
Customise3	My input ensures that my travel agent takes my requirements into consideration	Bock, Mangus and Folse (2016)
Emotion6	My travel agent contributes to my anticipation for the trip	Self-generated item
Reputation3	I have never heard anything bad about my travel agent	Schwaiger (2004)
Convenience4	My travel agent makes travelling uncomplicated	Millan and Esteban (2004)
Emotion7	Being involved in planning a successful trip with my travel agent enhances my self-esteem	Dong et al. (2015)
Financial5	When I plan trip with my travel agent I receive good financial value	Williams and Soutar (2009)
Customise4	I receive a personalised trip when I plan it with a travel agent	Bock et al. (2016)
Expertise4	I benefit from my travel agent's accumulated experiences	Millan and Esteban (2004)
Emotion8	My travel agent does things for me that he/she doesn't do for other customers	Gwinner et al. (1998)
Support6	My travel agent attends to the fine print regarding my travel plans	Millan and Esteban (2004)
Financial6	I get the most out of my money when I plan a trip with my travel agent	Petrick (2002)

The following demographic information was also collected from respondents:

Screening question: How often do you need a travel agent to assist you with your travel arrangements in a typical year?

Never	Once a year	Twice a year	Thrice a year	Four times a year	More than four times a year
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For how many years have you been using a travel agent to assist you in your travel arrangements?

1–2 years	3–5 years	6–10 years	More than 10 years
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Please indicate the categories of travel in which you participate:

Leisure	Business	Leisure and business
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Your gender:

Male	Female
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Your age category:

20–30 years	31–40 years	41–50 years	51–60 years	61 years and older
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Appendix 3

TABLE 1-A3: Final items of the study.

Benefit	New label	Former label
Perceived financial benefits		
When I plan a trip with my travel agent I receive good financial value.	Finance1	Finan5
Planning a trip with a travel agent is economical.	Finance2	Finan4
I get the best possible prices when I plan a trip with my travel agent.	Finance3	Finan1
I get the most out of my money when I plan a trip with my travel agent.	Finance4	Finan6
When I plan a trip with my travel agent I receive value for money.	Finance5	Finan2
Perceived expertise benefits		
My travel agent provides me with relevant information.	Prof1	Exper1
My travel agent is able to provide me with a customised end product/service.	Prof2	Cust1
My travel agent provides me with correct information.	Prof3	Exper2
Perceived support benefits		
My travel agent successfully deals with cancellations to my travel plans.	Support1	Support4
My travel agent successfully deals with changes to my travel plans.	Support2	Support2
My travel agent provides assistance in the event of unforeseen circumstances.	Support3	Support1
Perceived emotional benefits		
Planning a trip with my travel agent truly feels like an escape from my daily life.	Emotion1	Symb4
Being involved in planning a successful trip with my travel agent enhances my self-esteem.	Emotion2	Symb7
I experience a sense of belonging when I plan a trip with my travel agent.	Emotion3	Symb3
Emotionally I prefer the exclusivity that my travel agent offers.	Emotion4	Symb5
My travel agent contributes to my anticipation for the trip.	Emotion5	Symb6