



**The Role of Re-Intermediation Strategy on Customer  
Retention: The Case of Selected IATA's Travel Agencies  
in Addis Ababa.**

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**Department of Marketing Management**

**June, 2023**

**Addis Ababa, Ethiopia**

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of Selected IATA's Travel Agencies in Addis Ababa.**

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**Addis Ababa University School of commerce**

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Addis Ababa, Ethiopia**

## **APPROVAL**

With my approval and direction as a university advisor, this research paper with the title "**The role of Re-intermediation strategy on customer retention: The case of Selected IATA's Travel Agencies in Addis Ababa**" has been submitted to the Department of Marketing Management at Addis Ababa University School of Commerce.

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## **Statement of certification**

This is to certify that Abdulhakim Zemedede has completed his research on the subject of "**The role of Re-Intermediation Strategy on customer retention: The case of Selected IATA's Travel Agencies in Addis Ababa.**" It is his original work and is appropriate for submission for the Master of art in Marketing Management degree.

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## **Declaration**

I hereby certify that this thesis, titled "**The role of Re-intermediation strategy on customer retention: The case of Selected IATA's Travel Agencies in Addis Ababa,**" is my original work and has not been used by anyone else for any other university. I also certify that all sources consulted in the writing of this thesis have been properly cited.

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## *Acronyms*

*GDS-Global Distribution System*

*IATA-International Air Transport Association*

*SPSS-Statistical Package for Social Science*

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## ***Abstract***

*The re-intermediation of the travel agencies' businesses is necessary for them to remain competitive in the travel distribution sector by adding value to the travel distribution process. Re-intermediation is the process by which previously disintermediated intermediaries rejoin the distribution chain by providing new benefits to suppliers or customers. by creating a model that helps disintermediated travel agencies retain clients through the re-intermediation process. For the travel agency industry, a variety of re-intermediation strategies have been proposed, including product Knowledge, personal interaction, co-existing with technology, differentiated products, High-quality service and Low-service fee in an attempt retain customers. The primary objective of this study was to examine the role of re-intermediation strategies on customer retention as in the case of Travel agencies of IATA in Addis Ababa. The study employed explanatory Research design, this approach shows the cause-and-effect of determinants of re-intermediation strategy & customer retention. quantitative method approach has been employed. based on the questionnaires' collected from the targeted population, the researcher has used convenient sampling method in order to select the samples from the population. Self-administered questionnaires' have been distributed. A questionnaires' was developed to 102 IATA members travel agencies selected randomly. Analysis was made based on the data collected from the respondents of 102. The data obtained from travel agents, analyzed using descriptive statistics, Pearosn correlation, regression analysis made with the providing of SPSS version 26 for the purpose of analysis and summarization of the data to identify the most significant factors of customer retention. The research finds out four consistent factors of lower service-fee, differentiated product, high quality service and product knowledge have positive and significant effect on customer retention. Based on The analysis made, this study suggests that in order for travel agents to retain their customers, they should focus on enhancing customer retention by charging lower service-fee, differentiated products (Leisure & corporate segment), improve product knowledge, and high quality service. Moreover, travel Agencies should also consider to re-intermediate their business so as to retain their customers.*

**Key words:** *Intermediation, Disintermediation, Re-intermediation, Customer retention, Travel Agents.*

# **CHAPTER-ONE: INTRODUCTION**

This chapter is concerned by outlining the study's background, in which the research is primarily focused. The issue will then be presented in order to give readers a deeper understanding of the study topic. Identification of this research problem and the study question serving as the study's primary goal marks the conclusion of the problem discussion. Finally, the study's significance, Limitation, and scope will be discussed.

## **1.1 Background of the study**

IATA's travel agencies are facing several global challenges, including: Digital Transformation: With the rapid advancement of technology, the travel industry is witnessing a digital transformation. This has led to changes in consumer behavior, and travel agencies need to adapt to new technologies and platforms to remain relevant. New Distribution Capability (NDC): The NDC is a new standard developed by IATA that allows airlines to distribute their products and services directly to consumers through travel agencies. However, implementation of NDC requires technological and operational changes for travel agencies, which can be a challenge. Changing Consumer Behavior: Consumers are increasingly booking travel through online platforms, which has reduced the role of traditional travel agencies. Travel agencies need to provide value-added services to consumers to remain competitive. Increased Competition: The travel industry is facing intense competition from new entrants and disruptive technologies. Travel agencies need to differentiate themselves from competitors by providing unique services and experiences. Regulatory Environment: The travel industry is highly regulated, and travel agencies need to comply with various regulations and standards. Changes in regulations can affect the business model of travel agencies, and they need to adapt to these changes. Sustainability: The travel industry is one of the major contributors to carbon emissions. Travel agencies need to adopt sustainable practices to reduce their impact on the environment and meet the expectations of consumers who are increasingly concerned about sustainability.

In summary, the challenges facing IATA's travel agencies are related to technology, changing consumer behavior, competition, regulation, and sustainability. Travel agencies need to adapt to these challenges to remain competitive and relevant in the industry.

In this study, selected IATA travel agencies in Addis Ababa served as the context for examining the role of re-intermediation strategy on customer retention. The associations between the dependent variable (client retention) and the independent factors were examined in order to answer the research question and achieve the study's objective (Differentiated product, product knowledge, customer interaction, Low-service fees co-existing with technology and high quality service were looked at.

Although what is now known as a travel agency has been around for a while, the term "travel agent" and the "travel agency and tour operation business" were first used at the beginning of the 19th century, and throughout history, middlemen have assisted traders and pilgrim travelers. (CBSE, 2016).

Every industry is undergoing a revolution due to technology. Technology-driven change revolutionizes every industry. Companies must rethink their strategy, goods, and procedures in response to new technological pressures, rising customer expectations, and intense competition. To increase sales and stay competitive, the company offers new products and new ways to connect with customers. Every industry has been impacted by the growth of electronic commerce (e-business), but the travel sector was among the first to undergo changes as a result of e-business practices (Lang, 2000).

Since the 1950s, the dynamic nature of information and communication technology (ICT) had a significant impact on travel agencies in a variety of ways.

The Internet, which was full of information and available to anybody at anytime from anywhere in the world, provided a platform for interaction and communication between buyers and sellers. This advancement in new technologies had an effect on the travel industry, particularly, as customers' decisions about the purchase of travel-related services were heavily affected by the service quality and information accessible at the time of purchase. The direct access provided by the Internet, it has been said, will lessen the necessity for travel agencies and eventually lead to customers booking their vacation packages or business tours directly, disintermediating the traditional travel agencies.

IATA's Travel Agencies in Addis Ababa have been chosen as the case study to investigate the phenomenon in depth. Travel agencies in Addis Ababa are being disintermediated by consumers and suppliers (airlines) & (passengers). The airlines bypass travel agents and sell their goods directly to consumers via their websites and mobile apps. The majority of travel agency customers are moving to

the online booking platforms provided by the airlines because they can purchase their tickets directly from the airline's website and mobile application at an attractive price. The dominance of travel agencies is still threatened by the development of websites and mobile apps by airlines. Despite Addis Ababa's current disintermediation of travel agencies, no research has been done to examine how these businesses might profit from re-intermediation tactics like lower service fees and product differentiation.

The findings of this research can provide insights for IATA travel agencies to improve their customer retention strategies and ultimately enhance their competitiveness in the market.

As a result, the model mentioned above, which was derived from literature, will attempt to establish potential re-intermediation strategies in order to fill the travel agent marketing gap. This prompts the travel agencies to modify their marketing plans by concentrating on one or more re-intermediation strategies that could help them keep their existing clients while also gaining back any clients they may have lost.

## **1.2 Travel and Tour in Ethiopia**

The World Travel and Tourism Council reported that in 2016, Travel and tourism directly contributed ETB 30,476.2 million (2.2% of GDP) to Ethiopia's economy. This mostly refers to the economic output of companies like hotels, travel agencies, airlines, and other passenger transport services (apart from commuter services), as well as the operations of the restaurant and leisure sectors that are directly touched by tourists. By 2027, according to the report Travel & Tourism is expected to make a direct GDP contribution to the country of ETB 61,526.9 million (2.2% of GDP), growing by 6.4% annually.

Travel and tourism contributed directly to the creation of 466,000 jobs in 2016 (1.9% of all employment), and it is predicted that this number will rise to 488,000 jobs (1.9% of all employment) in 2017. This covers employment with lodging establishments, tour operators, airlines and other forms of passenger transportation. By 2027, travel and tourism are directly responsible around 657,000 jobs, a 3.0% annual growth over the ensuing 10 year

There are currently two different kinds of travel and tour operators operating in Ethiopia, according to Addis (2015): those whose main business is tourism and those that additionally provide ticketing services. Historical considerations for Ethiopian tour operators are mentioned in the World Bank's 2006 strategy

plan for the Ethiopian government. Before, the only government-owned monopoly in the industry was The National Tour Operator the Dreg Regime ended; now, only private tour operators are allowed.

Travel agencies have a big impact on how many tourists come in. Numerous academics have highlighted that an effective chain of travel firms unquestionably increases consumer satisfaction. While they are the first to learn of system flaws through consumer complaints, travel firms are also familiar with their clients' preferences and aspirations (Sahlemariam, 1998).

### **1.3 Statement of the problem**

Historically, Travel agencies have long been important as middlemen between customers and vendors. In addition to recommending and offering advice on travel, travel agents often sell goods. The internet provides itself as a platform for convenience and specialized sales, though, since it has become a popular tool for organizing, researching, and planning vacations (Lioa & Par, 2006). According to (O'Connor 2008), the very perishable nature of travel goods necessitates excellent distribution because any unsold goods cannot be kept and later consumed. Due to this, travel companies have traditionally relied heavily on distribution channels to aid in the sale of their goods. Initially, these were made up of intermediaries (travel agencies), but as technology advanced, usage increased.

In their study (Kracht & Wang, 2009) Traditional intermediaries must change their business and marketing strategies in response to the unstable economic climate in the marketplace. Disintermediation has taken place in the travel sector and is still changing how travel distribution channels are organized. Due to the disintermediation of the travel industry, travel agents must now manage and sell their companies differently in order to counteract this threat. Travel agencies need to re-intermediate their operations in order to retain consumers, but research to yet has not offered convincing evidence or recommendations for them to follow.

According to (Viljoen., et al,2015) Minimal Modern Academic research has focused on the current issues facing travel agents, with the most common management challenge being trying to reacquire and retain customers who have moved to booking travel arrangements online. Travel agents, who were a crucial intermediary in the travel distribution process, are now perceived as being another expensive intermedia layer by customers and suppliers alike.

The International Air Transport Association (IATA) travel agencies in Ethiopia, particularly in Addis Ababa, are facing various challenges that are hindering their operations. Some of these challenges include stringent government regulations, high taxes and fees, limited access to foreign currency, and inadequate infrastructure. These issues have led to a decline in the number of IATA travel agencies in the country, making it difficult for travelers to access quality travel services.

The inadequate infrastructure in Ethiopia, particularly in Addis Ababa, has made it challenging for IATA travel agencies to provide quality services. For instance, the lack of reliable internet connectivity and power outages have made it difficult for travel agencies to access online booking systems and communicate with their clients.

Addis Ababa's travel agencies experiencing disintermediation and inactive from the system. This research tried to identify the research gap by identifying the potential re-intermediation strategies to gain competitive advantage by attempting reacquiring customers who are relocating to book online, hence, this re-intermediation strategy is very important to travel agencies in Addis Ababa because of the challenges of disintermediation. in addition, this research will also provide a unique contribution to fill the literature gap.

As a result, the key determinant of re-intermediation strategies must be identified and measured by the travel agencies in order to identify the potential re-intermediation determinant factors such as low service fees, product knowledge, one-on-one interactions, differentiated offerings, high standards of service, and coexistence with technology are all should be examined in the study's based on analysis of how these factors affect customer retention to Addis Ababa's IATA travel agencies.

## **1.4 Research Question**

- How does lower service-fee apply by travel agents influence customer retention?
- To what extent does product knowledge influence customer retention?
- To what degree personal interaction influence customer retention?
- How does Differentiated product influence customer retention?
- How does High-quality service influence customer retention?
- How does Co-existing with technology for travel agents influence customer retention?

## **1.5 Objective of the study**

### **1.5.1 General Objective**

The study's overarching goal is to evaluate how re-intermediation tactics affect client retention.

#### **1.5.2 Specific Objectives**

- To Examine the influence of lower service fees on customer retention, the case of IATA's travel agents in Addis Ababa.
- To understand the influence of product knowledge on customer retention, the case of IATA's travel agencies in Addis Ababa.
- To Explore the role of personal interaction on customer retention, the case of IATA's travel Agents in Addis Ababa.
- To Explore the role of Differentiated product on customer retention, the case of IATA's travel agents in Addis Ababa.
- To assess the role of High-quality service on customer retention, the case of IATA's travel agents in Addis Ababa.
- To examine how Co-existing with technology influences customer retention, the case of IATA's travel agents in Addis Ababa,

## **1.6 Research Hypothesis**

*Hypothesis 1:* Lower service has a positive and significant effect on customer retention

*Hypothesis 2:* High quality service has a positive & significant effect on Customer retention

*Hypothesis 3:* Differentiated Product has a positive & significant effect on customer retention

*Hypothesis 4:* Product Knowledge has a positive & significant effect on customer retention

*Hypothesis 5:* Personal Interaction has a positive & significant effect on customer retention

*Hypothesis 6:* Co-existing with technology has a positive & significant effect on customer retention

## **1.7 Significance of the research**

### **1.7.1 For travel agencies**

The study will have a value to IATA travel agencies as well as Non-IATA's travel agencies. This will motivate them to identify the challenges coming from Disintermediation by Airlines and their respective customers, it will be an opportunity to readjust their business strategies that are relevant.

It will enable the management to understand the role of re-intermediation strategies on customer retention. In addition, it will also enable them to implement effective competitive strategies so as to retain their customers who are planning to migrate to online booking.

## **1.8 Scope of the Study**

In terms of content/subjective scope, in this study, the purpose of this paper is limited to examine the role of re-intermediation strategy on customer retention in Addis Ababa city as a context. This research has been conducted from Travel Agent perspective only. Even though there are different factors that affect IATA travel agencies, in this research only re-intermediation strategy dimensions were used.

The outcome of this study is solely dependent on individual response of the respondents that participate in this study; thus, the finding of this study may not give the general picture of the role of re-intermediation strategy on customer retention and as the sample is small and selected using non-probability convenient sampling method, the result might not have been generalizing beyond the specific population considering the total population is large.

In terms of geographical scope, this study is conducted in Addis Ababa, specifically air travel agency/agents of IATA members, through convenient method of collecting data, due to the fact that majority of air travel agencies in the country are located in the capital city.

The study uses an explanatory type of research design thus explanatory design seeks to establish cause-and-effect relationships. The primary purpose of this research design is to determine how events occur and which ones may influence particular outcomes (Dawson and Bob 2006). The reason of using this method is to study the relationship between dependent and independent variables.

The study focuses only on travel agencies which are members of the International Air Transport Association (IATA) since they have relatively well organized office and management setup and easily

accessible to the travelling public. Moreover, the IATA member travel agencies are financially stronger as compared to the Non IATA agencies which are mostly dependent on them for their business.

### **1.9 Limitations of the Study**

The method of study, which was solely focused on quantitative research approaches, was the study's main flaw. The study's primary focus was on travel companies that handle booking and ticketing. Therefore, this does not generalize the travel industry at all. Another limitation is that the concept of study re-intermediation strategies has not yet been thoroughly investigated; finding sufficient literature in the study area was one of the researcher's challenges.

### **1.10 Definition of key Terms**

**Intermediation:** -refers to the inclusion of middlemen in the distribution process to bridge the gap between the producer and consumer. Which is then seen as the distribution channel. (Du Toit et al 2010)

**Re-intermediation:** - The creation of new value between the consumers and the suppliers over the internet (Khin, 2018).

**Disintermediation:** - The removal of intermediaries that formerly linked a company to its customers (Khin, 2018).

**Customer Retention:** signifies that a consumer continues to support a company and hence shows recurrent patronage (Trasorras et al., 2009)

**Cyber-Mediaries:** refers to the development of entirely new online intermediaries who provide additional value in some manner. (Kotler & Armsron,2010)

**Travel Agency:** is an intermediary that sell either individual or collective travel products and services to the end users (Bennett et al,2005)

## **1.11 Organization of the study**

There are five chapters in this essay. The backdrop of the study, the issue statement, the research questions, the purpose of the investigation, the significance of the study, and the scope of the study are all covered in the first chapter's introductory section. A review of the relevant literature is presented in Chapter 2. The study design and procedures (to be used) were covered in chapter three, and the presentation and analysis of the results were covered in chapter four. The fifth and last chapter, which deals with the conclusions and suggestions made in light of the results, concludes.

# CHAPTER –TWO: LITERATURE REVIEW

## 2.1 Introduction

This chapter justifies the research question and develops the research design. It begins by addressing the Marketing mix of travel agencies, then presents a re-intermediation model, examines empirical data from related industries, and provides the theoretical underpinnings for the proposed re-intermediation model. and finally, from the perspective of the chosen determinants, develop both conceptual and theoretical frameworks.

## .2.2 Theoretical Framework

### 2.2.1 Marketing Mix Analysis of Travel Agencies

#### Product/service

Travel agencies provide a wide range of domestic and international services and goods, such as travel advice, itinerary creation, flight booking, vacation tours and packages, cruises, car rentals, hotel accommodations, supplier negotiations, travel insurance, and services for passports and visas. (Bennett et al,2005)

#### ✓ **People**

Since customers purchase both the time of each travel adviser and their specific trip product, the terms "product" and "people" are synonymous in the travel industry. In general, the travel sector struggles with a shortage of seasoned consultants and is known for having a high staff turnover rate. (Bendix,2006)

#### ✓ **Place**

In recent years, the travel agency's distribution procedure has undergone a significant transformation. As a result, it's imperative that the travel and tourism sector endeavor to integrate several channels so that clients may easily transition between the various channels. (Kruger clo-ete,2007) This is challenging since travel companies frequently lament their inability to match online prices, which gives the impression that they are overly pricey (Satit et al,2012)

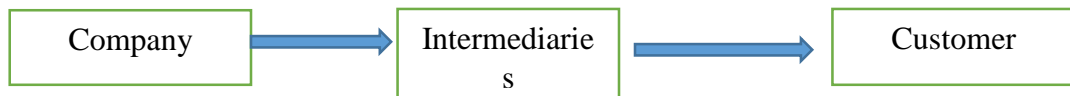
- ✓ **Price**  
Practically, travel agencies earn commission from and suppliers and service fee from customers, this amount forms the basis of travel agent's revenue they drive. Service fee can be calculated in various ways. Some agencies request consultant to use standard mark ups for different services where as others allow consultants to use their discretion. But set a minimum markup percentage for various service (Travel agency view,2018)
- ✓ **Promotion**  
The promotional mix is a collection of marketing strategies used to advertise a certain commodity or service. Advertising, public relations, personal selling, and sales promotion are the four sets of promotional activities that make up the promotional mix. (Hult et al,2012)
- ✓ **Process**  
To support efficient and successful service delivery, travel companies should be prioritizing processes (Bateson & Hoffman,2008). According to Lovelock & Wirtz,2007 and George,2008; think that procedures determine the plan and sequence of events that take place within the service delivery process to provide the value proposition that customers have been promised. Establish the difference between a process and a succession of uniform or unique acts. Booking and operational procedures that are standardized and customized are heavily used by the travel industry. (Cheng, 2012)
- ✓ **Physical Evidence**  
Any visible proof connected to or arising from the provision of services is classified as "physical evidence" in the service industry. This includes the delivery of goods, the appearance of collateral, business cards, and pretty much anything else (Hoffman et al,2009). Physical characteristics that surround a service and help consumers assess it are also referred to as physical characteristics. (Hoffman et al,2009)

### **2.2.2 Intermediation**

Intermediation is a concept that Incorporating middlemen into the distribution process to close the gap between producers and consumers is referred to as intermediation. Which then seen as the distribution channel. (DU Toit et al. 2011) In the past, it has been physically impossible for suppliers to communicate with their clients directly. Consequently, a firm needs an intermediation role. Along with

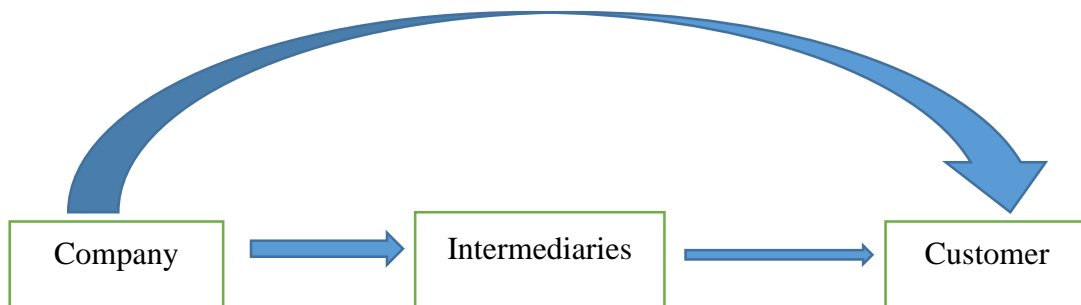
the other key factors of product, promotion, and price, the distribution or "place" portion of the marketing mix is regarded as a crucial part of the marketing mix (can et al.2006) & (pereault &Mc carthy,2005).

### **Traditional Market: INTERMEDIATION**



*Figure 2.1 intermediation on Tradition Market and Electronic Market*

### **Electronic Marketplace: DISINTERMEDIATION**



#### **2.2.3 Disintermediation**

According to (Bennet & Buhalis,2003) Disintermediation is the process of removing middlemen from the distribution chain, made possible by technology that lets customers interact with suppliers and destinations directly.

Increasing prices and efficiency are the driving forces behind eliminating "middlemen" from the supplier's standpoint. In the context of tourism, where businesses are exposed to the whims of changing economies, a wide range of exogenous factors over which they have no control, as well as globalization and the competition it brings, such businesses are looking to exert more control over the variables they can affect.

Then global distribution systems (GDS) fees and commissions are taken into account, as they do for 'full service' airlines, these considerations for suppliers in the travel sector focus on marketing and distribution, which can make up one-quarter of all operational costs. The CEO of British Airways, Rod Eddington, recently disclosed that, after labour and fuel, BA's third-largest expense in 2001 was distribution at £1.1 billion (Noakes, 2002).

From a marketing perspective, the internet and the emergence of e-mediaries result in greater exposure in a cost-effective and efficient manner. There are now more distribution channels available to providers thanks to new intermediaries like Expedia. Marketing analysis and client loyalty are two additional significant advantages for suppliers in reaching customers. By directly utilizing client data, suppliers are adjusting their services to assist increase customer loyalty. Little to no upfront costs, Additional advantages of the internet for providers include effective distribution via video clips, virtual tours, and images in addition to essential information.

From the standpoint of the user, the internet offers constant accessibility. More crucially, it gives consumers access to a wealth of information about items and prices that was previously difficult to find outside of more conventional channels, like a travel agent. However, customers have shown a tendency to 'look' online but 'book' using more conventional methods. Concerns about credit card security may contribute to this, however this is debatably less of a problem in 2005 (Law and Leung, 2000).

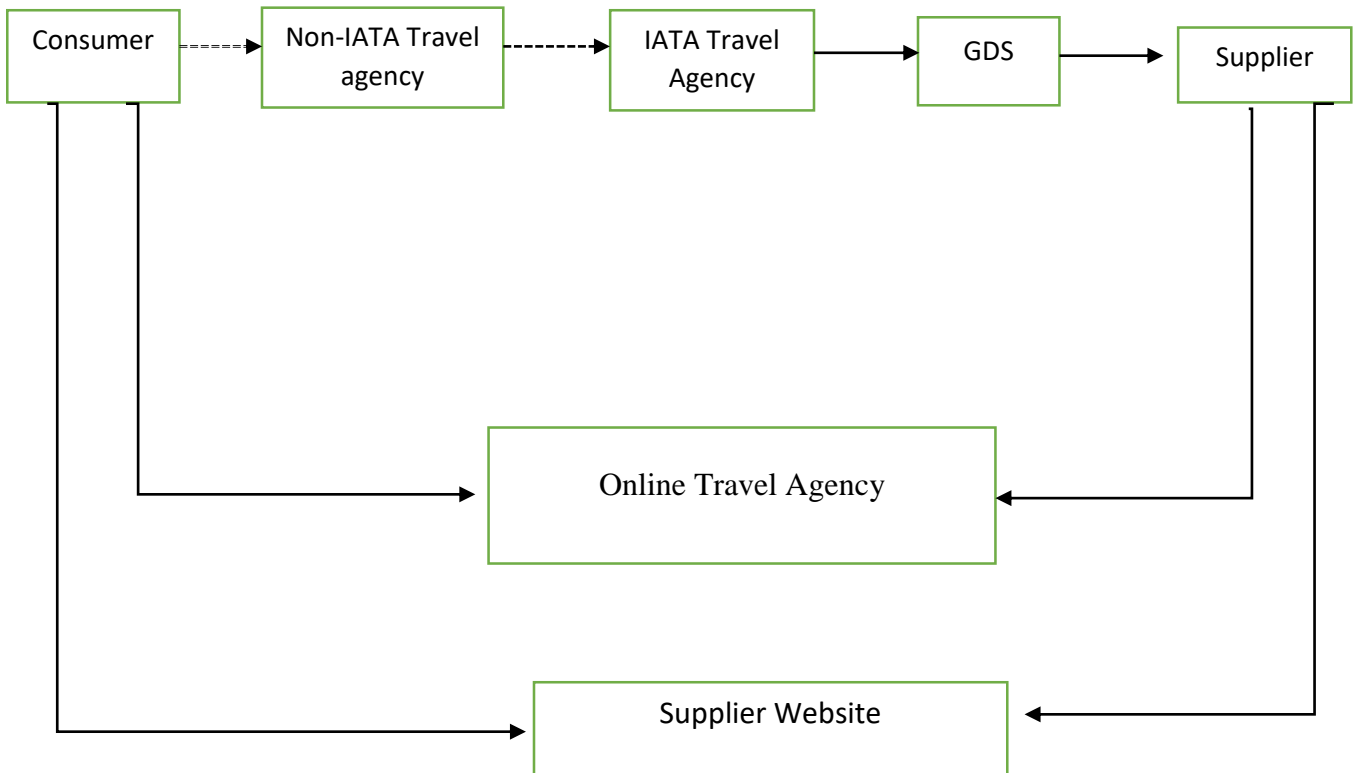
consumer belief in direct marketing bookings, and in specific the desire certainty which can be cause customers to return to the transportable agency, as well as the nuisance aspect of doing it yourself, are additional relevant factors in this case. Travel agents' knowledge of how to cut down on waiting times and increase travel security has been validated by (Blank ,1999 and Buhalis .1998).

## INTERMEDIATION



Figure 2.4 intermediation Approach towards to Disintermediation

## DISINTERMEDIATION



### 2.2.4 Re-intermediation

Re-intermediation is the process of establishing fresh value between buyers and sellers. (Khin, 2018). Travel agents must once again provide value to the travel distribution process and re-intermediate their companies if they are to remain relevant in the travel distribution market. (McDonald, 2010)

In their study (Salvado, et al, 2011) believe that technology has not changed the reasons people travel but has rather changed consumers' expectations in that they want more information and it has to be accurate, reliable and immediate. Other authors disagree and state that, although the 'web' does provide information, it is no match for a real person's first-hand knowledge and experience (Bennett & Lai 2005) and Garkavenko 2007).

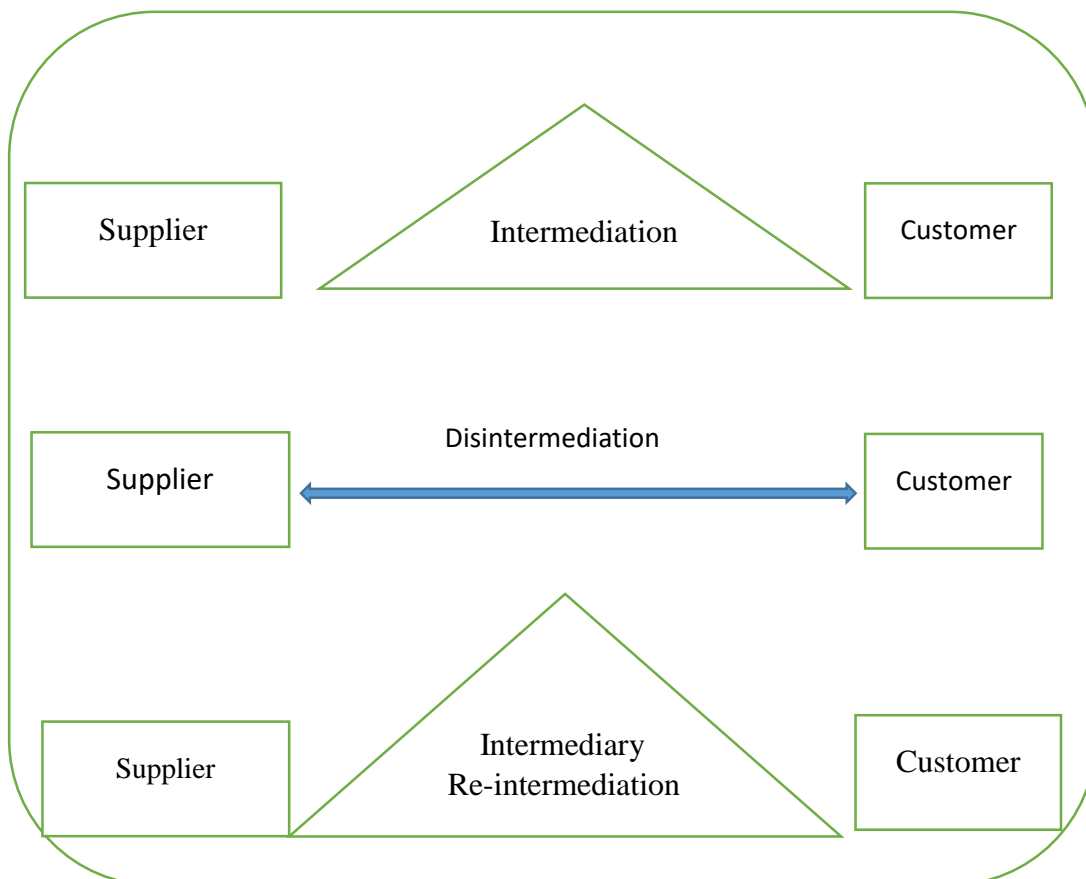
Figure 4.3 Re-intermediated framework for travel agencies

<b>Sticky Information Needs</b>	<b>Value Pro-creation</b>
<b>User Experience</b>	<b>Relationship Marketing</b>

Source: adapted from (Novak & Schwabe ,2009)

The top left quadrant of this matrix refers to ‘sticky information needs’. This is the insinuation that consumers are vague in their descriptions of their travel requirements, the bottom left quadrant is concerned with the role of the ‘user experience’ and it is relative to the emotional elements involved in the customer’s needs, The top right quadrant refers to ‘value co-creation’. (Novak & Schwabe ,2009) suggest that travel agents need to actively embrace the Internet and instead of them being the sole ‘authoritarian’ providers of information. The last quadrant refers to ‘relationship marketing’. Rather than focusing on features of products and pricing, the main aim here is to create relationships with high levels of interdependence between customers and providers (Novak & Schwabe, 2009). This is something that cyber-Mediaries are unable to do.

Figure 2.2 Disintermediation and Re-intermediation in the Market place



### **2.2.5 Customer Retention**

According to (Mostert,et al,2009) The business gains both financially and non-financially by keeping customers on the other hand (Mostert,et al,2009) explains that despite the fact that companies are aware of the benefits of client retention, they frequently decide to ignore it when coming up with their strategy. Attrition of customers happens as a result. asserts that long-term maintenance of ongoing business ties with clients is what constitutes customer retention (Buttle ,2009). emphasizes once more that maintaining consumers for recurring business over an extended length of time is how to resist competition (Gronroos ,2008).

The number of customers doing business with a company at the end of a fiscal year, expressed as a percentage of those who were active customers at the beginning of the year (Gummesson, 2008), is the traditional definition of customer retention. Customer retention is the true representation of attrition; the higher the retention, the lower the attrition. Lombard,2009 suggests that, rather than just being a source of income, consumers in today's industry are important properties that need to be preserved and fostered for exploitation by businesses. It is stated that firms intentionally direct all of their marketing resources toward keeping their current clients (Hoffman & Bateson 2011).

### **2.3 Empirical Review**

According to a study made in south Africa by (Viljoen, et al.,2015) “Travel agencies with physical locations Travel agencies can be successful if they make an effort to re-gain consumers from online travel agencies and discover innovative business practices and customer retention strategies through re-intermediation. Eight re-intermediation factors are used by traditional travel agencies to keep customers and grow their businesses: (a) product knowledge; (b) personal interaction; (c) differentiated product; (d) low service fees; (e) high quality service; (f) coexistence with technology; (g) corporate segment; and (h) leisure segment.”

According to study made by (Almunawar, et al.,2013) research was done on extensive disintermediation in the travel and tourism sector. The researchers discovered that disintermediation might be reduced if travel businesses concentrated on specializing in niche markets, added ecommerce

technology to support the responsibilities of travel consultants, enhanced online marketing, and implemented new distribution strategies for travel

According to (Bawa, et al.,2018). technology advancements like the Internet and e-commerce have radically changed how travel firms conduct business, resulting in a variety of survival strategies. The consolidation of travel companies through mergers, acquisitions, franchising, and the creation of consortiums are just a few of the strategies used by the travel agencies. Others include product diversification, target markets, value-added services, increased use of new technology, and reorganizing their traditional business model.

According to study made by (Mc Pherson, 2006) stated that, there are many elements that travel agencies need to consider when redesigning their marketing strategies. with multiple channels open to customers for booking. It's believed that the single most important factor in ensuring a travel agents success is its ability to own the client and thus have one-to-one relationship with the clients.

According to a study conducted by (Gaynor, 2006; Gerber, 2006), and Rutter ,2006), traditional travel agencies must rethink the uses as intermediaries by offering worth in a different way in order to remain involved in the travel distribution process. To remain appropriate to clients and keep buyers who may simply book online, travel agents must change their marketing techniques

In their study, (George,2008) & (Ting,2012) believe that retaining customers in the tourism industry is particularly difficult, because it is easy for customers to shift between airlines, hotels and travel agencies. However, (Ahmad & Buttle,2002) argue that customers will only stay if a good value proposition is made to them.

A study by Reichheld and Sasser (1990) showed that increasing customer retention rates by just 5% can lead to an increase in profits of up to 95%. These findings highlight the importance of customer retention strategies in reducing attrition and keeping existing customers.

Based on (Trassorras, et al., 2009) report concur and point out that in fiercely competitive businesses like the travel sector, maintaining consumers and delivering value are the top priorities. These writers contend that in order to raise or improve overall profitability, organisations should concentrate on customer value and retention (Trassorras et al., 2009). They imply that maintaining a customer base is impossible without first providing them with higher value (Trassorras, et al., 2009). This suggests that travel agents should provide their clients with extra value in the context of this study.

Travel agencies will eventually be able to retain consumers and re-intermediate their operations by providing this added value. Research conducted by (Nitzan & Liban,2011) Defined customer retention as a particular important to business because it makes it possible to determine a customer's lifetime value, which affects the productivity of the business. Furthermore, in their study (Rechheld & Saaser, 1990) said that, it has been reported that Up to 75% more revenue can be generated with a 5% improvement in customer retention.

According study made by Salvado, (Ferreira & Costa,2011) Believe that technology has not changed the reason people travel but has rather changed consumer's expectation in that they want more information and it has to be accurate, reliable and immediate. Other authors disagree and state that, although the web does provide information, it's not match the real person's first-hand knowledge and experience (Bennett & Lai,2005) and (Garkavenk, 2007).

To remain a part of the travel distribution process, traditional travel agencies must reframe their roles as intermediaries by providing value in other ways (Gaynor et al., 2006). Travel agencies must adjust their marketing tactics if they want to keep customers who could easily choose to make a reservation online.

(Viljoen, K. L.2014) suggested that, although the internet was never intended to be an intermediary, but it's powerful distribution competitor and corrective measurement must be taken in order for the travel agencies to service. Travel agents need to re-position themselves in order to retain clients in this competitive market.

In their study (Salvado et al., 2011) believe that technology has not changed the reason people travel but has rather changed consumer's expectation in that they want more information and it has to be accurate, immediate and reliable. The authors disagree and state that, although the web dos provide information, it's not match for a real person's first-hand knowledge and experience (Bnnett & Lai 2005)

According to (IBIS World, 2007 suggested that, in order for travel agents to remain profitable they need to establish a loyal customer base of repeat customers. However, travel agents can only retain customers if they are offering the customer something beyond the standardized core travel offering, hence the search for a direct link between the proposed factors to re-intermediation and, in turn, the link between re-intermediation and customer retention.

## **2.4 Conceptual Framework**

Following the literature on the above, conceptual framework was developed. According to (Grant & Osanloo, 2014) The relationship between the study's key topics is described in the conceptual framework. It is structured logically to help create a picture or visual representation of how concepts in a subject relate to one another.

Eight proposed re-intermediation factors were tested for relationship significance to re-intermediation and ultimately customer retention. The eight factors consisted of personal interaction, differentiated product, low service fees, product knowledge, high-quality service, coexisting with technology, targeting the leisure segment, and lastly targeting the corporate segment. six factors proved to be valid re-intermediation and customer retention indicators. (K. Viljoen,et.al, 2015)

As a result, the theoretical framework for the research was created, which includes low service fees, product knowledge, in-person interactions, differentiated products, high-quality services, and coexisting with technology as key re-intermediation strategies with the primary goal of customer retention.

### **2.4.1 Low Service-fee**

According to (lubbe et al,2006) concerned that, if travel agents want to re-intermediate their business and thus retain customers, a lower service fee model will potentially need to be adopted. A lower price or penetration price is generally changed to attempt to reach a substantial share of the market (lamp,2006). But, it should be noted that a lower price or fee in the case of travel agent means that reduction in cost need to be sought in service delivery process (lamb et al,2010)

*H1: Lower facility has a positive & important result on client retention.*

Distributing a best quality of facility is proposed to be the second aspect in the re-intermediation prototypical.

### **2.4.2 Product knowledge**

According to (Viljoen, 2015), several studies have focused on the significance of service providers' knowledgeability and the influence (Spake and Megehee, 2010) emphasize that the capacity of salespeople to absorb information and the corresponding cognitive aptitude are crucial for being able to

provide clients with goods or services. As a result, travel agencies should use their in-depth product knowledge to keep clients.

*H2: Product Knowledge service has a optimistic & important effect on client retention*

### **2.4.3 Personal interaction**

Given the wealth of options available to consumers, cultivating customer closeness has originated underneath examination as a possible means of forging enduring relationships with them (Bove and Johnson, 2009). Viljoen, 2015 justifies the key to establishing and maintaining customer connections, according to the literature, is face-to-face interaction between service providers and clients (Lloyd and Luk, 2011). In order to keep customers and draw in new ones, it is thought that travel agencies confronting a re-intermediation process need to improve human interaction and consumer trust.

*H3: Personal interaction has a constructive & noteworthy effect on buyer retention.*

Following subject of personal interaction, delivering concept unique services is introduced.

### **2.4.4 Differentiated product**

Across industries, distinctive goods and services draw consumers, and the travel sector is no exception. Researchers concur that in order to draw and keep customers, travel companies should concentrate on creating distinctive trip packages. (Cheung, 2012).

*H4: Differentiated product has important direct result on purchaser retention*

The idea of delivering high quality facility is future to be the fifth re-intermediation issue

### **2.4.5 High quality service**

It is considered that consumers employ vital criteria to choose a travel agency, one of which is high-quality service (Wolfe, et al., 2005). Support this claim and list superior customer service as a requirement for keeping clients. Travel agencies owners/Managers should ensure that their staffs receive extensive training on aspect such as customer care, personal selling & communication skill. This will help travel agents to deliver higher level of customer service overall & thus offer higher quality travel service.*H5: Good Quality Facility has important effect on customer retention.*

Coexisting with technology is the aspect that holds 6th place in the suggested prototypical.

## 2.4.6 Co-existing with Technology

Based on (Salvado, et al., 2011 and Wang, et al. ,2009 arguing that in order to serve consumers effectively in this technologically advanced era, travel companies need to have proper technical solutions.

*H6: Co-Existing with Technology has important effect on customer retention.*

### Conceptual framework

The framework below was modified from a study done by (Viljoen, K. L,2014). In order to advance a prototypical that assist disintermediated travel actions to hold their clients via the process of re-intermediation.

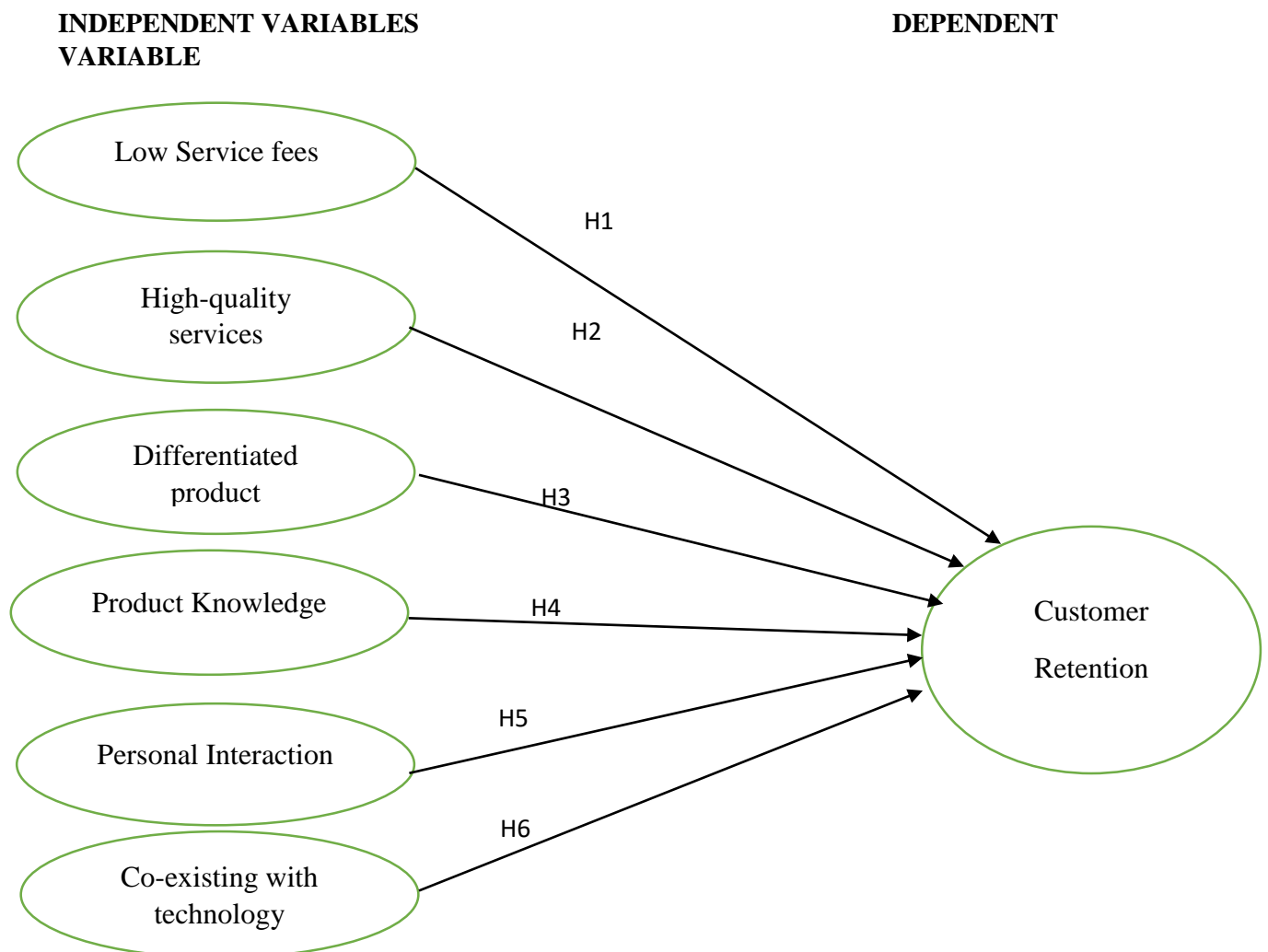


Figure 2.3 Conceptual framework

Source: from Viljoen, K. L. (2014).

## **CHAPTER –THREE: RESEARCH METHODS**

### **3.1 Introduction**

In this section the study is described in the 3rd part of the study. The section plans the study design that has been used, explains how it was chosen, presents the study's population, describes the methods used to collect the data, and also discusses the methods used to analyze it. The chapter concludes by presenting the methods used to deliver the findings.

### **3.2 Research Approach**

Goertzen, M. J. (2017) said In order to build accurate and reliable measurements that allow for statistical analysis, quantitative research methods are concerned with collecting and analyzing data that is structured and can be represented numerically. Because quantitative research focuses on data that can be measured, it is very effective at addressing the "what" or "how" of a given situation. Questions are direct, quantifiable, and frequently contain phrases such as what percentage. Therefore, the study employed quantitative research approach.

### **3.3. Research Design**

Taking into consideration the research purpose, an extensive literature survey and an empirical investigation were conducted. The study design used in this research is an explanatory one. Thus, causal linkages are sought after in an explanatory research approach. The basic aim of this study strategy is to ascertain how events occur and which ones may have an impact on a specific outcome (Dawson and Bob, 2006). Therefore, the goal of this research is to investigate the relationship between the dependent and independent variables.

The relationship between the independent variables (cheap service price, product knowledge, one-on-one interaction, differentiated product, high-quality service, and coexistence with technology) and the dependent variable (customer retention) has been investigated using an explanatory research approach.

The study then sought to explain and critically evaluate the determinants of customer retention of travel agencies. In addition, research studies employed explanatory analysis by correlating relationships between variables and conducting regression analysis.

Therefore, this study adopts explanatory research approach, by analyzing the cause-and-effect of the dependent and independent variables. In this approach, the study examines the re-intermediation factors that determine customer retention in travel IATA's travel agencies in Addis Ababa

### **3.4 Population and Sampling Techniques**

#### **3.4.1 Population of the study**

According to data obtained from Travel port Galileo Ethiopia, the total travel agency in Addis Ababa who have been registered in GDS, found to be 420. Of all the agents, 137 are IATA members and the remaining 318 Non-IATA's. and there have been 72 travel agents who are inactive from the system, but they were not disclosed the agency formation type for the purpose of keeping the privacy of their agent's data.

#### **3.4.2 Sampling Technique**

The process of researching a population involves acquiring data and then analyzing it. This is known as the sample method or sampling technique. The vast sample space is at the foundation of the data. There are many distinct sampling methods, and they can be split into probability-based and non-probability-based methods. In the study, the use of convenience sampling was made. Using this method, a sample from the overall population that is convenient, accessible, or close by is chosen. (Anol, 2012).

In this study, Convenience sampling has been used because the population is too huge and it may not be possible to include every person.

#### **3.4.3 Sample Size Determination**

This study has used representative sample using Yumane's formula (Yumane, 1964) led in selecting the appropriate sample size for travel agencies selected in the study. The employed sample was guided by Yumane's formula. Many studies normally work to a 95 per cent level of certainty and 5% acceptable sampling error. The total number of IATA travel agencies are 137.

$$n = \frac{N}{1+N(e)^2}$$

$$(n) = \frac{102}{1+3250(0.05)^2}$$

$$n = 356$$

N= study population

n=is sample of the study

(e)<sup>2</sup>= estimated standard error which is 5% for 95%

n=102.04 ≈102 which is the sample size for this study.

### 3.4 Sources of data and type

The Data were composed from secondary \and primary bases. the target population of IATA's travel agencies Managers and employees, a five-point Likert scale questioner was administered in order to gather responses. Additionally, secondary data sources have been used to gather information from a variety of sources, primarily earlier studies, company websites, progress report journal articles, and published literatures that could provide empirical and conceptual support for the study.

### 3.5 Data collection and analysis

#### 3.5.1 Data collection instrument

secondary and primary sources were collected in demand to gather enough information about the case being studied. Closed-ended questions with predetermined answers and probing questions were used to gather the primary data in order to gain in-depth knowledge and specifics. The three sections of the English-language questionnaire were created. The first section aims to collect some demographic data from respondents, including gender, age, agency formation type (IATA/Non-Iata), and the agents' position in the agency. The third part were a ranking question related to the re-intermediation factors, the five point Likert scale were used. As the left side of the scale indicated the level of agreement and the right side of the scales indicating the level of importance. A Likert scale is an ordinary scale that requests respondents to indicate the extent to which they agree or disagree with a serious of belief statement about a given variable (Shiu,et al,2009).

### 3.5.2 Method of Data analysis

Senior ticket brokers, travel agency managers, and directors completed surveys to help compile the data. After that, it was examined using SPSS version 26. To ascertain the impact of re-intermediation tactics on customer retention, the results of the data analysis from the questionnaires were used. Both inferential statistical methods like correlation and regression as well as descriptive statistical methods like frequency, mean, and standard deviation were employed. The percentage change in customer retention that may be attributable to the independent variable, re-intermediation, was calculated using regression analysis. In order to ascertain if the independent and dependent variables are related to one another, the stated hypothesis was put to the test using multiple regression analysis. To determine whether there is a meaningful connection between re-intermediation tactics and client retention, a Pearson correlational analysis was done.

### 3.5.3 Analysis of Regression

Regression analysis makes the assumption that two or more variables are causally related, while correlation analysis makes no such assumption. Regression analysis will therefore be used to determine the degree to which re-intermediation strategies and customer retention in travel agencies are related

**Mathematically:** The multiple regression equation shows the following association between re-intermediation tactics and client retention:

$$y (\text{CR}) = x_0 + x_1 (\text{LSF}) + x_2 (\text{HQS}) + x_3 (\text{DP}) + x_4 (\text{PK}) + x_5 (\text{PI}) + x_6 (\text{CT}) + e$$

note: -

- $y = \text{CR} = \text{Customer Retention}$
- $\text{HQS} = \text{High quality Service}$
- $\text{DP} = \text{Differentiated Product}$
- $\text{PK} = \text{Product Knowledge}$
- $\text{LSF} = \text{Low service fees}$
- $\text{PI} = \text{Personal Interaction}$
- $\text{CT} = \text{Coexisting with technology}$
- $e = \text{error term}$

### ***3.5.2.1 The Cronbach's alpha coefficient***

The "Cronbach's alpha" coefficient is used to check the reliability of the collected data through questionnaires. The coefficient is put on a scale of 0-1.0 and indicates the tendency of respondents to give similar answers or ratings to the same question. For example, if all respondents answer the same to all questions the Cronbach's alpha coefficient will be 1 if on the contrary it will be 0. An accepted value for the alpha is 0.7 and if this value is below this threshold it indicates that there is a rampant inconsistency and will deem the data collected as being unreliable. Therefore, the study will analyze the data based on this criterion's.

### ***3.5.2.3 Analysis***

Analysis of variance is a technique to evaluating a statistical method's variance. The technique is used to evaluate discrepancy between the provided answers. Variance analysis is significant because it measures agreement between responses in terms of how they were rated. Ranks of various parties. To do that, the null and alternative hypotheses must first be established, with the alternative hypotheses assuming whereas the null hypothesis indicates that there isn't a significant difference between the groups.

The null hypothesis is put in a way that  $H_0 = \mu_1 = \mu_2 = \mu_3$ . This means that there is no difference or significant variance between or among the populations of respondents that is the Director/owner, senior ticketing manager, and Managers. The alternative hypothesis puts forward that  $H_a = \mu_1 \neq \mu_2 \neq \mu_3$ , which means that the three categories of respondents are at different levels of understanding about the causes of delays.

This hypothesis is tested for validity using F-Statistic by taking to consideration normal distribution. The alternative hypothesis is accepted and the null hypothesis is rejected if the value of F-Statistic exceeds F-critical value or table value. This demonstrates that the group means are not equal, demonstrating that 1 2 3. If not, we accept the null F-statistic value, which is determined as follows.

## **3.6 Validity and Reliability**

### **3.6.1 Validity**

A correlation between what we desire to study and what we actually investigate, to put it another way. (Patel & Davidson, 1994). Validity was concerned with whether or not the results are actually about what (Saunders et. Al., 2003). According to (Saunders, et. al, 2003) a test's validity is determined by how well it matches the objectives of the experiment. The researcher received assistance from the supervisor in ensuring the questionnaire's validity and the study's objectives were addressed. Content validity was used to examine whether the questionnaire measured the intended outcomes. To ensure relevance, logically sound questions were used to ensure the face validity.

### **3.6.2 Reliability**

Reliability states to the internal consistency revealed by the manifest indicators of each construct in structural equation modeling. In structural equation modelling, reliability refers to the internal consistency shown by the manifest indicators of each construct. (Robert ,2006). Barclay and his colleagues ;1994 “Cronbach's alpha”, a measure of the construct's interior reliability, is advised to be considered, with a minimum threshold of roughly 0.70. (Hair et al. 1998). One correlation coefficient, known as “Cronbach's Alpha”, is an estimate of the mean of all correlation coefficients among the test items. Robert Ho (2006). All constructs were deemed to be reliable for the study because they all had high” Cronbach's Alpha” values between 0.719 and 0.805.

## **3.7 Ethical issues**

The study's objective was made clear in the questionnaire's introduction, and respondents won't be required to put down their names or other details that could be used to easily identify them. The researcher reassured them that their responses would be strictly secret and utilized solely for this research report. Additionally, the researcher was avoid making false or deceptive claims in the questionnaire and will allow research participants to engage freely and without being put under any form of duress.

## CHAPTER-FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1. Introduction

This chapter presents the data collection results, which were led by the objectives to present empirical evidence to agree or disagree on the results. The study's aims were to determine the role of re-intermediation tactics on customer retention.

In addition, regression analysis was utilized to determine the relationship between the dependent and independent variables. A correlation analysis was used. the correlation of responses from the sample respondents on the same problems.

The questionnaire was issued to 102 IATA members, including owners, managers, and senior ticket agents, with a return questionnaire totaling 102 with a response percentage of 102%. Questionnaire The return rate is  $102/102 \times 100 = 100\%$ . According to the computation, the questionnaire return rate is 100%. As a result, this return rate is regarded as acceptable for data analysis purposes, and the following discussion is based on these statistics.

*Table 4.1 Respondents personal profile*

Item	Frequency	Percent
<b>Gender of the Respondent</b>		
Male	59	57.8
Female	43	42.2
<b>Total</b>	102	
<b>Age</b>		
Less than 30	19	18.6
Between 30-40	33	32.4
Greater than 40	50	49.0
<b>Total</b>	102	
<b>Educational Background</b>		
Diploma	13	12.7
Degree	62	60.8
Masters	27	26.5
<b>Total</b>	102	
<b>Position</b>		
Director/Owner	25	24.5

Senior Manager	14	13.7
Manager	4	3.9
Senior ticket Agent/Manager	59	57.8
<b>Total</b>	102	
<b>Agency Formation Type</b>		
IATA	102	100
<b>Total</b>		

Table 4.1's first column lists the gender of the respondents; out of the entire population, 57.8% of respondents are men and 42.2% are women. The age of the individuals is also displayed in the second table (18.6%). 19 of them had ages under; (32.4%) 33 of them were between 30 & 40 years, (49.00%) 50 of them were greater than 40 years old. Item three in the above table presents educational background of respondents, 12.7 % were diploma holders, 60.8 % were degree holder. 26.5% of respondents have a master's degree.

With regards to their positions, (24.5%) 25 of respondents were Directors/owners of travel agencies, (13.7%) 14 of respondents were senior Managers, (3.9%) 4 of respondents were Managers and (57.8%) 59 of respondents were senior ticket Agent/Managers. In general, the analysis of respondent's general profile shows that Most of travel agents in the IATA's office are male, the majority respondents age greater than 40 and it shows that the majority of the respondents in the travel agencies are well experienced and Knowledgeable,

## 4.2 Reliability Test

Testing the reliability of the collected data is a preliminary task that needs to be performed before applying further data analysis. Therefore, the reliability of the Likert scale data that have been used in this study was tested by using Cronbach's alpha coefficient ( $\alpha$ ) value. Reliability analysis of the collected data is usually based on Cronbach's alpha as a measurement or indicator. Based on the meaning of Cronbach's alpha coefficient,  $\alpha \geq 0.7$  is considered appropriate on the scale used in the study.

**Table 4.2 Reliability Test**

Dimension	Cronbach's Alpha	No of Items
Low service-fee	0.80	6
High quality service	0.78	9
Differentiated product	0.79	6
Product Knowledge	0.90	5
Personal interaction	0.84	5
Co-existing with technology	0.88	5
Customer retention	0.78	6
Overall coefficient	0.85	42

**Source: SPSS Out Put and Own Survey (2023) n=102**

The Cronbach's alpha coefficient of the questionnaire was calculated in the study. The values of Cronbach's Alpha for the questionnaire and the whole questionnaire are presented in the table above. Cronbach's Alpha values for the fields range from 78% (High Quality Service) to 90% (Product Knowledge), with an overall coefficient result of 85%. This is seen well. As a result, the result confirms the questionnaire's trustworthiness, indicating good reliability. As a result, the above questionnaire can be considered sufficiently reliable.

### **4.3 Descriptive statistics of analysis**

Descriptive statistics were computed per dimension of the role of re-intermediation strategies on retention of customers. to determine the overall mean for each dimension and to display the typical. The mean score was determined based on respondents' answers to each of the questions under each dimension.

**Table 4.4 Cumulative mean and standard deviation for each variables**

	N	Minimum	Maximum	Mean	Std. Deviation	Rank
Low Service-fee	102	2.67	5.00	4.0237	.71922	1 <sup>st</sup>
High quality service	102	2.00	5.00	3.8919	.92049	5 <sup>th</sup>
Differentiated product	102	2.17	5.00	3.9344	.83808	4 <sup>th</sup>
Product Knowledge	102	2.00	5.00	4.0027	.72016	2 <sup>nd</sup>
Personal interaction	102	1.67	5.00	3.6157	1.07114	6 <sup>th</sup>
Co-existing with technology	102	2.40	5.00	3.9686	.49771	3 <sup>rd</sup>

**Source: SPSS Version 26 and Own Computation (2023), n=102**

The above table shows that All determinant factors with mean score values exceeding to 3.6 up to 4.0 present a fairly high agreement of the respondents and those respondents have responded very positively about the factors and determinants customer retention strategies.

#### **4.4 Normality Test**

The t-test compares specific features representing groups, and when the population has a normal distribution, the mean values become representative. This is why satisfying the normalcy assumption is critical in the t-test. The t-test is based on our model. All of the values are less than 2, indicating that the normalcy condition has been met.

A measurement of a distribution's "peaked-ness" or "flatness" is kurtosis. A shape that is close to normal is one with a kurtosis value close to zero. Positive kurtosis denotes a form that is flatter than normal, whereas a negative number denotes a distribution that is more peaked than usual.

**Table 4.3 Data Normality test**

		Low service fee	High quality service	Differentiated product	Product knowledge	Personal Interaction	Co-existing with technology	Customer Retention
	Valid	102	102	102	102	102	102	102
	Missing	0	0	0	0	0	0	0
	Skewness	-.352	-.976	-1.005	-.506	-.463	-.726	-.918
	Std. Error of Skewness	.239	.239	.239	.239	.239	.239	.239
	Kurtosis	-.828	-.179	-.048	-.329	-1.225	.748	-.458
	Std. Error of Kurtosis	.474	.474	.474	.474	.474	.474	.474

The values for asymmetry and kurtosis between -2 and +2 are considered acceptable in order to prove normal univariate distribution (George & Mallery, 2010). Hair et al. (2010) and Bryne (2010) argued that data is considered to be normal if skewness is between -2 to +2 and kurtosis is between -7 to and 7. According to the above table results therefore the normality test is satisfied.

#### **4.5 Test of linear assumption**

Most of the plots are linear for relationships and the ANOVA test result shows there is a linear relationship between. Therefore, it is crucial to validate this assumption. Based on the figure below, we can conclude that the assumption of linearity is met. The linear regression algorithm assumes that there is a linear relationship between the parameters of independent variables and the dependent variable Y. If the true relationship is not linear, we cannot use the model as the accuracy will be significantly reduced.

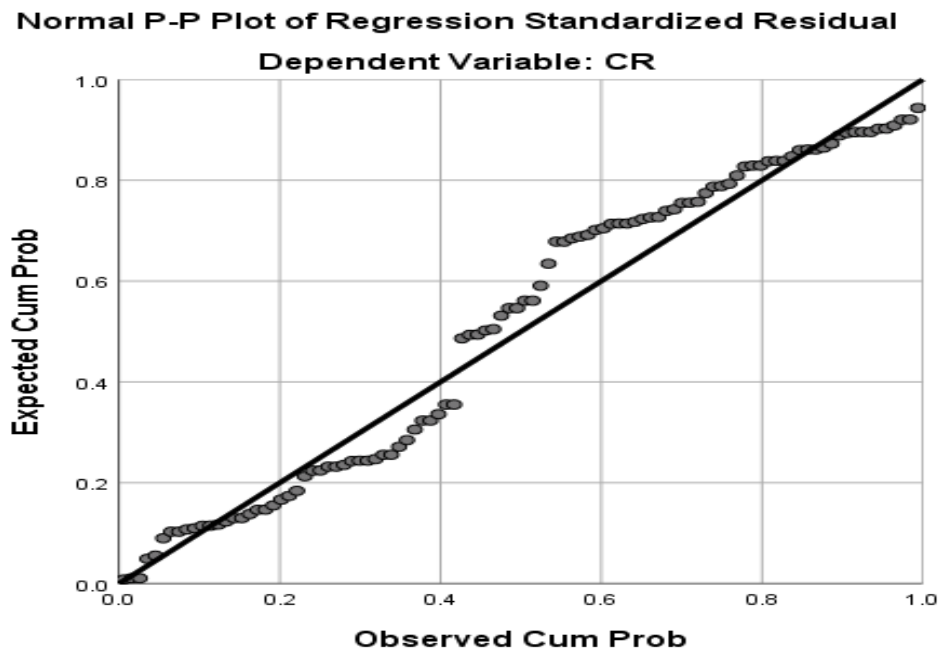


Chart 4.1: P-P Plot

#### **4.6 KMO & Bartlett's Test for Sphericity**

There are many different alternative tests to pick from if the standard deviations of our groups are extremely varied regardless of the transformation we use (Lix et al. 1996). When there are two groups, Welch's anova, often known as Welch's t-test, is the most frequently used substitute for the one-way Anova.

Other ANOVAs, such as nested and two-way ANOVA, as well as regression and correlation, make the assumption of homoscedasticity. Much less research has been done on the impact of heteroscedasticity on these tests; all we can say is that we review the data for heteroscedasticity and hope that we don't discover it, or that a transformation would solve it. Accepting a value greater than 0.5 is suggested by Bartlett's Test for Sphericity (2006). Values between 0.5 and 0.7 are mediocre, whereas values between 0.7 and 0.8 are Good.

Table 4.4 KMO & Barlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.811
Bartlett's Test of Sphericity	Approx. Chi-Square	923.682
	Df	21
	Sig.	.000

The total result for all variables of Bartlett's Test of Sphericity test is 0.81 and it's assumed to be good indicator and the homoscedasticity assumption is meet

#### 4.7 ANOVA Analysis

ANOVA is a technique for evaluating a statistical method's variance. To do that, the null and alternative hypotheses must first be established, with the alternative hypotheses. If the value of F-Statistic exceeds F-critical value or table value. This demonstrates that the group means are not equal

Table 4.7 ANOVA Analysis

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	80.036	6	13.339	1231.265	.000 <sup>b</sup>
	Residual	1.029	95	0.011		
	Total	81.066	101			
a. Dependent Variable: Customer retention						
b. Predictors: (Constant), Co-existing with technology, Low service-fee, High-quality service, Differentiated product, personal interaction, High-quality service and product knowledge.						

From the above ANOVA table, the F-statistics is (1231) and the model significance is significant at values of (0.000) which implies that there is a significant variation between the explanatory variables as f-statistics (1231) is greater than table f-statistics (0.000) and hence the model is fit. Therefore, we reject the null hypothesis and we accept the alternative hypothesis.

#### 4.8 Multi-collinearity Test

In a multiple regression equation, multi-collinearity exists when one independent variable is substantially associated with one or more of the other independent variables. Multi-collinearity is a concern since it undermines an independent variable's statistical significance. The negative impact of neglecting multi-collinearity on regression analysis conclusions and data interpretation is extensively documented in the statistical literature. Failure to detect and report multi-collinearity may lead to incorrect interpretation of the results.

*Table 4.8 collinearity Test*

Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
	Low Service fee	0.098	9.249
	High Quality Service	0.083	9.993
	Differentiated product	0.136	7.367
	Product Knowledge	0.645	1.551
	Personal interaction	0.356	2.81
	Co-existing with technology	0.946	1.057

Multi-collinearity Test results SPSS Version 26 (2023)

Multi-collinearity exists when there is a correlation between multiple independent variables in a multiple regression model. The Variance Inflation Factor (VIF) is  $1/\text{Tolerance}$ , it is always greater than or equal to 1. There is no formal VIF value for determining presence of multi-collinearity. Values of VIF that exceed 10 are often regarded as indicating multi-collinearity. A variance inflation factor (VIF) is a measure of the amount of multi-collinearity in regression analysis. According to (Pallant, 2007), tolerance indicates to what extent the independent variables do not explain much of the variability

specified independent variable and the value should not be small (should more than 0.10) and should be less than 10 to indicate the absence of co-linearity. Furthermore, VIF, the inverse of tolerance value, should be smaller than 10 to minimise co-linearity problems (Pallant, 2007). As a result, the numbers in the table suggest low co-linearity (all are less than 8) because all Tolerance values are greater than 0.1 and all VIF values are fewer than 10. As a result, these tests show that the variables employed in the study are free of multi co-linearity. Data from the Likert scale typed questionnaires were entered into the SPSS programmer version 26 in this study to execute the correlation and multiple regression analyses. The correlation coefficient specifies the strength and direction of the association between the independent factors and the dependent variable, which is customer retention.

Correlations								
		LSF	HQS	DP	PK	PI	CT	CR
LSF	Pearson Correlation	1	.895**	.864**	-.108	.786**	.012	.890**
	Sig. (2-tailed)		.000	.000	.281	.000	.906	.000
	N	102	102	102	102	102	102	102
HQS	Pearson Correlation	.895**	1	.925**	.162	.657**	.049	.992**
	Sig. (2-tailed)	.000		.000	.104	.000	.622	.000
	N	102	102	102	102	102	102	102
DP	Pearson Correlation	.864**	.925**	1	.095	.631**	.077	.929**
	Sig. (2-tailed)	.000	.000		.340	.000	.440	.000
	N	102	102	102	102	102	102	102
PK	Pearson Correlation	-.108	.162	.095	1	-.182	.095	.185
	Sig. (2-tailed)	.281	.104	.340		.068	.341	.062
	N	102	102	102	102	102	102	102
PI	Pearson Correlation	.786**	.657**	.631**	-.182	1	.103	.643**
	Sig. (2-tailed)	.000	.000	.000	.068		.304	.000
	N	102	102	102	102	102	102	102
CT	Pearson Correlation	.012	.049	.077	.095	.103	1	.061
	Sig. (2-tailed)	.906	.622	.440	.341	.304		.540
	N	102	102	102	102	102	102	102
CR	Pearson Correlation	.890**	.992**	.929**	.185	.643**	.061	1
	Sig. (2-tailed)	.000	.000	.000	.062	.000	.540	
	N	102	102	102	102	102	102	102

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

**Table 4.9: Correlation matrix between determinants of re-intermediation and customer retention**

As it is indicated in the above table, re-intermediation strategies (low service fee, product knowledge, personal interaction, differentiated product, high-quality service, coexisting with technology) and customer retention, as the correlation coefficient between each factors and customer retention strategy and in all cases at 5% significance level ( $p < 0.05$ ). Which signifies that customer retention strategies significantly, from presented correlation matrix table again we can observe that there is a positive, strong and statistically significant correlation between most of the independent variables and customer retention strategies.

As shown in the table above, re-intermediation strategies (low service fee, product knowledge, personal interaction, differentiated product, high-quality service, coexistence with technology) and customer retention, as the correlation coefficient between each factor and customer retention strategy, and in all cases at the 5% significance level ( $p < 0.05$ ). This indicates that customer retention techniques are substantially correlated. We can see from the supplied correlation matrix table that there is a positive, strong, and statistically significant correlation between most of the independent variables and customer retention tactics.

#### *4.9 Pearson Correlations Analysis Discussion*

The strength of the association is measured by a correlation coefficient. The Pearson correlation coefficient is calculated under the premise that the relationship between the two variables is linear. The association between two variables is commonly regarded as strong. Most of the coefficient value for independent variables are larger than 0.6 therefore our correlation analysis shows that strong positive relationship the dependent and the independent variables.

A correlation coefficient measures the strength of that relationship. Calculating a Pearson correlation coefficient requires the assumption that the relationship between the two variables is linear. The relationship between two variables is generally considered strong when their most of the coefficient value for independent variables are larger than 0.6 therefore our correlation analysis shows that strong positive relationship the dependent and the independent variables. In this study, to process the correlation and multiple regression analysis, data from the Likert scale typed questionnaires were entered in to the SPSS software version 26. Correlation coefficient is used to specify the strength and the direction of the relationship between the independent variables and the reliant variable (Customer retention).

As it is indicated in the above table, customer retention strategies (low service fee, product knowledge, personal interaction, differentiated product, high-quality service, coexisting with technology) and customer retention, as the correlation coefficient between each factors and customer retention strategy and in all cases at 5% significance level ( $p < 0.05$ ).

#### 4.10 Regression Analysis

The coefficient of determination ( $R^2$ ) and correlation coefficient ( $R$ ) indicate the degree of relationship between the dependent and independent variables. According to the findings of the analysis, the independent variables (low service fee, product knowledge, personal interaction, differentiated product, high-quality service, and coexisting with technology) account for 93% of the variation in the dependent variable. As a result, the Tolerance and VIF (Variance Inflation Factor) values should be evaluated to ensure that there is low co-linearity.

Based on the study's T, and P values, we tested our hypotheses. The proposed hypotheses for this study were therefore tested using those coefficient results in the ways listed below

**Table 4.10. Regression Analysis Result**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.286	.139		-2.062	.042
	Low service fee	.095	.046	.076	2.057	.042
	High quality service	.843	.039	.866	21.631	.000
	Differentiated product	.080	.034	.075	2.394	.019
	Product Knowledge	.050	.018	.040	2.785	.006
	Personal interaction	-.023	.016	-.028	-1.429	.156
	Co-existing with technology	.020	.021	.011	.914	.363
a. Dependent Variable: Customer retention(CR)						

Source: SPSS Version 26(2023) n=102

The above table 4.11 indicated that

#### 4.12 Model Summary

The findings of the analysis show that the independent variables (Co-existing with technology, product knowledge, personal interaction, differentiated product, high-quality service, Low service fees) account for 93% of the variation in the dependent variable low service fee, product knowledge, personal interaction, differentiated product, high-quality service, and coexisting with technology.

The Durbin Watson (DW) statistic is a test for autocorrelation in statistical model or regression analysis residuals. The Durbin-Watson statistic has a constant value between 0 and 4. A result of 2.30 implies that no autocorrelation was discovered in the data. As a result, the Durbin Watson coefficient in our model is (2.30), which is a positive indicator of the absence of an autocorrelation problem.

Independent variables (Low-service fee, product knowledge, Personal Interaction, differentiated product, high quality service and co-existing with technology) and dependent variable (customer retention strategies) jointly determine (explain) (93%) of the variance on customer retention strategies. Whereas (7%) of the customer retention have been left without side of our model.

*Table 4.9 Model Summary*

Model Summary <sup>b</sup>										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.944 <sup>a</sup>	.937	.937	.10409	.937	1231.265	6	95	.000	2.300
a. Predictors: (Constant), CT , LSF , PK , PI , DP , HQS										
b. Dependent Variable: CR										

***Hypothesis 1: low service-fee has a positive and significant effect on customer retention in travel agencies.***

The results of multiple regressions, as presented in Table above, revealed that low service fee had a positive and significant effect on customer retention with ( $\beta=0.095$ ,  $t = 2.05$  &  $p < 0.05$ ). Thus, the proposed hypothesis was accepted. This statistic infers that if travel agencies increased their focus to a reduced pricing strategy by one (1%), customer retention will be facilitated by (9%).

***Hypothesis 2: High Quality Service has a positive and significant effect on customer retention in travel agencies.***

As shown in the table above, the results of multiple regressions revealed that high quality service had a positive and significant effect on customer retention with values ( $\beta=0.84$ ,  $t = 21.6$ ,  $p < 0.01$ ). Thus, the stated hypothesis was accepted in this example, and the beta coefficient illustrates how, in this model, a one-point-one percent difference in the quality of customer service provided to travel agency customer's increases customer retention by 84%. As a result, providing high-quality service has significant positive direct effect on customer retention.

***Hypothesis 3: Differentiated Product has a positive and significant effect on customer retention in travel agencies.***

The results of multiple regressions, as existing in table above, shown that differentiated product had a significant & positive effect on customer retention with values ( $\beta=0.08$ ,  $t = 2.3$ ,  $p < 0.01$ ). Thus, the proposed hypothesis was accepted in this case the beta coefficient describes that keeping the other variables constant, in this model a (1%) change in the product differentiation to travel agency customers will be enhance customer retention by 8 %. Therefore, differentiated product had a positive and significant effect on customer retention.

***Hypothesis 4: Product Knowledge has a positive and significant effect on customer retention in travel agencies.***

The results of multiple regressions, as presented in table above, revealed that product knowledge had a positive and significant effect on customer retention with values ( $\beta=0.05$ ,  $t = 2.7$ ,  $p < 0.01$ ). Thus, the proposed hypothesis was accepted In this case the beta coefficient describes that keeping the other

variables constant, in this model a one1(%) change in the product knowledge to travel agency services will enhance customer retention by 5%. Therefore, product knowledge had a positive and significant effect on customer retention.

***Hypothesis 5: Personal interaction has a positive and significant effect on customer retention in travel agencies.***

The results of multiple regressions, as presented in table above, revealed that personal interaction had a negative and insignificant effect on customer retention with values ( $\beta=-0.023$ ,  $t = -1.4$ ,  $p >0.1$ ). Thus, the proposed hypothesis was rejected. Therefore, we accepted the null hypothesis and we reject the alternative hypothesis.

In this case the beta coefficient describes that keeping the other variables constant, in this model a change in the personal interaction to travel agency customers will not have a significant effect on customer retention. Therefore, Personal interaction had insignificant effect on customer retention.

***Hypothesis 6: Co-Existing with Technology has a positive and significant effect on customer retention in travel agencies.***

The results of multiple regressions, as presented in table above, revealed that coexistence technology had a positive but insignificant effect on customer retention with values ( $\beta=-0.02$ ,  $t = -0.94$ ,  $p >0.1$ ). Thus, the proposed hypothesis was rejected. Therefore, we accepted the null hypothesis and we reject the alternative hypothesis.

There are some studies that have found a positive but insignificant effect of technology on customer retention strategies. For example, a study titled "The Effect of Technology on Customer Retention in the Hospitality Industry: An Empirical Study" by D. V. R. Murthy and S. K. Srivastava found that while technology-based customer retention strategies had a positive effect on customer satisfaction, the effect on customer retention was insignificant.

Similarly, a study titled "The Impact of Technology on Customer Retention in the Airline Industry: An Empirical Study" by M. A. Khan and S. A. Jan found that while technology-based customer retention strategies had a positive effect on customer satisfaction, the effect on customer retention was not significant.

These findings suggest that while technology can improve customer satisfaction, it may not necessarily lead to increased customer retention. Therefore, it is important for businesses to carefully evaluate the role of technology in their customer retention strategies and ensure that it is used effectively to achieve their retention goals.

The study findings suggest that personal interaction on customer retention has been significantly impacted by pandemics, thus the COVID-19 pandemic has brought significant changes to the way businesses interact with their customers, including a shift towards digital and remote interactions. However, personal interaction remains an important part of building customer loyalty and retention, even in a post-pandemic world. Overall, while the COVID-19 pandemic has brought significant changes to the way businesses interact with their customers, personal interaction remains an important part of building customer loyalty and retention. Companies should be prepared to adapt their customer service strategies to meet changing customer preferences, but should not overlook the importance of personal interaction in the post-pandemic world.

# **CHAPTER-FIVE**

## **RECOMMENDATION, CONCLUSION, AND SUMMARY**

### **5.1 Introduction**

The results of this study's analysis were reported in the previous chapter; the focus of this chapter will be on a summary of the findings, conclusion, suggestions, and finally providing directions for future research.

As shown in the table above, the results of multiple regressions revealed that coexistence technology had a beneficial but small influence on customer retention with values of ( $=-0.02$ ,  $t = -0.94$ ,  $p > 0.1$ ). As a result, the offered idea was dismissed. As a result, we accept the null hypothesis while rejecting the alternative hypothesis.

According to the study rating, the most influential aspect of customer retention that goes from the lowest to the highest is personal interaction (PI) and the lowest service fee (LSF). This shows that most independent variables (cheap service price, product expertise, human interaction, differentiated product, high-quality service, coexistence with technology) have a strong influence on travel agencies in Addis Abeba. The more travel agencies use re-intermediation tactics such as (cheap service fee, product expertise, personal interaction, differentiated product, high-quality service, coexistence with technology), the more consumers they will be able to keep and win back those who relocate to book online.

### **5.2 Summary Major of findings**

This study aims to examine the role of reinter mediation strategies on customer retention in the context of selected IATA's travel agencies. The research questions were addressed through quantitative approach, including a literature review, a survey of 102 travel agencies managers and senior ticketing agents/managers distributed and collected.

The demographic profile of the respondents shows that, the Majority of IATA's travel agents are Male (57.8%) followed by (42.2%) female and the (49%) of respondents were listed in the age range of greater than 40 furthermore, most of the respondents were educated with (68%) of respondents are Degree holders as well as well-experienced & knowledgeable in the travel agency industry.

- In the study the Cronbach's alpha coefficient ranges from 78% (High Quality Service) up to or 90 % (Product knowledge) with the overall coefficient result of 85%.
- All determinant factors with mean score values exceeding to 3.6 up to 4.0 present a fairly high agreement of the respondents and those respondents have responded very positively about the factors and determinants customer retention strategies
- According to the above results the normality and linearity and homoscedasticity test have been satisfied
- The model fitness test has also been satisfied with values F-statistics is (1231) and significant at values of (0.000).
- With tolerance values more than 0.2 and VIF values less than 10, the multi-collinearity assumption test was fulfilled.
- Autocorrelation assumption test have been satisfied with most the independent variables scoring coefficient of correlation  $<0.6$ . Which means strong and positive correlation exists.
- The model has been summarized as strongly significant and strong in explaining the model with the coefficient of determination  $R = 0.94$  (94%) and Adjusted R square = 0.93 (93%).
- There is significant positive direct relationship between low service-fee and customer retention with values of ( $\beta = 0.095$ ,  $t = 2.05$  &  $p < 0.05$ ).
- There is a positive and significant link between travel agents providing High Quality Service and a value of ( $= 0.84$ ,  $t = 21.6$ ,  $p 0.01$ ).

- There is **a** positive and significant relationship between travel agency offering a differentiated product and customer retention with values ( $\beta=0.08$ ,  $t = 2.3$ ,  $p < 0.01$ ).
- Product Knowledge and customer retention have a positive and significant link with values ( $\beta=0.05$ ,  $t = 2.7$ ,  $p < 0.01$ ).
- There is a negative and negligible link between the capacity of travel agents to interact directly with customers and customer retention ( $\beta=-0.023$ ,  $t = -1.4$ ,  $p >0.1$ ).
- The association between customer retention in travel agencies and travel agents who co-exist with technology is positive but not statistically significant ( $\beta=-0.02$ ,  $t = -0.94$ ,  $p >0.1$ ).

### 5.3 Conclusions

This study's goal was to investigate the part that re-intermediation strategies on customer retention by developing a model to support the business reform of the IATA's travel agencies found in Addis Ababa. questionnaires on determinants of re-intermediation strategies and customer retention were adopted and distributed to travel Agents of IATA particularly, travel agency owners/managers and senior ticketing agents.

According to the findings of the study, four of the six re-intermediation elements had a positive and substantial effect on customer retention: low service costs, high quality service, differentiated product, and product understanding. On the other hand, coexisting with technology had a favorable but insignificant effect, whereas personal interaction had a negative and insignificant influence on customer retention.

finally, Travel agents need to focus on differentiated products (Leisure offerings & Corporate segments) with competitive price (low-service fee) along with more experienced & knowledgeable employee whenever possible to ensure their business is back on its feet. If the agency owner/manager can successfully re-intermediate through that, the success of their re-intermediation will lead to customer retention. This is the ultimate goal for any business as customer retention leads to sustainability and profitability

## 5.4 Recommendation

Based on the findings of this study, it is recommended that in order for travel agencies to exist in the travel agencies market, they need to adjust their marketing strategies through The following suggestion that has been made based on the research survey result.

- To enhance customer retention, travel agencies should embrace re-intermediation tactics, specifically emphasizing personalized services, low price offers, distinct products, high quality service, and product knowledge.
- In terms of low service fees, travel agents should charge more for complicated bookings and less for easy bookings in order for their agencies to be identified with "value for money."
- In respect of differentiated product, as there are two types of differentiated products the leisure segment and corporate segment. Travel agencies should identify their niche and adjust their marketing strategies to serve their customers accordingly. Despite numerous technological advances, corporate customers still book through fixed travel agencies. Travel agents must implement customer relationship management and retention strategies to retain corporate customers.
- Finally, the travel agents in Addis Ababa should re-intermediate their business in order to retaining their customers & wining back those who are relocating to book online, embrace by Improving their service level, through employing professional travel consultants as well as Identify and target niche market segment (Corporate & Leisure segment).

## **5.5 Further research Direction**

The study recommended that in the future studies should focus on other research approach by considering qualitative data analysis which were not part of this study. Structured questions, focus group discussion to make the research more reliable and valid than the outcome made.

The study was solely dependent to managerial perspective of IATA's Agents. Further research also needed to explore the effectiveness of different reinter mediation strategies in different travel agencies on both IATA's and Non-IATA's Travel agents. A recommendation has been made such as embracing the internet, focusing on Niche market segments and becoming more customer oriented service should be considered by Travel agents to retain their customers.

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**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE**

**Department of Marketing Management**

### **Questionnaire to Travel Agents**

**Dear Travel Agents,**

I am Abdulhakim Zemed, a Marketing Management Master 's student from Addis Ababa University School of Commerce. I am conducting research on studying **The Reintermediation strategies roles on customer retention: The case of Selected IATA's Travel Agencies in Addis Ababa.**in partial fulfillment of Master of Arts in marketing management.

Remaining relevant to clients and holding clients who may consider booking online, requires travel agents to adjust their Marketing strategies. Travel agents must discover better approaches to include esteem for their clients and suppliers to reestablish their parts with in the travel industry and eventually retain their customers.

Thus, the study aims to examine the management perceptions with the most effective/significant strategies for re-intermediation to restructure the business with key objective of retaining customers.

Therefore, I kindly request you to spend some minutes of your time in filling the questionnaire honestly. This information you would provide me is highly essential for successful completion of this study. Please answer all items objectively.

Finally, the research assures you that information provided will be kept confidential and be used only for an academic purpose.

*If you have any questions with regards to this questionnaire - please contact by this address*

Researcher's Name: Abdulhakim Zemed, MA student at School of commerce, AAU.

Telephone: +251911235600, E-mail: Hekalz2006@gmail.com

**PART I: Personal information/Profile**

**Please make a tick mark 'X' on the option that best describes you**

A. Gender: Female  Male

B. Age: Less than 30  30 to 40  Greater than

C. Educational background

Diploma  Degree

Masters  PHD

D. Position Director/Owner  Senior Manager

Manager  Senior Ticket Agent

E. Agency Formation Type

IATA

NON-IATA

F. How long have you been working in the travel agency industry?

Between one and three

Between seven and Nine

Between four and six

More than nine

**PART II. Respondents perception about the role of Re-intermediation strategies on customer retention.**

This part is kindly requiring you to express your interpretation on the issue being asked appropriately; 1= strongly disagree Agree- SD, 2 =disagree – DA, 3=Not sure- NS, 4 =agree – A, 5=strongly agree – SA. please answer each questions carefully and objectively. please thick x on the option that best describes your level of agreement.

Items	Determinant/Attributes	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
<b>Low Service-fee</b>						
LSF2	Our corporate customers believe the money saved by finding lower prices is not worth the time and effort.	1	2	3	4	5
LSF2	Our Corporate customers value their time more than the effort of finding lower price.	1	2	3	4	5
LSF3	Our corporate customers will compare travel agents to take advantage of lower price	1	2	3	4	5
LSF4	Our leisure customers value their time more than the effort of finding lower prices	1	2	3	4	5
LSF5	Our leisure customers will compare travel agents to take advantage of lower prices	1	2	3	4	5
LSF6	Our Customers believe the money they saved by finding lower prices is not worth the time and efforts	1	2	3	4	5
<b>High Quality service (HQ)</b>						
HQS1	Customers feel safe in their transactions with our travel agents	1	2	3	4	5
HQS2	Our travel agents are polite	1	2	3	4	5
HQS3	Management at our travel agency trusts its employees	1	2	3	4	5
HQS4	Our travel agents are sympathetic and reassuring towards customers and their problems	1	2	3	4	5

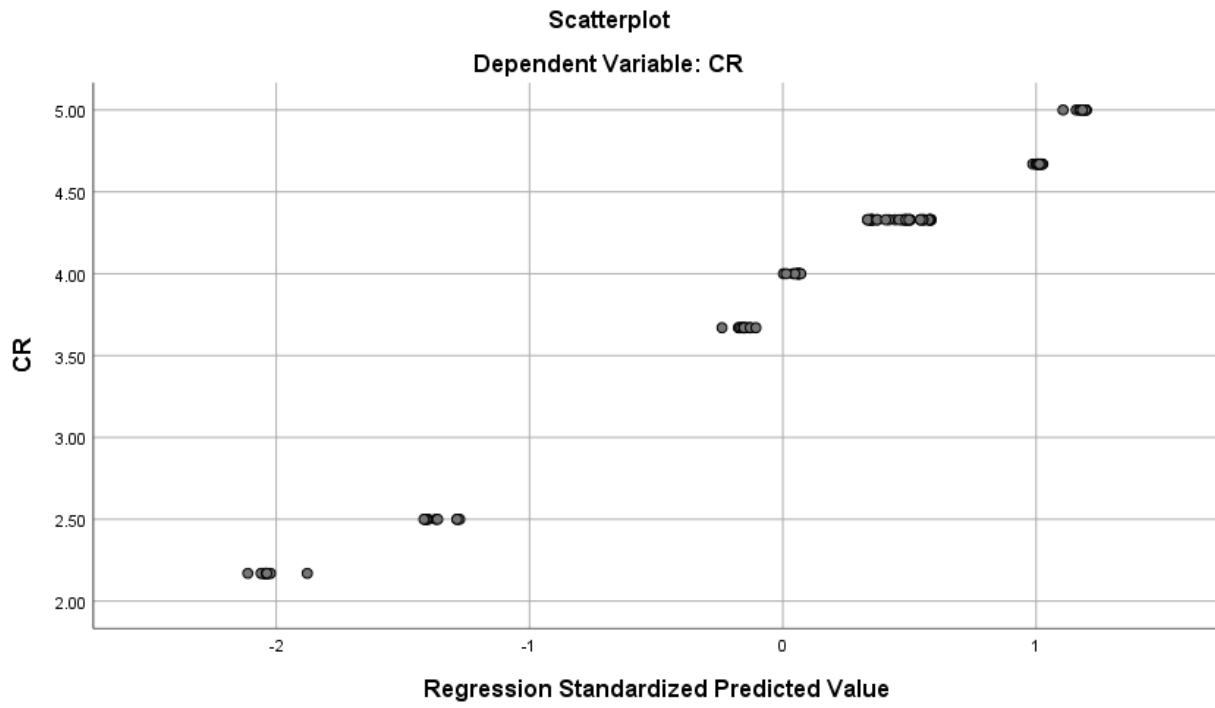
HQS5	Our travel agents are reliable	1	2	3	4	5
HQS6	Our travel agents keep accurate records	1	2	3	4	5
HQS7	Our travel agency employees are well-dressed and appear neat.	1	2	3	4	5
HQS8	When our travel agents promise to do something by a certain time, they do so	1	2	3	4	5
HQS9	Our travel agents deliver prompt service to customers	1	2	3	4	5
<b>Differentiated product (DP)</b>						
DP1	The majority of our corporate customers like to try new travel products and services	1	2	3	4	5
DP2	The majority of our corporate customers enjoy buying travel products that are different and unusual	1	2	3	4	5
DP3	The majority of our corporate customers often want customized features for their travel products and services.	1	2	3	4	5
DP4	The majority of our leisure customers prefer custom-made travel packages as opposed to ready-made travel packages.	1	2	3	4	5
DP5	The majority of our leisure customers prefer to travel to unique travel destinations	1	2	3	4	5
DP6	The majority of our leisure customers are attracted to different travel products and services	1	2	3	4	5
<b>Product Knowledge (PK)</b>						
PK1	Our travel agents are informative	1	2	3	4	5
PK2	Our travel agents provide innovative solutions	1	2	3	4	5
PK3	Our travel agents are knowledgeable	1	2	3	4	5
PK4	Our travel agents are Rational	1	2	3	4	5
PK5	Our travel agents are Credible	1	2	3	4	5

Personal interaction (PI)						
PI1	Our travel agents stimulate customers emotionally about their travel plans.	1	2	3	4	5
PI2	Our travel agents emotionally move customers who plan to travel.	1	2	3	4	5
PI3	Our travel agents stir the emotions of their customers	1	2	3	4	5
PI4	Our travel agents excite customers about their travel plans	1	2	3	4	5
PI5	Our travel agents reach out to customers emotionally	1	2	3	4	5

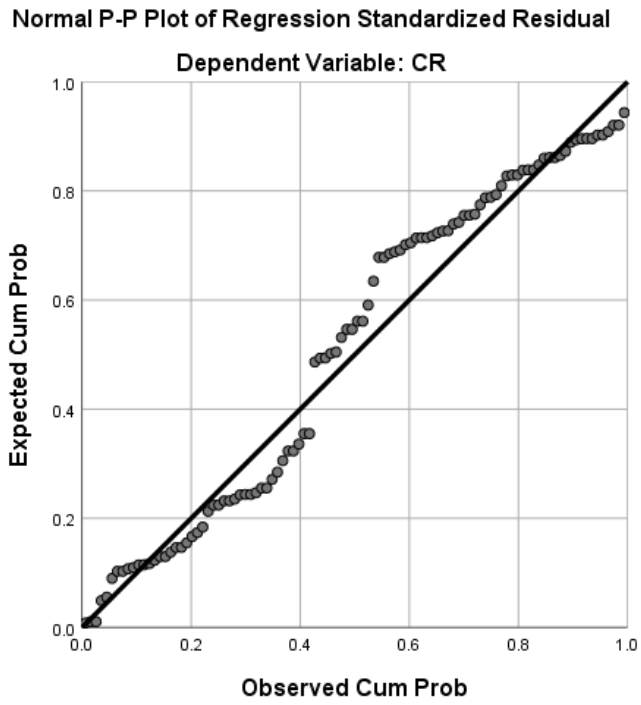
Co-existing with Technology (CT)						
CT1	Using technology fits with our travel agency's business needs.	1	2	3	4	5
CT2	Our travel agents find technology easy to use	1	2	3	4	5
CT3	Using technology fits in with the way our travel agents work.	1	2	3	4	5
CT4	Our travel agents use technology for customers as often as is needed.	1	2	3	4	5
CT5	To the extent possible, our travel agents use technology in customer service.	1	2	3	4	5
Customer Retention (CR)						
CR1	Our travel agency integrates across customer contact points (mail, telephone, fax, web and face-to-face	1	2	3	4	5
CR2	Our travel agency attempts to build long term relationship with our high-value customers	1	2	3	4	5
CR3	Our travel agency maintains interactive two-way communication with our customers	1	2	3	4	5
CR4	Our travel agency stresses customer loyalty or retention programs	1	2	3	4	5
CR5	Our travel agency systematically attempts to customize products/service based on the value of customers	1	2	3	4	5
CR6	Our travel agency systematically attempts to manage the expectation of high-value customers	1	2	3	4	5

*Thank You!*

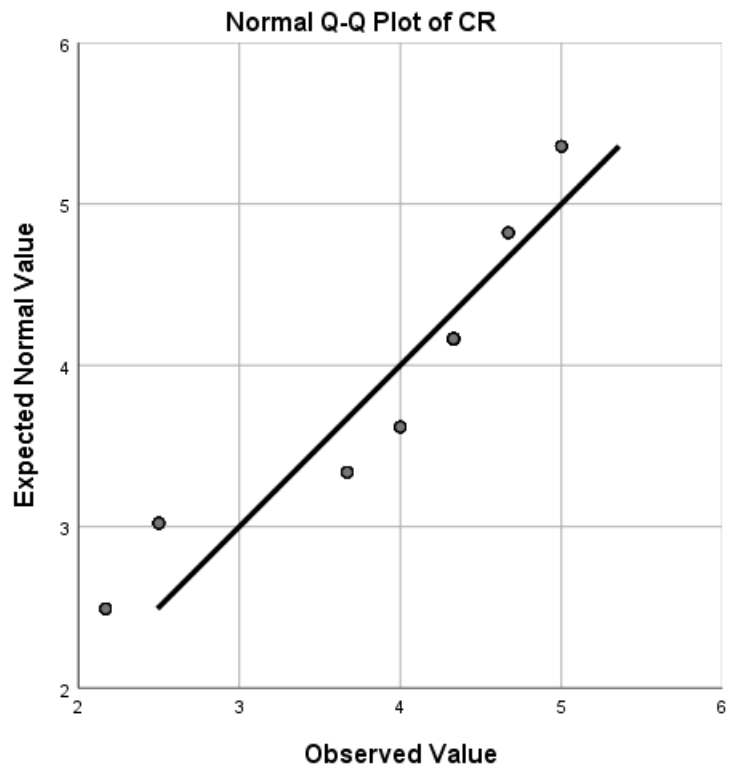
## Appendix 2 :Figures



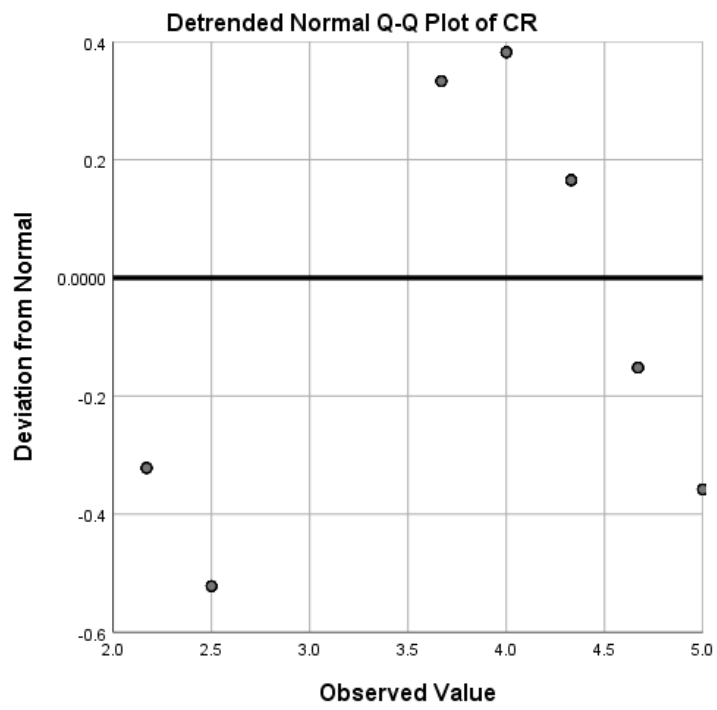
Source: SPSS output (2023)



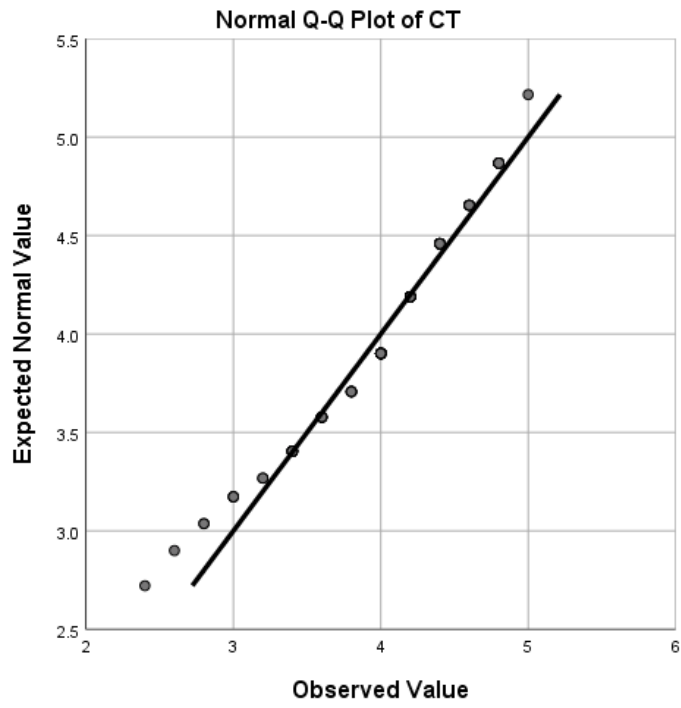
Source:SPSS output(2023)



Source: SPSS output(2023)



Source: SPSS output(2023)



Source SPSS (2023)