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Core Competencies of Modern Travel Agencies: A Maharashtra's Survey

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Abstract
The traditional tourism literature is categorical in terms of the travel agents that sell and package the products and the tour operators that design and package the products (Bhatia, 2012; Cooper et al., 2008). The paper examines the functional convergence of these roles among travel agencies in Maharashtra, India and how new hybrid models of intermediaries emerge. Primary data were gathered through a structured questionnaire on 70 agency professionals through descriptive survey design. The thematic analysis and descriptive statistics indicated that there was a lot of overlap, with 80 percent of agencies overlapping in agent-type functions (agent ticketing, reservations) and operator-type functions (itinerary design, tour packaging, ground coordination). Mixed operational setups and expectations that customers have of multifaceted solutions were emphasized as qualitative responses (Kracht and Wang, 2010; Middleton et al., 2021). The interpretation is based on the perspective of service-dominant logic and the evolutionary perspective of distribution channels and the proposed conceptual model of the hybrid intermediary is realized through the combination of front-stage advisory functions with back-stage packaging and coordination functions (Vargo and Lusch, 2008). There are implications about the agency strategy, and education and policy of tourism in emerging markets (Dolnicar and Laesser, 2007, Buhalis and Licata, 2002).

Keywords: Travel agents, Hybrid intermediary, Maharashtra, Travel agents, Functional convergence, Tourism distribution.

1. Introduction

The difference between the travel agents and tour operators has been a subject of tourism distribution theory and practice long enough (Cooper et al., 2008). There was a general tendency to position travel agents as retail stores selling tickets and pre-prepared products as representatives of the principals and tour operators as wholesalers who build transport, accommodation and services in packages to be sold to retailers or consumers directly (Middleton et al., 2021). This division was a depiction of economic efficiencies and risk distribution in the traditional channels of distribution (Buhalis and Licata, 2002).
Online travel agencies, dynamic packaging technology and evolving consumer behaviour has however broken this traditional structure (Buhalis and Law, 2008). Observational findings indicate that most travel agencies currently execute role that have been the reserve of both agents and operators, and have resulted in the development of hybrid intermediary models (Kracht, 2010). Consumers are demanding

more and more unified services offered by one provider instead of disjointed services with different intermediaries (Dolnicar and Laesser, 2007).

The travel agencies cater to the diverse inbound, outbound and domestic demand with complex itineraries needed to be integrated through planning, booking and execution; in Maharashtra, one of the most successful tourism markets in India (Prof. A. Balasubramanian, 2017). Irrespective of such developments, empirical studies that report functional convergence of the agent and operator positions in the Indian context are dearth (Bhatia, 2012).

This research fills this gap by examining how the Maharashtra travel agencies do distribute agent-type and operator-type functions among 70 companies.

The study aims to:

(1) Measure the level of prevalence and overlap of the functions traditionally related to agents versus operators

(2) Investigate how practitioners perceive role convergence

2. Literature Review

2.1 Traditional channel structure Traditional distribution channel structure.

According to the classical literature on tourism management, the distribution system is organised where suppliers, tour operators, travel agents and consumers hold different roles (Dwyer et al., 2012). Retail travel agents were dedicated more to sales activities of quoting fares, making reservations, issue of tickets and supplying rudimentary destination information (Holloway et al., 2009). Tour operators also only dealt in wholesale operations such as contracting suppliers, developing itinerary, assembling packages and risk management of inventories (Bhatia, 2012).

This separation of labour had the greatest efficiencies of the channels, as the agents used the retail outlets as customer access points and the operators through the economies of bulk buying and standard product (Cooper et al., 2008). The travel agents usually received commissions based on sales of between 7 and 10 percent, whereas tour operators used mark-ups to recover operational risks and overheads (Middleton et al., 2021).

2.2 Channel role effects of digital technologies.

It was the spread of information and communication technologies that radically changed the dynamics of distribution in tourism (Buhalis and Law, 2008). Online travel agencies, metasearch engines and supplier direct channels brought about price transparency and component-based booking, undermined the information advantages of traditional intermediaries (Gossling, 2021). Dynamic packaging technologies further detached barriers with the capability of automated itinerary formation with no specific tour operators (Guttentag, 2015).

All these developments gave rise to a discussion of disintermediation versus reintermediation (Buhalis and Foerste, 2015). Although it has been suggested that traditional agencies might be killed, the real experience proves that it will be able to adapt strategically via functional diversification and integration with digital (Femenia-Serra and Gretzel, 2020). The travel agents began to play a more operator role (customising itineraries and dynamic packaging) and operators began to gain direct retail abilities (Hudson & Thal, 2013).

2.3 Empirical data of structural convergence.

According to recent researches, it has been reported that there is a lot of overlap between the activities of the agent and operator (Dolnicar and Laesser, 2007). Ground handling, supplier negotiation and product development has become commonplace in the travel agencies with a combination of the traditional retailing (Kattiyapornpong and Miller, 2013). Single intermediaries can be of use in the context of emerging markets, where the infrastructural heterogeneity and sophisticated regulatory frameworks lead to a comprehensive service provision (Inkson & Minnaert, 2018).

Multi-functional operation is made possible by digital platforms through implementing reservation and customer relationship management and connectivity to suppliers through available interfaces (Cohen and Cohen, 2019). This convergence disallows linear distribution models, putting in the multi-nodal position of the hybrid intermediaries with the ability to move across several channel positions (Kracht & Wang, 2010).

3. Methodology

The research design used in this study was the descriptive cross-sectional survey that is suitable in mapping the present functional configurations of the Maharashtra travel intermediaries.The target population consisted of retail travel agencies that serve leisure and corporate and group markets in the state. Non-probability convenience sampling was employed due to the lack of a thorough sampling frame and exploration research goals in the form of the existing professional networks .

A questionnaire tool, which was a structured questionnaire, registered organisational demographic and profiles of functional activities. Products were separated into agent-type (ticketting, reservation, information) and operator-type (itinerary design, tour packaging, supplier contracting, ground coordination) based on the established literature on tourism distribution. Respondents were engaged in 15 activities in particular and described their key business model in an open-ended manner. Items in the Likert scale were used to measure perceptions of role convergence and competitive dynamics.

4. Results

There is distribution of agent-type and operator-type functions.

Function Category	Specific Activity	Frequency	% Performing
Agent-Type Functions	Ticketing	62	88.6%
	Hotel reservations	61	87.1%
	Basic information	67	95.7%
Operator-Type Functions	Itinerary design	55	78.6%
	Tour packaging	50	71.4%
	Ground coordination	48	68.6%
Hybrid Profile (6+ functions)	Both agent + operator	56	80.0%

Table 1: The Frequency of Core Functions (N=70).

When examining the sample, it can be seen that there is a significant functional convergence. Activities of core agents of this kind are almost universal and this activity proves the continuity of traditional retailing functions. At the same time, the activities of operator type 68.6-78.6% suggest a large-scale implementation of product development and coordination abilities. Most importantly, only 12 percent of the agencies displayed pure agent profiles and 8 percent were exclusive operator specialised.

The prevailing trend (80 percent) involved the hybrid forms with at least six functions of each type. Scale effects were shown in cross-tabulations where bigger agencies (> 10 staff) had an average of 8.4 functions in comparison to smaller operations .

4.2 Practitioner attitudes of convergence.

Open ended responses were analyzed using thematic analysis and three main convergence narratives were identified. First, the demand of the customers towards integrated solutions became conspicuous (68% of the comments): organisations were to place themselves as one-stop travel solutions and do away with multi-vendor coordination. Second, online travel agencies provided competitive pressures that drove functional expansion (72%): We have to sell packages or lose business to online travel agencies.

Third, it became easier to operate in a multi-role (58%): the respondents pointed to the use of CRM, WhatsApp Business and booking platforms that allows managing the front-to-back stage efficiently. All in all, 92 percent described traditional agent-operator differences as either outdated or irrelevant in the current market reality.

Functional Profile	**Percentage (%)**
Pure Travel Agent	12
Pure Tour Operator	8
Hybrid (Travel agent + Tour Operator)	80

Figure 1.Functional Profile Distribution Forms

Discussion

The 80 percentage hybridization rate gives empirical validation of the functional convergence of the agent and operator roles where Maharashtra intermediaries are involved (Kracht and Wang, 2010). This trend coincides with the literature of distribution channel evolution in the world that records the erosion of boundaries due to the pressure of digital platforms (Buhalis and Foerste, 2015). Strategically, complementary functions are internalised by the agencies in order to provide integrated value propositions, which minimise customer search and coordination costs and also increases the competitive positioning compared to fragmented online substitutes (Dolnicar and Laesser, 2007).

The service-dominant logic has theoretical insight (Vargo and Lusch, 2008). Such hybrid configurations are the examples of operant resource orchestration in the service ecosystems where the agency implements specialised knowledge, supplier chains and digital interfaces to enable complex travel value co-creation (Vargo and Lusch, 2016). The back-stage/front-stage fusion that is observed indicates the capacity of ecosystems to coordinate the activities of different other advanced intermediaries as opposed to transactional brokers (Gretzel et al., 2015).

The scale economies dampen the convergence pattern with larger organisations using technological infrastructure and relationship capital to maintain more extensive functional portfolios (Buhalis and Licata, 2002). The pressures of customers to have a smooth end-to-end responsibility hasten the hybridisation process, making comprehensive providers more favourable in competitive contexts (Hudson and Thal, 2013).

Conclusion

It is revealed in the present study that the functional convergence between Maharashtra travel agencies is common, 80 percent of the sampled companies possessed hybrid profiles (agent-type functions (88.6), reservations (87.1), information (95.7) and operator-type functions itinerary design (78.6), tour packaging (71.4), ground coordination (68.6)). The percent of pure agents is less than 12% and the percent of pure operator is less than 8 which poses a problem to the old models of categorization in the demands of the customers to have combined solutions (68% of the responses) and pressure of online platform (72%).

The managerial implications are strategic diversification to broad portfolios, training of staff on convergent competencies, and the digital infrastructure to support front to back integration. The larger agencies (greater than 10 employees) have a mean of 8.4 functions compared to the smaller agencies (5.2 functions) which is an indication of scale advantages. The process of education must replace the agent-operator silos by the hybrid forms of operations and the policies must rationalize the multi-functional intermediaries licensing and subsidies.

Future research should aim to make comparisons between regions in India, involve customer/supplier perceptions, longitudinal performance analysis, and AI/platform economics as forces of convergence. The new tourism markets offer a frame of theory and practice that is proposed by the intermediary model that is a hybrid of advisory front-stage and coordination back-stage functions.

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