

# How Can the Conventional Travel Agent Survive in Digital Era?

1<sup>st</sup> A.A.A.N. Harmini  
 Tourism Department  
 Politeknik Negeri Bali  
 ,Badung,Bali Indonesia  
 gunghar@gmail.com

2<sup>nd</sup> Nyoman Mastiani Nadra  
 Tourism Department  
 Politeknik Negeri Bali  
 ,Badung,Bali Indonesia

3<sup>rd</sup> Ni Luh Eka Armoni  
 Tourism Department  
 Politeknik Negeri Bali  
 ,Badung,Bali Indonesia

**Abstract--**This research was conducted on some conventional Travel Agent located in Bali, especially in Badung regency. The purpose of this study is to know what must be done by conventional travel agents to survive in the face of the progress of online travel agents. The way of data collection is done by interviewing and observe some travel agents in Bali especially in Badung regency. The data analysis technique used is descriptive qualitative that is describe the phenomenon found in some travel agents according to the research needs. From the results of the discussion can be described that the conventional travel agents are still able to survive in facing travel agents online when they do changes to give priorities scale on product, services, and management components. On product, the priority given to the detail of tour package. Priority on service, is apply the SOP of integrated system in the office, On management component is has database and develop business plan.

**Keywords--** Conventional travel Agent, survive, Digital Era

## I. INTRODUCTION

Tourism is experiencing very rapid development, and every development will certainly be accompanied by changes. This change will be experienced by every component involved in the tourism. The tourism industry, one of the components in tourism certainly cannot avoid these changes. Changes can occur in: 1. Characteristics of tourism and tourists who continue to experience development, as much as the literature on tourism has conveyed, initially the need for travel is only the needs of a handful of rich people. 2. The increasing welfare of humanity, the need for travel is the need of most people. 3. The characteristics of tourists also develop.

Now tourists not only want to enjoy the trip, see the sights and eat delicious. They want more than that is an impressive experience [1]. According to Jensen shopping orientation and travel experience both influence travelers' intentions to shop travel products online. {2} With the changing characteristics of tourism and tourists, the tourism industry must adjust or keep abreast of changes in tourism characteristics and characteristics of tourists so that the tourism industry can meet tourism needs, thus connecting demand and needs. Travel agency is a private for profit company that assist and makes travel arrangements for clients and receives a commission from travel providers such as airlines and resort. While travel agent is an individual who works for a travel agency and assists clients with travel needs [3] But in its implementation in the field a travel agent can

also serve as a travel agency and the frequency is high enough to carry out various activities such as providing travel documents (visa, passport, health certificate, and flight ticket), accommodation, leader / guide tour, dining place, package tour , transportation, and consultation. Seeing the many services that can be provided by travel agents, it is very appropriate that the travel agent is said to be a super market for tourists who want to travel (one stop shop).

Conventional travel agent is a traditional travel agent that appears very rapidly first compared to online travel agents today, but the development of conventional travel agents today is no longer as bright as before because these travel agents must be able to compete to adopt emerging technologies to be able to compete with online travel agents.

The industrial world is entering a new era called the Industrial Revolution 4.0. Not only is it crowded in the world, but the echo of the fourth-generation industry also continues to be discussed in Indonesia [4].

The Industrial Revolution 4.0 is marked by the rapid changes in the digital world. In this digital era there will be the use of technology that has developed very rapidly, but offline travel agents should not be silent and must be involved in taking the opportunity to make opportunities so that they can compete with online travel agents. Clemons and Hiff stated that the internet has increased the availability of information about prices and products, enabling customers to identify the best deal or at least to improved their bargaining position with vendors both online and traditional channels [8]. According to CNN Travel the internet killed the travel agent, the travel agent is dying, but it's not dead [6]

As stated in the background of the research above, that the industry in the digital era has changed the whole order. Whether it's work, lifestyle, or travel behaviour

Travel agents as one of the tourism industries must have thought about the requests that will be needed by tourists in the future as planned by the Indonesian government to welcome industry 4.0 or the 4th generation industry.

This 4.0 industry can also be said to be the digital era that today is undeniable that digital has changed the entire order, whether it's work, lifestyle, or the behavior of tourists to travel [7] so the changes in the digital era also affect digital destinations. The rapid development of digital is certainly also affected by travel agents as one of the tourism industry. Therefore, conventional travel agents must be more creative and innovative to develop new products in order to survive in this digital era. Based on the above background, the writer

wants to know how conventional agent travel can survive in the digital era?

**II. RESEARCH METHODS**

This research belongs to the normative research that is empirical, which observes the reality that exists in the field that is related to tourism business standards, especially in the Travel Bureau or the Conventional Travel Agent. The object of this research is carried out in accordance with the standard variables of the Travel Bureau business, namely on products, services and management. The data analysis technique that was carried out was descriptive qualitative, namely by describing the phenomena in accordance with the research needs.

**III. RESULT AND DISCUSSION**

To facilitate understanding of conventional travel agents, the authors compare the existence of conventional / offline travel agents with online travel agents as in the table below:

**TABLE I. THE COMPARISON OF OFFLINE AND ONLINE TRAVEL AGENT**

Comparison of Offline and Online Travel Agent		
Component	Offline/Conventional Travel Agent	Online Travel Agent
Office	√	
Reservation	√ (integrated)	√ (partial)
Personal touch	√	-
Wifi/digital	√	√
Handling group	√	-
Package tour	√	-
Baby boomers	√	-

From the comparison above, it can be explained that the offline travel agent still has several advantages compared to online travel agents, namely:

1. Offline travel agents have an office to carry out its activities while the Travel Agent online is not
2. Offline travel agents can make reservations in an integrated manner while online travel agents make partial reservations
3. Offline travel agents are doing service by people for people, so there is a human touch
4. Offline travel agents in this digital era must follow technological development, such as Wi-Fi usage and other social media
5. Offline travel agents is able to handle group tourist
6. Offline travel agents can sell tour packages so they can provide cheaper prices
7. Offline travel agents are still in demand by baby boomers because they don't want to be complicated by technology matters

According to the Regulation of the Minister of Tourism and Creative Economy No. 8 of 2014, the Tourist Travel Services Business is a travel agency business and a travel agency business. [5] Conventional travel agent which is meant here, is identical with the Travel Business Bureau or

Offline Travel Agent which has 3 important aspects, namely product, service and management, as shown in the chart below:

**TABLE II. STANDARD OF TRAVEL BUSINESS BUREAU**

No	Aspect	Components
1.	Product	1. Providing ordering services 2. Providing tour package services 3. Details of tour packages 4. Handling of travel documents 5. Tour guide services 6. Tour leader services
2.	Services	1. Apply SOP to guest services in the office 2. Apply SOP for the implementation of a tour
3.	Management	1. Having a place of business or office 2. Having governance or organizational structure 3. Has a database 4. Have a business development plan 5. Development of human resources

Traditionally the elements contained in the three aspects above would have been a very appropriate choice in those days, but along with the times, conventional travel agents cannot be monotonous only relying on the products of the past. To be able to win the competition and to be able to survive to win the hearts of tourists, the conventional travel agent must be involved and adopt the needs of tourists in the digital era. In fact, when viewed from the experience of conventional travel agents, travel can definitely compete because they already have the experience to get tourists with various services offered.

But if conventional travel agents want to survive in the digital era, travel agents must be brave to give priority scales to elements that are urgent in each aspect. The elements that need to be prioritized are like the table below:

**TABLE III. PRIORITY SCALE FOR BUSINESS TRAVEL BUREAU**

No	Aspects	Components
1.	Product	1.Details of tour packages 2. Providing tour package services 3. Providing booking services 4. Handling of travel documents 5. Tour guide services 6. Tour leader services
2.	Services	1.Apply an integrated SOP system in the office 2. Apply SOP for guest services in the office 3.Applying SOP for the implementation of a tour
3.	Management	1. Has a database 2. Have a business development plan 3. Development of human resources 4. Having a place of business or , office 5. Have governance or organizational structure

Priority or urgency that is done on the product aspect is the details of the tour package, because in this digital era every tour package making, offline travel agent must dare to enter a digital destination. Digital destinations are the right formula to answer the challenges of a fast-changing era [7]. In connection with this digital destination, the lifestyle of millennial tourists is all digital. Before choosing a destination, they search for destination information, and compare whether the object is *instagramable* for selfie. The benchmark, if photographed is worth posting on social media, so that many get likes, comments, repost, share, and positive interaction and become viral.

Priority or urgency that is carried out on the service aspect is to apply an integrated SOP system in the office because in this digital era it also requires digital skills that include accounting software, airport or airline system software, system administrators and software knowledge, and social media knowledge and skills [1] .

The priority or urgency that is carried out on the management aspect is to have a database because the database can contain information about names, addresses, telephone and e-mail numbers from the data, partners or supplier's data, data on employers of tourist attraction, and data from other partner entrepreneurs. All of this data must be stored digitally to make it easier if you want to see it at any time.

These three priorities must be carried out by conventional travel agents if they want to survive in this digital era

#### IV. CONCLUSION

Conventional travel agents are able to survive in the digital era by making changes in each aspect by giving priority to each element in each of these aspects and willing to equip their employees with digital skills.

#### ACKNOWLEDGEMENT

Through this opportunity the author would like to express his gratitude to the P3M Bali State Polytechnic for funding this research and thank you also to The Head of Tourism Department who has involved the author to attend the HILDIKTIPARI National Conference in Yogyakarta in July 2018 because of the National Conference's idea came the idea for this study.

#### REFERENCES

- [1] Directorate General of Science and Technology and Higher Education Institutions Ministry of Research and Higher Education, 2018. Paper "The Future Role of Indonesian Tourism Universities in the 4.0 Industrial Revolution Era", presented at the HILDIKTIPARI National Conference (Association of Indonesian Tourism Higher Education Institutions) in Yogyakarta, July 2018
- [2] Jensen, J.M., 2012. Shopping orientation and online travel shopping: the role of travel experience. *International Journal of Tourism Research*, 14(1), pp.56-70.
- [3] Chucky and freinds, 1997. *The Travel Industry*. John Wiley & Sons, Inc, Canada
- [4] [www.merdeka.com/teknologi/membangun-revolusi-industri-40-di-era-digital-ini-langkah-persiapannya.html](http://www.merdeka.com/teknologi/membangun-revolusi-industri-40-di-era-digital-ini-langkah-persiapannya.html) diunduh tgl 23-8-2018
- [5] Tourism Ministerial Regulation and Creative Economy No8 of 2014
- [6] <https://edition.cnn.com/travel-agent-survival/index.html> diunduh tgl 27-8-2018
- [7] Hamengku Buwono X, 2018, Opening Remarks on HILDIKTIPARI.National Conference, 19 Juli 2018 di Yogyakarta
- [8] Clemons, E.K., Hann, I.H. and Hitt, L.M., 1998. The nature of competition in electronic markets: An empirical investigation of online travel agent offerings. *The Wharton School of the University of Pennsylvania*.