DISINTERMEDIATION AND TOURISM INDUSTRY: A STUDY OF TRAVEL AGENT SURVIVALITY

NIK ALIF AMRI BIN NIK HASHIM

MASTER IN TOURISM MANAGEMENT

JULY 2013
UNIVERSITI TEKNOLOGI MARA

UNIVERSITI TEKNOLOGI MARA

DISINTERMEDIATION AND TOURISM INDUSTRY: A STUDY OF TRAVEL AGENT SURVIVALITY

NIK ALIF AMRI BIN NIK HASHIM

MASTER IN TOURISM MANAGEMENT

Dissertation submitted in partial fulfillment of the requirements for the degree of Master in Tourism Management

Faculty of Hotel and Tourism Management

JULY 2013
CANDIDATE'S DECLARATION

I declared that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledge as referenced work. This topic has not been submitted in any other academic institution non-academic institution for any other degree or qualification.

In the event that my thesis be found to violate the conditions mentioned above, I voluntarily waive the right of conferment of my degree and agree be subjected to the disciplinary rules and regulations of Universiti Teknologi MARA.

Name of Candidate : Nik Alif Amri Bin Nik Hashim
Candidate's ID No. : 2011324183
Programme : Master in Tourism Management
Faculty : Faculty of Hotel and Tourism Management
Thesis Title : Disintermediation and Tourism Industry: A Study of Travel Agent Survivality.

Signature of the Candidate : __________________
Date : 12 July 2013
ABSTRACT

Tourism business has changed due to the usage of internet as it offers a new distribution channel whereby numerous people are doing their transaction through online and they have become passionate to this activity. New technologies have help the online user to access rapid internet connection, make secure transactions, and provide easier and fast services which can be the causes of disintermediation in tourism industry. This is due to the fact that technology has allowed the travel consumer to communicate and contact directly with the suppliers. Seeing disintermediation as the main issue and problem here, this paper aim to investigate the travel agencies direct impact on disintermediation and strategies used by travel agencies in maintaining their business if they have been excluded by the tourism suppliers in Malaysia. A qualitative approach through face to face interview with managers of travel agent is considered to be the most suitable method for investigating this issue. The result revealed that, disintermediation has given positive and negative impact to travel agent. Travel agent need to take the threat of disintermediation as their opportunity to build up their business. The finding also shows that every travel agencies have their own strategies in facing disintermediation. However, the implementation of website and e-commerce practices is the most useful strategy for travel agents to survive in future business.

Keywords: Technology, Travel Agent, Disintermediation, e-Commerce, Strategy
ACKNOWLEDGEMENTS

First and foremost, I am deeply thankful to Allah for giving me the strength, persistent and faith every second in completing this study. Without His blessing, this dissertation would not be possible accomplished. I would like to take this opportunity to express my appreciation to many persons who helped and contributed to the development of my dissertation.

I would like to express my gratitude to my supervisor, Mr. Mohd Noor Ismawi Bin Ismail for his guidance, consistent support and patience throughout the entire process of my study. Thank you for your attention to detail, suggestions, experience with the research process and professional guidance as an academic supervisor for my dissertation. It is really appreciated. I also would like to extend million thanks to Assoc. Prof Dr. Salehuddin Mohd Zahari, Dr. Norzuwana Sumarjan and Mr. Boyd Sun Fatt that has helped me a lots in understanding and analyzing qualitative data. Thank you for all the constructive comments from panels, Mrs. Fadzilah Mohd Shariff, Mr. Hazmal Ismail and Mr. Noradzhar Baba for this study. Without their time, expertise and feedback for my proposal and dissertation, I would not be able to complete my work on time.

A very special appreciation to my parent, Mrs. Siti Hirawati Abd Hadi and Mr. Kamarulan Muhamad for their endless support financially and emotionally throughout my study in Master's Degree. Not forget also to Ministry of Higher Education through the My Brain Scholarship and Majlis Amanah Rakyat (MARA) for their financial support. Lastly, thank to all my family members and my friends that always give me motivation and morale support. I will not forget your kindness and continual encouragement for my study and life.