



UNIVERSITI TEKNOLOGI MARA

**REVOLUTION OF INFORMATION COMMUNICATION
TECHNOLOGY AND ITS AFFECTS TO TRAVEL AGENCY:
ARE THE TRAVEL AGENCIES IN MALAYSIA READY?**

NUR AINA BINTI MOHD ASRI

2014701547

JAMILAH BINTI MAT DAUD

2014570461

ALIF BIN SABRI

2014504129

Dissertation submitted in partial fulfilment
Of the requirement for the degree of
Bachelor of Science (Hons) in Tourism Management

Faculty of Hotel and Tourism Management

December 2017

TABLE OF CONTENT

NO	CONTENT	PAGE
	Acknowledgement	4
1	1.0 Introduction	5
	1.1 Revolution of Technology in Tourism Industry	6
	1.2 Benefits of Technology Advancement to Consumer and Travel Agency	7
	1.3 Information Technology in Tourism (In Malaysia Context)	8
	1.4 Term of Definition	9
	1.4.1 Travel Agent	9
	1.4.2 Information Technology	11
	1.4.3 Affects	13
2	2.0 Adoption, Benefits and Challenge	14
	2.1 Adoption in Traveller Buying Pattern	14
	2.1.1 Buying Pattern of Tourist in Malaysia	16
	2.2 Benefits to Consumer and Travel Agencies	17
	2.2.1 Benefits to Consumer	17
	2.2.1.1 Internet as The Sources of Information	17
	2.2.1.2 Reliability and Quality of Information Available Online	21
	2.2.1.3 Role of Social Media in Tourism	22
	2.2.2 Benefits of ICT to Travel Agency	28
	2.3 Challenge of Advancement in Technology to Travel Agencies	31
	2.3.1 Social Media	32
	2.3.2 Information Availability	35
	2.3.3 Convenience Payment Method	36
3	3.0 Conclusion and Discussion	38
4	4.0 Recommendation	41
5	References	43

AUTHOR'S DECLARATION

I declare the work in this thesis/ dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Pre Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student : Nuraina Binti Mohd Asri
Student ID Number : 2014701547
Programme : Bachelor of Science (Hons.) in Tourism Management
Faculty : Hotel & Tourism Management
Thesis/ Dissertation Title : Revolution Of Information And Communication Technology And Its Affects To Travel Agency: Are The Travel Agencies In Malaysia Ready?
Signature :
Date : December 2017

1.0 INTRODUCTION

The Internet has had a major impact on tourism and travel, with the development of huge numbers of websites and applications including reservation systems, online travel agents and tour operators, and interactive product review sites. Information Communication Technology (ICT) in the sector has represented both an important challenge and an opportunity for tourism companies.

The profound impact of the Internet and information and communication technologies (ICT) has brought about several changes on tourism both for providers and consumers especially in the area of online sales of travel and tourism products and services. This has challenged the traditional role of travel agencies as they seek urgent ways to reinvent their roles or face the threat of being disintermediated. With the internet now available it meant that Travel Agents, Tour operators could all have their own websites for the customer to view, they could also put their site on the search engines to bring in more business. Everyone can sit at home (providing they have a computer and internet access) and browse the search engines, or type in a site they know to try and find the holiday of their choice (Poon, 2001).

Although the internet creates an opportunity for the travel agencies to promote their service and packages online, it has also given an opportunity for the tourism suppliers to offer their services direct to potential customers. Thus, gives people more options to research on a particular destination, or read reviews about a places, sites, and attractions. Internet has taken a lot of the business away from the travel agencies forcing a few to close down (Law & Wong, 2003).

1.1 REVOLUTION OF TECHNOLOGY IN TOURISM INDUSTRY

Information Communication Technologies (ICTs) have revolutionized the tourism industry and altered the competitiveness of organizations and destinations. ICTs drastically transformed travel and tourism (Sheldon, 1997; Werthner and Klein, 1999). Started from the development of computer reservation system (CRSs) in the 1960s to the global distribution system (GDSs) in the 1980s and the advent to the internet early 1990s, the tourism industry has always been confronted with the rise of new technology development that post both opportunities and challenges (Buhalis and Law, 2008). During this era, hotels, airlines and other hospitality product suppliers depended on travel agencies and paid them a commission for each reservation (Victor Wee, 2016).

The rapid development of both tourism supply and demand makes ICTs an imperative partner of the industry, especially for the marketing, distribution, promotion and coordination of the industry. As the internet realizes its twentieth year of commercialization, ICTs continues to evolve and impact the travelers gain access to end use travel related information (Xiang, Magnini & Fesenmaier, 2014). Traditional travel distribution in which high street travel agencies played a dominant role was revolutionized with online travel agencies and direct distribution through airlines and hotels (Angelo Rossini, 2016). Next, the Internet and social media allow the visualization of travel products and services through video clips and graphical images. Travel community sites like TripAdvisor and Facebook have shifted the traditional one way supplier-to-