Case Study in Email Reponses of European Travel Agencies

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ABSTRACT

The rise of the Internet has brought significant changes and opportunities for online travel sites. Consumers are using a variety of technologies, such as form-based or email inquiries to contact travel agents. However, although customer expectations of service have risen, this has not translated to a rise in customer service response from travel site owners. This research will analyze differences in online form-based queries versus email based queries for European travel agents. It will review if any significant differences exist between these two methods, as well as significant differences among agencies in various countries, as well as effectiveness in answering consumer queries in the tourism industry.

*KEYWORDS***:** Internet, Market research, Email, Customer service, Travel, Tourism

INTRODUCTION

An increasing number of potential travellers are using the Internet to research information on travel-related services as well as making reservations and payments online. Indeed, some travel entities, such as airlines, are pushing travelers to make reservations online instead of at the airport. Thus, as more customers use these services, they have become very comfortable with online services and expect tourism and travel entities to offer a full host of customer services in an online environment, such as online communcations. In fact, customers often prefer the convenience of online communication versus other traditional means of communication (Shields, 2006). Thus, it is imperative that online methods of communications, such as e-mail, are effectively managed by businesses. This is especially true for several reasons. First, travel agencies can save considerable amounts of money by using cost-effective e-mail or forms based inquiry systems compared to more expensive telephone or fax. Second, travelers making inquiries to foreign agencies may prefer to initiate the contact with online methods due to cost and ease of use.

With the recent downturn in the global economy, it is imperative that agencies make a concerted effort to have a high level of satisfaction for potential clients who initiate communications via e-mail or forms. These are potential customers and by not answering inquiries, travel agencies lose potential revenue and marketing opportunities, which can cause serious concerns in a low-margin industry. This study addresses whether European travel agencies effectively use online e-mail and forms to communicate with potential customers. The study aims to answer the following research questions:
1. What is the level of customer response of European travel agencies to customer online inquiries?
2. Which online communication format gets better response from agencies: e-mail or form-based?
3. What is the effectiveness of the agencies in answering specific travel-related questions?

This study found that most European agencies do not bother to answer e-mail or form-based inquiries. Responses are better from agencies in some countries, but the level is dismal overall. Thus, it can be concluded that agencies are providing poor customer service and losing potential clients.

FRAMEWORK FOR ONLINE CUSTOMER SERVICE

Worldwide Tourism Growth

The growth of worldwide tourism has continued to experience growth even with a current global recession. According to the Worldwide Tourism Organization (2009a), in 2008 international tourist arrivals reached 924 million, which was a two percent growth from 2007. However, they do indicate that with the current economic recession, they see growth slightly declining for 2009. But, this short-term crisis could have long term benefits as the tourist business will be forced to consolidate and develop new business models, contributing to a stronger industry. Although short-term growth may be stagnant for 2009, longer-term prospects are brighter. A long-term forecast estimates a five percent growth for each year to 2020 with projected international tourists reaching 1.56 billion by 2020 (Worldwide Tourism Organization, 2009b).

Tourism revenues contribute to a significant portion of the economies of many countries, and governments are active in promoting this industry. In 2007, U.K. tourism accounted for 8.2 percent of Gross National Product (GDP), with this sector accounting for approximately 1.4 million jobs (VisitBritain, 2009). France is the number one tourist destination in the world, and the tourism sector accounts for 6.9 percent of GDP with 80 million visitors in 2008 (eTurboNews, 2009). The German government does not consider tourism to be a major source of economic revenue, although as many as 1.5 million jobs are connected to the tourism industry (U.S. Library of Congress, 1995). In Spain, tourist revenues averaged about 15 percent of GDP with 54.6 million visitors in 2008 (Colom, 2009).

Countries in Eastern Europe have experienced a rapid rise in tourism since the opening of their countries after the fall of Communism. In 2008, Poland had 60 million tourist arrivals (Poland Tourism Institute, 2009). In the Czech Republic, tourism accounts for three percent of GDP, with 23.2 foreign tourists in 2006 (CzechTourism.com, 2009). For 2008, tourism revenues in Romania were projected to be 3.6 billion U.S. dollars, and 2.2 percent of the GDP. There were issues for this sector, as tourism jobs were considered 'last-resort' because of low paying salaries (Petrescu, 2008). The Hungarian government is actively promoting an increase in tourism and is aiming to increase the GDP contribution of 8.5 percent in 2006 to approximately 10-10.5 percent (Hungary Tourism, 2007).

Online Customer Service

With the recent downturn in the global economy, the tourism sector has also experienced problems and decreasing revenues. Thus, in order to keep levels as high as possible, the tourism industry must concentrate on a high level of customer service in order to keep and maintain tourist visits. One method of maintaining good customer service is by effectively communicating with potential clients. An example is when a potential customer with questions sends an email or form-based questionnaire to a travel agent. Sites may present an option to the customer of communicating with either method. Email allows the customer to type in free-format information and sending emails through their own personal email based service provider. However, it could have potential issues such as being caught in spam filters. An alternative method is for the travel agency to construct a form-based system where the customer is required to fill in specific text-based fields. After the form is filled out, the customer sends the information to the agency by hitting the 'submit' button. An advantage to both of these methods is that they can be effective, easy and allow for quick communication and feedback (Shields, 2006).

It is essential that if tourism firms have these methods of communications on their web sites, they use them effectively. Zehrer and Pechlander (2006) explain that the speed and depth of information in the response are decisive factors in client satisfaction. They indicate that rapid and effective responses can lead to competitive advantages over firm that respond slowly or not at all. Shields (2006) also collaborates this view in the fact that personalized responses can result in increased customer satisfaction and better client relationships.

Because of the ability to rapidly respond to customers, as well as a very low-cost method of communications, it makes sense for firms to take full advantage of this method, as opposed to more expensive methods, such as post or telephone. However, firms tend not to take advantage gain a competitive lead. Hammerston (2008) claims email is one of the worst channels for customer service,

as firms would rather force customers to call service centers. He also claims there is a lack of quality in email responses.

Studies of Online Email Responses

Several research reports have shown that there is a lack of effective customer service with online communications, such as with email and forms-based responses. This has occurred in the travel industry as well as other sectors. A 2003 study of Austrian hotels found that approximately two out of ten hotels did not respond to an email inquiry. More than 25 percent of the hotels needed two or more days to answer an online inquiry, and only one-third effectively answered all questions in the inquiry (Matzler, et al., 2005). A study of 200 Singaporean travel agencies found that the odds of receiving a reply was only 25 percent, and there was only a three percent chance of receiving a proper response to all questions (Murphy & Tan, 20003).

METHODOLOGY

The research was accomplished through completing an analysis of customer service response to email inquiries and form-based inquiries sent to 180 different travel agencies in eight different countries. The project consisted of four phases:
1. Choosing a list of travel agency sites and countries to test
2. Developing the email inquiry
3. Sending the inquiries and recording responses
4. Perform an in-depth analysis of the results

Choosing a list of travel agency sites and countries

Phase one of this research was to compilea list of countries to analyze, and then choose 20 different travel agencies for each of these countries. It was decided to split the countries between four in Western Europe and four others in Eastern Europe. This would allow one part of the analysis in determining if theere was a difference in responses between these two areas. The four countries picked for Western Europe were: a) United Kingdom (UK), b) France, c) Germany and d) Spain. The Eastern European countries chosen were: a) Poland, b) the Czech Republic, c) Romania and d) Hungary. All of these countries have a well-developed tourism industry infrastructure with a significant amount of tourism contribution to their economy.

After choosing the list of countries, the next step was to compile a list of 20 travel agencies for each countries. This was accomplihsed by using a Google search of each country for travel agencies. For example, a search of Polish agencies would contain the words 'Poland travel agencies' within the Google search bar. Many specific travel sites were contained in the Google results, but then a manual review of each site was made. Each site had to contain both an email contact address as well as a text-based contact form. This was a tedious process because many agencies had one method of contact, but not both. Also, although many of the agencies who did have forms or emails did have them within the 'Contact Us' page, not all of them were contained in this area. Thus, a comprehensive review of the entire site had to be made if the form and email address were not originally in the 'Contact Us' page. Another critieria for this search was that the agency had to have its home office located within that country. In some cases where a Google search came up, especially for sites with a .COM suffix, the result may indicate that the agency was based in a specific country, but a review of their home office showed it was located in an alternate country. Finally, the site had to offer tour and travel services within that country, rather than being a mere travel informational site.

Developing the email inquiry

Phase two of the research was to create two similar questionnaires that could be used for the email and form-based inquiries. Appendix A shows an email based inquiry while Appendix B shows a

sample form-based inquiry. Both consist of similar questions asking about: a) tours on a specific month, b) pricing, c) single accommodation or airport pickup.

Sending the inquiries and recording responses

Two different test email accounts were created to either send or receive responses using mail.com email service provider. The first batch of email inquiries were sent at the beginning of July, 2009 using the agencies email address. The accounts were then checked over the next seven days to record any responses. The next batch of inquiries were sent in mid-August using the agency's form-based email enquiry system, shown in Appendix B. Information such as name and address were filled in. The 'request' fields were completed with a list of questions about a tour.

According to Murphy & Tan (2003), effective email responses should be (or contain): a) prompt, b) polite open, c) politely close, d) address customer by name and e) answer the question. For this study, statistics were compiled based upon adherence to these factors. The first factor deals with how fast the agency answers the customer's inquiry. This paper divided the responses into whether the responses were answered less than one day (within 24 hours), within 1-2 days, within 2-3 days and greater than three days. Murphy & Tan (2003) recommend replies are made within one or two business days.

The second and third factors listed by Murphy & Tan (2003) were polite openings and closings, so if the agency opened or closed politely (such as 'greetings' or 'thank you'), the response was included in a positive light. If the agency answered with the customer's name, the positive response was tallied. If the agent answered any of the three questions, it was also recorded. If the agent asked any follow-up or additional questions, this was also indicated in the results. If the email was returned as undeliverable or an automatic response was received, these numbers were also compiled. Alternatively, if the form-based inquiry system had issues with submitting, this issue was tallied.

ANALYSIS OF RESULTS

Information in Tables 1 and 3 show the average response rates and times for tourist agency sites for each European country, as well as total calculations. Table 1 contains email responses while Table 2 contains form-based results. The first column is divided into overall response rates and times (in days) for each country. The following columns list results for each of the eight countries, and the last column shows aggregate totals. The first section of rows shows various response data, which begins with the 'sample' row showing 20 inquiries were sent to travel agencies in each country. The 'return' row indicates the number of agencies that returned an email response to the initial customer inquiry. Data in Tables 2 and 4 show the quality of responses and how many sites answered specific questions the researcher included in the initial inquiry. There were six possible inquiry questions the agency could have answered, with the total numbers shown for each of the countries, along with totals.

The response results shown in Table 1 for the email inquiries indicate that only 39 responses (24 percent) were received from a sample of 160 email inquiries that were sent. The highest number of responses was received from agencies in the U.K. (nine responses, 45 percent) and France (seven responses, 35 percent). Countries with the lowest responses included Hungary (three responses, 15 percent) and Romania (no responses). Because the researcher received no initial responses from Romanian agencies, it was decided to resend the email inquiries again a week later in case there was any problems with the researchers email service provider. However, again, no responses came in, although both tests did have one of the emails attempts come back as 'undeliverable.'

There were six email inquiries that came back as 'undeliverable.' This is especially concerning as the email addresses came directly from the agency web sites, so there was some type of technical problem with these emails. Three auto response results came back indicating that the agency email server did receive the initial inquiry, and responded that the email was successfully received.

The second section of Table 1 shows that the majority of agencies that did respond (74 percent) did so within 1 day (24 hours) of when the researcher sent the initial inquiry. German (75 percent) and French (71 percent) agencies were the most prompt in responding within a day. Eighteen percent of agencies responded back between 24 and 48 hours while eight percent emailed back after 48 hours.

Table 2 shows the quality of responses and the number of agencies answered specific questions posed within the initial inquiry. Results in the first row show how many agencies answered the question of whether tours were available on a specific date. Only 13 of the 39 respondents (33 percent) answered this question, with U.K. agents showing the highest response of four. The next question dealt with price of the tours, and nine of 39 (23 percent) answered this question. An inquiry on a tour including single travelers was answered by 12 agencies (31 percent). It should be noted that the agencies could answer the specific questions either positively or negatively, but if they did address the question, it was included in the tally. There were several cases where an agency indicated at the beginning of the email that they could not address the specific needs, but did not specifically address each question.

The next two responses dealt with quality of responses, and showed if agencies answered the inquiry using the customer's name (74 percent) and concluded the email with a 'thank you' or similar acknowledgement (87 percent). Finally, five agencies (13 percent) did ask additional qualifying questions to further clarify the customer's needs. This could be a question such as which specific part of the country did the client wish to visit.

Table 1. Email Response Behavior

	UK	Fra	Ger	Spa	Pol	Cze	Rom	Hun	Total
Response Rate									
Sample	20	20	20	20	20	20	20	20	160
Return	9	7	4	6	4	6	0	3	39
Response Rate (%)	45	35	20	30	20	30	0	15	24
Undeliverable		1	1	1		2	1		6
Auto response			2	1					3
Response Time (%)									
Same day (<24 hours)	88	71	75	67	50	67		100	74
1 day	12		25	33	50	16			18
2 days		29				16			8
3+ days									
Mean Response Time (hrs)	27	38	30	32	36	36		24	32
t=-.980 Sig.(2-tailed)= .365									

Table 2. Email Quality Reponses

	UK	Fra	Ger	Spa	Pol	Cze	Rom	Hun	Total
Date Available	4	2	1	1	2	2	0	1	13

Price	3	0	0	1	1	3	0	1	9
Single Person	3	1	1	2	1	2	0	2	12
Answer With Name	8	5	3	3	3	5	0	2	29
Thank You Response	9	6	4	4	4	4	0	3	34
Additional Questions	1	2	0	0	0	1	0	1	5

Results in Table 3 show responses for inquiries sent via the agencies form-based system. There was a forty-two percent overall response rate to this form of communication. Agencies in the UK showed the greatest response rate (65 percent) while Romanian agencies showed the lowest rate (20 percent). Four agencies had technical problems with their form-based system, and the researcher was unable to submit an inquiry. Most agencies who did respond did so within 24 hours (61 percent). However, there were a significant number that took over three days response time, and several took up to seven days to respond. The average response time was 46 hours.

Table 3. Form-based Response Behavior

	UK	Fra	Ger	Spa	Pol	Cze	Rom	Hun	Total
Response Rate									
Sample	20	20	20	20	20	20	20	20	160
Return	13	9	5	12	5	9	4	10	67
Response Rate (%)	65	45	25	60	25	45	20	50	42
Unworkable	1		2		1				4
Auto response	4	4	2	5	2	2	3	3	25
Response Time (%)									
Same day (<24 hours)	61	67	40	58	40	56	75	80	61
1 day	15	11	60	17	40	33	25	10	22
2 days	8			25	20				8
3+ days	16	22				11		10	9
Mean Response Time (hrs)	55	61	38	40	43	48	30	38	46
$t=-.980$ *Sig.(2-tailed)= .365*									

Table 4. Form-based Quality Reponses

	UK	Fra	Ger	Spa	Pol	Cze	Rom	Hun	Total
Date Available	5	1	0	3	0	3	1	4	17
Price	6	1	0	3	0	3	1	3	17
Transport	4	2	0	1	0	4	1	3	15
Answer With Name	12	6	5	10	3	9	2	10	57

| Thank You Response | 13 | 9 | 5 | 11 | 4 | 9 | 3 | 10 | 64 |
| Additional Questions | 4 | 2 | 1 | 5 | 3 | 5 | 1 | 3 | 24 |

Data found in Table 4 shows that the quality of responses is low. Only 17 of 67 respondents answered specific questions on the tour dates and prices, and even fewer (15 respondents) answered the questions on transportation to/from the airport. However, it should be noted that numbers were only tallied for positive responses. Most agencies that were not tallied did not bother to answer the question. However, some answered in a general email that they did not offer tours in that area of the country. Also, several did not directly answer, but referred the customer to an attached tour brochure or to a link on the firm's Web site. The response rate of firms politely answering with the customer's name was 57 out of 67 responses, and those answering with a 'thank you' was over 95 percent. Twenty-four agencies did ask specific questions about the customer's travel plans.

IMPLICATIONS

Evaluation results of this study showed poor responses by European travel agencies to potential customer inquiries. The chances of a person receiving an response to an e-mail inquiry were 39 percent while form-based inquires did have a higher response rate at 67 percent. This indicates that if potential customers have a choice between sending an inquiry directly to the listed agency e-mail or filling out a form-based inquiry, they would statistically have a better chance of receiving a response from the form-based communication. Firms a showing a serious shortfall in meeting customer needs, and have much work to do with strengthening their level of communication.

For this study, six e-mail inquiries (4 percent) were undeliverable and four forms (3 percent) were unworkable. This is a problem for these sites, and site owners should make a concerted effort to ensure that customers have a valid method of reaching the agency.

Agencies should consider modifying their attitude of dealing with online responses. Agency representatives in some countries, such as Eastern Europe, may have different attitudes towards e-mail compared to representative in other countries. Brashear (et al., 2009) performed a study on Internet and e-mail usage attitudes among online shopper in the U.S., Brazil, Bulgaria, China, New Zealand and England and found a wide range of usage and attitude towards the technologies. Statistically, this study shows that usually agencies in Western Europe tend to have a better response rate than Eastern European agencies. With Eastern Europe only recently opening up their countries to increasing levels of tourism, the infrastructure and knowledge of customer service may be lower than agencies in the West, who have been used to dealing with tourism issues for much longer. Thus, Eastern European agencies may need to train their representatives to ensure that online emails are taken seriously. It can be said that if a potential customer is serious enough to research a specific agency on the Web, then they are serious about wanting information from that agency. Thus, if an agency does not respond, the customer can easily go elsewhere to purchase the service.

One issue the agencies should be aware of is the ease of negative publicity by dissatisfied customers, as it can have a negative impact on the firm's reputation. A negative experience could be expressed via word-of-mouth to acquaintances. Alternatively, with the increase in Web blogs, customers can easily post negative comments about a firm. Technology has made it simple to forward e-mail communications to others. Sheah (et al., 2004, p. 155) states that with e-mail forwarding, negative publicity can be sent to thousands of people. This form of communication can also appear to carry more credibility as the original message from a firm retains its specificity. Alternately, recent industry discussions in viral marketing have shown that with correct and positive responses, firms may have customers who are willing to pass along positive e-mail messages concerning products or services (Phelps, et al., 2004).

One limitation of this study was that it only included a small cross-section of general agencies for each country. The research could be expanded to include studies of different areas, for example, specific types of travel agencies for each country. Studies could also expand to all countries in Europe or throughout the world to see if there is a large different in attitudes between developed versus developing countries. Further research among a variety of agencies and different countries would help researchers establish which countries have issues, and what specific problems exist. This could then lead to agent associations training agencies on issues related to customer service. For example, if there is merely a slow response rate, agencies could be trained in faster methods of response. For those firms with poor quality responses, better training by the customer service representatives may be needed.

CONCLUSION

This research shows that most European travel agencies do not respond to potential customer inquiries, especially those agencies based in Eastern Europe. Even those agencies that do reply to inquiries have poor level of response when responding to a series of predefined questions posed in this study. This shows that agencies are not taking e-mail or form-based online inquiries seriously. This could result in poor customer satisfaction, and these agencies would lose the business of these potential customers. Agencies need to take online inquiries as seriously as traditional methods, such as telephone calls. A change to management attitudes and better training of service representatives is needed to ensure a higher level of service.

APPENDIX A: Email Inquiry

Dear Agent:

I have a tentative business trip planned to visit Romania in October, and would like to continue with a short vacation visit after my business trip. I have several questions:

I would like to inquire about specific tours you may still have available starting in Bucharest at the end of October, preferably for a 5 to 7 day tour to the north. Do you have any that would be available? What are the prices?

I will be a single traveler and was wondering if any of your trips include a sharing program with another single traveler?

Thank you for your time
Brad Ziker

APPENDIX B: Form-based inquiry

Name* :

First name :

Company :

Adress :

City :

Postal Code:

Tél :

E-mail* :

Subject :

Your request:

To confirm your request, thank you type the code shown below :

Dear Customer Service

I am interested in travelling to Germany at the end of September for holiday. What specific tours would you recommend that are about 4 to 7 days? Is there a pricing list? I am interested in a smaller tour group of under 20 customers, and will probably have 3 people in my family. Can you arrange for a sharing of 3 people in a room?

Can you arrange transportation to and from the airport as well?

Sincerely,
James Cole

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