THE APPLICABILITY OF MARKETING TO THE TOURISM
AND TRAVEL RETAILER

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in fulfilment of requirements for the award of
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University of Surrey.

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This Thesis is dedicated to
the memory of
my Father

DR. HARRY WEISZ
"Happy is the man that findeth wisdom
and the man that obtaineth understanding"

(Proverbs 3:13)
SUMMARY OF THE THESIS

Marketing, both as a business philosophy and a set of activities, is widely applicable to the tourism and travel retailer (the travel agent). The level of marketing's application to the travel agent does not appear to depend on the size or independence of the agent. The level of acceptance of marketing does, however, depend on internal factors, such as the nature of the owner/manager, and external factors, such as the state of the economy.

The research carried out in the thesis shows that, in general, marketing is not widely accepted and applied by travel agents. Travel agents exhibit symptoms of low marketing orientation as well as behaving in a passive manner as regards their role in the industry.

Although the thesis analyses how marketing can be, and is, applied, it is apparent that individual travel agents seem to be impeded in fully applying marketing to their business. These barriers are examined in the thesis with the aim of explaining the difference between the applicability and actual level of application of marketing amongst travel agents.

The findings of the thesis have implications for the travel industry. The range of marketing activities that may be applied to the travel agent, show him what is possible and what barriers may exist to impede his attempts to become more marketing oriented. Furthermore the agent - principal relationship greatly depends on the actual and potential scope of the travel agent's marketing. This agent - principal relationship, and the agent - client relationship are affected by the marketing approach adopted by the individual travel agent. The thesis sheds light on the behaviour of different types of travel agents and suggests that small/independent agents are equally able to apply marketing as other types of agents.

Marketing, as an emerging business area, is applicable to the service sector, as well as the retailing and small business areas of which the travel agent is often a good example. Having indicated the applicability, the way lies open for the application of marketing by tourism and travel retailers.
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PART I  INTRODUCTION

ORIGINS OF INTEREST

The subject of the thesis, the applicability of marketing to the tourism and travel retailer became of interest to the researcher because it brought together three aspects - marketing; small business; tourism and travel retailing.

These three areas attracted the researcher not only because they fitted his personal practical experience and academic interests but also the thesis subject appeared to be of significance for the travel industry in general and the tourism and travel retailer in particular.

Marketing, as a business philosophy and function, has been of special interest ever since Levitt, Kotler and others persuaded the researcher that it was, and is, one of the key and dominant areas of business activity. It seemed logical that marketing, as the process concerned with systematically satisfying the consumer profitably, should be crucial to the company's success. It is the consumer, by choosing to purchase the company's products or services, who provides the key to survival.

The second aspect of this research deals with small business, which is interesting for two reasons in particular. Firstly, the sheer number of small businesses, especially in the retailing sectors, means that small business represents a significant section of the economy - in terms of employment, production and income. Secondly, developments in marketing have hitherto tended to concentrate very much on the larger enterprises, often those involved in mass-produced consumer products.

This latter point provides also one of the reasons for selecting the third, and final aspect of the thesis. Tourism in general, and tourism and travel retailing in particular, are examples of services that have in the past not received sufficient attention, in terms of marketing developments. A further reason for interest in tourism is the importance of this sector in the economy - the impact on the balance of payments of the U.K. and other countries. Tourism retailing is of special interest because of the immediate feedback from marketing activities in terms of customer reactions e.g. sales.
THE THEME OF THE RESEARCH

The theme is marketing's applicability to the tourism and travel retailer (travel agent unless otherwise stated), with special reference to the small and/or independent agencies. Following on from the previous section, the two figures below illustrate, in simplified form, the desirable and the actual pattern of data availability, as well as providing a framework for the research thesis.

FIGURE 1: Desirable pattern of data availability

FIGURE 2: Actual pattern of data availability
One of the main purposes of the research is to explore the area of overlap, represented by the shaded parts of the diagrams above. The overlap refers to the subject area where marketing, small business and tourism and travel retailing coincide and is obviously closely related to the title of the thesis. The first figure is called "desirable", simply because it would greatly facilitate data collection and analysis. The actual position tends to be quite different, as the pattern in figure 2 indicates, with its three areas of overlap: retail and services marketing; mini-marketing; small retailer (travel).

The lack of data conforming to figure 1 meant, on the one hand, that the research into the overlap area was more difficult. On the other hand the lack of data provided one of the main stimuli to this research, which seeks to remedy the dearth of information. (See Parts VII and VIII).

The literature analysed in Parts IV, V and VI is selected on the basis of its contribution to the thesis. The selection is not, and cannot be, exhaustive of all three such wide areas - relevance to the research theme is the main criterion.

REASONS FOR THE CHOICE OF RESEARCH TOPIC

There are three general reasons behind the selection of the topic. Firstly, as the literature review (Part II) establishes, research into the applicability of marketing to travel retailing, via the route of services marketing, mini-marketing and tourism marketing, has not been undertaken in this form before. Secondly, the topic promises to yield some ideas of theoretical importance about marketing's potential applicability to this important sector, comprising some 4,000 retail travel agents. Thirdly, the nature of the topic holds interesting practical implications for marketing in general and mini-marketing and travel retailing in particular.

Specifically relating to Parts IV, V and VI, it is possible to give an idea of the objectives of these sections by listing some of the questions that the thesis sets out to answer.
MARKETING AND ITS SCOPE DEFINED
* What does marketing mean and what are its essential aspects?
* Under what conditions does marketing occur and why?
* To what extent can marketing effectiveness be measured, in terms of cost/benefit?
* How can marketing be applied to retailing?

By the end of this Part the reader should have an awareness of the relevant aspects of marketing as they affect the travel retailer. This includes an appreciation of what marketing, and marketing orientation, mean, as well as the factors influencing its applicability to travel retailing, as a service industry. In addition the reader should have received an idea of the main issues of retail marketing.

SMALL BUSINESS
* What is the role and nature of small business?
* What are the main small business problems (with reference to marketing)?
* How important is education in relation to small business?
* How can marketing be applied to small business?

By the end of this Part the reader should have an awareness of the main issues behind marketing's applicability to small business, of which the small, independent travel agent would be a prime example in this thesis. The reader would also have been informed of the role, nature and problems of small business in so far as these may affect their level of marketing orientation.

TOURISM AND TRAVEL RETAILING
* What were the main developments in the industry that may have affected travel agents?
* What is characteristic of the travel agent?
* What, if anything, is special about the small and/or independent travel agent?
* What is marketing's potential applicability to the travel agent?
* How is marketing applied in practice by travel agents?

By the end of this Part the reader should have an awareness of the nature of travel retailing, with reference to small and independent agents, as well as an appreciation of marketing's
applicability in theory and marketing's actual application in practice. This discrepancy forms the subject of some of the conclusions found in Part VIII of the thesis.

There is some overlap between the material of Parts IV, V and VI. In general, the material is introduced where it is thought most appropriate or where it has originated. For example, data on marketing and small business (mini-marketing) occurs mainly in Part V, although it is also discussed in Part IV, and to a lesser extent in Part VI.

RESEARCH METHODOLOGY

The main stages of the research (see Part III) were carried out over a four and a half year period beginning in January, 1974. The principal constraints have been manpower (only the researcher), financial resources (virtually no funding) and time (research undertaken on the basis of part-time Doctoral studies in association with Surrey University and supervisor Mr. J. Burkart).

The eight stages of the research, listed below, were carried out exclusively by the author.

The eight stages of the research

1. Desk research
2. General, background idea-sounding
3. Pre-testing the questionnaire
4. Pilotting the questionnaire
5. The travel agent survey
6. Feedback with agents sampled
7. Follow-up study
8. In-depth case studies
9. Other relevant field work material

ORIGINAL ASPECTS OF THE RESEARCH

Firstly, there has been a thorough and exhaustive review and analysis of the existing published material in the field under study. More than 200 references have been used. The review of the trade press has included a page-by-page examination of all the issues of certain papers.

Secondly, the field research (stages 2-9) has involved over seventy interviews with travel agency managers/owners, marketing managers/directors of major tour operators, airline and other
principals, "travel trade personalities" and so on. Only a single refusal was encountered and there was full cooperation in interviews often lasting up to two hours (the mean: one hour). The main body of the field research consists of interviews personally conducted with 32 travel agents using a questionnaire (see appendix I) containing more than 80 questions on their activities and attitudes. Below are some of the questions asked, which also have formed the basis of a recent article by the researcher in a travel trade publication.(1)

A. General

1. What are the main problems facing the agent?
2. What do the agents believe to be the key to success?
3. What is their reaction to retail price maintenance (RPM)?
4. Would agents join a voluntary group?
5. What does the agent see as the main competition?
6. How does the agent see his role in the industry?

B. Marketing

1. What do the agents understand by the term 'marketing'?
2. Does the Travel Agent specialise?
3. What marketing activity is the most popular?
4. Does the agent carry out any marketing research?
5. What are the main advantages/disadvantages of being "small"?
6. What are the main advantages/disadvantages of being "independent"?

Finally, one original aspect of the research is the attempt to integrate theory and practice and to arrive at some new insights concerning marketing and the travel agent.

BY-PRODUCTS OF THE RESEARCH

The theoretical and practical implications of the research have led the researcher to become involved in certain teaching, publishing, research and consultancy connected with the thesis. Below is a brief outline of the six main by-products to date:

2. Short course teaching to managers on the subject of marketing for the smaller enterprise and the marketing of services, especially
tourism and insurance.

3. A paper on the thesis topic presented to Surrey University M.Sc. students.

4. An article published on marketing and the travel agent in the marketing newspaper of the travel trade, Travelnews.(1)

5. Research collaboration with travel agents.

6. Consultancy assignment for a major airline - to investigate, inter alia, the role and impact of the travel agent on his business.

OUTLINE OF THE MAIN ARGUMENTS

In order to enable the reader to follow the central arguments developed in the thesis more easily, the main issues have been summarised below:

1. Whether there is evidence to suggest any difference in the level of application of marketing between small and large, or between independent and non-independent travel agents.

2. Whether travel agents are active or passive in their approach to marketing.

3. Whether the level of marketing orientation among travel agents is high or low.

4. Whether there are any other factors that affect the marketing behaviour and performance of travel agents.

These issues are discussed in Part VIII where the conclusions of the evidence found in Parts IV, V, VI, VII are set out. In addition, these conclusions form the basis for hypotheses that shed light on the thesis topic.
PART II  LITERATURE REVIEW

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1.1. BOOKS
   1.1.1. Marketing defined
   1.1.2. Retail marketing
   1.1.3. Services marketing

1.2. PERIODICALS
   1.2.1. Marketing defined
   1.2.2. Retail marketing
   1.2.3. Services marketing

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CHAPTER 2  SMALL BUSINESS

2.1. THE BOLTON REPORT
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CHAPTER 3  THE TOURISM AND TRAVEL RETAILER

3.1. BOOKS
3.2. SPECIAL STUDIES AND REPORTS
3.3. PERIODICALS
3.4. MISCELLANEOUS
PART II LITERATURE REVIEW

Aims of the Literature Review

The first main purpose is to critically evaluate the existing published knowledge in the field. This will be achieved both by extensively reviewing the published material and analysing the academic, and to some extent practical value, of the literature.

The second main purpose of this review is to assess the relevance to the thesis of the major literature sources used. The principal sources of data will be identified and then examined to analyse the extent to which the conclusions of the major works assist in the development of the thesis. Sources of material will be drawn from a very wide database.

It should be noted that the aims formulated above are very closely interrelated.

Role of the Literature Review in the Research Thesis

The literature review forms an important part of the thesis for the following main reasons:
- it permits an assessment of the current state of knowledge in the field.
- it assists in the formulation of hypotheses.
- it contributes to the design of questions to be used in the field work (for research methodology - see Part III)
- it provides a basis for comparison between the results of the field work and previously discovered conclusions.
- it helps in providing new insights into the subject of the thesis.

Types of Data Sources

As mentioned earlier data will be drawn from a wide range of sources. These fall broadly into five categories which will form the basis of the literature review in the ensuing sections.

BOOKS:

An important source of data comes from books that have been published in the field, in the U.K. and elsewhere. The quantity of
information is usually appreciable. However, owing to the lead time involved between writing and publishing a book, often the data is not completely current.

PERIODICALS:

The magazines and newspapers provide a current insight into aspects of the general subject of the thesis. These periodicals are found in the trade press e.g. Travel News, Travel Agency, Travel Trade Gazette. In addition the professional journals such as Marketing, Harvard Business Review, provide much relevant data. Apart from the trade and the professional, there is the third type of periodicals which are helpful to the study - the general press. The general press, whether the national dailies, the local weeklies, the national Sunday papers or other magazines are occasionally helpful in providing informative, if sometimes somewhat journalistic, articles.

SPECIAL STUDIES AND REPORTS:

These special studies and reports are, in some cases, relevant to the thesis as they provide considerable factual detail on certain subjects. These studies may either be in the form of privately commissioned research e.g. the EIU study, or they may be in the form of government reports e.g. the Bolton Report.

MISCELLANEOUS:

As the amount of literature in the research field tends to be limited, other data sources yielding relevant information are used. Consequently, material included in this research thesis has come from the reports of conferences and professional meetings, public relations material, annual reports, EEC publications. One source particularly worthy of mention here, is the Retail Agents Marketing Service (RAMS) which issues many publications aimed at improving the travel agent's marketing. This is produced by British Airways and is referred to later in the thesis (Part VI Chapter 4).

Each of the following chapters will evaluate the literature relating to the three main aspects of the thesis.
Although the study of marketing and all its facets would be a vast undertaking, only certain selected aspects of marketing have been included in this research thesis. As this thesis deals with the application of marketing to the travel agency sector, three main topics relating to marketing have been chosen as being particularly relevant.

This chapter reviews the main literature sources relating to these topics: marketing defined; retail marketing; services marketing.

1.1. BOOKS:

1.1.1. Marketing Defined

As far as the meaning of marketing is concerned, there is a very large number of books, British, American etc., that have been published. These mostly include sections dealing with the meaning of marketing, although there are few books which concentrate on this topic exclusively.

To pinpoint any books from the wide range available is an almost impossible task. Nevertheless six books (three British and three American), serve as good examples.

Philip Kotler's text book, Marketing Management (2)(3) now in its third edition, is one of the works that have influenced the development of marketing thinking. The first objective stated in his preface to the third edition underlines the contribution his book makes to marketing in general and this thesis in particular, "to up-date the discussion of marketing problems, practices and principles". Kotler's analysis of the marketing concept and the marketing mix was useful in designing the questionnaire used in the field research (stages 2-8).

Levitt's Marketing for Business Growth (4) represents a good book on the essence of marketing for business. His thought-provoking ideas clearly analyse key issues. His preface sets the tone of the book, for example, "a product is something people buy, if they don't buy it, it's not a product". The primary aim of the book is to tell the chief executive what he needs to know about marketing and how to balance "the opportunities and threats of the external environment with the resources and aims of the
internal environment".

Stanton's book (5) is designed as an introductory course in marketing for students and general reading for executives. As the title, *Fundamentals of Marketing*, suggests, the book concentrates on the basic elements of marketing and this is helpful to the thesis. In addition, the sections on retail marketing and services marketing are useful.

Rodger's book *Marketing in a Competitive Economy* (6) embodies the basic philosophy of this thesis, when it says, in the preface, that the book is designed to "bridge that gap" (between practice and theory). Rodger goes on to explain that a particular piece of "practice" becomes "more meaningful if it is allied to an understanding of why it is being done". His section on applying the marketing concept, especially to the small firm, is particularly valuable.

Foster's book *Planning for Products and Markets* (7) aimed both at managers and students, seeks to apply marketing principles and techniques to planning for products and markets. This is a very sound book, which contains useful elements for the thesis.

Davidson's book *Offensive Marketing* (8) is complementary to the texts discussed above, in that, as Davidson says in the preface, it is primarily aimed at practising businessmen, and, to a lesser extent to the advanced student.

In addition, there are certain books which concentrate on marketing's application on a wider sphere. In particular certain books are relevant in demonstrating the scope of marketing as it extends to retailing and the service industries, of which tourism is an example.

1.1.2. Retail Marketing

The literature reviewed here deals with an examination of the retailer and his function from the marketing point of view. One of the key areas that the thesis is exploring is the debate on the role of the travel agent in the travel industry. Is the travel agent simply the retail outlet for the principals' products? Or is the travel agent to be considered as a business in its own right "manufacturing" its own package of products and services which it then retails to the consumer? In other words,
does the travel agent have a passive or active role as far as marketing activities are concerned.

Four books in particular are reviewed as they illustrate many of the factors involved in the appreciation of the marketing aspects of the retailer's activities.

Two books have been published that examine the different aspects of retail management. One, *Marketing Logistics and Distribution Planning* edited by G. Wills and M. Christopher (9) contains chapters covering general topics concerning retailing and the community, and general policy as well as specific topics examining sales promotion, personal selling and self-selection. Although this book, in common with the other references in this Chapter, does not concentrate on tourism retailing (see Chapter 3), it does indicate the scope, or potential of marketing in the retail sector.

The other book *New Ideas in Retail Management* edited by Gordon Wills (10) comprises of a selection of fourteen articles on special themes in Retailing. Of particular interest to the author in this thesis is the contribution by G. Wills on "Retail Location". Again, this shows the potential of marketing's application to retailing, which the field work seeks to test.

Cox's book *Retail Development* (11) is intended to "illustrate the possibilities open to retail management for improving the profitability of their companies". It is a practical book, and Chapter 7 on "improving branch results" and Chapter 8 on "corporate identity" are especially relevant.

Ornstein's book *The Retailers* (12) on the marketing aspects of retailing, although not based at all on tourism, his interviews with the senior management of leading retail groups provide, as he says, "clues" for other smaller retailers. The book examines how the groups' success has developed, what marketing methods have been used and how these methods have differed. Of particular interest, Ornstein attempts to discuss what the smaller independent retailers can learn from the larger retailers.
1.1.3. Services Marketing

The first book selected is Marketing by the Chartered Insurance Institute (13) and is a very useful contribution in this field. Although at first glance it may appear that insurance has very little to do with the thesis topic, it is nevertheless relevant. The main reason is that this book, written mainly for students, explains in great clarity and detail the application of marketing that is possible in the case of a service industry (here insurance). The eight chapters not only concisely analyse the meaning of marketing but also apply marketing, with all its marketing mix constituents, to the insurance industry.

The second book by John Rathmell Marketing in the Service Sector (14) seeks to highlight similarities and differences in the marketing of products and the marketing of services, as Rathmell says, "Every product, whether tangible or intangible, which is bought and sold in the economic market place must be marketed in some form. This book is about what makes the marketing of services different". The book is divided into three parts: "Part I introduces the service sector to marketing; Part II introduces marketing to the service sector (application of the marketing mix); Part III attempts an integration of the two in four service industries". One of the main contributions Rathmell makes in this area is his analysis of the application of marketing to specific industries. For the purposes of the thesis and its interest in the travel retail sector, this book comes nearest this when discussing the Hotel Industry and Air Travel.

1.2. PERIODICALS:

1.2.1. Marketing Defined

There are quite a large number of periodicals in the marketing area specifically. These usually are in the form of professional magazines or journals e.g. Quarterly Review of Marketing, Retail and Distribution Management, Marketing, European Journal of Marketing, Journal of Marketing. The other main type of periodical is in the form of trade journals e.g. Campaign.

In addition, many articles appear that are of marketing interest - and of special interest to this thesis - in non-marketing periodicals e.g. Harvard Business Review, the National
The periodicals mentioned above, and others generate a very large number of articles - even on the specific aspects of marketing with which this thesis is concerned. What the author has done is to select a series of articles, stemming from various periodicals, that together serve to illustrate certain points.

The first of these articles is a good link between this sub-section and the previous one, dealing about books. Written by Leslie Walsh and entitled a "Book Guide to Marketing" (15), his article represents 'one expert's guide to the books the well-read marketing man should have on his bookshelf'. The selection is made both on the basis of Walsh's own opinion and on the basis of his survey of the recommended reading lists of the U.K. universities and business schools. It is worth noting that Kotler's Marketing Management (3) was "the only book to be so recommended so much".

The next article written by Robert Heller (16) illustrates the controversy that a discussion of the meaning of marketing may arouse. It is the type of view expressed in this article that the author of the thesis sometimes saw reflected in his own field research. Furthermore, it is this type of article, written in 1972, which might have sparked off some of the later articles mentioned towards the end of this section. A quote from his last paragraph aptly summarises Heller's position. "The moral is not 'look after your production and selling and your marketing will look after itself'; simply that stuffing the company into a bag marked 'marketing concept' makes not a whit of difference to its myopia, arthritis, constipation - or any other of the diseases to which corporate flesh is heir."

This view expressed above is countered by several other articles and those that follow attempt to clarify the meaning of marketing.

Levitt, one of the leading marketing authorities, gave an interview to Marketing's Editor, Michael Rines which forms the basis of an article (17). The article is useful to the thesis in that it concentrates on a realistic, practical approach to
converting a company from product to marketing orientation.

A very useful article which attempts to draw together both the British and American views on marketing has been written by Philip Rosson (18). The article traces the development of marketing on both sides of the Atlantic, building on the works of Bartels (US), Kelly (US) and Rodger (UK). The article is rich in references, containing as it does 64. Of particular interest to the author is Rosson's treatment of marketing in service organisations which he says is gaining in importance. On the other hand, Rosson argues that owing to this relatively recent rise in importance of the service sector, there is a shortage of literature on this topic - this being a point of view with which the researcher is in full agreement (especially as regards tourism).

Another aspect of Rosson's rigorous article is his analysis concerning the levels of adoption of marketing orientation within business. He quotes, inter alia McNamara in America and Wills and Hayhurst in Britain who found that the marketing concept is adopted and implemented more by large companies than the small or medium sized ones.

Rodger explains in his article (19) very concisely what marketing is understood to mean at present in Britain, and shows the trends that will affect the marketing concept's future development. Again, this makes a helpful contribution to the thesis research in this area.

The final article chosen that attempts to synthesise the different viewpoints is by Crosier (20). He analyses "50 odd" examples, and he groups these into seven categories as "no single one seems to encapsulate the whole essence of what marketing is". This proved very helpful in building the author's own consensus view of the meaning of marketing which is incorporated in the thesis.

After these essentially theoretical articles on the marketing concept, the author has selected two further articles based on studies that add a practical dimension to this issue.

The first of these by N. Hart shows what 1200 managers in 60 companies include in the 'Marketing Plan' (21). The article
is helpful because it lists the different elements of the marketing plan and shows what percentage of managers mentioned each element.

The second of these articles is by Julia Piper (22) in which she analyses the findings of two surveys carried out at Aston University by David Walker. The two surveys were based on samples, in one case a stratified sample of 200 members of the public, and in the other a pilot survey of the members of one of the Institute of Marketing's branches. Of particular relevance to the thesis are the findings concerning the public's knowledge of marketing functions (20% could name none, 43% only named one), and the public's view of the marketer's job.

1.2.2 Retail Marketing

The articles that have been chosen emphasize the range of techniques available in retail marketing, as well as certain other trends and issues relevant to the thesis. The large number of articles of which a selection appears below, serve to complement the books previously referred to, in the sense that the articles come from periodicals which tend to be very practical in their orientation.

The first of these by P. Wootton-Jones (23) focuses on a study of retailers to see how they use management consultants. The article makes points that have a very strong bearing on the question of marketing's acceptance by the smaller retailers. Lack of resources, suspicion of external advice, shortage of skilled professional management are some of the factors contributing to the small use of consultants. It seems the smaller the retailer, the less the use made of consultants. The implications of this article were relevant in hypothesising about travel retailers' own resistance to change towards increased marketing orientation.

The full marketing potential of the retailer is expounded by Levitt in an article (24) in which he explains, with examples, that the point of sale is the point of production of the product.

Levitt's approach to the retailer's active marketing role is developed by two articles dealing with marketing techniques applied to retailing. The first, by Ralph Towsey (25) explores the principles and practice of shop layout, drawing the conclusion
that this layout should be aimed at combining the retailer's interest in maximum product exposure and security, with consumer interests of minimum effort and confusion. The second article, by Jane Wheatley (26) discovered confusion and waste in retailers' use of point-of-sale advertising.

The subject of sales promotion figured in Julia Piper's article (27) based on a special report by Harris International Sales Intelligence - Research into retailers' and manufacturers' attitudes to sales promotion. The article highlights an issue that the thesis investigates - manufacturer/retailer conflict.

1.2.3. Services Marketing

On the subject of the scope of marketing with reference to services, one article in particular by Wyckham, et al. (28) provides a useful evaluation of the theory in this field. In addition, the article confirms the lack of literature in this area, and indicates that although distinctions can be made between the marketing of products and the marketing of services, ultimately, it is dysfunctional to differentiate between products and services marketing.

1.3. MISCELLANEOUS:

The subject of the meaning of marketing and its scope is not only covered in the books and periodicals, but is also referred to in other diverse sources.

The first of these comes from the Institute of Marketing's Policy Statement on Business Affairs (May 1976) (29), in which the first of the ten sections asks the question "What is Marketing?" As the section is very concise and encapsulates much of the discussion contained earlier in this chapter, it will be included in toto.

"Despite a proliferation of definitions, there still exists considerable misunderstanding about the meaning and scope of marketing. The Institute's new definition is intended to give a clear, concise and comprehensive meaning to the term:

'Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably.'

Thus it may be said that marketing not only encompasses the essential philosophy of structuring the whole business operation around the requirements of the customer, but also embraces a
whole range of techniques and skills designed to create profitable customer satisfaction."

This quotation from the marketing profession's Institute incorporates the official marketers' definition of marketing, comprising not only the philosophy but also the techniques and skills to create profitable customer satisfaction. It is worth noting that these ideas complemented the notions emanating from the rest of the literature review and necessarily contributed to the field work.

The publicity material for courses on Marketing, provides another source of material on the meaning of marketing. The concepts and techniques mentioned in the brochure for the INSEAD Course on New Developments in Marketing Science, May 1976 at Fontainebleau, (30) help build up a marketing check-list for application in the field work.

CHAPTER 2 SMALL BUSINESS

The review of literature on small business companies covers four sections - the Bolton Report, books, periodicals and miscellaneous.

Unlike the previous chapter on marketing, where the literature is growing, the marketing aspects of small business are not well documented. The same is true, although perhaps to a lesser extent, as regards small business found in the retail sector (especially travel).

Nevertheless, this chapter intends to indicate and evaluate the principal sources of data on small business that affect the thesis.

2.1. THE BOLTON REPORT:

One of the major inspirations for this thesis is the Bolton Report (31) which not only analyses the important role that small firms play in the British economy, but also states the need for marketing in small firms.

The Report commissioned on the 23rd of July 1969 was presented in November 1971. The estimated cost of preparing the Report was £149,585.

The terms of reference of the Committee were as follows:-
"To consider the role of small firms in the national economy, the facilities available to them, and the problems confronting them; and to make recommendations."
For the purpose of the study a small firm might be defined broadly as one with not more than 200 employees, but this should not be regarded as a rigid definition.

In the course of the study it will be necessary to examine in particular the profitability of small firms and the availability of finance. Regard should also be paid to the special functions of small firms, for example as innovators and specialist suppliers."

Thus, as can be seen above, the terms of reference were very wide ranging.

The Report is helpful to the thesis in a number of ways. The quantity of information collected in the body of the Report, its appendices and Research Reports is considerable. Its sources of data cover fifteen separate areas, including professional bodies, individual firms, book references and individuals. Quantitative data on the role and activity of small firms is quite detailed. Of special relevance are the Bolton Report's definitions of 'small' and its figures on the average age of small firms. The Retail Trade has its own category, although the travel trade is not mentioned specifically.

The Report also usefully lists out the 8 main economic functions performed by small firms and their special contributions to the health of the economy. These points were borne in mind during later work on the thesis.

One of the major sources of interest to the author was Bolton's questionnaires used in the field work. Two types of questionnaire were used - a general descriptive one was sent to 15,800 firms (3,500 replies), and an accounting questionnaire which was answered by 2,115 firms. The details demanded in the questionnaire were extensive and covered quantitative, and some qualitative data, on the activity of small firms. Some marketing aspects were included, mainly in the area of competition (competitive advantage and sources of competition). Sales and net profit data between 1965 and 1969 was collected.

The only specific reference to marketing came in the tenth of the eighteen sections of the Report. The section, entitled "Management skills and advisory services", included a paragraph on
the needs of small firms, of which marketing appeared fourth among eight. Although disappointing in the weight attached to this aspect, at least the need for greater marketing in small firms received a mention.

The Report criticised itself when it evaluated the field work, and the representativeness of the sample used. Low response rate, normal sampling error, errors and ambiguities in response to a necessarily complex questionnaire, and suspect non-manufacturer data biased in favour of larger firms were all mentioned by Bolton.

Nevertheless, many of the Bolton recommendations were accepted by the Government (46 out of 56 in whole or in part). The main outcome was the setting up of a network of Small Firm Information Centres, under the aegis of the Department of Industry's newly created Small Firms Division. The appointment of a Minister with special responsibility for small firms was also made.

It is clear, not least from the number of references in the publications that followed Bolton, that this Report together with its ancillary reports, made quite an impact in the field.

2.2. BOOKS:

In comparison to the marketing area, there are fewer books in the area of small business, and none specifically on marketing and small business (whatever sector). One book list comes from "Bibliography - books relating to small firms" which is a pamphlet produced by the Small Firms Information Centres (32). This pamphlet contains a number of references, however often these are simply short pamphlets or general books relating to industries or management functions.

Jonathan Boswell's book *The Rise and Decline of Small Firms* (33) was particularly helpful in the methodological aspects of the thesis research. The book is mainly concerned with the social aspects of small business e.g. problems of succession, strengths and weaknesses of family firms. However, it is both a "practical and diagnostic" work. Boswell's analysis of how he mounted his study of 64 small firms in the hosiery, knitwear and engineering industries is most informative. His questionnaire and his analysis of definitions of 'small' was of extreme help. (see Part V).
2.3. PERIODICALS:

As was mentioned in the previous section, the articles appearing on small business tend either to be very general, or concentrating on non marketing problems of small business. The sector referred to in these articles is hardly ever the travel area.

Two articles analyse in a rigorous academic fashion particular aspects of small business activity. One article by Stanworth and Curran (34) examines the subject of growth from the sociological point of view. Their section on definitions of 'small firm' is helpful.

The other article by John Deeks (35) similarly asks 'what is a small firm?' and then proceeds to give a mainly economic and organisational account of the role of small firms in the economy.

Two articles both by Geoff Wood specifically examine how marketing relates to small firms. The first one (36) very clearly explains how management teachers can help small firms in general. As far as marketing is concerned he mentions marketing information as one area where help can be provided. The other article by Wood (37) opens by asking whether marketing is really relevant to small firms. "Yes" he answers "without doubt." Wood goes on to identify areas where marketing is relevant - market information, product development, pricing strategy, advertising planning etc. This last article illustrates Wood's approach to marketing and the small firm, which corresponds to the researcher's own views.

2.4. MISCELLANEOUS:

There are a certain number of sources which, whilst not falling into the three previous categories, nevertheless contribute some further information on the nature and problems of small business.

Two short course brochures by the Institute of Marketing - Marketing for the Smaller Business (38) and Marketing on a Small Budget (39) - indicate that there exist ways of applying the marketing approach and its techniques to the problems of small business. Further, the author, having taught on one such course himself, feels that there is a continuous demand from small businessmen for such courses.
The international interest in Small Business was demonstrated by the 5th International Small Business Management Conference held at the Polytechnic of Central London in September 3rd - 5th, 1975. One paper by Peter Lennon of the European Economic Community, indicated the research being carried out in the E.E.C. on the small business (40).

CHAPTER 3 THE TOURISM AND TRAVEL RETAILER

The amount of published material varies enormously. In general, it may be said that there is an abundance of material on tourism which needed to be condensed to reveal the relevant facts for the thesis.

This abundance of material is not the case as far as data on the small and/or independent agent is concerned; very little exists - hence one of the needs for the thesis.

Likewise, the published material about what marketing is being done in practice at travel agency level is spread over a wide variety of sources, and is difficult to identify. Reasons for this include: secrecy in the trade; lack of availability of cost-effect information; lack of record keeping.

3.1. BOOKS:

Lickorish and Kershaw (41) produced a book The Travel Trade in 1958 which examined the travel trade's position in the economy as well as analysing its structure and developments. This work was helpful in building up the post-war picture of the travel trade's developments. Their section on travel agents within the travel trade discussed the role and activities of travel agents within the travel trade. Interesting references are made concerning principal/agent relationships, smaller agents, and commission levels. Information is also provided on consumer booking behaviour with respect to travel agents. The surveys providing this information show the role of the travel agent in this area.

The Burkart and Medlik book Tourism, Past, Present and Future (42) provides an up to date survey of tourism. Although designed to be a reasonably comprehensive outline of tourism, rather than a detailed or exhaustive treatment of the subject, the book is extremely helpful in providing a framework. There are useful sections on the historical developments of tourism,
particularly in the 1960's and early 1970's; on tours and agencies; and on marketing in tourism.

Lundberg's book *The Tourist Business* (43) is a useful contribution. Although drawing mainly from the United States, experience, Lundberg introduces many interesting ideas concerning travel agents.

The marketing orientation of the book is shown by the opening statement of his introduction: "Defining tourism as the business of the transport, care, feeding and entertaining of the tourist....."

The role of the travel agent is further analysed by George Young in a recently published paperback *Tourism: Blessing or Blight?* (44). This book, aimed at the man in the street, "is an attempt to describe tourism, to identify what the important issues are and to indicate where the solutions might lie." Although clearly written for popular consumption, his analysis of why the travel agent's role is now being squeezed is very illuminating.

This topic of the role of travel agents in the travel industry is analysed in much greater depth by Michael Peters in *International Tourism* (45). His book covers general aspects concerning the developments of the tourism industry; it is however, his work on travel agents and tour operators which makes the largest contribution to the author's research. Peters incorporates the Economist Intelligence Unit (EIU) Survey findings in his appraisal of the past, present and future role of the travel agent (The EIU survey will be reviewed at the beginning of the next section).

The marketing aspects of tourism are also examined in two books in particular. The first of these by Krippendorf *Marketing im Fremdenverkehr* (46) concentrates exclusively on marketing and its application to tourism. He defines marketing, then goes on to identify the characteristics of tourism marketing (cf. service marketing). He then examines the role of the travel agent and - very relevant from the thesis point of view - the application of marketing instruments (techniques) to tourism. Krippendorf's work certainly shows the potential application and relevance of marketing to tourism, including, of course the travel agents.

24
A second book this time edited by Burkart and Medlik, Management of Tourism (47) is a collection of 'twenty quality contributions of long term value and interest'. It is useful in that it is designed as a companion volume to their basic text (42), following the same 10-part structure and publishing 'not easily accessible' contributions. Of particular interest, are the chapters dealing with 'Tour Operators' and 'Marketing in Tourism'.

Allan Beaver has written a very practical book called Retail Travel Practice (48) which is designed to be a practical guide to the travel agency business. What Beaver himself calls a manual of retail travel practice. It is aimed at the practitioner in the travel industry, or about to enter it, who is interested in principles and methodology. The twenty two chapters and ten appendices cover all aspects of retail travel practice. Of particular interest to the thesis are the first seven chapters on broadly marketing aspects, as well as appendix ten. The simple style contains many interesting theoretical and practical points - many from his weekly Travelnews column "Retail Practice".

3.2. SPECIAL STUDIES AND REPORTS:

The travel agency sector of the travel industry has been the subject of four studies included in this literature review. The major survey was produced by the Economist Intelligence Unit Limited (EIU) appeared in 1968 (49). As with the Bolton Report, this survey has made a major contribution to the amount of information available on travel agents. The second survey by Market and Opinion Research International (MORI) appeared in 1974 (50) and examined the trade patterns of travel agents, mainly from a pragmatically commercial point of view. The third study appeared in the form of a review of Travel Agents in the journal Retail Business (51). The fourth by Yacoumis for EIU, explored the marketing of package tours with reference to distribution (52).

The EIU Survey (49)

This survey was commissioned by the Association of British Travel Agents (ABTA) in 1966 and was jointly sponsored by leading Airlines, Shipping Companies and British Rail. In 1967 the EIU undertook the survey - "to survey the whole travel agency business with a view to ascertaining what sections of the business are profitable, and why, and to define and examine the non-profitable
sections to see whether they can be made adequately remunerative either by employment of different methods or by an increase in remuneration."

The study took eight months and was entirely the work of the EIU. To meet the above objectives the four main areas that were covered were:

- the cost structure of British travel agents
- methods and procedures used by British travel agents
- the existing structure of agents' remuneration
- attitudes of carriers and other holiday operators to travel agents.

There is no doubt that the Survey is most impressive in the comprehensive manner in which it examines the Travel Agent. The summary of conclusions and recommendations very concisely and clearly spells out the EIU's views on the efficiency of travel agents, the adequacy of their remuneration, their financial state and their organisation structure. In addition, the findings cover the relationship between travel agents and principals, and also proposals for the future development of the sector. These conclusions are backed up, not only by 12 very informative charts that display much of the quantitative data, but also the results of four questionnaires used in the field work. A stratified sample was used, and of 1500 classification questionnaires that were mailed out to ABTA members, 976 were returned. 80 were selected randomly from those returned and were stratified. 43 more members were selected from those that were not returned, making 123 in total. 93 personal interviews were carried out (organisation questionnaire). Only 54 financial questionnaires were returned to EIU for analysis. 40 major carriers and tour operators were interviewed concerning the agent/principal relationship (marketing questionnaire).

Apart from the problem of double counting of figures (tour operators acting as travel retailers and selling tours of another member), there is also the fact that a comparatively low percentage agreed to fill in and return the financial questionnaire. In addition, the marketing questionnaire only went out to the principals, whose views concerning agency/principal relationships might not coincide with those of travel agents. Furthermore, the
range of questions in the 'marketing questionnaire' was limited to some questions on promotion. Marketing or market research for example, were not mentioned.

Notwithstanding certain criticisms that can be levelled at the EIU report, it does provide an enormous amount of detail concerning the activities of agents and attitudes of principals towards them. This information is very helpful to the thesis research.

However, as far as purely marketing aspects are concerned, these are not greatly explored from the agent's point of view. The main reference to marketing is a section on what techniques principals can adopt to increase the demand for their services. The application of marketing techniques at the travel retailer level is not developed.

Nevertheless the EIU study once again brings into focus the argument as to whether the role of the retailer should be active (creating business) or passive (order taker).

The Market and Opinion Research Survey (50)

This survey comes in the form of a 'report to participants' and contains some of the findings of MORI's 1974 Travel Agents Survey. 196 travel agencies in England, Scotland and Wales were interviewed in November, 1974. All agencies were both ABTA and IATA members. There is no indication that this was other than a quota sample often used in commercial market research. Indeed the tabulations, mostly computerised, concern the 'trade patterns' of agents.

From the thesis point of view, the way in which this survey breaks down agencies is interesting. Agencies are classified in three ways; by region, by number in the chain and by size of agency. These definitions when taken in conjunction with the EIU's and Bolton's definitions give a reasonably full picture of the possible range of definitions of size and nature of travel agents.

The survey also contains information that is illuminating on the promotional activities of agents. The type of promotions, as well as the expenditure involved and topics featured are covered in some detail. This was useful in framing certain questions used in the thesis survey.
The Special Report on Travel Agents 1975 (51)

This Report complements the information found in the previous two studies mentioned above. The role of ABTA in the industry is analysed as well as the Tour Operators' view of travel agents. The Report contains new material on the financial activities of the agent. In addition, advertising expenditure of some travel agents is cited. A great deal of this statistical information comes from what the Report calls "Trade information".

Air Inclusive Tour Marketing (52)

This study by John Yacoumis of the EIU was published in November 1975 and concentrated on air inclusive tour marketing with reference to the retail distribution channels in the U.K. and West Germany.

This report helps to set the scene and help establish the role and nature of travel retailing by passing on an essentially macro-analysis of the travel industry. The historical element in the study helps to synthesise published material on the subject of retail distribution. The original aspects of the project centre on the trading behaviour of travel agents, and their role in the industry.

Summarising, it is possible to say that these four studies are very valuable documents in the area of travel agency behaviour.

3.3. PERIODICALS:

There is a wide variety, if in somewhat limited quantity, of articles published on the travel agent generally. A few articles touch on the marketing aspects; rarely, if ever, is the subject of the small and/or independent travel agents mentioned.

The trade press represents a very important source of data about the travel trade. The two main journals are the Travel Trade Gazette and the Travelnews. Both periodicals are destined for travel trade readers and therefore the majority of the articles refer to strictly commercial themes e.g. new holiday destinations or changes in regulations. (A third magazine, a monthly called Travel Agent, contains mostly general feature articles, usually of immediate commercial interest e.g. destinations. A minority of articles are about marketing).

Nevertheless, by a comprehensive study of these periodicals, information relevant to the thesis has been revealed. This data
might either be of a historical nature, giving details on major developments affecting the travel trade or examples of advertisements and other marketing activities that have taken place with reference especially to the agents. For primarily historical reasons, Travel Trade Gazette has been examined page-by-page by the author since it was first published in 1953 to 1969. Likewise, Travelnews has been researched page-by-page since it first appeared as the Trade's marketing newspaper in 1969.

Apart from yielding information on major developments, it is possible to trace the gradual evolution of the marketing concept in the travel trade. Even if the simple case of press advertisements appearing in Travel Trade Gazette is taken, the distinct changes in style, content and sophistication since 1953 may quite clearly be seen.

Allan Beaver's series of articles in Travelnews under the heading 'Retail Practice' are very practical and informative hints on all aspects of retail travel, including some marketing aspects. Again, these articles are not academic in their approach, as they are aimed at travel agency managers and other practitioners.

3.4. MISCELLANEOUS:

Relevant data on tourism, with particular reference to travel agents, is found in an extremely wide assortment of sources. The information found in this way tends to be very often more recent than other forms of published material.

One data source however, that not only generates current but also historical data are Annual Reports. In particular, the annual report and accounts of the Association of British Travel Agents (ABTA) provide a good review of major developments affecting the sector. Naturally the nature and public relations function of an annual report must be borne in mind when drawing conclusions from its contents.

Agency publicity material contributes to an understanding of the marketing activities of the travel trade and especially the travel agent. Press advertisements show a great deal about the role of the travel agents. Local press advertisements by travel agents can indicate a great deal about how they view their functions. The Tour Operators' advertisements and brochures when studied over a period of time, also give an indication on trends
in travel marketing.

The large number of references included in this literature review arises due to the three fold aspect of the thesis.

As far as marketing and the small and/or independent travel agent is concerned the literature available is almost non-existent. Often the 'smaller travel agent' or 'marketing and travel agents' is discussed, but 'marketing activities of small travel agents' is virtually never examined.

The detailed analysis of the contents of these references are found in the relevant sections of later parts of the thesis.
PART III: RESEARCH METHODOLOGY

CHAPTER I BACKGROUND TO THE RESEARCH
1.1 INTRODUCTION
1.2 RESEARCH AIMS

CHAPTER 2 THE STAGES OF THE RESEARCH
2.1 DESIGN OF THE 32 AGENT SURVEY
2.2 THE NINE STAGES OF THE RESEARCH

CHAPTER 3 CONCLUSIONS
CHAPTER I  :  BACKGROUND TO THE RESEARCH

1.1 INTRODUCTION

One of the main aims of the research, in the context of the overall thesis was to provide information on the application of marketing to travel agents as well as on the reasons for the agents' marketing behaviour. This research was intended to yield new material in this field of marketing applicability to the travel agent for a number of reasons.

1. Greater detail : both from the desk research and the interviews and in depth studies of agents.

2. Original : on the basis of the exhaustive review of the literature on marketing applicability and the field research on agents.

3. More recent : than the E.I.U and other studies.

As is mentioned in Part VI, qualitative as well as quantitative information was examined in the field research. This qualitative information covers the attitudes, opinions and values of agency managers concerning marketing applicability, as well as certain other factors such as observation of travel agents and illustrative material. As marketing applicability will be shown to greatly depend on the attitudes and opinions of the management, the research has included an emphasis on qualitative data, which has mostly been codified to facilitate analysis.

Part II examined the contribution that an exhaustive review of the published material made to the project. It also highlighted the extreme paucity of data on marketing and the travel agent. This literature review formed the basis of the major field research subsequently undertaken. Many of the ideas, concepts examples and problems relating to travel agents that emerged from the literature review were incorporated into all stages of the field research. For example, material was collected during the field research on the degree of marketing orientation and passivity of travel agents, as expressed previously in terms of actual marketing behaviour compared to potential.

In addition, the behaviour of small and large travel agents
were compared to discover whether the differences existed.

1.2 RESEARCH AIMS
Firstly, to provide data that would confirm, reject or modify hypotheses concerning the behaviour of travel agents as regards their marketing activities.

Secondly, to generate fresh insights, into the way in which travel agents make use of marketing.

Finally, the field research aims to indicate the implications of the findings, concerning marketing's applicability to the travel agent.

More specifically, the overall aims include:

1. to assess the current positions
2. examine ideas from the literature review
3. compare agent's marketing applications and the potential applicability to travel retailing
4. form certain conclusions
5. generate evidence that would form the basis for hypotheses and implications.

The research was designed to be carried out in a number of consecutive stages. One reason for this was the desire to incorporate the findings of one stage into the research designs of a subsequent stage. Another factor was the aim to ensure that the theoretical aspects of marketing (applicability) were translated into easily understood and relevant terms for the agent.

The nine stages:
1. Desk research
2. General, background idea-sounding
3. Pre-test the questionnaire
4. Plotting the questionnaire
5. The travel agent survey
6. Feedback with agents sampled
7. Follow up study
8. In-depth case studies
9. Other relevant field work material
CHAPTER 2 : THE STAGES OF THE RESEARCH

This chapter will concentrate on the methodological considerations that were taken into account in the design and implementation of the various stages of the research, especially the field survey.

2.1 DESIGN OF THE 32 AGENT SURVEY

A stratified random sample was chosen. The assumption was made that the nature of travel agents varied between strata drawn on the basis of the settlement size in which the agent was located. (see also Part VI 4.2.2, which discusses Marlowe's confirmation of the above view).

The sampling fraction and therefore the size of the sample were calculated on the basis of certain characteristics concerning travel agents (the ratio of one branch to more than one branch) in the sample frame. The sample frame used was the latest Travel Trade Directory 1976 issued by the Travel Trade Gazette.

The 32 agents interviewed came from the original sample of 40.

The main reasons why only 32 of the 40 agents were seen, was due to weaknesses in the sample frame. Although the results of the survey would be indicative of the general situation, it was not felt desirable to extrapolate the survey results to the general population of agents. The main reason was the difficulty in choosing and designing a sample consistent with the sample frame information.

The 1971 Population Census for England and Wales was used as the basis of stratification by settlement size.

The area chosen for the survey was the South East of England and East Anglia, excluding Greater London (all as defined by 1971 Census). These two regions were chosen as providing a basis for randomly selecting travel agents from a significantly large region of the country. This region contains a mix of rural and urban communities, only one of which exceeded 200,000 population.
Greater London was excluded from the survey because it was felt that travel agents in Central London, and its boroughs, would not be typical. Firstly, the agents there have access to a richer market. Secondly, Business House travel accounts for more business in Central London than "average" travel agents outside London. Thirdly, the greater concentration of both population and agents leads to untypical trading conditions. Finally the commuter phenomenon is exaggerated. Part VI Chapter 4 contained references to this.

In order to minimise the bias inherent in questionnaire design, the questionnaire was pre-tested and pilotted. The questionnaire was personally administered by the researcher. All the interviews with the exception of one were completed within a month (September - October 1976).

To minimise non-response all letters were personally hand-written and followed up by telephone calls.

Setting up of the sample: The 1971 Census of Population provides 16 census regions: 11 in S.E. England and 5 in E. Anglia. The settlements were identified in each county. Certain Rural Districts (R.D.) were included by the Researcher in the corresponding Urban Districts (U.D.) e.g. Ely. U.D. The settlements were then arranged according to size of population.

The frequency distribution appears as below:

<table>
<thead>
<tr>
<th>Settlement Population</th>
<th>5000 - 25000</th>
<th>25001 - 50000</th>
<th>over 50000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Settlements</td>
<td>97</td>
<td>86</td>
<td>76</td>
</tr>
</tbody>
</table>

**FIGURE 3:** Number of settlements by population size.

N.B. Settlements with less than 5000 population were omitted. There were only eighteen, of which only one settlement had a travel agent. Indeed the population of that one settlement was 4449 (just short of 5000) - Rye.
As mentioned before the statistical calculation of sample size corresponded also to a sampling fraction of 1 in 5.

Consequently, this fraction was applied to the strata as follows:

<table>
<thead>
<tr>
<th>Settlement Population</th>
<th>5000 - 25000</th>
<th>25001 - 50000</th>
<th>over 50000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Settlements</td>
<td>20</td>
<td>18</td>
<td>16</td>
</tr>
</tbody>
</table>

**FIGURE 4**: Number of settlements sampled by population size

The *Travel Trade Gazette* directory was then used as a sample frame. The steps taken by *Travel Trade Gazette* to update their directory are quite extensive. Each year forms are sent out to all travel agents asking them to providing information concerning amendments. In the event, the sample of 40 selected randomly did show up some inaccuracies but on the whole the Directory was useful as a sampling frame.

From the *Travel Trade Gazette* directory the travel agents located in the randomly selected settlements were listed by the researcher e.g. 18 agents were found in the 20 settlements in the first category.

<table>
<thead>
<tr>
<th>Settlement Population</th>
<th>5000 - 25000</th>
<th>25000 - 50000</th>
<th>over 50000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Agents Per Selected Settlements</td>
<td>18</td>
<td>55</td>
<td>122</td>
</tr>
</tbody>
</table>

**FIGURE 5**: Number of agents per selected settlement

Again, one in 5 travel agents were randomly selected which meant:

<table>
<thead>
<tr>
<th>Settlement Population</th>
<th>5000 - 25000</th>
<th>25000 - 50000</th>
<th>over 50000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Agents</td>
<td>4</td>
<td>11</td>
<td>25</td>
</tr>
</tbody>
</table>

**FIGURE 6**: Number of agents randomly selected
Thus the uniform sampling fraction provided a randomly selected sample of 40 travel agents in the South East and East Anglia. (40 being the originally selected size). Random number tables were used.

Of these 40, letters and telephone calls to each selected travel agent indicated that 5 were exclusively tour operators, 2 were untraceable.

The sample was then reduced to 33, and 32 interviews were subsequently carried out in the region, stretching from agents interviewed in Great Yarmouth to one interviewed in Lymington, Hampshire. Only one agent was unable to co-operate due to business commitments not allowing sufficient time to co-operate within the span of the survey (one month).

2.2 THE NINE STAGES OF THE RESEARCH

Stage I: Desk research:
The main component of this stage was the extensive literature review discussed in Part II. Any published material that was thought to be of benefit to the thesis was included. This review provided the basis for later parts of the research.

Stage 2: General background idea-sounding:
This stage was concerned with linking the desk research with the field research (stages 2-9). A number of travel experts and opinion leaders were consulted concerning both the proposed content and suggested methodology of the field research (stages 2-9). These individuals were selected on the basis of their past and present involvement on travel trade developments. This stage was particularly important as the travel trade is characterised by the impact of individuals on development of the sector. (This latter point also held true for Stage 7, which included interviews with "travel trade personalities").
Stage 3: Pre-test the questionnaire:
As a result of the previous stages a series of questions were drafted in questionnaire form. This questionnaire, and its modus operandi were then pre-tested among a few travel agents to discover any inconsistencies and misconceptions, as well as to encourage full co-operation amongst agents by overcoming any possible resistance.

The conclusions of the pre-test stage were to prove very helpful in the finalisation of the questionnaire and its modus operandi. Firstly, it would seem that a letter followed by a telephone call would be the most appropriate form of approach. Secondly, the autumn until end November was seen as being a good time to interview travel agents. Thirdly, co-operation from travel agents would be most likely if a summary of the findings could be provided. (An appeal to their conscience was not felt to be enough to be successful). As far as the questionnaire was concerned, a few points emerged. The language must be kept simple. Smaller travel agents do not tend to keep many records. The success of the travel agency is felt to depend on many other factors, apart from marketing orientation. (A few "travel trade personalities" were also consulted).

Stage 4: Pilotting the questionnaire:
All these points were incorporated in the next stage, which was the pilotting of the questionnaire. The questionnaire was re-written, most of the 'open' questions used to gain information at the pre-testing stage were re-designed to secure 'closed' questions. The length of the questionnaire had to be pruned in order to reduce the length of the interview.

The questionnaire was pilottted among five travel agents in London and the South East to ascertain if it 'worked'. At the same time, the letter and telephone call were pilottted, as well as the collection of 'observation' data at the travel agents.

As the pilot stage proved that the questionnaire was working and furthermore did not meet with refusals, the final version was then prepared.
Stage 5: The travel agent survey:
The questionnaire (see Appendix 1), comprises of several sections, all designed to yield information relevant to the thesis.

The first section comprises classification of data covering date of founding of the travel agency, agencies held, number of employees, number of branches, and some indication of the percentage breakdown of the turnover in terms of manufacturing to retailing and Business House to Holiday Business.

The next section - General Business Aspects - aimed at discovering what problems have affected, affect and are likely to affect the business. In addition, the growth of the business since 1970 in terms of employees, turnover and profits was investigated. (The co-operation here was good, particularly as far as information regarding employee numbers and turnover was concerned).

The next section set out to discover the general marketing activities and opinions of the travel agency manager. The questions were fully answered. The following sections concentrated on the individual elements of the marketing mix - promotion - selling - marketing research.

The final section sought to collect information on the role of travel agents in the industry. Questions included items on Retail Price Maintenance and competition.

The author also noted certain observable factors before and after his interview, which supplemented data from the questionnaire (Part VII, Chapter 1.4).

The questionnaire, in its final form, was a blend of some questions regarding factual information and other questions seeking the respondents' attitudes and opinions. The majority of questions were of the "closed" type to facilitate analysis at a later stage.
The interview with travel agency branch managers lasted between 30 minutes and 2 hours, the mean being one hour. Display cards were used to facilitate the answering of questions. Two sets of cards were used, with the options arranged in different order, to avoid bias. The respondent did not see or fill out the questionnaire himself. The author personally administered all interviews.

Stage 6: Feed-back stage:
In order to obtain some feed-back from the agents sampled, these were telephoned by the researcher, and where possible were asked their reactions to the survey results. This proved to be a useful exercise as it showed that individual agents agreed with the summary (See Appendix 2). In fact some were quite enthusiastic, saying that they were sending a copy to their Head Office.

The main reasons why not every agent was recontacted were: interviewee had changed jobs; retired; repeatedly not available.

Stage 7: Follow-up study:
This consisted of two parts: 12 in-depth interviews with major principals (carriers, tour operators, hotel chains etc). The semi-structured interview consisted of three sections: answering certain questions from the original 32 agent survey; giving reactions to the summary of results; discovering ideas and opinions on certain insights gained from Stage 4.

These interviews, normally lasting one hour, yielded a lot of mainly qualitative data.

"Travel Trade Personalities" interviews: A certain number of indepth interviews were also conducted with "travel trade personalities" with the aim of noting the view of people who had helped shape the travel industry. The format of the interviews was similar to Stage 6, and met with similarly successful co-operation and results.
Stage 8: In-depth case studies:
Arising directly from the good co-operation achieved in previous stages of the field research, two agents, permitted a "consultancy style" study which was of interest and relevance to them and of importance, at the same time, to the thesis. These case studies are discussed more fully in Part VII, Chapter 3.

This in-depth approach served to complement the information gleaned from the 32 agent study, by permitting analysis of sections of the agency records. This enabled a much more intimate view of the travel agents' marketing behaviour.

Stage 9: Other relevant field research:
Apart from the sources of information mentioned above, other relevant field research was undertaken by the researcher. Part VII Chapter 4 discusses the contribution to the thesis of a study undertaken for an airline which included implications for the travel agent. In addition, professional or trade meetings were attended by the researcher and relevant information extracted from the more important sessions.

CHAPTER 3: CONCLUSIONS
The field research (stages 2-9) met with full co-operation from all the travel agents, principals and "travel trade personalities" interviewed. Only one refusal was encountered. In the vast majority of cases full and detailed answers were given to the questions. In fact, in almost all cases, the interview went so well that the researcher was able to take away samples of the company's publicity material. This material provided further data concerning how the company viewed itself, through its promotion activities. Part VII
Chapter 1.3 outlines certain examples, some of which are included in the Appendices. Apart from providing detailed illustrative material on individual marketing activities by agents, it also demonstrated what is possible to apply in certain cases.

In addition, the field research (stages 2-9) yielded new insights:

1. Do small agents behave differently to large ones?
2. Does marketing lead to better results?
3. Is the travel retailer's role active or passive?
4. Does the number of agents in the chain exert any influence on the individual branch's behaviour?
5. What are the reasons behind marketing's present level of application?
6. What marketing aspects are most crucial in travel retailing?

Finally, the survey suggested certain "follow-up themes" that tend to indicate the fertile nature of research in this area.

1. The role of head office in branches' marketing behaviour.
2. The financial objectives that are also pursued - breakeven, profit etc.
3. Which "big business" marketing methods may be applicable to the small retailer?
4. Which marketing methods used in other industries' retailing sectors are applicable to travel?
5. What is "small" and "independent", as applied to travel agents?
6. What is the applicability of marketing to travel agents? What are the reasons for the current level of marketing application by travel agents?

The information yielded by the nine research stages has proved essential in the development of the main thesis arguments, connected with marketing's applicability to the travel agent.

In particular, a great amount of useful data has been revealed on the patterns of marketing behaviour by travel agents and possible reasons for these patterns. Part VIII is devoted to
making a contribution to the existing knowledge of marketing's applicability to tourism and travel retailing. The chapters in Part VIII draw heavily on the evidence from the field research, as well as the work of others who have published in the field, to arrive at conclusions, draw hypotheses and indicate implications of the findings for the trade.
PART IV : MARKETING AND ITS SCOPE DEFINED AS RELATING TO TOURISM AND TRAVEL RETAILING

CHAPTER 1 : MARKETING DEFINED

1.1 Towards a Consensus View of Marketing
1.2 Towards a Framework for Marketing
1.3 Relevant Marketing Aspects
   1.3.1 Marketing and the Small Firm
   1.3.2 Market Share
   1.3.3 The Product

CHAPTER 2 : CONDITIONS FOR MARKETING'S OCCURRENCE IN PRACTICE

2.1 The Current Level of Acceptance
2.2 Reasons for the Level

CHAPTER 3 : MARKETING EFFECTIVENESS

3.1 The Approach
3.2 Measuring the Effectiveness

CHAPTER 4 : THE SCOPE OF MARKETING

4.1 Retail Marketing
   4.1.1 Role of Retailers
   4.1.2 Retail Marketing Management
   4.1.3 Promotion
   4.1.4 Retail Location
   4.1.5 The Small Independents
4.2 Services Marketing
   4.2.1 Characteristics
   4.2.2 The Example of Insurance

CHAPTER 5 : CONCLUSIONS

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In examining the applicability of marketing to travel agents, it is important to establish the precise meaning of marketing, so that its applicability can be analysed. Part IV contains a review of marketing that has been selected on the basis of clarifying the meaning of marketing and identifying its scope relating to travel agents.

Chapter 1 represents a detailed examination of the meaning of marketing because it was felt by the researcher that it was desirable to firmly establish the fundamental ideas behind marketing, as this was central to the thesis topic itself.

Chapter 2 examines under what circumstances marketing occurs in practice so as to lay the foundations for future discussions on the reasons for the level of marketing orientation among travel agents (see Part VIII Chapter 2).

Similarly Chapter 3 investigates the approach, and some of the methods and problems associated with establishing cost-effect relationships in marketing. This topic is introduced mainly because of its relevance in understanding possible barriers to the implementation of marketing by travel agents.

Finally Chapter 4 seeks to apply marketing to two sectors, retailing and services, that characterise travel agent activity. This chapter complements in particular the later one on MARKETING AND THE TOURISM AND TRAVEL RETAILER (Part VI, Chapter 4).

CHAPTER 1 : MARKETING DEFINED

1.1 TOWARDS A CONSENSUS VIEW OF MARKETING

Management Aspects

An important aspect of marketing is the notion of systematically satisfying consumers profitably. This systematic approach is
embodied in the management process, as expanded by Kotler in his first edition of *Marketing Management* (53). This edition, as well as his latest third version (54) have helped lay many of the foundations of marketing. The management aspects are expanded into 4 elements:

1. analysing opportunities  marketing analysis
2. organising activities  marketing organisation
3. planning programmes  marketing planning
4. controlling effort  marketing control

These four elements can be applied to marketing in the way shown above and serve as a basis for organising an organisation's marketing activities and their degree of comprehensiveness and thoroughness.

**Marketing Mix**

Another important concept discussed by Kotler is the marketing mix which he defines as "the amount and kinds of marketing variables the firm is using at a particular time". Both the quantity and the quality of these variables comprise the marketing mix which is, itself, a major component of the marketing effort.

The marketing mix variables comprise of the product, the price, the sales policy, distribution policy and promotion. These five elements usually determine the marketing strategy followed by the firm as well as setting a foundation for the marketing plan. This thesis researches the application of the marketing mix concept to the travel agent, particularly in Part VI 4.2, VII and VIII.

Furthermore, the dynamic nature of marketing is inherent in the changing environment confronting the firm. This changing environment means that a constant process of managing the marketing variables is necessary in order to cope with and anticipate opportunities in the market.

In his article on "Marketing During Periods of Shortage" (55) Kotler says that "resourceful and adaptive marketers will
focus their attention on the opportunities rather than the problems created by change”.

**Marketing as a Business Philosophy**

Developing the idea of marketing involving a management process, the interaction as well as the sequence of these attitudes is stressed by Stanton in his book *Fundamentals of Marketing* (56) who complements the above by mentioning the idea of marketing being a system of interacting business activities. He also cites an article by F.J. Borch on page 13 of his book (56). Borch emphasises that marketing is a "Fundamental Business Philosophy". Stanton draws a sharp semantic distinction between the marketing concept ... "a philosophy, an attitude, or a course of business thinking, while marketing is a process or a course of business action." Naturally, the way of thinking determines the course of action.

A new element has entered this review of the meaning of marketing, namely the importance of recognising marketing as a business philosophy. This complements the process or active stages of marketing by preceding these with the necessary attitudes, values and thoughts. The role of thinking, as determining action, has led to a considerable amount of research in this thesis on evidence of thinking by management as well as its philosophy.

**Definition of Marketing**

The decision so far may be well summarised by reference to the professional institute of the marketing profession: the Institute of Marketing. In its publications, it has formulated a definition which highlights three basic elements, which will be taken to form the researcher’s consensus view: consumer orientation; systematic approach; profit.

Institute of Marketing(57), in the opening paragraph summarises the position quite succinctly: "Despite a proliferation of
definitions, there still exists considerable misunderstanding about the meaning and scope of marketing." The Institute's new definition is intended to give a clear, concise and comprehensive meaning to the term: "Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably". The Institute went on to say that marketing comprises both the business philosophy and a range of techniques aimed to "create profitable customer satisfaction".

The Continuing Evolution of Marketing

Rosson (18) represents a comprehensive look at the past and present developments in marketing, comparing the U.K. with the U.S.A. His figure 2 shows what he calls a developmental model summarising the evolution of marketing in business organisations. Environmental factors are stressed as influencing the development e.g. age of mass consumption and discretionary income, increased turbulence. It would appear that marketing "arrived" in the U.K. in the 1960s.

Rosson's review identifies the recent advent of marketing to the U.K. as well as introducing the idea that environmental factors have influenced the development, both in terms of arrival in the U.K. and speed of development.

The interaction of the firm with its environment is one of the central pillars of a marketing oriented firm, as it entails a highly responsive organisation able to capitalise on opportunities. This is one of the main points made by Rodgers who adds a futuristic analysis of marketing developments in an article entitled "Face the Future" (19). He says there are three reasons for needing to review and renew the marketing concept:

1. The contrast between current philosophy and practice.
2. The inability of the present marketing concept to safeguard consumer interests.
3. Failure of marketing management to react to the environment.
Rodger continues his analysis by examining what he considers to be marketing's failure - the difference between the 'thought process' and the 'doing process'. He also explains that three elements of marketing that he identifies need to be reviewed to ensure that the original philosophy of profitable consumer satisfaction is met in the future. These three elements are customer orientation, integration of effort and profit direction.

Once again, the three elements of consumer, system and profit are brought out by Rodger and were used by the researcher in the formulation of his consensus view of marketing.

Attitudes Towards Marketing

When examining the applicability of marketing to travel retailing, different groups' attitudes to marketing itself were researched, as it was felt crucial to determining the actual level of application in this sector. Positive attitudes towards marketing would help the introduction and development of marketing in firms, negative ones would tend to have the contrary effect. An illustration of one attitude comes from Robert Heller, the editor of Management Today. In an article, possibly prompted by Levitt's idea of marketing myopia (which suggests firms are short-sighted about their marketing role), Heller (16) unleashes an attack on the very existence of marketing. This culminates in his conclusion cited in Part II 1.1.

This example is by no means unique, and further examples were found in the literature review discussed in Part IV, Chapter 4, as well as answers to specific questions of the 32 agent survey (see Part VII Chapter 1).

By uncovering critical and negative attitudes towards marketing it is possible to find constructive points which suggest solutions.

For example, in a later article (58), he continues his
critique but adds a note that is positive by saying that the next decade "is liable to be heavily concentrated on marketing techniques that actually can be used, on learning how to pick the right method for the right moment....".

Clearly, the practical merits of marketing need to be explored if the applicability of marketing in theory is to be exploited to the full in practice.

Thus it can be seen that marketing may sometimes be the subject of controversy. This strength of feeling that is aroused was occasionally experienced by the researcher in this field research, and is discussed later in the thesis.

A Consensus View of Marketing

Given what has been said in the previous paragraphs, it is not altogether surprising that there have been attempts to clarify the meaning of marketing. One such attempt forms an article by Crosier (20) in which he examines "fifty-odd" examples of marketing definitions.

Crosier then draws the interesting conclusion that the single word 'marketing' is used in three different ways: the marketing process; the marketing concept (or perhaps philosophy); the marketing orientation.

This relates to the earlier discussion in this section and now permits an attempt at determining a consensus view of marketing. It is possible to formalise a number of points:

1. Marketing means "satisfying consumers profitably" (this indeed was the "correct" answer built into the field survey of 32 agents – Part VII).
2. The three key elements of marketing revolve around: consumer orientation; systematic approach; profit direction.
3. Marketing involves the philosophy, the process and the orientation.
In addition, the compilation of a check list of marketing applications can include:

- management activities
- marketing mix
  - product
  - price
  - selling
  - distribution
  - promotion
- philosophy - attitudes, business thinking
- profit direction
- customer satisfaction

Towards a Framework of Marketing
Internal (Controllable) and External (Uncontrollable)

Marketing activities need to be seen in the perspective of the firm (internal environment) and its relations with its surroundings (external environment). The former are resources which the organisation can control, and the latter are factors which are uncontrollable.

Poster in his valuable book about marketing Planning for Products and Markets (59), quotes Bruce E. Mallen and his diagram on the "Conceptual Foundation of Marketing". The diagram, relates the external forces confronting the firm with objectives and resources of the business. At the core, Mallen situates the marketing mix, which represents the company's controllable marketing resources.

Summarising, therefore, it is possible to identify three different levels relating to a firm's marketing:

1. Marketing resources (controllable)
2. Non-marketing resources (controllable)
3. External environmental factors (uncontrollable)

These three aspects are helpful in later (Part VIII) assessing the relative importance of internal and external factors on a
Another aspect is marketing's impact on the organisation and problems relating to organisational change as a consequence of the impact. Central to this discussion, is the effect, on an organisation of becoming marketing oriented. This effect permeates the management's attitudes and philosophy as well as influencing its range and extent of trading activities.

Rodger in his book *Marketing in a Competitive Economy* (60) discusses the effect on business functions of whether the perspective, or orientation, is production or marketing. His approach, which is adapted as he says on page 59 from Mauser's book *Modern Marketing Management: An Integrated Approach*, shows quite clearly the different perspective a company might hold on such activities as research, product planning, sales organisation, advertising and promotion, and marketing generally. Not surprisingly, the marketing oriented firm adopts a creative approach to its products and markets, based on marketing research. For example, salesmen are regarded as order-makers (rather than order takers) and promotion activities are seen as an integral part of the marketing effort. In a travel agency, the salesman could be considered to be the counter clerk for example.

It is the orientation of the organisations which influences its perspective on its activities in the marketing area. This further illustrates the link between thoughts and action.

Rodger also points out that moving from one orientation to another is not easy. Without a change in top management outlook, it is of little use simply changing the organisation chart and the corresponding job titles. Explanation, communication, re-education and staff training are all seen as ways of overcoming these problems.

This is significant in terms of the thesis both because of the role of the top management in influencing the adoption of
marketing orientation and because of the suggested solutions. These solutions revolve around education and training and are discussed in Part V, Chapter 3, in connection with small business, and again in Part VIII.

Another difficulty, a firm such as a travel agent may face is the rescheduling of priorities that will be necessary as a result of giving prominence to consumer interests.

Levitt takes the discussion further in his book *Marketing for Business Growth* (61) by recognising the inherent potential conflict between company and consumer objectives.

On the one hand, the company seeks to achieve profit levels, or simply survive, and on the other hand the consumer seeks value for money, service and reliability. These may conflict in the short run. Ultimately a satisfied clientele will ensure the firm's profitable survival.

In an article (62) Levitt explains how he would convert a company to marketing orientation. The main message from Levitt is: "orientation change requires its being reflected in specific kinds of action requirements .... managers need more than ideas; they need help to translate ideas into results".

Once again, the necessity to convert ideas into tangible results is identified in order to influence the extent of marketing's application to the organisation.

**Integrating Marketing Theory and Practice**

Furthermore the theory behind much of marketing's approach and its techniques needs to be combined with the practical execution of these activities.

Baker in *Marketing Theory and Practice* (63) seeks to make the case for integrating the theory and practice of marketing. Baker explains that although marketing has been practised for thousands of years there is now a necessity to establish a sound theoretical foundation and integrate this base into marketing practice.

This last point refers to the role that a conscious implementation of marketing is a prerequisite for the arrival and existence
of marketing at the level of the firm. As was discussed in the previous section, consumer orientation and profit direction are themselves not sufficient. A conscious systematic approach is needed to ensure the continuity of the process and philosophy.

The need to integrate theory and practice in marketing emerged from the results of a study by Ryans and Van't Spijker (64). They examined European (E) and U.S. attitudes of marketing theory. The sample used is drawn from the editorial boards of the Journal of Marketing and the European Journal of Marketing. The respondents come from the academic and practical worlds.

Two of the results in particular, focus on this theme and indicate the importance attached by the sample to both theory for the practitioner and to a lesser extent, practical applicability of his findings for the researcher.

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<th>Marketing theory has significance for the marketing practitioner</th>
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Every researcher in marketing ought to ask himself or herself the question, "What is the practical applicability of my findings?"

Hitherto, the notion of integrating the theory into practical application has confirmed the approach adopted by the researcher in any proposals or recommendations made (see Part VII Chapter 3, VIII Chapter 3).

However, the subject of the role of marketing theory is a complex one and two articles tend to put the opposite point of view, namely that theory does not appear necessary in all cases to assure success.

In Adam's article (65), he mentions that many successful U.K. companies such as Tesco, G.E.C. and Marks & Spencer pride
themselves on doing very little marketing and market research. However, he goes on emotionally to say that, as Chairman of the Marketing Society, he believes passionately in marketing and that it can improve company profits. He cites the return on capital employed of Beecham, Proctor and Gamble, Kellogg and Mars. Adams observes that marketing is not some mystical science.

This latter contribution illustrates the difficulty in proving the benefits of marketing application (see also Chapter 3). Some companies may be successful without or despite marketing, whilst others are demonstrably successful whilst using marketing. Certainly, much more detailed and varied data is required before firm conclusions are made about the firms cited by Adams. This topic is pursued in Part VIII of the thesis in order to situate marketing in the context of all the factors that determine the extent of the applicability to travel agents.

Finally, another element must be noted that transcends the integration of theory and practice, but nevertheless plays a part in marketing behaviour of organisations. This element may be called - instinct, experience, gut-feel. Providing the manager is aware of his subjective feelings he can attempt to incorporate these into his decision-making e.g. probabilities (Bayer).

The article by Levitt (62) ends with a conclusion which stresses the importance of instinct.

"I think a good moral should be that there comes a time in the life of every business where one has to abandon principles and do what's right."

A Framework

In considering marketing applicability therefore it is possible to put this in the following framework, which encompasses what has been discussed above.
1. INTERNAL/CONTROLLABLE RESOURCES

1.1 Marketing
1.2 Non-marketing

2. EXTERNAL/UNCONTROLTABLE RESOURCES

Environmental

3. MARKETING ORIENTATION

Relates the firm (1) with its environment (2)

4. THEORY AND PRACTICE

Indicates the potential applicability of marketing (see Chapter 1) with the application at the level of the organisation (1.1 above)

1.3 Relevant Marketing Aspects

Selected on basis of their relevance to the travel agent and the applicability of marketing to his business.

1.3.1 Marketing and the Small Firm

Several travel agents are considered small and the question is whether size influences the degree of marketing orientation. Although Part V will identify several characteristics that distinguish small business from larger organisations, the collective view of the literature reviewed here indicates that marketing applies equally to the small and larger firm.

Rogge in his book (6) offers a number of reasons for this. Essentially his argument is based on the idea that marketing problems, marketing functions and management processes exist and have to manifest themselves somewhere. This manifestation occurs irrespective of the firm's size and has an impact on the organisation, which has the potential to apply marketing
to its business.

It is worth remembering that this thesis is examining not only the potential applicability to all types of travel agent, but also whether the small agent appears to exhibit different marketing behaviour problems. Rodger adds weight to the first part of this topic by emulating the universal applicability of marketing irrespective of size.

This same point is made by Roe in his book Profitable Marketing for the Smaller Company (66). Roe explains that marketing means little as a word to most people, being regarded with mistrust by many large organisations and regarded as irrelevant by small companies. Thus his last statement reveals an interesting nuance in the reasons behind the alleged lack of awareness of marketing in large and small companies. In the former, "mistrust" would imply some knowledge or experience however imperfect, and in the latter perhaps a wider ignorance.

Roe concludes that marketing is an attitude of mind and a discipline as much as anything else. Like Rodger, he says that basic principles of marketing remain equally relevant for the small firm. In fact, the aim of his book is to help small businessmen to appreciate how marketing can help to achieve objectives, reduce risk and increase the potential for success.

Marketing and the small firm is seen as being similar to marketing in larger firms from the point of view of the reasons for firms' failures. Rodger (6) suggests that it is not inherent weaknesses of smallness such as capital availability or lack of engineering skills, that cause failure. Failure is rather caused by basic management and planning weaknesses, especially poor product and marketing planning. This is due to inadequate records and insufficient or inaccurate information, unbalanced management experience and poor financial planning and control.

These reasons, which are discussed in Part VIII and are relevant factors for firms of any size.
1.3.2 Market Share

Market share has been selected for discussion at this point for two reasons. Firstly, what is the causal relationship between success and high market share? If success is partly determined by high market share, are small firms doomed to a poorer performance? The other reason is that market share is a commonly used marketing term which is rarely closely defined and yet has a bearing on the marketing behaviour of all organisations including travel agents.

Majaro in a recent article (67) discusses the above points and makes a valuable contribution to the thesis in his conclusion. He advocates very careful treatment of the term "market" used in market share. A small travel agent could have a small market share if his market is defined in one way, but a large market share if defined in a different way perhaps based on his local market or a specific market segment. The precise definition of this concept is also related to how competition is perceived by the agent. A narrow or wide view of competition will dramatically alter his market share, assuming reliable information is available (see Part VII Chapter 1).

A market oriented share would incorporate the examination of a variety of markets so that what Majaro calls a multi-dimension market share analysis is aimed at. The debate in the travel industry concerning the travel agent's role (see also Part V Chapter 2) as to whether he should increase his share of the cake, or help increase the cake, becomes more complex in the light of the above discussion.

1.3.3 The Product

Another marketing concept which is linked with the discussion above, on the definition of "market" and "competition", is that of "the product". In the same way that the manager's perception of market share should be market oriented, so his view of his products or services should be market or consumer oriented.

Levitt discusses this in an article (68). The product should
be defined not by "its generic essence" but by the problems people are trying to solve with it. The product, he states, is produced at point of sale rather than in the factory. Levitt's observations are important to the thesis as they underline the importance of defining the product, or service, from the consumer's viewpoint. Furthermore, Levitt stresses the role of the point of sale, of which the agent is an example, in marketing.

What is crucial is how the consumer perceives the agent's services and also that the agent is the person who is able to formulate this product, through his close contact with his customers.

Conclusions (Marketing Defined)

This chapter has defined marketing in the following way for the purposes of the thesis:

1. Consensus View
   Satisfying consumers profitably
   3 key elements: consumer orientation; systematic approach; profit direction
   Marketing comprises the philosophy, the process and organisational orientation.

2. A Framework
   Internal/controllable resources - marketing and non marketing
   External/uncontrollable resources - environmental marketing orientation
   Theory (applicability) and practice (application of marketing).

3. A Checklist
   Marketing philosophy - attitudes, business thinking
   Management activities
   Marketing objectives - profit direction
marketing strategies
market share/competition
marketing mix
marketing tactics
product
price
selling
distribution
promotion

N.B. To be completed by the end of Part VI

The need to define marketing in general terms is necessary for a number of reasons.

1. If marketing is equally applicable to differently sized agents and it is only the level and type of application which varies, it is essential to know what marketing means, and its impact on the organisation.

2. It is necessary to assemble all the relevant data to form a picture of the applicability of marketing to an organisation, together with reasons and problems connected with this —
   (i) This permits the design of an appropriate field research programme (Part VII)
   (ii) This permits the analysis of the findings and formulation of hypotheses (Part VIII Chapters 1,2)
   (iii) This allows the elaboration of implications for the travel agent and the travel industry (Part VIII Chapter 3)

CHAPTER 2 : CONDITIONS FOR MARKETING'S OCCURRENCE IN PRACTICE

The previous chapter concentrated on the applicability of marketing to the organisation, and this chapter examines the factors behind the current level of marketing applications in the U.K., together with possible reasons.
2.1 The Current Level of Acceptance

The level of acceptance may be assessed not only by measures such as resources devoted to marketing e.g. human, financial, but also in terms of the underlying attitudes and opinions that shape behaviour and action.

Amongst Employers

Walker and Hooley have written an article (69) based on research into employers' perceptions of marketing's status as a profession. Their conclusions are twofold: Firstly, marketing is seen by employers to be a 'newly developing profession'; secondly, marketing is, at present, more thought of as a 'practical area'.

This underlines the recent nature of marketing's development as well as its practical nature - at least as perceived by some employers.

Businessmen's level of awareness of marketing appears to be low and furthermore their perception is inaccurate.

Don Milner has presented a paper (70) which deals with the subject of the acceptance of marketing in the U.K., which tends to confirm the above views as relating to firms' perception of marketing. He quotes the Bradford Management Centre survey of 533 firms. 350 responded with various definitions of marketing: 13% said "selling"; 5% said "advertising"; 5% said "Market Research"; only 8% mentioned "total business activity", which resembles Rodger's definition of marketing as being "the total business function of producing a saleable product".

Thus only a minority of respondents were able to define marketing in a remotely enlightened manner. Marketing is most often equated with "selling". This picture is mirrored in the next contribution.

Davidson, in his practical book about marketing Offensive Marketing (71), tackles this question early in his first chapter. He says that offensive marketing, defined as the
combination of risk-taking and modern marketing techniques, is practised by only a handful of successful companies. He confirms what has already been said above, by stating that marketing men don't know what marketing is. He cites a B.I.M. study "Marketing Organisation in British Industry" on page 25 which shows that only 25% gave an acceptable definition, 58% gave the wrong definition and 17% did not answer. Davidson observes cautiously that even those firms giving the right definitions do not necessarily put their words into practice.

This conclusion, critical of the level of acceptance of marketing amongst businessmen, is linked to an assessment of marketing's impact on U.K. industry.

Davidson continues by observing that marketing has not lived up to its promise of the early 60s. The reasons for this will follow in the next section. However, he offers some signs for this view. He points to high failure rate of new products (probably 70% of market tested products). He suggests that the performance of many companies that have either pioneered or gained a reputation for marketing, is poor in terms of growth. Finally, he mentions the fact having studied the Times 1,000 for 1970-71 there is no evidence that large companies are more profitable than small ones, in terms of profit to capital employed. This despite the fact that large firms, he says, employ most marketing men and enjoy a greater market share.

Therefore it may be said that marketing has not fully been accepted in the U.K. and whatever the reasons, size of company does not appear to be significant according to the measures used above. This will be developed in Part VIII Chapter 2.

A poor comprehension of the meaning of marketing which was illustrated in the studies discussed earlier, is further amplified by Norman Hart's study of marketers (72) which shows the same ignorance and confusion amongst businessmen. In this case, it asks what should be included in the marketing plan. Factors such as profit appear very low in the list of.
priorities mentioned by respondents.

The Public's View

Walker's study on the same theme with members of the public is outlined by Julia Piper (22). It seems that only a minority of those questioned consider marketing to be an established profession, thus mirroring the marketers' own view. Furthermore, she cites Walker's study as stating that the public's idea of the functions performed by marketers is "hazy to say the least". Nobody could name more than four functions, 91.5% could name two at the most. 64% felt marketing entailed either selling or sales management.

A similar pattern of response by agents is discussed in Part VII Chapter 1.

Status of Marketing Research

A very good indicator of marketing's acceptance is the status of marketing research, as this is, in many ways, the life blood of marketing; for without the continuous flow of information, marketing functions mainly in the dark. In fact, this point is stressed in Roe's Book (73), where he states that market research is one of the subjects that has led to more misunderstandings and more scepticism and therefore more resistance to the use of marketing than any other aspect - although it's the nearest to being scientific.

This point is developed by Milner who cites Gordon Wills' research for Bradford University (1968-72) that established that 25% of Britain's top 2,000 companies had never undertaken marketing research. This is also confirmed by Stanton and Stapleton and the reasons given by all three writers for this lack of acceptance of marketing will be mentioned in the following section.

The researcher's own field work amongst agents also included a study of the extent marketing research was applied (Part VII Chapter 1).
Conclusions

The evidence suggests that the general level of acceptance of marketing in the U.K. is low. Both businessmen and the general public seem to be harbouring similar misapprehensions about marketing. This ignorance and confusion extends to a very good indicator of marketing's application by firms - marketing research.

Thus the travel retailers need to be viewed in the context of a generally low level of acceptance of marketing in the country. Consequently the correspondingly low level of marketing orientation amongst agents discovered in the field research needs to be taken as part of an overall pattern.

The reason for this low level in the country might be of relevance to the explanation developed in Part VIII for the low amount of marketing application found amongst travel retailers.

2.2 Reasons for the Level

Need for Education

As regards the public, Julia Piper suggests the reason is because only 26% of the public have had any direct contact with marketers and their work. A 1977 I.N.S.E.A.D. course booklet (30) states that the reason managers don't adopt new marketing techniques is not their direct cost, which is small compared to total marketing expenditures, but is a question of the time needed to keep up to date.

This education message is echoed by Majaro (74) who says that the first task in developing an effective marketing function is an educational one.

This subject forms the basis of Part V Chapter 3 which looks at small business and education.

Resistance to Change

Milner (70) hypothesises a number of reasons for the way in
which British firms have accepted marketing. He says that the adoption has arisen, not from any positive or creative reasons, but rather through necessity. Firms have been "pushed" into marketing orientation by various pressures - rising costs, foreign competition and changes in the market place. Milner makes the interesting point that forms the basis of the next chapter, that there has been a resistance to change, a built-in inertia and a tendency to undervalue the merits of marketing because of the difficulty of assessing the effectiveness of marketing orientation. Hence the need to be pushed or coerced into accepting marketing, by external pressures. This corresponds well with one of the conclusions of Chapter 1 concerning the complementary importance of internal and external factors in determining marketing's application by organisations.

**False Perception of Marketing's Role in the Organisation**

Davidson (75) offers some reasons for marketing's disappointing level of acceptance. He mentions that financial orientation emphasises past balance sheets rather than future potential of the company. Another reason he gives is that many companies take too narrow and specialist a view of marketing, in that they fail to realise the business philosophy inherent in the marketing activities themselves. Furthermore, Davidson criticises marketers themselves who, he suggests, do a 'maintenance (short run fire-fighting), rather than a long term development job. Finally, he asserts that growing company size and proliferation of information have made companies cautious rather than enlightened, preferring low risk areas. This tends to make them passive and not create opportunities.

Returning to the low level of acceptance of marketing research in companies, Milner cites Wills who offers several reasons including: companies' limited view of marketing research; dependence on ad-hoc rather than systematic continuous research. This reiterates Davidson's view of a narrow view of marketing with an over preoccupation with short run problems at the expense of long run planning.
External Factors

Davidson makes another useful contribution by suggesting certain factors that make marketing more important in certain markets than others. These factors include: free supply of goods, competitive conditions, high margins, rapid changes in technology and consumer tastes, frequent consumer purchase, good opportunities for product differentiation (unlike the European airline industry).

This serves to remind the reader of the importance of environmental factors and Part VI Chapter 1 concentrates on historical developments in the travel trade which might explain marketing's adoption by the sector.

Reasons Applied to the Service Industries

Stanton and Stapleton both offer reasons why there is a low level of marketing orientation in the service industries. Stanton (76) mentions: failure to recognise competition, limited view of the marketing function, which is equated with selling to the exclusion of the other parts, failure to recognise problems as marketing problems, insufficient coordination of marketing activities. In general Stanton says that management has yet to recognise how important marketing is to the firm's success.

In other words, Stanton repeats earlier observations concerning misconceptions about marketing and its potential contribution to the company's successful attainment of its objectives.

Stapleton (77) says simply that it is the element of competition which influences and forces the adoption of marketing in the service industries. This echoes Milner's earlier point which noted the element of coercion needed to overcome resistance to change.

Conclusion

This section has identified two broad reasons which summarise the possible reasons for marketing's low level of acceptance by U.K. industry. Firstly, the attitudes and perceptions
of the decision-makers concerning marketing's applicability to their business. This in turn revolves around the individual manager, and his company, and the level of education about marketing already attained and still needed.

Secondly, environmental factors which predominate in every industrial sector serve to either encourage the adoption of marketing by forcing the resistant company to change its orientation in order to simply survive or to exploit market opportunities. Alternatively external forces might discourage marketing's adoption by creating stable, protected or boom conditions in the industry. This dulls the need for a company which is too shortsighted (myopic) to do anything involving a change of the status quo, of its comfortable situation.

CHAPTER 3 : MARKETING EFFECTIVENESS

As was mentioned in Chapter 1, one of the key elements forming the essence of marketing is the systematic approach. This in turn relies on a conscious, logical and common-sense process, aimed at ensuring that marketing activities are effectively employed to meet marketing and company goals. This is also at the heart of any attempt to establish cost-effect relationships in marketing. This need to identify the cost effect of marketing activities is both very important and very difficult to put into practice. It is important because it provides a way of justifying the contribution of marketing to an organisation's success and thus help hasten the full adoption of marketing applications. Part VIII develops this idea as well as putting forward ways in which the travel agent can measure the cost effectiveness of individual marketing activities.

Chapter 2 of this Part attempts to establish general guide lines for the measuring of the cost effectiveness in marketing.

Meanwhile, Chapter 1 outlines one approach to the systematic analysis of problem and decision making which requires the kind of information that cost-effectiveness data can provide.
There is one hook in particular which has done a lot to formalise this process (78). Written by Kepner and Tregoe it blends theory and practice together in order to assist the manager to think rationally about problems and decisions. He needs good judgement which itself is a mixture of experience, values and innate abilities.

This approach is itself partly a compilation of other approaches and as such provides a general view of the methodological, conscious approach needed for effective marketing.

Essentially, the 'Kepner-Tregoe' approach comprises of four stages.

The first stage, PROBLEM ANALYSIS, is concerned with recognising and specifying problems. By describing the problem it becomes feasible to develop possible causes of the problem and test these in relation to the assumptions made.

The second stage, DECISION MAKING, deals with the establishing of objectives and their classification in a hierarchy of importance. Various alternative actions are then generated and after comparing and choosing, a decision is made.

The third stage, POTENTIAL PROBLEM ANALYSIS, attempts to anticipate potential problems as well as anticipating their possible causes with a view to taking preventive action.

The fourth and final stage, DIRECTION AND CONTROL, is concerned with setting contingency actions and setting controls.

This approach, with its characteristic emphasis on problems and decisions taken to resolve them, provides a sound general methodology that any manager, including a marketer, can incorporate into his operations. The methodology can be applied to the general problem of sales deviating from their targetted level, to specific questions concerning why one counter clerk is selling less than the others in the travel agency.
This type of analysis was used by the researcher in examining one travel agent's marketing (see Part VIII 3.2)

### 3.2 Measuring the Effectiveness

A necessary precondition for measuring the effectiveness of marketing is a system for gathering and analysing information on the organisation's marketing activities. Without a continuous flow of information it is not possible to easily evaluate and control the marketing activities and thus benefit from the data provided. This was one of the main reasons why the marketing research activities of agents was scrutinised both in the literature review (see especially Part VI Chapter 4) and the field survey (Part VII Chapter 1).

In a research study by Manchester University in a Financial Times article (79), Professor R. Smith and P. Turnbull explain the results of questioning a sample of companies marketing ferrous components. Although clearly not the same industrial sector as the research thesis, the conclusions of the article are of general interest. "Perhaps the most significant factor to emerge from the research was the lack of knowledge by the companies surveyed of their marketing communication."

The article adds that marketing effectiveness could be increased if "fairly simple methods of evaluation and control" were introduced.

Measuring the effectiveness of marketing in general, or its specific activities, necessitates quantifying the costs involved and the corresponding effects on performance or attainment of objectives.

There are problems associated with the calculating of costs. Not only does inflation complicate the task of costing marketing activities but the breaking down of the marketing costs into constituent parts is difficult. "The marketing effort" composes an amalgam of management activities and marketing mix elements aimed at achieving certain global objectives as well as specific targets.

Foster in his book mentioned earlier (80), offers some help
in breaking down the marketing costs. He splits the costs into those associated with obtaining the order and those connected with filling the order. Under the former, he includes: advertising, marketing research, product and package design, sales costs, discounts and allowances, credit, guarantees and warranties, wastage. Under the latter he includes: stocking costs, transport, delivery, packing, after sales service, sales administration, order processing. This seems clear enough but the marketer is still left with the difficulty of allocation of certain costs to certain products, areas or customers, e.g. training, sales administration.

On measuring marketing efficiency, Foster continues by stressing the need for sound control systems. The four stages he mentions strongly resemble the logical process expounded by Kepner-Tregoe, and underline "the common sense" aspect often attributed to marketing. Firstly, set performance standards; secondly, determine actual level of performance; thirdly, measure achievement against standards; fourthly, make decisions concerning the future.

The field research discussed in Part VII included questions on whether the agents formulated budgets and targets, and whether they thought marketing meant "applied common sense". These questions are answered in Chapter 1 of that part.

The checklist approach can be used to formalise the steps in measuring marketing's effectiveness. The emphasis is on providing a comprehensive list of items that the individual manager can relate to his business and thereby generate the necessary information in a form that will enable him to evaluate his marketing.

One example of this is the Sales and Marketing Evaluator published by Norman Business Publications[1] which is designed to give the businessman a practical guide, in the form of a series of checklists. The sales pamphlet explains that by setting a number of short and long term questions which the businessman has to answer himself, planning will be facilitated.
The Evaluator is supposed to assure that sales and profits will increase, give a clear and continuing sense of direction and a certainty that the direction is right. These are bold and confident words. Certainly the forty aspects of marketing covered appear comprehensive enough, and point the way to what can be done to evaluate the complex marketing activity.

However, one approach to measuring marketing's cost-effect comes from a research study carried out, albeit in a different field by Langeard et al. (82).

The study carried out among French companies winning Export Awards, was aimed at examining the marketing activities and relating them to the firms' performance. The researchers attempted to group the companies according to the extent to which they used the marketing mix (product, price, distribution, promotion), the type of organisation for export and the type of marketing information system. These three elements formed the basis of their classification of companies by marketing activity. In addition, they measured performance in terms of their export performance - the speed of the development of exports, and the mass (or amount) of export business, expressed as a percentage of total turnover.

Summarising their approach they have quantified marketing in terms of marketing mix, organisation and marketing information system. Their sources of data came from interviews, questionnaires and review of firms' marketing activities which are then grouped for classification purposes. Similarly performance is examined from the point of view of both volume and growth. Cross classifications were then undertaken to attempt to link certain aspects of marketing with characteristics of the organisation and its performance.

A similar approach has been used in this thesis to attempt to identify components of marketing and relate these to individual agents. The main difference lies in the type of information used by this researcher, which is more heavily based on detailed attitudinal data and less on financial data which unlike in Langeard's study was not freely available.

Whilst this section has aimed at indicating the general approach
and problems involved in evaluating marketing, it is of course
recognised that measures do exist for individual marketing
activities. For example, advertising is an activity where
attempts are being made to gauge its effectiveness and these
and other examples will be included in the thesis, specifically
in Part VI Chapter 4.2 and Part VII Chapter 3, and Part VIII
Chapter 3. These three areas consider specific examples
of possibilities for travel agents to evaluate specific
marketing activities.

In conclusion it may be said that a systematic approach is
necessary to embark on the measuring of marketing effectiveness.
A clear formulation of the organisation's objectives will
facilitate the identification of problems and potential
problems as well as assist in decision making. In addition
costs and their effects have to be continuously monitored in
the heart of a marketing information system to allow the
cost-effect relationship to be clarified. Nevertheless,
problems in quantification of factors will always plague
attempts at establishing clear relationships between marketing
effort and overall performance, whether they be multi-collinearity
problems or the effects of non controllable external variables.

Part VII and VIII in particular examine inter alia the
contribution this makes to the applicability of marketing to
the travel agents.

CHAPTER 4 : THE SCOPE OF MARKETING

The travel agent represents an example of a retailer of
"travel products" and these products are part of the service
industry known as tourism. The purpose of this chapter is to
show that marketing may be applied to both the retail and
services sectors. This leads to a discussion in Part VIII,
on how marketing may be applied to the tourism and travel
retailer.

4.1 Retail Marketing

4.1.1 Role of Retailers
Stanton has made some interesting observations in his book (83), concerning the classification of retailers in order to better understand their role in the distribution channel. The methods mentioned above were taken into account in the design and implementation of the field survey of travel agents discussed in Part VII and VIII.

Stanton mentions five measures: size of store (sales volume); extent of product lines (general v. speciality); method of operation (self service, etc.); form of ownership (independents v. chains); geographical location (c.f. population, per capita income). These measures consist both of internal factors specific to the retailer (size, ownership, self service, product lines) and the external factor of geographical location. The balance between internal and external factors is an important element in the study of retail marketing.

The role of self-perception as an important source of research information on retailers (see Part VII) is underlined by Stanton who makes the point that many retailers consider themselves small independents and not chains - even though they may have 2 or 3 units. (The researcher's own definition of independent consisted of one outlet).

Marketing Influence

Marketing's influence on the retailer's role is all-pervading. Colin McIver in Marketing for Managers (84) outlines marketing's contribution to the retailer's role. The customer-orientated approach of the retailer should manifest itself in the range of products/services offered, the right size and location, methods of attracting the right type of customers into the shop and making them part from as much money as possible.

These factors are related to the notion of "added value" that the retailer provides. Schwartz in his textbook Marketing Today: A Basic Approach (85) gives four ways in which a retailer adds value to products (and services). This 'added-value' idea is a good guide to the role of the retailer. Firstly, it is by the accessibility of their location; secondly it is by their image (see the sections 4.1.4 and 4.1.5);
thirdly, it is by the services offered e.g. credit, wrapping and delivery, opening hours, guarantees and after-sales service; finally, it is by the retailer's personnel and their skills, training, attitudes and appearance.

The retailer does not operate in isolation, his proximity to other retailers has some effect on his role. The retailer's neighbours may complement, rather than necessarily compete with him for custom. Jan de Somogyi (86) points out that "shops compete with each other in a kind of 'commercial symbiosis". This factor was also included in the field survey as it can reveal something about the retailer's trading behaviour (see Observation Part VII Chapter 1.4).

The role of the retailer, from the marketing viewpoint of satisfying consumers profitably, is summarised in an article by Bohrer (87) written in 1974 and concludes by saying that "Those (retailers) who are most skilful in providing what people want .... will be the successful retailers of the end of the 70s". The successful retailer, he emphasises, need facts, figures and research and a feeling of what people want. This last point leads naturally on to the next section about retail marketing management.

4.1.2 Retail Marketing Management

As mentioned in the previous section, marketing information is an important factor in retail management. Schwartz has some very interesting observations on how retailers may assemble market intelligence informally. (88): Firstly, by surveys (ask for customer reactions to products); secondly, by experiments (rearrange merchandise to see if it will increase sales); thirdly, by observation (simply watching customers in the shop). He concludes by saying that day-to-day operations provide many opportunities for informal investigation. Precise methods for measuring effectiveness of marketing actions will be discussed in section 4.1.5.

Informal information gathering can have considerable potential for the travel agent, by providing inexpensive yet continuous data on his marketing activities. The quality of the
information will be constrained by the informality of the technique. This is discussed in Part VIII Chapter 3 which examines implications of the thesis findings on the travel industry.

An important aspect of management is planning and one fairly comprehensive version of the potential for planning in retailing is given in the book edited by Wills (89) in which he quotes D. Mace. Mace shows the relationship between planning and control, stressing short, medium and long term planning, and linking data collection and action. Mace highlights the idea that retailing is fully open to the management and marketing approach.

An important element in retail management of the chain, is the individual branch. This emerged as one of the findings of the field research. Cox, in his book about retailing Retail Development (90), has a chapter on "Improving Branch Results", which examines the possibilities of improving the profitability of retailers through the branch - "the core of all retailing effort". In essence, the chapter concentrates on: sources of information; branch management functions (profitability, sales targets, cost control, stock control, purchasing, staff, administration and display); location; merchandising. The branch manager has a potentially very important management function.

This is further echoed by Edwin Ornstein in his book about retail marketing The Retailers (91), which concentrates on many elements of marketing as applied to retailing. Management often has to rely on second-hand information about customers, through the branch managers. Complaints are "the tip of the iceberg", and customer complaints relayed on by the branch managers represent "the tip from a bigger iceberg", due to "forgetfulness" or over-busy managers. This latter point about complaints, in particular, was included in the field survey.

Returning to the role of information in management, Ornstein in Chapter 3 of his book lists the main uses of market research: customer profile; reasons behind sales pattern; shop loyalty; customer opinions of the store and its products;
where actual and potential customers live. Ornstein summarises the role of market research as being a supplement to the proved facts of sales analysis and a cross check on the creative interpretation of sales data. This latter point has implications for the manner in which the travel agent may be persuaded to increase his level of application of marketing VI,2 by providing confirmation or supplementary information, but not providing something totally new.

At this point, it might be appropriate to also note the reactions of retailers to marketing (92). The most important marketing element was "good range of products in constant demand". The survey was conducted with buyers in 31 retail organisations. This interest in stocking the right products, implies an effective information system to help ensure the right product policy. If the travel agent is not always aware of this pre-condition then education and training have a role to play (see Part VIII Chapter 3).

4.1.3 Promotion

As will be seen in Part VI and VII promotion features vary prominently in the marketing activities undertaken by travel retailers. One aspect is the corporate identity of the retailer.

Corporate Identity

In Cox's book (93), he gives a reasonably comprehensive outline of the factors that make up the corporate identity of the retailer. He sees the component parts of the corporate retail image as follows: company name; typeface; symbols; branches (location and siting, size and shape, shopfront, fitting and layout); maintenance; merchandise (range, quality, pricing policy, own brands, ticketing, display, service); staff; advertising and public relations (advertising, public relations, transport, stationery, company slogans, goodwill); head office (switchboard manners, correspondence, reception areas). This detailed analysis and breakdown of corporate identity was used in the field survey, particularly as far as collecting examples of stationery and publicity material was concerned.
Despite the range and variety of constituents of the retail image from which the shop can draw, failure to create a corporate identity occurs even among competently managed stores. As Cox explains, there are three reasons: little communication (between shop and customers); failure to coordinate merchandising themes; lack of awareness of radical changes in promotions. All three factors, in the researcher's view, stem from ignorance of the marketing ideas behind building a corporate identity: viz. consumer-oriented; systematically coordinated to achieve maximum consistency and impact in the market.

**Shop Layout**

The previous paragraphs examined the corporate identity, and this complements an article by R. Towsey (25) which spells out the principles of shop layout. He spells out a number of components: active/inactive space (existence of physical or psychological barriers between customer and merchandise); the stock room; the counter; the customer flow; merchandise grouping; space allocation (proportionate to sales, stock movement); cash handling. He concludes that the principal aim of store planning is to combine the retailer's interests with those of his customers. The former wants maximum product exposure and security and the latter requires minimum of effort and confusion and maximum speed of service. This is reminiscent of Levitt's earlier point regarding the potential conflict between company and consumer objectives (61).

This potential conflict between the company and external factors is raised by Julia Piper who discusses the results of a special report into retailers' and manufacturers' attitudes to sales promotion in an article (27).

Conflict exists between the manufacturer and retailer where the interests are opposed. The former wants to promote and display his product in-store, the latter is simply interested in promoting his store and increasing customer traffic, not promoting individual brands.
Point of Sale

Point of sale material is an important element in a retailer's promotion effort and Part VII Chapter 1.2 contains examples of agents' material, encountered in the field research.

Jane Wheatley's article on point-of-sale material (26) brings the discussion right to the travel agent's door when she says: "What is sold in a travel agency is so ephemeral that brochures, posters, and model aeroplanes are essential to lend substance and full colour evidence to the dream".

Furthermore, Wheatly highlights the confusion and waste in this area of promotion due to lack of communication among people involved in the industry. She mentions the absence of research into the effectiveness of point of sale material as one of the main reasons for the failure in this field. Effectiveness research is expensive, with rotation of material and corresponding monitoring of stock levels. Acceptability research is both cheaper and easier to carry out since it consists of asking the recipients of point-of-sale material whether they need it.

This emphasis on research, serves as a good introduction to a discussion of aims and means of retail promotion for which information is needed to formulate correctly.

Aims and Means of Promotion

Chapter 3 concentrated on how marketing may be evaluated and the need to set objectives and measures was stressed.

Ornstein's chapter on promotion (94) clearly spells out the aims, and corresponding means of promotion for the retailer.

<table>
<thead>
<tr>
<th>Aims</th>
<th>Means</th>
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<tbody>
<tr>
<td>1. &quot;Get people into store&quot;</td>
<td>Public Relations</td>
</tr>
<tr>
<td></td>
<td>Store Exterior</td>
</tr>
<tr>
<td></td>
<td>Advertising</td>
</tr>
<tr>
<td></td>
<td>Satisfied Customer</td>
</tr>
</tbody>
</table>
This table above shows how a marketing activity can be broken down into constituent parts (in this case, on a chronological basis) and corresponding methods selected to meet the objectives. Several of these ideas were proposed by the researcher to an agent (see Part VII Chapter 3.1) as well as forming proposals made in Part VIII Chapter 3.

Research In Promotion

Having discussed what is involved in the complex area of retail promotion, the following three contributions outline what can be done to research promotion's effectiveness.

John Hilton observed in an article in Campaign in 1974 (95) that "retailers are in the fortunate position of being able to measure the results of their advertising within days, and in many cases within hours of insertion". This factor of close customer contact was mentioned in Part 1, the introduction, as one of the reasons that the researcher became interested in the topic.
Having stressed the ability of retailers to carry out advertising research by virtue of their location, Schwartz (88), gives some suggestions as to how to measure the effectiveness of the promotions undertaken by the retailer.

By placing advertisements on different days of the week, and monitoring, the correct timing of promotion can be assessed. The effectiveness of mail order can be measured by noting the response from different geographical areas. Observation should be used to measure: the effect of window displays on stopping pedestrian traffic; the areas of the store attracting the most traffic; what happens when the price changes; what part of the week should part-time sales staff be used.

Thus both careful monitoring and observation have a part to play in researching the effect of changes in elements of the retailer's promotion mix (mail order, point of sale, local advertising, sales promotion, etc.).

Gordon Wills has written quite an authoritative chapter on this subject of promotional effectiveness in a book edited by himself New Ideas in Retail Management (96). He points out quite correctly, that "we can very, very seldom conduct experiments which enable a meaningful correlation between sales and promotional experiments to be derived. There are so often other elements in the sales situation...". This shows the difficulty in assessing marketing's cost effectiveness. Referring to in-store promotion, he says that this is often the largest, single item which can be directly isolated. "By formalising the process of adjustment which any good manager makes on the basis of casual observation, major improvements can be achieved."

Wills outlines an action programme for alternate years for a retailer with an annual promotional research budget of £1,000 (in 1970). It consists of a Hinterland Study in Year I and an In-store Study in Year II.

It is worth remembering the point made also earlier in Chapter 3,2 that multi-collinearity and other problems mean that
initially the retailer needs to concentrate on areas such as Wills' idea of in-store promotion that yield tangible results most readily (see Part VII Chapter 3).

4.1.4 Retail Location

Ornstein (97) links the subject of location with the rest of retail promotion through his idea of "store character". This, he says, is expressed through the basic elements of merchandise, location, service, and administration and then exposed to the market through promotion. This store character is related to the corporate image of the retailer.

Retail location is a significant factor in retail marketing as this determines the hinterland, the competition and neighbouring complementary shops and attractions.

Gordon Wills, in another book which he has this time coedited (98), has written a chapter on retail location. The chapter is broadly sub-divided into: defining location; reviewing performance. Wills concludes that all four elements mentioned above are necessary and interrelated for effective management of retail trading.

In his section on defining a trading area, Wills mentions several variables including: lines of transportation and communication (press circulation, etc.); business attractions; competition; proximity to larger cities. In this connection, Wills mentions empirical approaches that help define the trading area - external studies that use normal consumer survey methods or internal studies that primarily entail an account analysis to define the hinterland (existing rather than potential).

An account analysis was undertaken by the researcher in the course of his field research (Part VII Chapter 3.1). One of the issues that emerges from such a study is the profile of the customer and the resultant suitability of the retail location.

Charnley (99) draws a useful trichotomy concerning location of the retail outlet. Should the shop be near the customers' homes, near the customers' workplaces or near the route of customers on their way to work.
The answers to these, and other questions necessitate research into the nature of the trading area and the suitability of the retail location.

4.1.5

**Small Independents**

Location is also an important factor with small independent retailers, about which comparatively little has been written.

The scene is set by P.G. Thomas in *Modern Retailing Techniques* (100) who explains that the 1966 Census indicated 498,000 shops in Great Britain of which 75% were small independent shops. These accounted for less than 50% of the country's retail trade. He says their survival is due in part to their convenient location. Other advantages of the small independent include, he says: personal contact; low overheads in the suburbs and villages; low labour costs (especially if family are employed); owner as motivator; flexibility; long opening. Disadvantages, Thomas states, mainly centre around financial constraints which do not permit the use of specialist staff (thus lowering efficiency) and mean low reserves of capital, not allowing cash discounts for prompt payment.

This idea of advantages and disadvantages is developed in Part VIII Chapter 2, when the notion of balance is discussed to explain the position of small, independent travel agents.

Furthermore, this is developed in an article in *Management Today* (101) which began by saying that the gradual disappearance of the small independent retailer looks like being a non-event. To counter the advantages of 'bigness' (better buying terms, economies of scale, affording specialist skills, etc.) the smaller firms have helped themselves by: voluntary groups; chains; specialisation; cash and carry.

Taylor and Shaw (102) point to other weaknesses in the competitive position of small independent retailers. They are so engrossed in details that they have no time for basic management planning, explains the book. In addition, merchandising and sales promotion activities suffer as they
cannot afford to hire experts.

A geographical study by Kirby (103) adds statistical weight to the assertion that the small independent retailer is down but not out. The answer for the future seems to be an increased reliance on personal service.

Finally, an article by Wootton-Jones (23), reveals much concerning the nature of the small independent retailer, through an examination of their relationship with consultants (see also Part V Chapter 3.2). Few small retailers use management consultants because they simply believe they cannot afford them. It is believed by managers outside the distributive trades that retailers are guided by archaic traditions, which lead them to believe that they only can possibly know and run their own businesses. This produces a high degree of suspicion towards outsiders' advice. These attitudes are shown to be important in determining the application level of marketing by agents (see Part VIII Chapter 2).

Wootton-Jones concludes that small firms are less likely to make use of consultants, and when used small firms encounter less success in using consultants. Nevertheless firms of all sizes seem equally unenlightened about the effectiveness of consultancy. This uniformity in attitudes and behaviour irrespective of size is developed in Part VIII Chapters 1 and 2 where the conclusions and hypotheses are extended to marketing generally. The constraints mentioned by Wootton-Jones are: limited economic resources; shortage of trained, informed management and specialised services.

In conclusion therefore, it can be said that marketing may be applied to retailing in a variety of ways. What arises from this is the tendency for the applicability of marketing to retailing not to be fully realised in practice. This major trend is explored in Part VIII.

4.2 Services Marketing

Rosson, in his previously mentioned article (18), suitably
introduces the subject of this section by asking: "What are these fields where marketing has been viewed as less applicable? The clearest case for the extension of the application of marketing management lies in the service sector of the economy."

He goes on to suggest that the British service sector seems increasingly to realise its trading relationships with various markets. Rosson adds a view, confirming the researcher's own findings, that there is comparatively very little information and literature on services marketing (as opposed to "traditional" manufactured goods marketing).

Rosson confidently suggests that the growth of the service sector in developed economies recently has initiated the change in perception of services marketing as a distinctive area. He concludes that both sides of the Atlantic accept that marketing is valid in the service context.

Levitt, makes the point in his book (104) that both customer service and service industries must be included in any analysis of services marketing. Thus the service sector includes not only the service industries (banking, tourism, etc.) but also "the product-related services supplied by manufacturers and the sales-related services supplied by retailers". He concludes by emphasising that customer service is rarely discretionary, being as vital to obtaining and holding the business, as the generic product itself. By considering customer service as "manufacturing in the field", service will not be regarded as either something residual to the tangible product, or purely a human task to be performed by a single person, isolated from the range of manufacturing-type techniques. This highlights the two fold interpretation often applied to service, which should be taken to mean not only the type of industry but also the services related to the sale e.g. advice.

Foster (105) also states quite clearly that the approach in marketing a service is the same as marketing a product. He highlights the need to identify the markets and segments, actual or potential, to which the services may be offered. In addition, he stresses the necessity for planning with targets and objectives. Furthermore, he predicts an increased application of marketing to services due to increased competition,
increased cost of money (requiring more careful planning presumably) and decreasing profit margins.

Thus the picture that emerges is that marketing may equally well apply to services as to products. External factors either of a negative nature (increased competition) or a positive nature (increased consumption) are leading to greater attention being devoted to the service sector and the services they provide.

4.2.1 Characteristics

Although in principle marketing equally well applies to services, the application of marketing may have to be suited to the service sector. This would largely depend on the existence of special characteristics in a service industry such as tourism (retailing) that would entail different applications of the same marketing approach.

Rathmell, Stanton & Schwartz discuss certain features that tend to differentiate services from product marketing.

Rathmell in a book on the subject of services marketing (106), differentiates between primary and secondary characteristics. Under primary he includes: no transfer of ownership; interrelation of production and consumption (often simultaneous); perishability (no stocking of services, only capacity exists); difficulty of maintaining uniform performance standards; the function of exchange (shift from physical supply to the use of facilitating functions e.g. risk-taking, as no repossession is possible). Under secondary characteristics Rathmell includes: greater use of agents; less frequent use of price of a service (rather fee, rate, premium, etc.); service buyer seldom referred to as a customer (rather client, policy holder, spectator, etc.); pride of performance rather than pride of possession. These points are a guide to the nature of services, rather than to be taken too dogmatically, in view of the number of exceptions to the rule, in the opinion of the researcher.

Rathmell's book also examines (107) the individual elements of services marketing - product development and product policies, pricing, promoting, distribution and delivery.
One particularly useful observation relates to the way of improving the productivity (the ratio of inputs in the form of resources particularly labour, to outputs in the form of services performed rather than produced) of services. Rathmell concludes that owing to the intangible nature of services, qualitative rather than quantitative outputs should be measured. This, of course, makes the task of quantification of the quality of the service difficult.

Stanton (108) mentions five characteristics: intangibility; inseparability; heterogeneity; perishability; fluctuating demand. This is largely similar to Rathmell's approach as is his programme for the marketing of services. This consists of market analysis and planning, planning and developing the service, channels of distribution (where agent's location is all-important because, as the services cannot be delivered to a customer, the seller must locate himself where there is maximum customer traffic); pricing; promoting.

Schwartz (109) makes a brief contribution by indicating three aspects of services marketing worthy of a mention: the reputation of the seller; skill of the performer; value added by auxiliary services.

Thus it can be seen that certain characteristics may be said to exist e.g. intangibility, perishability. These will have implications for the travel agent who is marketing a service which is essentially intangible (apart from brochures, films, etc.) and perishable (not stockable). In addition, the agent's personal involvement is needed to provide the ancillary services to ensure the consumer is satisfied with the travel "service" bought. The field work discussed in Part VII illustrates the importance of the service element in an agency's marketing.

However, as Wyckham et al. (26) point out, caution needs to be exercised in using the taxonomy (products versus services). Many of the characteristics attributed to services are also applicable to products, and conversely, some of the characteristics do not apply in all service marketing.

Returning to Levitt's concept of a product (see Chapter 1.3.3) Wyckham concludes that both products and services should be
considered as offerings i.e. sets of "need satisfiers" offered in particular markets. What is crucial is the perception of the service in terms of the consumer and his needs. Part VI Chapter 4 explores this further with specific reference to the 'travel product'.

4.2.3 The Example of Marketing Insurance

This example has been included in this chapter in order to show the potential application of marketing to a service industry. The implicit assumption is that if it is applicable in the insurance field it is certainly worth seriously entertaining the notion that marketing can be fully and extensively applied to the travel retailing sector.

A book published by the Chartered Insurance Institute (13) represents a detailed attempt at applying a comprehensive range of marketing concepts and techniques to service industries. The book covers chapters on the marketing department and its functions; marketing research; product planning and policy considerations; advertising and sales promotion; public relations; aims, methods and costs; the main channels of distribution in insurance; follow-up and after-sales service; consumer protection and consumer associations.

All these aspects of marketing, which will be added to the checklist used in Part VIII to assess agents' level of marketing application, are related closely to examples in the insurance industry.

Summarising this section on services marketing, it is important to note that although services can be characterised in certain ways, marketing is equally applicable to services (including tourism) as to products.
CHAPTER 5 : CONCLUSIONS

This Part contributes to the thesis in the following ways:

- Chapter 1 arrived at a consensus view of marketing, as well as establishing a framework, and beginning a checklist of marketing activities. This was necessary to identify marketing applicability to organisations and the use of this concept in the field research to determine the situation with agents.

- Chapter 2 concluded that the level of marketing's acceptance in the U.K. was low and that this was due to a combination of internal factors centring on the manager, and external factors in the marketing environment. This is explored further with reference to the travel industry.

- Chapter 3 emphasised the need for a logical, systematic approach to decision making with the role of objective setting required to evaluate marketing as well as to highlight problems. The applicability of marketing to travel agents is connected to the question of whether the costs and their effects can be satisfactorily measured.

- Chapter 4 ended with the point that marketing is applicable to both retailing and services: It is only the application of marketing in given situations which is influenced by the special characteristics of retailing and services.

Part VII examines the results of the field work on travel agents and will relate the ideas of this Part to the design of the field study and the elaboration of the findings.

Part VIII develops conclusions about marketing's applicability to travel retailing and the current level of application in the sector. In addition, certain hypotheses and implications are developed which build on ideas contained in the Part and examined in the light of evidence from the research undertaken.
PART V
SMALL BUSINESS

CHAPTER 1
THE ROLE AND NATURE OF SMALL BUSINESS

1.1 Introduction
1.2 Definitions
1.3 Characteristics

CHAPTER 2
PROBLEMS OF SMALL BUSINESS

2.1 General
2.2 Specific Problems

CHAPTER 3
SMALL BUSINESS AND EDUCATION

3.1 The Role of Education
3.2 The Link With Consultancy

CHAPTER 4
MARKETING AND THE SMALL BUSINESS

4.1 General
4.2 Marketing Research
4.3 Promotion

CHAPTER 5
CONCLUSIONS
PART V  :  SMALL BUSINESS

This Part seeks to establish the applicability of marketing to small business. Many travel agents are small and independent retailers. It is possible to characterise those that are small and identify their strengths and weaknesses. The four chapters in this Part examine in general terms the role, nature and problems of small business as well as analysing the impact of education in the small firm. The final chapter is devoted to researching the applicability of marketing to small business.

CHAPTER I  :  THE ROLE AND NATURE OF SMALL BUSINESS

1.1 INTRODUCTION

The Bolton Report, (110) which took over two years to prepare at a cost estimated to be £149,585, represented a fairly authoritative examination of the role of small business in the economy and the problems confronting them.

The main Report was useful in pulling together many facts and figures on small business. These show the importance of the small business sector in the economy, particularly as regards retailing where the 400,000 firms in the sector are almost all (96%) accounted for by small units. Comparatively little space was devoted to the marketing problems of small business. The only significant reference came in the section dealing with the problems and policies of small business.

Bolton's eight areas of improvement for small business were: finance; costing and control information, organisation; marketing; information use and retrieval; personnel management; technological change and production control.
Two of the Research Reports are singled out as being especially relevant to the thesis, as indicating the role of evidence to support conclusions made about small business and the need to carefully weigh up the similarities and differences of small business compared to others.

The first by J.P. Pickering et al. (111) examined the small firm in the hotel and catering industry. In a section dealing with marketing and the small business the point is made that although effective marketing is important in dealing with the basic problems of high fixed cost and low capacity utilisation, "even among experienced operators we found little awareness of the range of activities ... that fall under the broad concept of marketing ..... Performance so far has been disappointing with very little use made of marketing opportunities." The report-writers include under the marketing function: market research; advertising; public and press relations; price and product line decisions; marketing research.

The evidence they bring to support their contention has implications for the thesis insofar as the measures used cover expenditure levels, strategies and controls employed by the companies. They mention: low expenditure; magazine advertising concentrated locally instead of areas of potential new business; very little overseas advertising; no coupon response checks on newspaper advertising. Thus the important distinction is made between applicability and yet lack of application in practice.

The other Research Report by Margaret Hall (112) is concerned with the small unit in the distributive trades. Her analysis of "smallness" in her introductory chapter is quite helpful as she points out a number of qualifications arising out of the main Bolton Report. Do small firms necessarily have different problems from those in other size categories?
She adds that one is forced to use quantitative measures of size but she says that relative size in a particular sector should primarily be used. As she asks "is a small elephant bigger than a large mouse?". This also has implications for the competition factor in travel agent marketing.

Geoff Wood is a writer in the field of small business, especially their marketing aspects. Two articles in particular discuss and build on the implications of the Bolton Report. The first, on management advisory services for the small firm (113), mentions that Bolton's proposals for overcoming problems also apply to large firms, often administratively over-burdened, as well as to small ones who are too busy and are suspicious of outside help.

In the other article (114), Wood praises the Bolton report as being "undoubtedly the most comprehensive publication on the subject (of definitions) in Britain". He said that Bolton found that physical measures were inadequate and Wood mentions three other characteristics; relatively small market share; personally run by the owners; independent - owner-managers free of outside control.

Thus it can be seen that not only are there similarities in the problems facing small and large firms but that the definitions used need to be exercised cautiously (as advocated by Hall (112)) to include where possible qualitative measures.

An important measure that emerges is the type of ownership and involvement in management.

Finally there is a reiteration of the importance of small business in the U.K., of which the travel agent sector is an example.
In addition to Bolton's version, it is perhaps worthwhile to consider the contribution made by Boswell in his research-based book on small business, *The Rise and Decline of Small Firms* (115). He asks the question in Chapter 1 - why bother about small firms? He gives certain reasons: economic (of output and employment); source of supply of entrepreneurs; political (small man unfairly treated compared to the large). He concludes that the renewed interest in small firms is unfortunately paralleled by "a deplorable absence of facts .... our knowledge has been abysmal". This mirrors the researcher's own comments made in Part I, concerning the availability of published material in the field.

1.2 Definitions

Apart from the benefit of arriving at a usable definition of "small" for the purpose of research in the thesis, establishing criteria helps to pinpoint the characteristics discussed later.

Boswell (115) attempts to provide a framework for consideration of definitions of "small". As far as definitions are concerned, he says all of them have their drawbacks: legal status is too woolly; financial measures subject to inflation etc.; employment measures may vary over time or between industries. Boswell's appendix 1 on definitions offers some positive help, by putting seven measures forward which together build up a picture of the small firm. These are size of firm (employees); age of firm (young is less than 20 years old, transitional 20-40 years, elderly 40-70, old 70+ years); management (type of director); management type (founders, inheritors, newcomers etc.); ownership-control type; family dominance; performance (innovation, growth, profitability, efficiency - input/output ratio).

These measures are heavily weighted in favour of biographical features of the business and its management.
This is further exemplified in Part VII Chapter I on the field research amongst agents.

Kelley et al. (116) attempts to include both quantitative and qualitative measures in his definition of small business. He defines small business in terms of number of employees, sales volume and two or more of the following characteristics: independent management; capital is individually or small group owned; local area of operations; relative size in the industry.

Finally, this subject of definitions has also preoccupied the Commission of the European Communities (40). Covering all the Common Market countries, it divides the definitions for the United Kingdom into quantitative (e.g. Bolton e.g. retail trade £50,000 p.a. turnover) and qualitative criteria (relatively small market share, personalized management, free from outside control).

The term "small firm" can be viewed in different ways. J. Deeks, in his article (35), draws attention to a distinction that may be made between the small firm, which is owner-managed, and the little businesses (Wood calls them mini-businesses), which are owner-operated. The emphasis drawn here is on the actual operation of the business, which although in practice very similar to management, implies that in the former the owner employs "operators" and in the latter he does everything himself.

Thus it may be said that small business can be defined in terms of performance, activities and nature of the ownership and management. The thesis will incorporate both the former (turnover) and the latter (number of branches, owner or manager).
1.3 CHARACTERISTICS

Balance of Strengths and Weaknesses

One aspect of small business is the idea of their survival and success being related to their ability to balance their inherent advantages and disadvantages. This forms the basis of one of the research findings discussed in Part VIII Chapter 2. This Part V develops this concept of balance as relating to small firms.

Geoff Wood in an article mentioned earlier (114), likens large and small firms to the difference between a battleship and a small frigate, with the obvious trade-off between size and power, on the one hand, and flexibility and speed on the other.

Furthermore, Wood uses the idea of market share (see Majaro IV 1.3). He says that there are fundamental differences between small and large firms, due mainly to their relative size in the market. For example, growth is interpreted differently by the large company with 70% market share and the small firm with 1%. The large firm relies on concentration in certain markets whereas small companies rely on quick adaptation to market changes. Broom et al. (73) indicate the competitive strengths of the small firms: knowledge of customers and markets; product and market specialisation; management flexibility.

Owner/Manager Characteristics

A common characteristic is the preoccupation with short run activities at the expense of long term planning. Perrigo (117) says that a characteristic (and probably greatest problem) is that day-to-day activities virtually absorb the whole energies and attention of management. Consequently, practically no time is given to longer-term interests and needs.
This preoccupation is linked both to the quality of management of the small business and to the pressure of external forces that accentuate this tendency.

Henderson and Johnson (118) identify a few common features of many small firms: Firstly, economic vulnerability due either to low cash reserves or stiff competition in industries where there is ease of entry; secondly, lack of system and method—'paper-work' is seen as irritating diversion from the 'real job' of running the business; influence of individual personalities predominates (overloaded and thus little time or inclination for planning, limited specialist knowledge, growth problems). This confirms Wood's view (113) that the owner-manager relies too much on instinct and individual flair.

Thus, it would seem that the owner/manager greatly affects the management weaknesses by not exploiting the benefits of planning and systematising his business. This is further supported by Stanworth and Curran, both researchers in the field, conclude in an article (119), that it is the owner-manager's motivation and perceptions of market opportunities which provide a new way of understanding the small firm.

CHAPTER 2 : PROBLEMS OF SMALL BUSINESS

Arising from the characteristics of small business, appropriately defined, are a number of problems. These problems provide the perspective with which to examine the comparative importance of marketing difficulties experienced by the small firm and what can be done to overcome them (Chapter 3) and realise the full applicability of marketing (Chapter 4).

2.1 General

A study into this subject was carried out in 1975 in the form of a Diploma in Management Studies Project (120). The views of the six retailers (retail chemist, footwear repair shop, wine bar, men's outfitter, handicraft shop,
tobacconist and confectioner) were listed in order
of importance of the problems:

1. Government's attitude towards small businesses.
2. The long, unsocial work hours.
3. The unprecedented rate increase.
4. The statutory, and other, documentation involved.
5. The increased Social Security contributions.
7. The strain of long working hours on family life and personal health.
8. Obtaining and training suitable staff.
9. Lack of management knowledge needed for efficient
day-to-day running of the business and future planning.

It would seem that government policy and activities together with the retailer's own lack of knowledge on how to run his business created the most problems.

Enquiries from small businesses requiring management assistance can indicate areas of interest or concern for the small business. A Conference Paper by J. Collins (121) analysed enquiries received at his Small Business Centre over a four month period. He found that marketing formed 17% of enquiries, compared to 29% general, 12% accounts, miscellaneous 22%. Furthermore, 14% of the enquiries resulted in commissioned work, 24% of which was marketing compared to: general management 19%, accounts 19%.

It can be concluded from these outline figures that about one in twenty-eight enquiries actually led to a commissioned work in marketing. This figure would imply a low level of need or low ability to recognise and pay for the need to be met.
The problems are further explored by Geoff Wood in an article (122) who points some special problems of small firms: shortage of cash and cannot easily borrow money; little known about the principles and practices of modern management; too busy to find out; insufficient appreciation of proper profit levels; cannot afford to take excessive risks.

This would indicate that shortage of resources together with lack of awareness underly many of the problems.

It is this lack of management ability, previously mentioned in Chapter I, that is evidenced by small business behaviour. Broom et al. (73) provide an interesting analysis of the problems of small business, which is quite extensive. Firstly he mentions lack of management ability and depth which is indicated by: one-man firms; the casual, superficial approach to management problems — serious misuse of business records and information, caused by ignorance; bound by tradition and insensitive to need for change — limited education and experience, closed minds; succession problem. Broom's second point, related to the above, is the personal lack and misuse of time. Next he mentions financing, taxes and recruiting suitable manpower (partly through ignorance).

Research is another problem mentioned especially market research. The small business manager has neither the time nor ability nor money to take full advantage. Furthermore Broom adds that "although they develop a sixth sense to divine needs of customers" they are severely limited by lack of sufficient marketing information, due to often relying simply on customer requests or complaints.

The quality of management is also influenced by external factors which can expose individual shortcomings. Broom adds "the rigours of competition make the manager painfully conscious of his marketing weaknesses". Managers often have to guess the answer to problems e.g. managing the firm's advertising.
Other significant marketing problems he mentions are: channels of distribution; product policy; salesman compensation. Further problems are added by a consideration of the failure of small firms. Why does a business fail? asks Kelley et al. (124). The main problems stated are: personal factors; inadequate planning and financing; obsolete methods; multiplicity of duties; competitive duties; unqualified personnel; lack of demand; taxation.

2.2 Specific Problems

Many of the problems confronting the small business and affecting his acceptance of marketing may derive from economic as well as psychological reasons.

The principal contribution in this section comes from Petrof et al. *Small Business Management* (125) who concentrates on the important theme of psychological barriers to marketing strategy planning. He seeks to answer the puzzle of the continued survival of small business despite being so unprofitable. He identifies certain factors that motivate the owner and explain such phrases as "things are bound to get better". Petrof argues that the owner gains certain personal economic benefits besides salary. Other economic benefits include company car, 'eating the goods'.

In addition, the owner receives psychic income, which is remuneration of a psychological, rather than pecuniary, nature. The owner, Petrof says, desires independence — freedom from outside control and fewer rules — and also possesses a desire for status, recognition, self-esteem and security.

Petrof mentions other barriers to profitability; personal discipline (over-involvement with daily problems); personal aspirations (insisting on family control); owner orientation (not consumer orientation); making assumptions (based on limited experience). He ends on the constructive note
that the answer to all these problems ultimately lies with the individual, who may not be able to overcome the barriers, but may keep them within manageable limits by being aware of them.

Petrof comments that it is not necessarily undesirable to derive psychic income or be owner oriented. These barriers form an important base for hypotheses and implications formulated in Part VIII.

Petrof also adds that their prospects for survival, growth and profitable operations can be greatly enhanced by applying certain management concepts and techniques, including marketing. This in turn leads to a consideration of the role education can play in the operations of a small business, such as many travel agents.

CHAPTER 3 : SMALL BUSINESS AND EDUCATION

As previous chapters have concluded, the individual owner/manager plays an important part in the behaviour of the small company. Education, training and consultancy services may all serve to help the individual manager running his business to perform more effectively.

3.1 The Role of Education

A joint Report on Management Training and Development in the Small Firm (126) points out that the main functional areas in which knowledge and skills seem to be most lacking are: financial management; marketing; production management; recruitment and selection; effective organisation development.

Given the constraints of time and cost facing the manager of a small business, any education offered to him must meet his needs. Baeasley and Birley review the whole question of developing education for small business; (127), by examining the possible needs of the small firm. To be successful, they say, teaching must satisfy four basic needs: knowledge; specific information; advice; support. In other words, the teaching
should both inform and provide assistance that is applicable to the manager's problems.

Beesley and Birley introduce the cost-benefit approach into their consideration of education's acceptance by the small businessman. Education is similar to any new product, the personal cost-benefit equation must show a positive return. His costs are expressed in terms of time and money. His benefits may be in terms of improved management ability, gained from increased knowledge, and reflected in improved company financial performance. Inducements to overcome reluctance must either reduce personal cost and/or increase personal benefit.

This approach is used by the researcher in Part VIII to develop ways of overcoming the barriers to marketing's acceptance by the travel agent. This also relates to the earlier discussion in Part IV Chapter 3 on cost-effectiveness in marketing. The needs of the manager can be matched by certain educational programmes.

Geoff Wood outlines the areas a management teacher can help a small firm (36): understanding financial accounts; costing and estimating; budgetary control; raising finance; office methods; credit control and cash flow; marketing information. The latter area arises as a need because most small firms lack marketing information, says Wood. This was confirmed by the researcher's field role which also discovered some of the reasons for this low level of applications. One of the underlying attitudes was found to be that the agent already knew his market. Wood adds a comment that would be critical of the attitude expressed above: "experience is said to be a good teacher, but it can be a hard school. A long time may be needed to learn the right lessons".
The necessity of a suitable supply, in terms of trainers or teachers, to meet the demand is expressed by Wood (36) who tries to apportion blame for failure by small businessmen to accept education. The blame lies both with the small firm, who feels that time cannot be spared and the management trainers and teachers who claim to be able to help.

Two examples of what has been done to "educate" small business follow below. The first, referred to in an article in the Financial Times (128), is the Business Evaluator, which has already been mentioned in Part IV, Chapter 3. The article states that between May 1972 when it was introduced to May 1973, 3,000 copies of the full four volume version (at £39.50) and 1,500 copies of the abbreviated version (£22.50) for very small firms had been sold. The article also discusses the British Institute of Management's own publication in this field, called "Know your Business". Both these publications rely on self-analysis of the small firm, with its inherent difficulties, such as the lack of control.

The second example is published by Intertext (129) and is a type of manual for would-be entrepreneurs on starting a small business. It forms a part of a correspondence course on the subject, and tends to be very descriptive and practical in orientation.

3.2 The Link With Consultancy

The relationship between this section and the previous one is that both teachers or trainers and consultants are types of "change agents" within the small firm. This is because they can initiate or provoke change in the organisation. The publication selected for this section by Colin Jones (130), ties in very well with Beesley et al.'s cost-benefit approach outlined in section 3.1. The Report examines the use made of consultants by small firms in the latter part of 1968 when the Board of Trade offered grants of up to £5,000 towards the cost of employing consultants. 227 firms participated in the scheme 46 of which had less than 50 employees (of these, a third had
never used consultants before). Of the 396 assignments, 41 were marketing and 21 were market research (120 were production, 107 were finance and administration). 304 specific reasons were given for choosing the assignments — improving profitability or efficiency was the most frequent (116), next came growth problems (51). Consultants were normally called in because the firm did not have either the time or the expertise. Another reason mentioned was the benefit of having an outsider examine the problem.

In over 70% of cases, firms were satisfied with the consultants. It was possible to quantify the results, in a cost-benefit manner, in only a minority of cases. In about one-third of cases firms were able to quantify some of the benefits of implementing the recommendations, and in about 40% of cases it was possible to quantify some of the implementation costs.

From the discussion in this chapter, it may be seen that the manager of a small business will tend to accept education or consultancy only if the resultant benefits outweigh the costs. This means not only the provision of satisfactory educational or consultancy services, but also the receptivity of the manager should exist to seek enlightenment through education.

CHAPTER 4: MARKETING AND THE SMALL BUSINESS

Part IV Chapter 1.3 briefly examined the applicability of marketing to small business and concluded that it was equally applicable to this sector. Nevertheless there were difficulties in persuading the small business of the relevance and benefit of marketing to his firm.

4.1 General

The beneficial effect of marketing on the organisation, although difficult to quantify is mentioned by Wood. In his book about small firms, *Bigger Profits For The Smaller Firm* (131) he states that marketing is one of the most neglected techniques in the sector. Quoting an investigation into 125 small firms in 6 different industries, he
says that financial analysis shows that firms using
the techniques of marketing, budgetary control, production
control, costing and work study are more profitable than
those who do not.

In his third chapter, entitled "marketing for profit",
Wood spells out the steps involved, in applying marketing
to the small business. He poses three questions: what
business are you in? (defining the company's vocation —
from the customer's point of view); are you in the right
business?; what is the unique selling proposition?.
He then proceeds to mention: finding new products; pricing;
creating an image; advertising and sales promotion;
selling.

Geoff Wood has also written a pamphlet on marketing for
the Small Firms Information Centres (132). He indicates
four vital areas of marketing's relevance for small firms:
knowing your market; products and pricing; advertising
and sales promotion; selling and distribution. Towards
the end of the pamphlet he lists several common pitfalls
in marketing that await the inexperienced, which include
lack of information and bad planning.

This approach is echoed by Broom et al. in their book (133).
They apply the full range of marketing concepts to the
small business. They mention marketing research, product
line decisions, pricing decisions, personal selling, sales
planning and control and advertising and sales promotion.

Finally in this section, three courses run by the Institute
of Marketing serve to illustrate the extent of marketing's
potential contribution and application to small business.
The first, in 1972 (38), stated in the brochure that "to
prosper a company must identify and satisfy its market.
This applies in the long run to all companies, whatever
their size." However, although marketing is essential
it is more difficult to apply within the constraints of
money and men available. The second course, run jointly
with the Communication Advertising and Marketing Education
Foundation Ltd. (CAM) in 1975 (39) reflected also current economic conditions. The course brochure mentioned running cost-effective marketing programmes within tight budgetary constraints. This, of course, is the essence of marketing in the small business. The four day seminar was split between marketing in essence (meaning of marketing, marketing mix, marketing analysis, sources of marketing information) and marketing in action (directing and supporting the sales force). The third course on "marketing for the smaller enterprise", in 1975 contained an input by the researcher on marketing's application both in general (see consensus view of marketing) and specific terms (39) (see Part VIII).

4.2 Marketing Research

The ease with which information may be collected by the small business is stressed by Wood in his pamphlet (132) which says: "In marketing, the old saying that knowledge is power is very true ..... the information exists; it is simply a matter of digging it out of the goldmines of data." He stresses the point that most small firms are weak in their markets because they have inadequate information about them. It highlights the value of observation and analysis of the organisation's own records. Part VII Chapter 3.1 illustrates the information that is readily available by a simple customer card analysis.

Hazel and Reid have written two books in this field. The first (133), talks about competition analysis and the signs to look out for. First of these is competitive sales activity which can be followed by scanning the press and noting any changes in the tempo of competitors' sales. Secondly, competitors' staff may provide a clue in terms of advertisements for staff in the media. Thirdly, the outside appearance of the competitor's premises may indicate a trend, as may changes in letterheads or staff benefits e.g. Xmas celebrations. Once again, the role of
defining and monitoring competition in marketing is highlighted.

Hazel and Reid's other book (134) focuses on customer complaints as being a valuable source of marketing information. Customers, they correctly observe, represent members of a large body of quality control inspectors and of watchdogs of inefficiency. These unpaid reporters should be viewed more as a source of comments rather than complaints.

Both agents' perception of competition and complaints analysis were investigated during the course of the field work in Part VII Chapter 1.

Promotion

Petrof et al. (135) in their book ask what advertising can do for the small firm, and how can it match the impact of the larger competitors. They make a number of suggestions to overcome the size disadvantage and achieve "impact dominance" over the competitors. The small business should concentrate on a single market segment or single advertising medium. Their biggest advantage, it is argued, is perhaps "creative leverage", which might be translated in plain terms to mean capitalising on the reputation of the major competitor. Petrof mentions the example of "We try harder", which is Avis's slogan. Furthermore, they suggest that the small budget may be stretched by: the use of small space advertisements which through greater frequency can create the impression that the campaign is larger than it is; simplifying the message; co-operative advertising.

Once again, Petrof's approach shows how the small firm can counteract weaknesses caused by the size. In addition, he shows how budgeting constraints need not undermine the variety of applications of marketing. It is desirable for the company to capitalise on its strengths.
The other contribution in this section comes from Kelley's book (136), which is on the subject of building good customer relations for which they list no fewer than 24 factors. The range of suggestions include exactly how to deal with customers and the importance of knowing the customer profile and the different segments of the market.

CHAPTER 5 : CONCLUSIONS

Whereas it would be true to suggest that small businesses are faced with their own characteristic set of problems and difficulties, it would seem that marketing's applicability to the small firm is not constrained by size of firm. However the individual manager, with his flair, motivation and perception, has an impact on the small firm's marketing activities.

Chapter 2 indicated several small business problems and the potential barriers to change caused by them. The psychological, as well as economic nature of these barriers was stressed. The strategy of minimising weaknesses and exploiting the strengths of the small business was mentioned.

Chapter 3 suggested how these barriers may be overcome, by focussing on the role of education. The cost benefit approach was discussed as a way of persuading the manager of the value of education to himself.

Finally, Chapter 4 discussed, with the use of certain examples, how marketing could be related to the small business. The applicability of marketing to small business was established, although its application in practice would depend partly on the necessary awareness, motivation and enlightenment of the manager.

The applicability of marketing to small firms has important implications for Part VIII's conclusions and hypotheses which seek to shed light on travel agents' marketing behaviour.
PART VI: TOURISM AND TRAVEL RETAILING

CHAPTER 1: KEY HISTORICAL DEVELOPMENTS

1.1 Special Events
1.2 ABTA - The Trade Association
1.3 The Travel Agents

CHAPTER 2: ROLE AND NATURE OF TOURISM AND TRAVEL RETAILING

2.1 Introduction
2.2 Role of the Travel Agent
2.3 Nature of the Travel Agent
2.4 Problems of the Travel Agent
2.5 Comparison with Other Industries

CHAPTER 3: THE SMALL AND/OR INDEPENDENT TOURISM AND TRAVEL RETAILER

3.1 General
3.2 Specific Aspects

CHAPTER 4: MARKETING AND THE TOURISM AND TRAVEL RETAILER

4.1 How Marketing Could and Should be Applied
   4.1.1 General
   4.1.2 Marketing Information Systems
   4.1.3 Product Policy
   4.1.4 Sales Policy
   4.1.5 Promotion Policy
4.2 How Marketing is Applied in Practice
   4.2.1 General
   4.2.2 Marketing Information Systems
   4.2.3 Sales Policy
   4.2.4 Promotion Policy

CHAPTER 5: CONCLUSIONS
CHAPTER 1 : KEY HISTORICAL DEVELOPMENTS

The purpose of the following Chapter, is to highlight certain developments that may have particularly affected the travel agent. The historical perspective has been included to provide a time dimension to the study of the contemporary tourism and travel retailer. It must be remembered that important though this perspective is, it is not the main focus of this Part of the thesis, which concentrates on examining the nature of the travel agent and how marketing is, and can be, applied. In addition, to some extent, the contemporary issues raised here, might equally well apply to a different time period e.g. influence of the economy on the travel agent.

The chronology in Burkart and Medlik's book, Tourism: Past, Present and Future (138) is helpful in signposting the general events that helped shape the travel industry.

1.1 Special Events

The travel agents questioned in the field survey were operating in the aftermath of certain events (N.B. their problems - see Part VII 1.3). This section aims to highlight the major events of the early seventies.

The major event was the economic crisis of the early 70's, largely precipitated by the dramatic oil price increase by the Arabs, in 1973. However, with the benefit of hindsight, warning signs were visible before the oil crisis.

Price Discounting

"Majorca for £18: Now you can afford to escape the crowd," said Anne Sharpley in the Evening Standard as early as October 1970 (139). The first of these cheap packages
had arrived. Hardly two years later both the leader
and a letter took up this subject in *Travelnews* (140).
The leader asked "do we want a cut-price war?", referring
primarily to a proposal about discount offers to the
public and bonus commissions to the agents. Leigh Knights
of Express Travel stated in his letter that it was about
time higher prices were charged for holidays. The
strategy of "Lower the prices and handle more people"
was now outmoded.

This attack on price cutting formed the basis of an article
by Mansell entitled 'The Travel Industry Trauma' in 1972,
(141). Margins were as little as 75p a package, he
explains.

The paucity of information about travel agents' marketing,
which was mentioned in the introduction in Part I, is
reiterated by Mansell, who says: "this is not an industry
where statistics are very forthcoming". He gives three
reasons: fierce competition; no resources to commission
much market research; fairly unsophisticated industry.

**Industry Problems**

An alternative view emphasises the uncontrollable elements
in the environment which can affect the travel agents.

Arthur Sandles writing in 1973 (142), suggested that
the problems of the industry e.g. depressed winter holiday
market were due in part to factors beyond its control.

**Oil Crisis**

Whatever the exact combination of controllable and
uncontrollable factors, the economic crisis finally hit
the industry in the autumn of 1973. Two headlines from
the Evening Standard of the time summarise the situation:
"Package firms warn airlines to expect 'worst year' -
OIL CRISIS TO HIT HOLIDAYS" (6.11.73) and "Heseltine:
'No assurances about oil supplies' - NEXT YEAR'S HOLIDAY
FLIGHT DOUBTS" (7.12.73).
The ensuing events in 1974 were to have profound effects on the industry. In the calm before the storm, following the rescue of the ailing Court Line group, an article appeared in Campaign (143), with the headline "Holiday ads alive and well". It seemed, even as late as July 1974, that the tour operators were hoping to salvage the season.

**Court Line Collapse**

These external factors helped precipitate internal problems in the travel trade companies. On August 22, 1974, Travelnews ran an article on the Court Line Collapse, (144). The article referred to Peter Shore, the Secretary of State for Trade, as saying that the Court Line leisure operation had been "over-extended", and there had been a tendency in the last two or three years to "offer cheapness at the expense of security". So Court Line, together with Clarksons and Horizon, disappeared from the scene.

Some of the immediate effects on the industry were spelled out by Sandles, in an article (145). He argued that tour operators would focus their attention on the travel agents through whom most package tour bookings are made, with greater emphasis on trade promotions aimed at convincing the agents and the public of their stability. This in turn will have implications on agent/operator relations (discussed in the next section), as agents insist on efficient servicing by the operators.

**Other Developments**

Three other special events are singled out for mention, at this point. Firstly, the increase in importance of consumer protection in the travel industry, which was the subject of a feature article in Travelnews in 1974 (146). Secondly, the effect of Britain's entry into the Common Market which was beginning to affect the industry even
as early as 1972, (147). Finally, the growing threat of direct selling, which has culminated in 1977 in Tjaereborg, apart from the vertical integration by such companies as Thomson (Lunn-Poly).

The special events selected in this section indicate the presence of external, uncontrollable factors that can, in certain circumstances, have a profound effect on the trade in general and the travel agents in particular.

A.B.T.A. - The Trade Association

Most travel agents are members of A.B.T.A. and are subject to the rules and regulations governing membership e.g. at least two qualified employees, Stabiliser. In return the public's confidence is supposed to increase at the sight of an A.B.T.A. agent.

A further mirror of key historical developments affecting travel agents, is provided by the activities of the official trade association of the travel industry - Association of British Travel Agents. Each annual report since the first one in 1955 has been studied and two elements singled out: advertising expenditure; chairman/chief executive comments on key issues of the time. These two elements shed light on the historical perspective behind marketing developments in the sector.

Below there is a table that shows the level of advertising expenditures compared to the total expenditure of A.B.T.A. This illustrates not only the absolute level of A.B.T.A. advertising for the travel trade, but also its relative weighting to the total A.B.T.A. budget. The advertising activities of A.B.T.A. indicate a steady, if rather modest level of advertising spending. Very occasionally, specific campaigns are mounted to remedy short-term industry problems, caused by external factors. There were two specific advertising campaigns in response to specific needs. In 1974, there was an Emergency campaign to counter the
effects of the economic crisis and its side effects, (cost £75,000 - shortfall against subscriptions £10,000). In spring 1977, there was an advertising campaign to encourage late bookings (cost £96,000).

The proportion of the total budget devoted to advertising and public relations has risen since 1972. Membership rose from 97 in 1950 to 1901 members in 1976 representing 4154 offices. This represents the majority of retail travel agents in the United Kingdom.

<table>
<thead>
<tr>
<th>Date of Report</th>
<th>Year Ending</th>
<th>Advertising/P.R. (£'s)</th>
<th>Total (£'s)</th>
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<tr>
<td>1955</td>
<td>31.1.55</td>
<td>- (1954 £154)</td>
<td>3374(2912)</td>
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<tr>
<td>1957</td>
<td>30.6.56</td>
<td>-</td>
<td>5892</td>
</tr>
<tr>
<td>1958</td>
<td>30.6.57</td>
<td>-</td>
<td>6918</td>
</tr>
<tr>
<td>1959</td>
<td>30.6.58</td>
<td>2171</td>
<td>7816</td>
</tr>
<tr>
<td>1960</td>
<td>30.6.59</td>
<td>2770</td>
<td>9667</td>
</tr>
<tr>
<td>1961</td>
<td>30.6.60</td>
<td>2942</td>
<td>13285</td>
</tr>
<tr>
<td>1962</td>
<td>30.6.61</td>
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<td>30.6.66</td>
<td>8920</td>
<td>58987</td>
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<tr>
<td>1968</td>
<td>30.6.67</td>
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<tr>
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</tr>
<tr>
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<tr>
<td>1973</td>
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<tr>
<td>1974</td>
<td>30.6.73</td>
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<td>1975</td>
<td>30.6.74</td>
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<tr>
<td>1976</td>
<td>30.6.75</td>
<td>31088</td>
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<tr>
<td>1977</td>
<td>30.6.76</td>
<td>33290</td>
<td>292592</td>
</tr>
<tr>
<td>1978</td>
<td>30.6.77</td>
<td>29872</td>
<td>446040</td>
</tr>
</tbody>
</table>
Below, the main points, from the Chairmen's Reports are laid out, as reflecting key issues of the time.

- code of conduct, reflecting the increasing importance of consumer protection (fin. y/e 30.6.71)
- bonding of tour operators and A.B.T.A.'s Retailers Fund (fin. y/e 30.6.72)
- financial failures of A.B.T.A. members (18 TO, 17 TA) due to external factors of: economic situation; 3 day week; fuel crisis; cholera in Portugal; hostility in Eastern Mediterranean; financial requirements for new members; staff requirements (fin. y/e 30.6.74)
- bonding of retail agents - luggage scheme (fin. y/e 30.6.75)
- restrictive practices - Stabiliser (fin. y/e 30.6.76)

This illustrates the impact of A.B.T.A. on the individual travel agent and shows the role of external factors in agents' financial performance.

1.3 The Travel Agent

Early Travel Agents

This brief historical view of travel agents includes a summary of past contributions on the nature and role of the agents. Lickorish and Kershaw in their book (148) mention the effect of the railways in expanding travel and Thomas Cook's pioneering work in the travel agency field.

Lundberg (149) explains in his book how Thomas Cook was credited as being the first full-time professional, bona fide travel agent, from 1845. He saw travel as an opportunity for education and enlightenment, for the masses not just the elite.

Lickorish and Kershaw are a little ambivalent as to the importance of the travel agent's role in the 50's. They cite the 1955 European Travel Commission Survey, which estimated that 90% of British residents travelling abroad use travel agents, either to purchase transport tickets or to assist in making travel arrangements. On the other
hand, they quote another study - Holidays in 1955, British Travel and Holidays Association - which pointed out the minor role of the travel agents. Only 2% chose their holiday because of the agent. The agents' limited influence was due to: growing use of the car; business travellers using cars; two-thirds of the total travel services sold direct e.g. transport operators with their own ticket offices.

It would seem that although the public does not use the agent to help choose the holiday, they use the agent to book the holiday.

The Influence of Travel Trade Personalities

Writing in 1973, Sandles (150), points out the travel industry is beginning to feel the problems of middle age. In the mid-sixties, he says, the business was dominated by entrepreneurs. This was taken into account in the field work which researched the views of "travel trade personalities" (Part VII Chapter 2).

Boom Conditions

The Retail Business Special Report No. 3 (51) in its introduction, outlined some historical factors affecting agents. They gave three reasons for the post-war increase in travel: higher living standards; improved transport; mass marketing of inclusive tours. The travel agent's income depended mainly on the demand for overseas holidays and the level of personal income, with an agent's boom in the late 60's and early 70's.

Finally, a page-by-page study of the trade press has been undertaken by the researcher to provide data for this section, and the following chapters. The Travel Trade Gazette was studied between 1953, when it began, until 1969. This yielded interesting information on travel agency development. (Travelnews, the trade's marketing newspaper since 1969 is discussed in the next chapter. In addition, Travel Agency, the monthly feature magazine, is primarily based on travel marketing and will be discussed in later sections).
The conclusions of particular relevance to the thesis have been grouped under six headings, which relate to the travel agent's background, role and marketing activities. The date of the Travel Trade Gazette edition is given in brackets.

**Background of Travel Agency**

Role of theatre tickets (19.6.53)
Small agents as confectioners + coach booking (3.12.54)
1-2,000 London Coastal Coaches booking agencies are confectioner types (28.10.55)
Part-time travel agents who process low price tickets and have convenient rural locations - 500 in London and Home Counties (19.5.61)

Role of the Travel Agent

To simplify tourism by co-ordinating of contributors to the tourism product (25.10.58)
25% of holiday makers leave arrangements to travel agent (Gallop) (1.9.61)
Increase commission (from 7½%) necessary for agents to increase new business, help principals and customers, meet increasing overheads (3.11.61)
Offensive marketing needed to justify increased commission, to persuade more people to travel, by staff, advertising and attractive offices (17.11.61)
Agents relied on for information and booking: must identify markets, persuade and check results (1.6.62)
Agents need to take risks (2.4.65)
Need for sales point provided by agent (27.10.67)
Selling role: motivating client to lose fear of change (19.4.68)

**Special Events**

Advent of code of ethics: agent/public (4.12.59)
Direct sell: principals in retailing are increasing (17.2.67)
Banks may start retailing travel (11.11.66)
Examples of Marketing by Agents

Beginning of cooperative advertising by Global via '£1 for £1' (7.12.54)
Take business to customer by bus (22.12.61)

Low Marketing Orientation/Passive

Agents too passive; sit behind desk and wait for business (22.6.62)
Not selling insurance (1.3.63)
Must boost market or lose to mail order (8.5.64)
Operators need proof that agents are "with it" (16.12.64)
More research needed by industry to find out what customer wants (10.11.61)
Need for marketing: marketing is key to travel profits; many agents claim they have been carrying out marketing activities for years without realising it (23.3.67)

Disadvantages of Small Travel Agent

SET, no bulk buying, one man cannot join ABTA (13.5.66)

Summarising therefore, the headlines above indicate some of the issues in the historical development of the agents over the period. In addition, there are implications for the thesis in terms of general principles about marketing and the travel agent; these will be discussed more fully later, in Part VIII. The general picture emerges of an essentially passive retail travel trade in the post-war years. The travel agents were to some extent cossetted by favourable market conditions.

CHAPTER 2: ROLE AND NATURE OF TOURISM AND TRAVEL RETAILING

Before examining the applicability and application of marketing to travel agents, their role in the industry and their characteristics will be studied. This will contribute to the later conclusions concerning the reasons behind the
agents' marketing behaviour.

2.1 Introduction

The major survey in this field is the one carried out by Economist Intelligence Unit on the travel agency business entitled The British Travel Industry, (151). The conclusions were split into four sections which concentrated on: the British travel industry; general survey of travel agents; financial and organisational survey; travel agent/principal relationships. This study, which was reviewed in Part II, arrived at a number of conclusions which have been incorporated into this thesis either to test EIU findings or to develop and expand some of their ideas.

A. The British Travel Industry Today

- demand for foreign holidays is reflection of the total income level - competes with demand for fridges, etc.
- business travel is largely independent of the personal income factor

B. General Survey of Travel Agents

- "Stabiliser" operations (1966) had the effect of increasing A.B.T.A. membership/offices
- high concentration of travel offices in south-east and north-west of the U.K. and these offices have lower turnovers than other areas e.g. West Midlands.
- a typical A.B.T.A. retail travel agent - £60,000 - £70,000 annual turnover, staff of 4-6 people in one office
- 25% of total A.B.T.A. membership account for 78% of A.B.T.A. turnover
- provincial and country town agencies have a comparatively
promising future due to better balanced "business mix" (scheduled and inclusive tour) and less concentrated competition from principals and other agents.

C. Financial and Organisational Survey

- travel agent remuneration is adequate in relation to their total costs.
- some agent services e.g. meeting clients at airports or long-distance telephone calls are not remunerative and not required by principals
- little capital required to set up an agency
- staff costs represent 60-65% of total running costs
- wide range of profitability: 67% of agents show a profit; 28% show profits in excess of 20% of total revenue; 15% of agents show losses in excess of 20% of total revenue. (EIU view of profit: % net revenue, after costs, etc., to total revenue)
- low profitability due to: too large an agency for the existing level of business; too many agencies serving the area
- inadequate financial data on profitability for management purposes because accounts prepared for tax or principals' purpose only
- increased remuneration will only lead to an increase in the number of agents given the low set-up costs
- profitability and type of agency: highest profitability - provincial and country town agency due to low cost location, clearly defined catchment area free from excessive competition, good business mix
- impossible to identify unprofitable branches in some chains, or identify profitable sections of the travel business
- relationship between total potential turnover, population and income in an area
- optimum organisation unit - 4 persons excluding manager
- costs in smaller agencies grow more quickly than turnover due to diseconomies of scale in labour costs - suggested use of part-time staff
in general, agents satisfied with tour operators' procedures for booking despite lack of standardisation

D. Relationship Between Travel Agents And Principals

- significance of agents to principals indicated by their major share of bookings (except British Rail): 1967, for airlines 77%; for sea carriers 68%; for tour operators 83%
- 100 or less agents account for over 50% of total agent bookings about 50 agents account for 33%-50% of total bookings
- principals generally dissatisfied with agents' services - divergent agent role active creative seller or order taker/ticket issue point.
- principals may intend increasing demand by marketing techniques
- wider variety of distribution outlets, true agency representation, increased specialisation on inclusive tours, franchising for agents
- but continued existence of travel agents - 7-10% commission remains an economic method of coverage for principals, importance of marginal seat (above 85-90% load factor), public use agents for 60% of their foreign holiday bookings
- considerable market potential for foreign holiday (only 20% of Britons take holiday abroad)
- agents should increase the local awareness by more local advertising and promotion
- tour operators feel that agents do not have brand loyalty for their programmes

By way of conclusion, it may be said that the EIU survey, despite certain weaknesses discussed in Part II, is a fairly comprehensive study of travel agents. There are many implications for the thesis. For example, the picture emerges of a small efficient minority of travel agents accounting for most of A.B.T.A. turnover. One third of agents does not even make a profit. Furthermore, location and management ability seem to be the key in influencing agents' profitability. On
the other hand, very little attention is given to the area of marketing and travel agents.

Another EIU study, by Yacoumis (152) in 1975, concentrated on air inclusive tour marketing, with special reference to retail distribution channels in the U.K. and West Germany. This study did contain elements relating to travel agents relevant in the thesis.

Functionally, the trade may be described as open and free for any tour operator to use as a distribution channel. He adds; "in view of the lack of a statutory system of licensing and registering the retail travel trade in the U.K., there is neither a universally accepted definition of what a travel agency is nor an official statistical source on the numerical volume of the whole of the trade". This latter point was mentioned in Part III with reference to the difficulty of using a sampling frame.

Furthermore, he indicates the concentration of travel agencies varied regionally, with the highest concentration in the Greater London area (1975 Travel Trade Directory - one agency to 9,000 inhabitants - role of work location).

Discussing the marketing implications of Operation Stabiliser (A.B.T.A.'s scheme stipulating that retail members should only sell the tours of fellow operating members), Yacoumis highlights the monopolising effect on agents, with whom tour operators have to deal, as well as operators carrying the burden of consumer promotion. This they do because of the belief that agents can do little to influence demand. (A point which the thesis will examine.)

He also identifies four main types of channel structure: independent agents; vertically integrated commanded by retailers (e.g. Cooks, Ellerman); vertically integrated commanded by tour operators (e.g. Thomsons, Exchange Travel); mail order from principal direct to consumer (e.g. Travel Club of Upminster). Given the pros and cons of the different
channels (cost, control, spread etc.), he suggests that there is a move by tour operators towards selective distribution, with greater attention on brochure circulation and brochure booking ratios.

He points out the role of retail multiples (ten or more branches under one ownership and control) in the retail trade. He lists 45 U.K. multiples accounting for 1,214 outlets.

Other current trends he mentions include: advent of computers; concentration among tour operators; collapse of Court Line empire and its temporary restraint on market concentration; ABC's; energy crisis.

2.2 Role of the Agent

One of the major bones of contention in this area concerns whether the role of the agent is an active (creative) or a passive one. This question may have been hinted at in the conclusions of 1968 EIU report which referred to the small percentage of agents accounting for a high percentage of total turnover.

Passive Role - Location

A number of arguments have been put forward to suggest that travel agents should either be active or passive and what are the main reasons behind their actual behaviour.

One of the main arguments in favour of the passive role of the agent is that which highlights the geographical location and the convenience provided for the consumers. This obviates the need for principals to set up their own sales outlets. This point is made by Lickorish and Kershaw (148) who see a creative agent on the other hand as one who creates packages, involving arrangements with principals and some speculative selling. Of the 1,000 British agents they estimate only 80 are creative and account for 80% of the business (includes multiples). Both this proportion of total
agents and the extent of creative business (own tour 
operating) were investigated in the field research and 
follow up study discussed in Part VII.

This importance of agency location, as opposed to their 
activities, from the point of view of the principal is 
stressed by LeJeune in a collection of articles (153). 
He argues that mass produced products, such as inclusive 
tours, require high coverage by intermediaries, such as 
travel agents. The agents' role consists then of simply 
selling standard, pre-promoted high awareness products. This 
implies a restricted and passive agency role in the market.

The notion of the travel agent as a mere distribution outlet 
passively ensuring availability to customers, in terms of 
brochures and reservations, is pursued by Burkart in the 
first of a series of articles (154). Burkart points out, in 
support of his view that the agent does not have to bear the 
usual risk of carrying stock, which implies the correspondingly 
greater importance of the agency's siting as a distribution 
outlet. The principals, he says, fix prices publish brochures, 
conduct advertising and it is the agent that finally secures 
the sale - and the agent should concentrate on doing this 
efficiently. "It is the principals' responsibility, not the 
travel agent's, to create new business."

Hinterland

Furthermore, the agent's passive role is justified by Burkart 
(155) with reference to his inability to change his hinterland. 
Market size is limited and an individual agent can only 
increase his own market share. The size of the overall cake 
will only increase if either new wealth enters the area or 
prices are reduced by the principals, Burkart argues. Being 
in the right hinterland and right shopping location is far 
more important than agents promoting their business.

Minimising Costs

Burkart concludes his argument in his third article (156) by
stating that the travel agent is more a filling station than a counsellor. He continues his earlier discussion by saying that, at least in the short-run, the agent cannot substantially increase his income by promotion and therefore the major method of increasing his profitability is by keeping costs to a minimum. The two major costs are seen as being associated with location and staff.

Thus the passive role of the agent is seen as being due both to the importance of his location and his hinterland, and the role of the principals in undertaking the activities associated with the marketing of travel services.

Active role of travel agents

There are a number of factors which explain the potentially active role of the travel agent. Naturally, many of these are dramatically opposed to the reasons mentioned above. For example Baker (157) sets out to attack the notion of the passive travel agent in an article criticising Burkart's articles. The reasons mentioned by Baker serve as a summary of the main counterarguments.

Active Functions

He lists four functions carried out by the retail agent: transfer of title to goods; provision of information; provision of ready availability; assumption of risk on the precise nature and extent of demand. In a competitive world, Baker believes, demand has to be influenced and cannot be taken for granted. Furthermore, he questions the idea of the "right hinterland" and whether it can be defined, and also suggests that some agents are better than others. The real challenge is to fully exploit the market potential (non-consumers - currently 90% did not take a 1973 continental holiday - and repeat business). In Baker's view it is the travel agent, with his direct contact with the market and local knowledge, who is in "the best position to influence the final choice of the consumer. Equally, it is the retail travel agent
who is most likely to perceive new market opportunities at the local level, and convert these into profitable business.

Thus the active role of the agent is argued on the basis of his potential to influence demand, actual and potential, by virtue of his close proximity to the market.

**Retail Promotion**

Beaver, joins in the discussion in an article entitled 'The Creative Agent Lives' (158), on the side of Baker. He quotes John Griffiths, a market research consultant, who has found that a single agent can not only expand the cake, but his slice of it, by continuous promotion (see Part VI 4.2.4.). Furthermore, this regular Travelnews columnist, contends "for nearly 6½ years I have advocated promotion philosophies for the travel retailer. Those who have followed my advice have found that most of their business is new and not taken from other agents". This quote aptly summarises the desired role of Beaver's articles, which are referred to later in Part VI Chapter 4. He concludes by citing exceptions to Burkart's view of the passive retailer - Grace, Lunn-Poly, Pickfords, Cooks, Naim, etc.

**Creative Functions**

The final contributor to this particular discussion, Lundberg (149) sees the agent as a professional. Entrepreneur, personal counsellor, psychologist, expert on art and science of travel, advisor are all terms used by Lundberg to describe the travel agent's functions. This would seem to support the view of the creative agent - at least as he should be. This is particularly interesting in the light of the distinction drawn by the principals about agents' actual and desired role (Part VII Chapter 2).

The thesis will be exploring this discussion further and will attempt to determine on the basis of field research already carried out, whether the reality lies at one extreme or the other or somewhere in the middle.
The Diminishing Role of the Agent

Whether active or passive, the travel agent's role is coming under attack due, in part, to the dissatisfaction of both principals and customers. George Young in his book (159) gives six reasons for this phenomenon:

1. Advance booking becoming less necessary.
2. Tour operators seeing travel agents as unnecessary overhead.
3. Travel agent is losing the confidence and custom of the public.
4. Public less dependent on advice and reassurance of the travel agent.
5. Other outlets started selling package tours.
6. Changing structure of industry squeezing out the travel agent.

Young's six points have been mentioned because it is felt that they bring to light many factors leading to the alleged decline in the role of the travel agents. The research carried out and discussed in Part VII incorporates these ideas.

The Changing Role of the Agent

Arthur Sandles, writing in 1973 (109), suggests that there will be many changes in the highly fragmented, family-run retail travel trade, which has hitherto been protected by A.B.T.A., which "has effectively blocked marketing techniques" (direct selling, price cutting, differential pricing etc.). The threat of competition from other types of retailers is the main focus of the article, which suggests that there are too many agents anyway.

The Idealised Role of the Agent by a Principal

Two advertisements telling the public about the role and functions of the agent both appeared in 1975. The first A.B.T.A./British Airways had produced and the second Pan American had produced "in the interests of better travel".
The first concentrated mainly on reliability of the A.B.T.A. agent, and the second on their role in holiday planning. A poster of the same period by A.B.T.A./British Airways explains the five services of the A.B.T.A. travel agent: to book your travel at no extra cost; to advise you about holidays and make your bookings at no extra cost; to advise on hotel reservations, hire of cars, etc. at no extra cost; to supply you with a selection of brochures, timetables, and any other relevant information you may require to make your trip a happy one - all at no extra cost FREE.

Thus it can be seen that the role of the travel agent is a complex and controversial one. Part VII shows how perceptions of the role vary greatly from agents and their principals. The reasons put forward in this section reveal much about the underlying attitudes that the field research explored. Is the travel agent intrinsically in an active role? Is he being conditioned to believe that he is passive? Do principals want agents to be actively marketing their products? These issues and others will be pursued later in the thesis.

2.3 Nature of the Travel Agent

It is not only the role of the agents but their characteristics which influence their marketing behaviour.

Level of Competence

Walsh, chairman of the Institute of Travel Agents, in 1974 is quoted in an article (161), lashing out at agents' incompetence. He echoes George Young's earlier point that agents are losing the public's confidence due to improperly trained and equipped offices. He concludes that the agent is operating in a service industry relying for its existence on the service it could give to the travelling public.

Apathy

Allan Beaver (162) hits out at the apathy prevalent in the
travel industry, due to certain attitudes. One such attitude is "the locked drawer syndrome", which may perhaps be loosely described as the nine-to-five mentality. This infers that the level of commitment to the business is limited, in the case of the travel agent.

**Agency/Principal Relationship**

The close commercial relationship with their principals is an important characteristic of the travel agent's business. As has been seen, the principal is concerned with a number of the marketing activities that affect the agent in addition to providing his remuneration. The successful satisfaction of the travel agent's customers depend greatly on principals' efficiency and products.

1972 saw a low point in agent/tour operator relations and the issues arising at that time reveal a great deal about the nature of the agent's business. The first article (163) mentions the threat of direct selling and the great dissatisfaction at the operators' poor servicing of the agent (short-notice holiday alterations, late delivery of tickets, poor accountancy). The article makes the good point that the "fundamental of trust" is necessary for good relations. Ansley, Managing Director of Shears Travel, in a letter to Travelnews in 1972 (164) indicates that "with direct selling it is not so much whether the tour operators will go in for this as whether the public will go in for direct buying". He adds that the public will not if the retailer gives the highest possible service. So Ansley has introduced the other important ingredient into the agent/operator relations - the public, which is an essential element of marketing.

Another aspect of this agency/operator relationship is the system of "appointed agents". This was highlighted in 1972 with the Cosmos sacking controversy, when agents protested that they should have the right, not the operators,
to decide what tours to sell. Following Cosmos' lopping of 1,400 unproductive agents, an article (165) analysed the 253 appeals received: 57 shifted blame to Cosmos (bad brochure supplies, no calls by representatives, no space on holidays requested, no display material, difficulty in making reservations). 43 claimed they were not "unproductive" (only narrowly missed target); 41 mentioned location (small, but developing town, too much competition, area economic problems, isolation). A 1975 article in Travelnews by Beaver (166) showed that Cosmos had debts with retail agents in 1974 of £12,404.76, which Beaver explains is a low level for a company of Cosmos' size.

This section has stressed that the nature of travel agents is greatly bound up with their relationship with the principals for whom they act. This is one of the reasons for including principals in the follow-up study undertaken by the research (Part VII Chapter2).

Problems of the Travel Agent

Some of the many problems that exist have been included in this section because of their importance to the travel retailer.

One of the major problems, and the subject of an A.B.T.A. commissioned report, (167), is the possible abolition of resale price maintenance and "Stabiliser". This abolition would mean that travel agents would find themselves in a price competitive market, with holiday packages retailing at different prices at different agents. In addition, the disappearance of Stabiliser would entail a greater potential competition to agents in the form of new entrants to the sector. This eventually would be seen as a problem or threat by some agents and an opportunity by others (c.f. Levitt).

This discussion paper reviews the history of these two elements and aims to discover whether they are in the public interest (U.K. and E.E.C.) and the implications
of abolishing them on the travel trade, (product, brochures, pricing, discounting, trade relations). The report's conclusions state that eventually both will have to be eliminated.

This conclusion is confirmed by Higgins in the Travelnews of November 20, 1975 (168), who also predicted a cut price era in travel retailing together with franchising by principals. Higgins also added an interesting insight into the effect of attitudes on agents' behaviour by referring to the effect of less passivity among agents on traditional attitudes. He said: "As energetic agents become more aggressive in their sales attitudes, we are seeing a gradual breaking down of some of the old traditions which were oriented towards providing solely a booking service and tended to classify any positive sales effort as unfair competition."

Levels of commission payable to retailers are a problem when the latter do not feel that they are sufficient. The 1968 EIU report recommended that commission should not be increased, and in mid-1975 the argument flared up again. Commission is the chief source of income for the travel agent and its level is one determinant of its profitability. Three letters to Travelnews sum up reasonably well the substance and the mood of the arguments. Gerry Fernback (169) refutes Tanner's claim that higher commission levels would encourage more agents into the industry. Tanner had said that current levels were below a commercially acceptable return and would put off the creative, professional agent from investing time and money. Bruce Tanner, the centre of the storm, (170) says that other factors are just as vital to the agent as commission - principals' reliability, value for money, good complaint handling by principals. Finally, Gordon Hepburn (171) points out that higher commission is necessary because overheads are rapidly outstripping earnings due to inflation.

It would seem that commission levels remain a controversial
issue possibly depending on whose point of view is considered and on the level of efficiency of the agency.

The threats of price discounting, direct selling, abolition of RPM and Stabiliser together with the need to cope with modern developments e.g. computers have meant that the agents have had to consider voluntary groupings as a partial solution to their problems. An article in Travelnews (172) shows what has been achieved by "commercial togetherness as the key to survival". The Active Travel Group, with 11 south Yorkshire agents with 26 outlets, cooperates in the following ways: joint selling/advertising; negotiations with principals; financial support.

2.5 Comparison with other Industries

The travel agent has been compared to other industries, in terms of the role, nature and problems of the business. Below are listed a number of industries that have been compared to the tourism and travel retailer and counteract the idea that the travel retailing sector is distinctive and unique.

The examples below come both from service industries and retailing.

The photographic goods industry: cited by Gerry Draper (173) when he suggested that if Stabiliser ended, mail order travel operations could succeed (the potential growth of mail order).

Doctors: mentioned by Knight, a marketing consultant (174), in connection with the travel agent having only a few minutes to make a sales diagnosis in the case of the undecided client (the role of diagnosis).

Garages: referred to in an article in RAMS News which discussed the 1976 "Which" report on the subject of consumer satisfaction. The point was that consumers' attitudes to travel agents are no different to garages, say, where they expect good service and accept no excuses, (175) (the need to satisfy consumers).
Retail Chemists: used by Allan Beaver as a good illustration of his point about raising educational standards and training professional travel people (176). Many of the chemists’ products need little active selling, yet dealing with prescriptions needs considerable expertise. Similarly, an agent has theatre ticket sales on the one extreme and at the other, arranging a world trip (the agent’s product mix).

Building Trade: was also referred to by Beaver (177) to show that the problem-solving approach leads to more sales. A travel agent should either solve, or help people solve their travel problems (the agent as problem solver).

This chapter has indicated the special role, nature and problems of the travel agent, whilst at the same time ending with the qualification that other industries may exhibit certain features in common with travel retail marketing.

CHAPTER 3 : THE SMALL AND/OR INDEPENDENT TOURISM AND TRAVEL RETAILER

As mentioned in the introduction, published material in this field is scarce. This chapter assembles several contributions on the subject of small independent travel agents, which help shed light on their characteristics, problems, attitudes and behaviour. Part VIII Chapter 2 develops the idea of the balance between the advantages or strengths of the small independent and their disadvantages and weaknesses.

3.1 General

Advantages

An article by Beaver (178) mentions several advantages of the small/independent over the larger multiple: intimate knowledge of local market conditions; flexibility; lower
"head-office type" overheads; much deeper personal involvement than the branch manager.

Extent

Yet another article by Beaver in 1977 (179) shows the extent of the small business, at least as defined by turnover, based on A.B.T.A.'s financial returns 10.75 - 9.76 for 1754 member companies. 1076 (61%) have a turnover of less than £300,000, and of these 804 (46%) have a turnover of less than £200,000. This indicates the significant percentage of small agents, and the field study of 32 agents examined a certain number of small agents (defined as up to £250,000 annual turnover).

Trading Patterns

A 1974 market research survey of travel agents (180), highlights some of the trading patterns of small/independent agents. Two specific trends are worth noting; the one relates to business mix and the other relates to marketing expenditures. Small/independents tend to handle lower value business usually of longer duration than the larger/chain agencies. This may be a reflection of the nature of the hinterland in which small/independents are situated. Alternatively, the small independents may not actively be seeking business house business which would tend to be of higher value and shorter duration.

The level of promotion expenditure found in the survey was similar to levels recorded in the researcher's own field research amongst agents (see Part VII Chapter 1). The 1974 survey found that 17% of independents and 14% of small agents spent nothing on promotion (this compares with 7% of large chains and 12% of large agents).

Labour Intensive

Beaver (181) criticises Roger Cox's review of travel agents (182), by saying that although Cox is right about the travel agency business being labour-intensive, he is wrong about the high percentage devoted to labour costs. Beaver simply points out that small retail shop owners pay themselves most of the business profits in the form of salary.
The Use of Space

Beaver further attacks Cox's assertion that travel agencies can be smaller than in other industries as they do not need space for stocking or much room for brochure display. Beaver points out the need for an administrative area as well as storage space for bulk supplies of brochures, and the need to physically house the sales staff.

Problems

Arthur Sandles analyses the problems of the small agent in an article (183) where he lists a number of reasons for their worries. The travel cake is not growing fast enough to compensate for cost increases. In addition, he says there needs to be a reduction in the number of agents, an increase in their services, more professionalism, an end to the war between agents and principals.

Role of the Small/Independent

Finally, Ernest Smith in a letter to Travelnews (184), focusses on the role of the small agent (defined here as up to 5 offices, share capital under £10,000, probably owner managed). The choice offered is between applying supermarket techniques to the running of a holiday shop, which would retail a reduced product range sold by low calibre staff giving fast service. Alternatively the travel retailer could develop his role as a travel agency giving a comprehensive travel service. This relates to the earlier discussion on the active versus passive controversy regarding travel agents' role. The Questionnaire used in the field research discussed in Part VII contains references to the topic.

3.2 Specific Aspects

Below are three topics that have been identified from the small amount published in the field. These three subjects refer to specific aspects of the running of the small independent travel agency, the first two relating to internal factors and the third relating to external factors.
Personnel: The first aspect is personnel management, which one article (185) states quite clearly has basic principles that apply equally well to whether a firm employs two or 2,000 people (IBM personnel officer). This confirms earlier discussion which reached the same conclusion relating to marketing principles.

In an article on training, Beaver (186) explains that for the smaller agency one of the training problems is the range of knowledge needed by the travel clerk. He makes the sound point that there is a need for agents to be persuaded to become sales-oriented in their philosophy, rather than just order takers, and when this happens then agents will be convinced of the advantages of sales training. This illustrates how both the philosophy of marketing orientation and the active approach to marketing permeate all aspects of the business.

Furthermore, Beaver explains in a letter (187) that the problem for small agencies is the almost intolerable burden of releasing staff, when there may only be two members of staff in the agency. Thus the key role of staff in an agency is highlighted by the small size which reduces flexibility to release employees as each team member appears indispensable.

Financial Planning: On the subject of financial planning, Dennis Walsh ITA Chairman (188) attacks as "sheer madness" the fact that many smaller agencies do not bother with budgetary control.

The researcher's own field work pointed out how few agents carried out budgetary control, and that even those agents that ran sophisticated marketing information systems did not always use the data effectively (see Part VII Chapter 5.2).

Voluntary Chains: Finally Maidment listed some advantages of a "Spar-type" voluntary chain of independent travel agencies (189), that could compensate for some of their problems. For an investment of £500, the individual agent could benefit from: centralised accountancy with possible computer time; cooperative advertising on local TV; highly
favourable interest rates from banks; better negotiating position with principals; I.A.T.A. business channelled through one central office. For this reason, a question was included in the 32 agent survey to discover what agents felt about voluntary groups.

Although very little is published on specific aspects relating to small/independent travel agents, the conclusion seems to be that marketing's applicability to this sector is feasible.

CHAPTER 4 : MARKETING AND THE TOURISM AND TRAVEL RETAILER

The chapter is sub-divided into two sections, both dealing with what has been published about marketing's application to the travel agent. The first section deals with what travel writers, practitioners, academics, consultants say about how marketing could and should be applied to travel retailers. The second section examines examples of how marketing is applied in practice. This distinction between saying and doing, talk and action, theory and practice has been made to facilitate the analysis rather than reflect the philosophy of the thesis, which is on the contrary, in favour of integrating the theory and practice of marketing where possible.

In addition, this chapter develops the principles identified in Part IV about marketing, as well as incorporating the general data on small business (Part V) and travel agents (Part VI Chapters 1, 2 & 3).

4.1 How Marketing Could and Should be Applied

4.1.1 General

The differences that exist between marketing's potential applications and actual applications in practice are exemplified in succeeding issues of Travel Media and Marketing which has been produced annually since 1976 by the Travel Agency magazine. The last article of the 1976 edition (190) is by Don McCulloch, Chairman of the Travel Industry Marketing
Group (TIMG), which is a branch of the Institute of Marketing, set up in 1969 to develop a collective travel industry approach to marketing problems. McCulloch, who himself works for Pan American, makes two general marketing points: (1) the travel industry being service-oriented has to be responsive to customer needs and continuously identify trends and developments; (2) marketing embraces the customer-oriented philosophy of business and the range of skills needed for profitable and efficient customer satisfaction. In support of the second point, he cites a definition closely resembling that of the Institute of Marketing: "Marketing is the management process response for identifying, anticipating and satisfying the customer requirements profitably".

This summarises the marketing approach that is applicable to the travel industry, by incorporating the ideas of customer orientation, systematic approach and profit direction, (Part IV Chapter 1).

This quotation is picked up by Hepburn, Marketing Director of Naim Travel, in the following 1977 issue (191). He feels that this quote highlights the "basic fundamental weakness in retail marketing .... a very apt definition but a set of criteria beyond the reach of the retail travel agent".

This comment of Hepburn's reveals information on some of the attitudes which are prevalent amongst travel agents and help explain the level of marketing orientation in the sector. Part VIII Chapter 2 formulates hypotheses based not only on the field research but also on published material such as this one.

Why does marketing entail activities that are beyond the reach of the agent? The answer emerges from Hepburn's own analysis of McCulloch's definition.

(1) "identifying customer requirements" (retailer rarely consulted by principal in programme planning, therefore customer needs are already identified and agent can only act as guide);
(2) "anticipating customer requirements" (impossible if agent not taken into principals' confidence prior to changes or specific campaigns);

(3) "satisfying the customer requirements" (the agent does do this despite the "intolerable jungle" of fares and so on).

The overall thrust of his argument is perhaps a veiled attack on the agents' principals who he suggests do not involve the agents in the formulation and modification of marketing plans. The reason offered by Hepburn is back to a question of trust by principals. Whether principals do trust agents and their reasons are researched and discussed in the follow up study in Part VII Chapter 2.

Despite the alleged unhelpful attitude of principals, Hepburn suggests that the travel agent manages to satisfy customer needs, thereby asserting his role in the industry, with or without marketing. This implied lack of need of marketing in practice is investigated in Part VII and VIII which includes a study of agency and principal attitudes and opinions.

**Business Philosophy**

Beaver has written two articles showing how the marketing approach may be applied to the travel agent. The first (192) explains how an agent can be his own business consultant by analysing all aspects of his operation e.g. office efficiency; employees; general marketing. Under general marketing, Beaver includes having all the licenses, creating own tours, analyse turnover by type of business, identify profitability compared to budget and national average, stock control of brochures. This highlights the impact of marketing at the level of the company which necessitates an overall review.

The second (193) suggests that the philosophy inherent in the Institute of Marketing's definition applies equally well to travel retailing management as to business in general.
This agrees with McCulloch's view and the researcher's own conclusions.

**Travel Marketing**

Abbott and Hook (194) state in an article that marketing travel, like any other commodity or service, has only two stages: discovering what the customer wants; making it easy for the customer to buy from the agent. The additional point is made that with most small retailers, stage 2 takes all the time. This means that the agent is preoccupied with short-term considerations e.g. staffing and managing the office. Planning, marketing research and market analysis activities are not perceived as a necessary prerequisite.

This indicates a need for education which is also stressed in the following article.

Draper (195), in the first of a series on "Marketing and the British Travel Business", points out that very few companies are reorientating to marketing or customer orientation. Their orientation comes from a natural business sense rather than from a planned approach.

Travel marketing is applicable to both small and large companies. This point is emphasised by Knowles (196) in *Travel Trade Gazette*. He states that small budgets should provide no impediment to the application of marketing principles - market research; planning/budgeting; sales; publicity.

**Retail Travel Marketing**

BOAC's Marketing Manager in 1968 (197), asks whether retail marketing will outlive the retail travel agent. He says the retail agent who will be successful (in 1978) will be aware of his five basic tasks (bring customer into contact with the product, adapt product to his needs, persuade customer to buy, deliver the goods, receive payment). In addition he will be highly skilled, will innovate, will be acutely aware of his customers, will engage in cooperative advertising with principals and will have a pleasant office.
This statement summarising the marketing functions of the retail agent stresses the necessity for these functions to be performed by someone. The message is that the travel agent, if he does not actively creatively market his services will be replaced as the supplier of those retail marketing functions.

**Travel Agency Marketing**

A book produced by Pan American and aimed at agents *Up with Profits* (198) contains a chapter on "Travel Agency Marketing", elements of which are discussed in section 6.4.1.5. Marketing is defined as being a philosophy and a collection of activities. Mathews, the chapter's author, also explains that the small businessman is capable of practising marketing through the use of everyday judgement and need not feel afraid of the complications surrounding marketing. He says marketing comprises three basic elements: research; product design; merchandising.

This is another example of the point of view that emphasises the equal applicability of marketing to small and large travel agents. However, the idea of fear, which is discussed in Part VIII Chapter 2, is mentioned as a factor to be overcome by the small agent in particular.

**Travel Retail Marketing: the Branch**

Allan Beaver's book *Retail Travel Practice* (199), much of it based on his Travelnews articles, contains many practical details of how marketing should be applied to the agent. There are informative chapters on opening an agency (including pros and cons of counter versus desk layout), staffing and managing the agency, promoting travel, sales and service. Chapter 7 reviews the agency's marketing effort and resembles Mathew's work discussed earlier. Appendix 10 contains a very detailed job description of a branch manager prepared by the ATTITB which lists all his marketing activities: new business development; customer service; repeat business retention;
office management; staff relations; other duties (counter duty, management information, pricing, record maintenance). This job description illustrates both the scope of marketing at the retail travel agent level and shows the potential importance of the branch manager.

Thus the applicability of marketing to the individual travel agent has been reviewed by beginning with travel marketing, narrowing the field to retail travel marketing and finally concentrating on travel agency marketing.

The Marketing Process

Having discussed the applicability of the business philosophy to agents earlier, the applicability of the process is now examined. All travel agents irrespective of size may apply marketing to their activities. This is reiterated by the next contribution.

The Retail Agents Marketing Service (RAMS), masterminded by British Airways and made available for a nominal charge to agents, includes the quarterly RAMS News, general notes on marketing, advertising blanks. In their introduction on "marketing and the travel agent", it is explained that large companies' marketing techniques may be useful to the agency, of whatever size, simply because of the common denominator of the customer. Four stages are mentioned as being necessary before "positive selling action" is possible: Market assessment; product assessment; objective setting; deciding on the Tools for the Job. Further reference will be made to RAMS notes and Special Papers in the following sections.

The RAMS publications show not only the extent of marketing applicability to the retail travel agent but also indicate the way in which the marketing terminology can be modified to ensure good communication between educators and agents. A good example is the phrase used above "Tools for the Job" which denotes the specific marketing activities that may be applied to specific tasks.
In addition to the 'correct choice' of "Tools for the Job," the following contributor emphasises the role of analysis, both of resources and results in the marketing process.

Peters in his book *International Tourism* (200) takes a general view of marketing and the travel trade and outlines five stages of the marketing process: policy formulation and objectives; marketing research; the marketing mix; resource analysis; results analysis.

**Characteristics of Travel Agency Marketing**

Finally, some of the distinctive features of marketing at the level of the travel agents are worth considering in order to identify any specific constraints. Krippendorf provides some information on this topic in his book *Marketing im Fremdenverkehr* (201). He mentions some interesting features about tourism marketing as a form of services marketing which complements what has been previously discussed in Part IV Section 4.2. In particular he points out that the customer cannot have a trial run of the product but has to rely on brochures and advice and the tangible result of a tourism service is often reduced to the bill and some souvenirs. This aspect of marketing and the product - will be analysed in VI 4.1.3 in "the travel product", which shows the complexity and role in marketing.

The elements of the agent's external environment which are uncontrollable, form an important aspect of his marketing. This was discussed earlier in Part VI as well as Part IV Chapter 1. Peters mentions other general marketing aspects which characterise travel marketing for the agent: high elasticity of demand (except for health or pilgrimage reasons); influence of macro-economic factors (politics, weather, etc.); seasonality; rigid supply (due to high capital involvement); competition from other forms of expenditure.

**4.1.2 Marketing Information Systems**

Whereas the previous section showed that marketing may be
applied in general to travel retailers, whatever their size, this section examines marketing research aspects as well as analysis of competition, customer complaints and profit planning. In other words, what the agent can do to establish a full and free flow of communication about the marketing process, as discussed in Part IV.

The Scope of Market Research

The travel agent can and should apply market research. Some of the main reasons for undertaking research are spelled out in the RAMS notes on "Market Research for the Travel Agent", which simply defines this as helping to know the customers and their needs, which is becoming increasingly difficult in a complex and competitive environment. Market research can help minimise losses and identify new business and should be used either to solve a problem or take a decision. The RAMS Notes further explain that market research does not prevent mistakes, it aids decision making. They put a very astute question to the sceptical travel agent. Flair, judgement, business acumen are also needed and as this is the agent's main asset - why should it be wasted judging the wrong facts? This type of reasoning has a role to play in overcoming the type of barriers mentioned in Part VIII which explains the level of marketing orientation amongst agents.

RAMS tells the agent, in simple matter-of-fact style, about the three main methods: sales analysis (avoiding use of "gut-feel" which leaves too great a margin of error); postal surveys; interviews (possible use of counter staff to ask clients a simple question and record on a form - quick and easy alternative to fieldwork). Market research should be used for the measurement of promotional effectiveness (coupon response, counter staff to ask clients how they heard of agency or why they use it) and the evaluation of new markets.

Many of these points were used by the researcher both in the proposals made in the course of the indepth case studies (Part VII Chapter 3) and in the managerial implications (Part VIII Chapter 3).

Cook in an article (202) mentions the fear of the unknown as
being a factor behind the low adoption of market research. This point will reappear in Part VIII.

**Competition Analysis**

Allan Beaver reminds his readers (205) that it is worth checking competitors' displays as well as whether they are handling other travel services such as travellers' cheques and foreign currency and travel insurance. He concludes that if the agency wants a large share of the market he has to differentiate himself from his competitors (unique selling proposition).

In another article Green (204) mentions a reference to the idea that retailers do not understand the meaning of competition. It is for the money in their pockets - a wide perception of the term. This was researched in the field research, where a narrow view was found to be held by many travel agents.

**Complaints Analysis**

On the subject of complaints, Beaver advises (205) agents to note complaints in a special book in order to rate tour operators, keep records in advance of claims being made, or simply to record the responsiveness of principals to late bookings, confirmations, bonus commissions and so on.

Besides providing useful marketing information, this latter suggestion together with Beaver's proposal of monitoring competitors' activities is not resource-demanding beyond the time needed to systematically collect this data. Again, this was researched in the field research where it was found that it was rarely carried out.

**Financial Planning**

Another aspect of this systems approach based on marketing information, is financial planning. Chapter five of the Pan American book (206), outlines how the agent can employ profit planning through correct accounting practices. As was
mentioned in Part IV, profit is an important element of marketing, and together with a systematic approach forms § of a consensus view of marketing. The chapter, written by Cook, focuses on management accountancy, with its constituents of cost analysis, profit and loss accounts, sales per employee. In addition, budgeting is referred to not only as an important financial tool but also a valuable marketing technique, because of its emphasis on marketing and sales planning. Cash flow, defined in agents' terms as the daily knowledge of the agent's cash position in relation to future budgetted expenditures, is also included as a valuable tool for financial management - as is long range planning.

Thus it can be seen that financial control with the appropriate data collection systems can provide the essential continuous information on the agent's profitability and performance against budget.

Beaver suggests that certain figures should be studied by the agent as indicative of his performance. In the article (207) he emphasises the need to trace the commission received as well as the number of transactions related to the turnover.

In another article (208) Beaver stresses the need for all travel agents, irrespective of size, to use budgetary control as a means for controlling the business.

The marketing information system is applicable to the retail travel agent and relies on a conscious, systematic and continuous collection and analysis of all marketing information. This approach underpins all marketing planning and decision making as well as control of performance. This is the reason for the previously stated conclusion (Part IV Chapter 1) that the existence of marketing research activity is a good indicator of the marketing orientation of the agent.

4.1.3 Product Policy

It is not only marketing information systems that are
applicable to the travel agent. It is also possible to apply product policy. The three main themes pursued here will be: the tourism/travel product; the concept of vocation; opportunities for the creative travel agent.

The Tourism/Travel Product

The tourism/travel product that is marketed by the travel agent is a complex combination of elements. As LeJeune explains (153), it is the totality of physical aspects (rooms, restaurants, transport) and services and intangibles (advice, organisation, information). Medlik and Middleton in a chapter called "The Tourist Product and its Marketing Implications" (209), neatly sum up the tourist product as being the amalgam of tangible and intangible elements centred on a specific activity and destination. They stress a point that Levitt makes (and the researcher), namely the tourist product must be seen from the consumer point of view, his actual and perceived attractions and experiences. In other words, what matters is what the consumer is buying - not what the agent is selling. This latter point is very much related to the marketing concept of 'vocation', discussed shortly below.

Firstly however, the most detailed view of the travel product comes from Mathews' chapter mentioned earlier (198). He lists 18 elements including: transport; sightseeing; car hire; advice, information and consultation; transfers; insurance; foreign currency facilities; passport; visa help.

This view is a little product centred, which makes Matthews' second approach more interesting from the market viewpoint. He also examines the meaning of "travel product" from a chronological view: planning; anticipation; getting there; doing it; getting back; remembrance. The very simple words should not obscure some ideas which are full of implications for the travel agent and the thesis. Some of the illustrative material discussed in Part VII Chapter 1 makes use of this approach.
Matthews himself points out that agents often concentrate on the middle three stages to the detriment of the others. In other words, the travel agent should equally emphasise the psychological product benefits of planning the holiday, anticipating the departure and the memories of the experience, These intangible aspects of the product need to be formulated in the context of the agent's product policy.

Matthews returns to the physical aspects of the travel product, by analysing those aspects which are tangible: destination, time factor, accommodation/transportation, services, price. Each combination of the above, he says, constitutes a different product and therefore product knowledge becomes very important.

Vocation

Vocation ("what business am I in?") involves analysing the business, and its products/services, from the consumer's point of view. An example of this approach already mentioned in Part V is the machine tool manufacturer who is not selling drills, he is selling holes. The first edition of Travelnews carried an article (201) following the Walsh Report on A.B.T.A., concerning "mixed business" for travel agents. The point was made that the travel agent is competing with televisions and cars for the disposable income, (perhaps in the leisure field). Besides broadening the concept of competition by seeing travel as responding to a type of need by consumers (see Lundberg (211)), Hepburn (191) says that holidays are not a luxury. Holidays, he says, are a necessity, if missed the experience has gone for ever and they compete with house repairs, televisions, cars and freezers.

This self analysis of the travel agent's role obliges a definition in terms of his customers, and his needs. This in turn affects his perceptions of competition.

The Creative (Active) Travel Agent

The potential scope of the travel product is exemplified by the sample list below. This has interesting implications
on the active/passive debate on the retailer's role, since often the actual products/services offered fall short of the potential range that could be marketed on behalf of principals by agents (see also Parts VII and VIII):—

- agents as tour operators (two articles by Beaver - the first (212) on the difficulty of defining tour operating, the second (213) on how the agent can make up his own inclusive-tour programme)
- visiting friends and relatives (VFR) - two articles in RAMS News (214) (215)
- business travel - (RAMS News Special Paper 8)
- conference business - (Travelnews special issue May 30, 1974)
- credit facilities - (RAMS News Winter 1975 - true cost of the never-never holiday)
- selling books, records and maps - Beaver in Travelnews October 12, 1972
- EEC opportunities (principally business) - RAMS News Autumn 1975

The biographical data of the 32 agents surveyed by the researcher (Part VII Chapter 1) includes reference to the agent's product mix, in terms of business house and tour operating (own manufacture).

Thus it can be seen that product policy whether in terms of the definition of the "product" (or service), or business vocation, or product range, may be applied to the travel agent. It is worth noting that the nature of an agent's competition is linked to product policy as is developed in Parts VII and VIII.

4.1.4 Sales Policy

This section deals with the sales policy of the agent as expressed through staff training, principles of personnel management and sales methods. The following references have been extracted from the large volume of published material on this topic. The reason why sales policy has possibly attracted considerable attention and interest, is perhaps
due to the importance of staff in a service and retail industry (see Part VII Chapter 1), such as travel retailing. The staff perform an important selling role as well as contributing potentially to the marketing research and promotion activities of the agent.

Staff Training

- Role of Qualifications

The theory versus practice debate resurfaces in connection with the next few contributions on training. Beaver suggests (216) that the reasons why qualifications are not valued by the trade sufficiently, centre around the fact that travel managers themselves are not qualified. The inference is that the practical bias for the manager forms a barrier to the adoption of staff training involving obtaining qualifications based on study. The pre-testing stage of the researcher's field work discovered a lack of awareness of marketing terminology among certain agents.

In a follow-up letter, Colin Palmer, Personnel Controller of Lunn-Poly in 1975, (217) suggests that detailed job descriptions help situate the value and role of formal qualifications.

- Attitudes to Training

In a 1973 interview in Travelnews (218) Lynch, director of the ATTITB, suggests that in a service industry, such as travel, people are crucially important to company survival. Furthermore he says "... travel is a 20th-century industry, it is bedevilled by 19th-century managers' attitudes to people". Lynch's successor Calder said in an article two years later (219), that there is a tendency to give training a low priority and then concentrate on the short-term problems (cost, staff release) rather than the long-term benefits. He concludes by stating that on-the-job and off-the-job training are complementary, the former applying the educational skills and principles of the latter, into practice.
These observations were confirmed by the field research (Part VII) which included reference to the low priority given to training, as well as the preoccupation with certain short term problems to the neglect of long term planning.

This need for a cohesive policy of on and off the job training is reinforced with the final words from a letter to Travelnews by Simmonds, a Cardiff lecturer in travel and tourism (220). He counters the argument that devalues education and training by the following metaphor: "He may as well say that the only way to teach a person to swim is to throw him in at the deep end. Well, he may certainly keep afloat long enough to be rescued, but it will probably put him off the water for life." He continues that the retail agent is the only section of the travel trade that does not place great emphasis on training, due, he hopes, to lack of money rather than apathy.

This lack of training activity by agents forms part of the discussion in Part VIII based on literature received and field research undertaken.

Personnel Management

Many general personnel management principles lie behind two RAMS special papers on staff training in a travel agency no. 3 and no. 7. Both these papers are comprehensive in their approach focussing on effective supervision, job satisfaction and motivation, sales training (are you buying or am I selling?), staff selection, greeting the customer, trapping the sale, keeping the customer sold on you. These topics form valuable advice on how the agent might adopt a marketing-oriented sales approach, through the management of his personnel with emphasis on training.

Rewarding Staff

Three articles by Beaver discuss the ways in which the agent can reward his staff and thereby encourage effective contributions to the agency's performance.
The first (221) pointed out the value of giving financial rewards to agency staff; the second (222) pointed out the need for setting standards on the quantity and quality of the work performed by staff; the third (223) indicated the value of rewarding staff knowledge by job titles, with their corresponding status.

The Role of Educationals

The trips offered to agency staff by principals are one method of increasing product awareness and expertise. However, in addition, the agent can use these educationals as a source of marketing activities.

A further article by Beaver (224) highlighted the importance of capitalising on educationals, which could have a promotional spin-off. In other words, the staff member would be publicised locally as prepared to talk, discuss and advise prospective travellers interested in the destination visited.

The last point is emphasised by Bailey, director of Ian Allen Travel, who says in a letter (225) that educationals for staff should be regarded as obligatory rather than just "jollies".

This application of educationals to the agent's marketing activities illustrates the extent of marketing's applicability to his business as well as again showing the importance of an enlightened management, prepared to fully exploit all opportunities.

Sales Methods

A further four articles by Beaver (selected from many) suggest advice on sales methods for agents. Using various examples, Beaver shows the value of the sales line chosen by the staff (226). In another article (227) he explains that travel bookings are often made in two parts - the initial enquiry into the possibilities, and the return visit to book. He repeats a point made earlier in this chapter concerning
competition, that agents compete in the market-place "for their share of the consumer's discretionary expenditure. One needs to implant in the customer's mind a desire for a holiday instead of a new refrigerator". In the next article (228) he outlines three main types of telephone sales methods: cold canvass (attracting completely new business); follow-up (customers or potential clients); converting (enquiries, options into firm bookings).

Little evidence was collected by the researcher concerning the active efforts made by agents to sell their services, whether by telephone or by creative selling with customers entering the outlet. For example, little recording of enquiries was found to be undertaken by agents.

Finally, Beaver introduces an ethical note (229), by asking where one draws the sales line, in attempting to secure the booking.

The sales policy of the travel agent, then, should embrace both general principles of personnel management and specific details of selling methods. The conclusion is that the potential application of these principles does not vary significantly between travel and other retailers.

4.1.5 Promotion Policy

The applicability of general aspects of promotion to travel agents are examined below as well as specific areas such as point-of-sale, direct mail, local advertising, public relations and advertising effectiveness.

General

Promotion is widely applicable to many aspects of the agent's business and this point is stressed below.

The Scope

A Travelnews article following the 1973 A.B.T.A. Convention (126) stated: "Everything a travel agent does, be it a window display, poster, staff uniform, advertising or circular,
will act as a clue to the public to how his business is run." Bullmore, of J. Walter Thompson, was reported as going on to say that people, often ignorant about the business or its products, will form opinions based on these "clues". Therefore agents should consider the impact on their reputation of all their promotion activities.

The Promotion Plan

The RAMS Special Paper no. 13 provides a general review. The introduction diplomatically (a style found in most of these Papers) points out that daily pressures of running an agency might not "allow much time for conceptual thought". However, the promotion plan, selecting the best promotion permutations available, is fundamental to effective business development. The Paper is then split into five sections: role in the marketing context; assess current position (agency image, business vocation); develop future strategy (coherent message based on product plusses); find the customer (target groups); the promotional mix.

These aspects were included for investigation in the field research.

Point of Sale

The point-of-sale has attracted a lot of attention whether it be advice on agency shop front design - especially window display - or interior design and merchandising. The point of sale represents an important element of the retail marketing applicable to the travel agent.

Shop Front Design

The RAMS Special Paper no. 2 represents a detailed breakdown of shopfront design, which is seen by customers as part of the agent's marketing attitude, adding value to the agent's services. The shopfront is an invitation to enter not a barrier, and should start the sales process in the street by encouraging self-selection of brochures inside the shop.
The complexity of the subject is typified by the factors making up the shopfront design: corporate identification (simple and consistent); the fascia (panel containing the trading name); projecting sign; fascia character; fascia lettering; window display design (coordination, variety and interest); moving displays; signing; type of window, door.

"Window - the silent sales aid", is the title of RAMS Special Paper no. 12, which aims to "reduce some of the fear and nervousness caused by lack of knowledge". The Paper discusses the importance of planning displays and promotions for "the silent salesman, but can go on working 24 hours a day", as well as mentioning the physical features of the window (lighting and walls), materials and equipment needed to help create the final display.

Thus it can be seen that there may be extensive applications of marketing to this aspect of agency. The high street location of many agents raises the potential promotion aid of the window and complete shopfront design.

The complexity of the window display necessitates continuous monitoring in order to facilitate the planning of changes which ensure maximum effect. Beaver adds in his book (230) that records should be kept of changes in window displays.

RAMS Special Paper no. 4 ends with the words "innovation and effort will make your shopfront work - from the general impression down to such details as the right size of letterbox". This reaffirms the intricacy of just one of the elements of the agent's promotion mix.

**Interior Agency Design**

It is not only the exterior of the point of sale that is complex, it is also the interior of the travel agency to which marketing is fully applicable. Attention to detail is continued in Paper no. 4 which looks at interior agency design consisting of: environment (heat, lighting, sound aimed at achieving the correct ambience of travel excitement
with a feeling of security); layout (counter versus desk relating to ergonomics of the business); colour; ceilings; floors; furniture; seating; corporate identification (ticket wallets and so on that give identity); dress (uniform, name badges on staff or desks); information signs (can encourage customers to do things - please help yourself to the brochures -; introduce staff, separate and describe business) electrics; movement displays.

The above list illustrates the scope of marketing as applied to one element of point of sale - the design of the interior. This was investigated in the field research in Part VII.

Beaver points out (231) that agents should allocate display and shelf space on the basis of profit and market share linked with the product. This information is normally not collected by the agent in practice.

Local Advertising

1. Press

On the use of local advertising, an article on the use of local newspapers (232) lists certain advantages: coverage; classlessness; selectivity; instant response; flexibility; presentation; economy.

2. Radio

RAMS Special Paper no. 9 lists the advantages of local radio for travel agents: reaches all sections of the public; reaches people in cars; fast and flexible; radio messages not lost in clutter; sales imagination; economical; personal medium.

3. Cinema

RAMS Special Paper no. 11 mentions that for the local travel agent cinema is an "ideal medium to use to increase the awareness of your shop and to generate increased numbers of people coming to you to find out more information on holidays and travel". Cinemas, or their foyers, can also be used to promote travel.
Direct Mail

In terms of potential application to the travel agent, the contribution, in terms of advantages, and the application, in terms of how to produce a mailing are outlined below.

On the subject of direct mail, the RAMS Special Paper no. 6 gives a good introduction to the topic. The main advantages are listed as follows: secrecy; flexibility; personal; complete control by agent; very fast to set up; size of agent is immaterial; response can be measured precisely. The four stages needed to produce a mailing are given as: mailing list; the offer; the presentation/printing; inserting/mailing. The RAMS notes add that a local map may help the agent to draw a "net" around his agency and writing to those in the target group living in certain streets.

Gordon Wharton adds, in a Travel Agency article (233), that direct mail keeps regular customers interested and involved and may even create a 'club' feeling. In addition, direct mail is likely to lead to an increase in word of mouth recommendation.

The field research examined the extent to which this promotion method was used by agents.

Public Relations

The justification for public relations being applicable to the travel agent is well outlined by the RAMS, Special Paper no. 5, which explains that every agent has a public relations "situation" since it deals daily with various publics (customers, staff, competition, suppliers, local government and so on). After self-examination, the agent should see how he can move from his present PR situation to the desired situation. Several methods are given; media relations; making news; windows; sponsorship; becoming the local expert; service to the community. In the
conclusion the sound point is made that survival depends on whether customers prefer one particular agency and therefore the agent's reputation is important.

The travel agent, by virtue of his location in a community, can and should influence the various 'publics' with which he deals.

**Promotion Effectiveness**

Finally, advice is given on the difficult, yet important, area of effectiveness of promotion. The R M S notes stress the importance of keeping accurate records which will help future promotion planning by assessing past performance. The regular weekly or monthly records should contain data on: date, type and cost of promotion; number of mailings, their cost and response and conversions. Records should also be kept on all new contacts. The notes end on the cautious note that results should take account of the cumulative effect on awareness as well as the immediate response of a specific campaign.

This aspect of marketing research, typifies how the marketing information system may and should be applied by the travel agent.

The final word rests with Beaver (234) who indicates the value of carrying out research into the value of advertising. He mentions noting the number of sales or replies to a local press advertisement or obtaining "recall" research data by asking 50 successive customers whether they remember the advertisement (prompted or unprompted). This emphasises an important aspect to this analysis of marketing's applicability to the travel agent: the feasibility in practice in terms of time, cost and effort.

The volume of data in this chapter shows what the agent could and should be doing to apply marketing. This is valuable in assessing the potential application of marketing to the travel agent. This will be used in Part VII and VIII to examine the
reasons behind the current level of marketing applications amongst travel agents. To arrive at this analysis it is necessary to identify

1. The marketing applicability to travel agents
   (what agents could and should apply)
2. The actual level of marketing applications
   (see Part VI 4.2 and VII).

4.2 How Marketing is Applied in Practice

Less has been published on what agents are actually doing than has been written on what they could or should be doing. What has been published is in the form of market research studies, individual experiences, case studies, consultancy investigations and so on. The aim of this chapter is to complement the previous chapter (VI 4.1.), by examining what happens in practice.

4.2.1 General

For one travel agent's view, there is Bob Baker's paper on "Marketing and the Retailer" presented at a 1972 seminar at Sussex University and referred to in Beaver's article (235). Baker, a director of a group of four Somerset agents, begins by defining marketing as "actively selling something to the public". He adds that it is easier to define what it is not, e.g. crepe paper window displays or dog-eared posters. Baker sees marketing for the travel agent as making the Public aware of a certain product and persuading them to buy it.

Baker's opening remarks reveal some of the attitudes that influence the way marketing is applied by the agent. A desire to actively employ marketing needs to be coupled with an awareness of the meaning of marketing (Part IV Chapter 1).

Baker then proceeds to explain his creative marketing approach, which he feels is necessary in a market which is both becoming more sophisticated and more competitive (other consumer products e.g. freezers, colour televisions, cars, etc.). The examples of competition show both the
broader view of competition from the consumer angle, and
the type of products seen as most competitive - (luxury)
consumer durables.

A number of marketing techniques are mentioned that have
proved successful. Firstly, staff and offices are used
as marketing tools, with the emphasis on good conditions
of employment and interior and exterior decoration. Staff
training is stressed (weekly internal training sessions)
and is aimed at making counter staff aware of their key
marketing role. This relates well to the previous section,
especially the RAMS notes.

The strategy of the smaller agent capitalising on other
companies' marketing ideas is exemplified by Baker's comments
on local advertising. He confides that his outfit copies
some of the best features of the top advertisements appearing
currently. Newspaper advertising serves two marketing
functions of instant impact and longer term image creation.
Owing to its high cost, Baker has evolved some effective
alternatives e.g. brochures in buses and telephone boxes,
the major being a newsletter which improves contact with
the casual passer-by and reinforces the sales effort.

This latter example shows the flexibility that is needed to
overcome the cost barrier and facilitate the application of
marketing to travel agents. Brochures are deliberately
placed behind the counter in order to: establish staff/
customer contact; to ensure that the potential customer
receives the correct brochure; ensures every caller receives
a newsletter. Baker's newsletter apparently has scored in
encouraging some of the 10% of enquirers who book elsewhere
to book with him. This again indicates the value of an
active, creative marketing approach which can produce cost-
effective methods in marketing.

In contrast to the cost-effect method used above, the second
most important marketing technique used is the film show,
which is promoted in the newsletter and may cost £100 for a
"V.I.P." film show to 200. This effort and expense does not have obvious short term effects but it is "well worthwhile in the longer term".

Following Majaro's discussion of market share (Part IV Chapter 1.3), Baker differentiates between positive marketing, which enlarges the cake e.g. party business, and negative marketing which only increases share of the existing market. One way Baker tries to be positive is to attempt to attract the 25% of principals' customers who book direct. Baker advocates spending £60 on self adhesive labels to be manually placed over principals' direct telephone numbers, in the hope of earning the corresponding extra commission which he estimates at £6,000 for one of his branches.

In conclusion, Baker says that the smaller agent will survive if he appreciates the need for good marketing and the necessity to reduce costs (given net profit of 2% on turnover). He does not advise economising on staff but he advocates improving administrative procedures to ensure each staff member accounts for £40,000 worth of annual sales (1972 prices). Other advice includes: selective selling of certain operators only; specialisation; active/creative approach to marketing opportunities.

Baker's paper provides a good example of not only how marketing is applied in a specific case, but also the underlying attitudes that shape one agent's behaviour. This example provides an illustration of how marketing's actual application in practice is constrained by the nature of the owner/manager responsible for running the agency. His background attitudes, opinions and values will influence the priorities he assigns and the criteria used to decide on the level and type of marketing expenditures used.

A marketing consultant's view of how marketing is applied in practice by agents, comes in a series of articles specially commissioned by Travelnews in 1973 (236). The series consists of eight articles by Marlowe and complements the
earlier example of an agent's view. Marlowe's approach contrasts with that of Baker above, in that much of the advice that follows is based on empirical research of a number of situations without direct indepth knowledge of any one case.

In the introduction to the first article, Marlowe explains that before examining a component, the total structure of the industry must be objectively reviewed. The industry is segmented, he says, and the marketing methods and policies used by travel principals have evolved empirically, by trial and error, over a number of years. Furthermore, the principals' decisions often cure the symptoms rather than the causes of industry's problems (note the link with the Kepner-Tregoe approach to problem-solving). This is mainly due to "a serious lack of marketing communications, data and information" which leads to no common or comparative performance measures or definitions.

This is confirmed by the researcher's own field research follow-up study with principals (Part VII Chapter 2).

The survey covered 22 U.K. southern counties, excluding London postal areas which were omitted as they were not felt to be typical. The reason given was the higher concentration of agencies in the London Postal area. This area represents 36.5% of U.K. population, 367 towns, 609 A.B.T.A. - type and 347 ABTA/IATA-type agents.

The main findings and conclusions of Marlowe's field research on travel agents that are relevant to the thesis are set out below.

**Hinterland**

Most retail agencies appear to serve only an immediate and local population usually bounded by the towns (5.4.73)

**Article 4 Character of a town the key to success 3.5.73**

Factors that have a "direct and definite influence" on agent's trading performance: local population density;
trading position relative to the peak pedestrian-
shopping–commuter flow density; well-developed shopping
centre.

Socio-economic structure of groupings of the local
population not significant on trading performance

Market Penetration Studies

**Article 6** Market penetration studies the way to gauge
sales potential 17.5.73

Market penetration studies show: degree of variation of
actual sales to the sales "norm" for the area, based on
national trends; show agents their market share; isolate
reasons for variance which permit methods to be devised
to improve market penetration

Low Marketing Orientation

**Not Customer Oriented** (31.5.73)

Agents often do not appear attractive, and their staff seem
unhelpful and unfriendly.

Low Awareness and Lack of Marketing Information System
(19.4.73)

Many of owners and management are unaware of their true
trading and financial status, through lack of proper, accurate
and regular accounts.

**Wide Variation in Profitability** (19.4.73)

Net pre-tax profit varied from 0.4% to 1.85% (average)
through to 2.4% of gross sales.

Wide disparity of economic performance due to: length of
time established and size reached in terms of staff and
turnover; position in town and sales growth rate and
number of staff.
Passive Agents

Low Promotion Budgets

Passing trade mostly relied on given very low promotion budgets (19.4.73)

Poor Public Relations

Agents should "take more positive public relations steps to correct some of the misconceptions held by the local population about their functions and service" (10.5.73).

Evidence included:

- 12% of local population interviewed had used a local travel agent at some time
- 17% could name a local travel agent - only 12% answered correctly
- an agent in a primary or near-primary location more likely to be correctly named
- often confusion between tour operator and travel agent identities
- "Thos. Cook" often incorrectly named as the local travel agent, showing the strong brand association with travel agents in general
- a large number interviewed thought they had to pay for agency services

N.B. 250 random street interviews, away from agency site, carried out in six large towns. The public-awareness study was not designed to be scientifically projected, but was designed to "produce certain qualitative and significant trends or differences for further investigation". (A very similar qualification to that made by the thesis-writer in his field survey - see Part III).

A series of interviews with companies and clubs concluded that agents needed to have more personal contact in order to help improve their image.
A Narrow Concept of the Travel Product (24.5.73)

A number of potentially viable sales areas as yet unexplored and unexploited by agents: incentive travel; freight business; car-hire; conferences and exhibitions; group travel; special-interest arrangements for clubs, etc.
(this confirms 4.1.3)

Sales, productivity and profits could be improved by a proper, comprehensive business-house service (ABTA/IATA Agents)

Diversification leads to faster growth; sales mix rather than sales volume in determining profitability

Few travel agents are aware of the potential of domestic travel which would give them the following advantages: greater exposure; more stable market economically; less sales resistance; less dependence on principals (31.5.73)

Conclusions Article 8 "Agents must change to suit the Market" (31.5.73)

"The apparent loss of status, diminishing function and relatively poor economic condition of retail agents is a direct result of their failure to recognise and adjust...."

These changes include: growth in "down-market" business in package tours

Article 8

The small agent (1-3 employees) not in primary locations of 75,000+ towns should take a more active and constructive role in business and social activities of the local community

Agents can easily adopt many of the more successful business methods of their professional and retailing contemporaries to improve their local image

Agents should not reject these methods by claiming to be "different" (31.5.73)
The conclusion of this last article reflects much of the underlying approach of this thesis that will be developed more fully later. This research-based series of articles concludes that the agent must become more marketing oriented. He must become the centre of his market, and know more about its needs and how to satisfy them. "To do this effectively and properly, he must learn new skills, employ different methods, get out from behind his counter and expand his activities into more profitable and interesting areas.".

This latter point is repeated by the Lufthansa European regional manager in a short article (237), almost verbatim. In addition, he is reported as saying that agents should market actively and aggressively and improve their locations.

Beaver reviews the findings of the 1974 MORI Survey on travel agents, in an article (238). The survey, purely commercial in nature, contains details of the marketing activities of travel agents, mainly in areas such as promotion, on which single independent agents are the smallest spenders. 3% of the 196 agents interviewed across the country spend less than £100 annually on promotion (8% £100-199; 7% £200-499). This was confirmed in general in the researcher's own field research.

Finally, the application of marketing strategy, in this case market segmentation, is shown by Beaver (239) who indicates for his suburban agencies most of his customers live within seven-eighths of a mile of the office. Draw the same circle for the competitors to discover where the overlaps exist, with the resultant effect on market shares. A segmentation based on specialisation in business house travel by developing sports travel is illustrated in a feature on Red Dragon Travel, Cardiff (240).
Conclusions:

This review of practical published examples of general marketing aspects of travel agents shows the low marketing orientation and passivity as indicated by agents' activities and impact on the market. This lack of enlightened creative marketing permeates all aspects of the marketing activities, including size of budgets and formulation of strategies. The following sections concentrate on specific aspects of marketing.

4.2.2 **Marketing Information Systems**

**Market Research**

On the subject of market research, Aucamp has written an article based on a sample of 10 larger agencies (3 offices or more), members of A.B.T.A., (241). He concludes:

- agents do not seem to have any employee systematically analysing their own statistics
- 9 of the 10 agents do no market research at all - not even analysis of internal data (the one agent who does market research, consisted of this desk research)
- reasons could be that: they are unaware of areas where they lack information, or else feel they do not need any more information
- due to cost, nearly all agents felt that market research could be of little help to them in the next 2-3 years.

Aucamp ends by saying that agents need to improve their planning by market research and it is feasible for them to use postal questionnaires or participate in cooperative research.

On the latter point, Beaver (242) includes an example of syndicated research costing from £1,000-£1,500 for each agent participating. The research provides the agent with general information (market size, by age, location, class, holiday habits) and additional information specific to the agent (local awareness of the agency, customer loyalty,
advertising recall).

What will then determine whether market research becomes more widely applied is whether the benefits or tangible effects will outweigh the costs of the research. This would overmine many of the objections implied in the obstacles above: lack of awareness of markets; no need; cost.

One approach that illustrates what is practically possible to quantify marketing costs comes below.

Quantification of Cost

Beaver (243) discusses different attempts that have been made to quantify the cost of booking, administrative and procedural work. He cites Ann Kahn's study which broke down the operation in the following way to arrive at a total time, in minutes for each enquiry: client discussion; secure the information; waiting on the telephone; waiting for client's decision; booking; follow-up. A "no-business weighting" was added to the total to arrive at the total time in minutes per booking (56 minutes for package tours, being the longest, 27 minutes for coach bookings being the shortest). This compares to EIU's 40 minutes for booking and transacting an IT booking, Chandler's TOSG figure of 90 minutes and Beaver's own calculation of 71 minutes. This illustrates what can be done to quantify the cost of agent's operations (minutes x wage rate = cost).

Finally, an economic study of 18 retail branches by the Travel Agents Study Council (TASC) (244), serves to illustrate the scope of financial analysis for the agent, and the relative importance of marketing expenses. The table shows that administration expenses (promotion, management and accounting, postage and telephones, periodical subscriptions) account for 35% of total expenses (1973), with staff accounting for 47% and 'establishment' for the remaining 18%. Staff still appears as the major single cost element.

In addition to the published material above, many agencies
use a series of forms to record the bookings and invoicing both due to their involvement with principals and the inland revenue. This is discussed in Part VII Chapter 1.

4.2.3 Sales Policy

Bobby Butlin (245) is satisfied with travel agents, who together, account for about $\frac{1}{3}$ of the Butlin bookings. The reason, explains the article, is simply that Butlin believes agents do not really sell the product. "Agents are not salesmen. They display the product and allow the customer to buy it if he wants it." They do not sell the product hard, unlike a few Glasgow agents who run promotions for Butlins and take local advertising.

This is another example of a view suggesting the passive nature of travel agents.

Beaver in an article in his regular series, (246), mentions an ATITTB study of what happened to a large number of potential customers calling at a multiple's travel office. The agent's selling activities in this situation are best summarised as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>first visit resulting in immediate sale</td>
<td>15</td>
</tr>
<tr>
<td>options taken out following 1st visit</td>
<td>3</td>
</tr>
<tr>
<td>no sale</td>
<td></td>
</tr>
<tr>
<td>agent-initiated next step</td>
<td>18</td>
</tr>
<tr>
<td>client-initiated next step</td>
<td>10</td>
</tr>
<tr>
<td>no action at all</td>
<td>53</td>
</tr>
<tr>
<td>rounding down element</td>
<td>99</td>
</tr>
</tbody>
</table>

Beaver concludes from these figures that agency passiveness is leaving the industry wide open to competition.

The table above shows that in 53% of cases no action is taken at all, by customer or agent, to try to convert enquiries into sales.
Partly in an effort to remedy this situation, the ATTIB launched a new series of courses in 1975 aimed specifically at improving branch management. The first priority was made in the marketing area. A Travelnews article (247) spells out the aims of the 2-part, three day long sales and marketing course. At the end of the course, says the ATTIB, participants will be able to:

- draw up and implement a plan of branch marketing activities to develop profitable business
- identify how their market fits in with company marketing policy, where local competitors overlap with them, which of their existing products are best suited to the local market and be able to take action to "exploit any opportunity"
- specify ways in which they can "make it easy" for customers to buy, using layout, display, literature and counter service
- exploit opportunities for free publicity in the local Press
- set up and run a promotion in conjunction with a principal
- win a new business-house account.

There was a heavy demand for the courses (248), which were designed on the basis of research by ATTIB on the travel trade. The research, among 45 agency branches, also revealed the need for a course in marketing which is outlined below.

1. Introduction to Agency Marketing (meaning of marketing, marketing planning)
2. Local Marketing Research
3. Retailing and Merchandising
4. Agency Sales Techniques
5. Sales Promotion
6. Organising Promotions
7. Press Relations

Although not fully comprehensive, this ATTIB course syllabus shows once again the potential applicability of marketing to
the travel agent. In addition, it is interesting to note how training can be used to meet a proven educational need for marketing by travel agents (Part V Chapter 3).

Thus the sales policy of the travel agent in practice extends to a creative, active selling policy which includes conversion of enquiries to sales, and the need for training.

4.2.4 Promotion Policy

The Special Report in Retail Business (51), points out what a typical four-branch agency's profit and loss account looks like (based on trade information). Advertising accounts for 3.04% of total expenditure, compared to 53.54% total staff expenses and 10.59% for rent, rates, heat, repairs and insurance. Most advertising is spent in the press. It is worth noting that the report also makes the qualitative point: "Many progressive agents see themselves not merely as order takers but as leisure package creators, giving customers the benefit of experience to suit all tastes."

Cost Effect Approach

The use of the cost effect approach in promotion evaluation not only highlights the value of current activities, in terms of performance against objectives, but also helps future planning.

A good example of an agent's advertising and sales promotion budget, with information on effectiveness comes in 1972 through Allan Beaver. The first article (250) gives details of his 1972 budget of £1,000 which gives the costs of his essentially three-pronged promotion - film show, Cosmos promotion, Clarksons promotion. The second article (251) gives the benefits of the campaign. Beaver believes in carefully monitoring results of marketing efforts to help future budgetting. The film show mailing shot produced a high response rate of 20%. All of the hundred checked on, at random presumably, had booked something. Clarksons' bookings fell during the period under review due to "major
factors probably outside my control". However, his evidence suggests that the Cosmos campaign was "directly responsible for an increase in bookings"; in particular the door-to-door brochure distribution, which in the case of the Spring promotion "must solely account for the big increase in bookings in June as compared with previous years". He ends with the statement that cost/benefit studies are essential for any company irrespective of size.

Continuous Promotion

As mentioned in Part VI 2.2, Beaver cites a consultant's investigations (158), that show that continuous promotion is often associated with a local retailer who has seized the lion's share of market (up to 50%).

Local Press

Another survey, by MORI and previously mentioned (240), shows that press advertisements are the most popular promotional activity, with 10% of the 196 agents interviewed not using any of the 21 activities listed.

The survey indicates that on average, 2-3 promotion techniques are used and the most common topics featured are: destinations; prices; inclusive tours; the details of the agent being added to these.

The researcher's own field work investigated the number of promotion methods used currently as well as in the past. The most popular method was also found to be local press advertising.

Commercial Radio

On the subject of commercial radio's effect on marketing performance, MacDonald's article (252), gives two examples of the response to local radio: "response to 28 30-second spots on Metro Radio (Newcastle) in May 1975 was 'staggering' for North Star Travel Morpeth. Harold Green of Cardiff bought 15 daytime spots on Swansea Sound to advertise luxury cruises on the QE2 from Southampton. Within two days of
transmission 50 cruises had been sold." The RAMS Special Paper no. 9, using the example of Alan Power Travel of Plymouth, believes that compared with the price, radio is more cost-effective than television and newspapers. As evidence, they cite the results of street interviews in three separate Plymouth locations, which showed 45% remembering the agency from the television, 9% from the radio and 16% from press advertisements.

**Sales Promotion**

On the subject of sales promotion, Beaver provides three examples the first successful and the other two being failures. The first (253) on holiday counsellor weeks with Beaver had a dramatic effect on sales, with 8, 13, 12 and 9 clients booked in the four week period compared to none prior to that period (note that there was local advertising, mail shot to existing clients and an appropriate window display). The other two examples show the fallibility, and difficulty, of effective promotion. The first failure (254) was a two-agency promotion tied in with a local sports shop involving 10,000 invitations. Hundreds came, there were no bookings and the cost was just £20. The other failure consisted of mobile holiday exhibition, (255) which together with the printing of 16,000 invitations and the cost of distribution of these (10,000 door-to-door and on cars, and 5,000 sent to mailing list) cost £700.00. About 400 people saw the films but Beaver was doubtful about the cost effectiveness of the exercise, given the small proportion of his clientele interested in the long-haul holidays featured in the promotion.

In an article by Wharton on window displays (256) he cites professional contractors' views about agents. One, from Watford, said that in 6,000 displays between 1962-3, he had not received one complaint from agents, which he thought was due to indifference. This Watford contractor added that a window display had only 3-4 seconds to do its job - only the time it takes to walk past. An article by Orbell (257),
mentions that the National Association of Shopfitters (NAS) says that 90% of retail shop modernisations lead to an increase of 15-30% in turnover. A minimum of £7,000 was mentioned to completely modernise an average-sized, old-fashioned shop (1976).

On direct mail, a Sunday Times article (258) cites the success of Harry Chandler’s operation which relies on mailing out brochures for 90% of his Travel Club’s business. He deals with 20,000 clients annually who spend £1.5 million (1971). Beaver also mentions the success he has had: in one article (259) he mentions a mail shot to 50 previous cruise customers who had not yet booked for the coming season – cost £1.50 + post and stationery; benefit: 3 definite bookings involving nine people; in another article (260) a door-to-door distribution with follow-up visits which yielded bookings of £300, gross profit £30, for just the cost of his time.

Public Relations

Finally, on the subject of Public Relations, below are some practical examples. The logo is an important element in establishing an agency’s identity with its publics. An article by Stanners, Creative Director of Leo Burnett (261), gives the example of a logo applied to a tour operator – the Thomson seagull, “symbol of holidays and freedom, of sea and sun and sand. A reassuring bird – you never see a crashed seagull. And best of all, a bird that is apparently British through and through. None of your foreign rubbish. All things the consumer responded to. We created a livery in red, white and blue. We wrote a company slogan ‘We take the care. You’re free to enjoy yourself.’“ This approach is used for example by Ron Plant to develop a house style with logo, which is repeated on fascias, stationery and other advertising material. Other travel agents’ examples are reviewed in Part VII Chapter 1.

In an article on the effective use of the media (262), Beaver is quoted as saying that he has achieved £1,500 worth
of free publicity in local press for zero cost in the year 1974/75. He had established a good rapport with the local press. Furthermore, Beaver sees his firm's promotional efforts as being "cohesive"—exhibitions, film shows, mail shots, poster advertising, leaflet drops and newspaper advertisements—all supported by public relations.

The final example on the effect of public relations comes in an article which examines the Norman Richardson Travel operation of Durham, with a £1½ million turnover in six branches (263). Only £2,000 is spent on advertising but this in terms of space "pales to insignificance" in terms of editorial exposure and media coverage in column inches. Good relations with the press, radio and television are key.

Thus the section has shown that a cost/effect relationship may be established under certain conditions. This approach will be developed towards the end of this thesis, in Part VIII. The practical examples discussed in this section indicate what can occur in practice in the field of marketing application to travel agents.

CHAPTER 5 : CONCLUSIONS

Part VI on tourism and travel retailing may be said to have arrived at a number of conclusions, which have direct implications for Part VIII.

Firstly, the historical perspective of Chapter 1 helped to establish the effect of certain external factors on the development of the travel agent as well as indicating the way in which the travel agent has evolved since 1945.

Chapter 2 arrived at an assessment of the role and nature of the travel agent by examining the main literature sources available. This included reviewing the main problems of the travel agent and comparing the travel agent with certain other industries that have been deemed to share certain common features. One of the key issues here, which figures
prominently in Part VIII Chapters 1 and 2, is the discussion on the active or passive nature of travel agent marketing.

In order to highlight any differences in travel agents' marketing behaviour due to size or branch size, Chapter 3 analysed both general and specific aspects of this question. Although the literature published is very limited, it may be concluded that although certain characteristics do exist, the applicability of marketing seems equally possible in the case of small and/or independent travel agent. Certainly, Parts VII and VIII seek to shed further light on this.

Finally, Chapter 4 concentrated on the dichotomy that exists between what should happen and what does happen. This distinction was brought into sharper focus by reviewing what the published material had to say about marketing's applicability to the travel agent. It would appear that ideally, nothing prevents marketing, as a business philosophy and as a set of activities, from being applied to travel agents. In fact, Part IV 4.2 looked at a series of examples of marketing applications in practice with a view to building up a composite picture of what can be achieved. The differences between the two parts of Chapter 4 are contrasted with the findings of Part VII and in the conclusions in Part VIII.

The published literature in the field has assisted in the formulation of the field research in Part VII as well as indicating the possible reasons behind differences in the applicability and application of marketing to travel agents.

As a result of the literature review culminating in this Part, a checklist of marketing applicability and marketing applications have been constructed. To these checklists have been added the results of the field research in Part VII. This then enables an assessment to be made of the level of marketing orientation of travel agents as well as areas of comparative strengths and weaknesses.
It may be concluded that marketing, as analysed in Part IV, may be applied to small as well as larger agents (Part V) as well as to retailers of services such as travel (Part IV and VI). What will be investigated will be the factors affecting the precise applications in practice.
PART VII : MARKETING AND THE TOURISM AND TRAVEL RETAILER

CHAPTER 1 : CONCLUSIONS OF THE 32 TRAVEL AGENCY INTERVIEWS

1.1 Global Characteristics of the 32 Agents
   1.1.1 Biographical data
   1.1.2 Performance data

1.2 Specific Examples of Marketing Applications by Agents
   1.2.1 Promotional material
   1.2.2 Vocation
   1.2.3 Marketing Information System
   1.2.4 Selling

1.3 Some Key Questions Analysed
   1.3.1 Marketing Questions
   1.3.2 General Questions

1.4 Observation
1.5 Conclusions

CHAPTER 2 : CONCLUSIONS OF THE FOLLOW-UP SURVEY

2.1 Feedback from the 32 Agents interviewed
2.2 Survey with Main Principals
   2.2.1 Principals' Own Answers to Selected Survey Questions
   2.2.2 Principals' Reactions to the 32 Agent Summary
   2.2.3 Principals' Answers to 14 additional Questions

2.3 Interviews with Travel Trade Personalities

CHAPTER 3 : IN-DEPTH CASE STUDIES OF TRAVEL AGENCIES

3.1 A London Suburban One Branch Agency
   3.1.1 Introduction
   3.1.2 Review of Marketing Costs
   3.1.3 Customer Case Analysis
   3.1.4 Performance Analysis
   3.1.5 Conclusions
   3.1.6 Proposals
   3.1.7 Reactions to the Proposals

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PART VII : MARKETING AND THE TOURISM AND TRAVEL RETAILER

CHAPTER 3 : IN-DEPTH CASE STUDIES OF TRAVEL AGENCIES (CONTD.)

3.1.8 Researcher's Own Conclusions

3.2 A Provincial Branch of a Multiple (Large Chain)
  3.2.1 Introduction
  3.2.2 The Problem
  3.2.3 The Analysis
  3.2.4 Constraints
  3.2.5 Conclusions
  3.2.6 Proposals Made by the Researcher
  3.2.7 Reactions to the Proposals
  3.2.8 Conclusions for the Thesis

CHAPTER 4 : OTHER RELEVANT FIELD WORK MATERIAL

4.1 Travel Industry Marketing Group Meetings
  4.1.1 Role of the Travel Agent
  4.1.2 Travel Agents Should be Active
  4.1.3 The Unsophisticated Travel Agent
  4.1.4 Travel Agent Motivation
  4.1.5 Role of External Variables
  4.1.6 Industry Trends

4.2 Conferences

4.3 Role of the Travel Agent Via an Airline's Study
  4.3.1 Introduction
  4.3.2 The Findings
  4.3.3 Reactions
  4.3.4 Conclusions for the Thesis

CHAPTER 5 : CONCLUSIONS
PART VII : MARKETING AND THE TOURISM AND TRAVEL RETAILER

Introduction

This Part concentrates on the researcher's field work into the applicability of marketing to the travel agent. The field work involved original research amongst not only travel agents themselves but other sections of the travel trade related to them. This Part contains the results of the questionnaire survey amongst thirty-two travel agents as well as the findings of the follow-up survey with principals and "travel trade personalities". In addition, the research includes two in-depth case studies of travel agents and other relevant field research findings.

The original material assembled here complements the published material included in Parts IV, V and VI as well as feeding into the thesis conclusions, hypotheses and managerial implications discussed in Part VIII. The complementary nature of this Part operates in two ways. Firstly, the desk research on the applicability of marketing to travel agents (Parts IV - VI) has provided the basis for the design of the field research - particularly the thirty-two agent survey. Secondly, the field research permitted certain hypotheses to be formulated in Part VIII. These hypotheses seek to explain the marketing behaviour of agents as shown partly by the primary data collected in this Part.

The contribution made by earlier Parts of the thesis will be discussed below. This will show the relationship between the secondary data and primary sources researched.

Part IV has provided several contributions to Part VII's field research mainly by providing the key marketing principles and concepts by which the understanding of travel agency marketing may better be understood. Part IV showed that it was possible to define marketing in terms of consumer orientation, systematic approach and financial orientation. This
definition, as well as a checklist of marketing, formulated in Part IV, facilitated the drawing up of the questionnaire in Part VII.

In addition, Part IV discussed the overall impact of marketing on the firm by examining marketing orientation. The reasons suggested in Part IV for the low level of marketing orientation in industry generally were included for research in this Part. For example, the importance of internal and external factors on marketing activities was explored during the primary research amongst travel agents. The published material included in Part IV also showed the need for a logical, systematic approach to decision-making which should include the evaluation of marketing activities. This evaluation was shown to comprise both setting objectives and establishing cost effect relationships in marketing.

Part IV has also fed its conclusions into Part VII in the shape of the nature of travel retailing as an example both of a service industry and a branch of retailing. The primary research sought to discover whether marketing was applicable to the travel agent as an example of a service industry retailer.

In a similar fashion, Part VII examines the applicability of marketing to travel agents, many of whom are small or independent. This was the subject of Part V on small business. It was originally felt that, as many agents may be defined as "small" or "independent", the smaller agents may exhibit different marketing behaviour from their larger competitors. A large proportion of Part V sought to establish what was meant by "small" and how marketing could be applied by smaller businesses such as travel agents. Part V introduced the notion that barriers may exist that prevent
marketing's application by agents. Certain managerial implications as well as strategies for overcoming these barriers were put forward and were included in the research undertaken in Part VII.

Furthermore, certain specific marketing applications by small organisations were discussed in Part V. This aimed to show not only how marketing could be applied to individual situations but also how the role of the manager was significant in affecting the adoption of marketing by the small business. One of the main questions posed by Part V that needed to be researched was whether size or independence differentiated agents' marketing behaviour.

The third and final element of secondary research, described in Part VI, concentrated specifically on marketing applied to the tourism and travel retailer and the field research in Part VII relied greatly on this review.

Part VI discussed the development and role of travel agents and showed that external factors seemed to be important in determining the extent of marketing's application to agents. In addition, the behaviour of travel agents was examined to establish whether they were actively creating new business opportunities or passively awaiting developments or threats in their environment. Corroborating the findings of Part V, Part VI suggested that where marketing activities were practised by agents, they did not seem to relate to the size and independence of the agents. However what became apparent was a discrepancy between those parts of the secondary research that prescribed what agents should be doing and those points which described what they were doing.

Parts IV, V and VI helped to determine those questions to be explored in the primary research in Part VII. Most of this secondary data was based on opinions and normative assertions about how marketing could be applied to travel agents. It pointed to certain tentative conclusions.
concerning marketing and travel agents.

In particular, two conclusions related to the small or independent travel agent, who despite certain characteristics displayed in Part V, could apply marketing as well as any other agent. The field research was therefore undertaken to discover whether these conclusions were reflected in the practical travel agent situation.

In addition, the primary research which forms Part VII, sought to discover other factors that might explain the travel agents' marketing behaviour. As the introduction to Chapter I will explain, the design of the thirty-two agent study was influenced by the insights on agency behaviour gained from the desk research. However, the primary research sought to reveal in more depth than previously had been attempted those factors influencing travel agents' marketing behaviour.

The main issues upon which Part VII seeks to shed further light all concern the applicability of marketing to travel agents. They were identified in Part I of this thesis as:

1. Whether there is evidence to suggest any difference in the level of application of marketing between small and large, or between independent and non-independent travel agents.

2. Whether travel agents are active or passive in their approach to marketing.

3. Whether the level of marketing orientation among travel agents is high or low.

4. Whether there are any other factors that affect the marketing behaviour and performance of travel agents.

To develop the fourth item above, the thirty-two agent survey included a study of certain factors that were hypothesised by the researcher to be significant in determining marketing's
applicability to travel agents. These factors emerged from the secondary research and were:

1. Travel agent location.
2. Performance of the travel agent.
3. Meaning of marketing.
4. Application of marketing perceived (by the agent).
5. Consistency of specialisation.

The five chapters of Part VII, particularly Chapter I relating to the thirty-two agent survey, naturally lead into the contents of Part VIII which are divided in three main parts:

1. Conclusions of the entire thesis research based on the literature review and the original field work undertaken.
2. Hypotheses formulated regarding marketing's applicability to travel agents in the light of the thesis findings.
3. Implications of these conclusions and hypotheses for the travel trade.

The primary research carried out during the course of the preparation of the thesis and discussed in detail in this Part, was indispensable in the preparation of Part VIII.

In fact, Part VII's importance to the thesis as a whole stems not only from its interlocking role with the Parts before and after it, but also the interconnected nature of the five chapters contained in Part VII itself. In order to derive maximum benefit from the field research - especially the thirty-two agent study - its stages were
usually arranged sequentially so as to incorporate the findings or insights of one stage into the next. This methodology was explained in more detail in Part III and relates especially to Part VII Chapters I and II.

Chapter I deals with the findings of the thirty-two agent interviews and is the result of a questionnaire containing over eighty questions. This questionnaire was personally administered by the researcher to randomly selected agents. The introduction to Chapter I discusses more fully the contribution that these findings made to the thesis. However, at this point it should be noted that the thirty-two agent survey yielded not only information on the eighty plus questions asked, but also a detailed picture of the agents was assembled with the addition of illustrative material and observation.

Chapter 2 begins with the reactions of the thirty-two agents themselves to a brief summary of the findings of the survey. This Chapter continues with the results of a number of personal interviews undertaken with other sections of the travel trade in order to obtain another perspective on the marketing behaviour of travel agents. Eleven in-depth structured interviews with the heads of the main principals of the travel agents revealed not only their own reactions to the survey but provided some new insights into travel agency marketing behaviour. Lastly, this Chapter ends with six in-depth interviews with "travel trade personalities" who had helped shape the travel industry. They were interviewed in order to record their informed opinions on the thirty-two agent survey and its implications for the travel trade.

Chapter 3 contains two case studies which cover travel agents and the application of marketing to their business. This proved especially valuable in permitting a more detailed examination of the cost and revenue records of two agents. This information, normally closely guarded and rarely available, enabled some of the cost effect ideas of Part IV to be applied
in practical contexts to ascertain the value of certain marketing activities. These two case studies also showed what information could be collected at the agency level, and the importance of information as a base for decision-making and evaluating marketing's cost effectiveness. Finally, Chapter 3 recorded the managerial reactions to the case study findings as well as the implications of these findings for the travel trade.

Chapter 4 completes this field research on marketing and travel agents by noting conclusions of relevant travel trade meetings. These meetings are of particular interest, even though the full records are often not published, as they illustrate the current attitudes and opinions of many sections of the travel trade. The meetings that were selected for inclusion in this thesis relate to the role and nature of travel agents, the importance of external factors and travel industry trends. In addition, other relevant field work material includes the results of a conference on small business with interesting implications for the travel agent and the conclusions of a study on the role of travel agents conducted for a major airline.

Finally Chapter 5 draws together the main findings of Part VII, particularly underlining those contributing to the thesis arguments. In addition, Chapter 5 points out certain implications for the travel trade of the results of the field research.

By the end of Part VII the reader will be able to ascertain, with the help of the appendices, the full extent and scope of the original field work undertaken by the researcher on the applicability of marketing to travel agents, in the practical context. The inclusion of considerable detail at certain points was justified on the basis of the contribution made to the understanding of the travel agents' or industry's approach to marketing. Two examples of this attention to detail come from the illustrative material shortly to be discussed in Chapter 1.2 and secondly the management's reaction to the in-depth case study analysis.
in Chapter 3.

It was the researcher's opinion that the full contribution of Part VII to the thesis could best be made as a result of a combination of composite findings (cf. appendices), selected questions and examples (cf. 7.1.2. and 7.1.3.), in-depth responses (7.3) and statistical analysis (7.1.5.). This blend of breadth and depth would give the reader both the quantitative results and qualitative information which are both so necessary in forming an understanding of the nature of travel agency marketing behaviour.

Having now explained the role and importance of Part VII in the thesis, there follows a summary of what this Part goes on to reveal about travel agents' marketing behaviour. The potential application of marketing to travel retailing is seen to fall far short of what the reader might expect from many of the suggested applications made earlier in the secondary research. The survey results express this level of marketing application both in terms of the variety and number of activities undertaken and the extent of commitment in terms of money, time and other resources. Besides a low number of marketing activities practised and low budgets allocated to such activities as promotion and training, the agents interviewed in the sample revealed an absence of marketing research activity, a spasmodic, irregular use of mailing lists and other record keeping. The picture which emerges is of a sample of agents each of whom does not fully apply marketing, either in spirit or in letter to their business.

This finding from the thirty-two agent survey is strongly linked to their passive approach to marketing management in its broadest sense. Research, as mentioned above, is often lacking and the analysis of the market and the company itself is usually not spelt out in consumer oriented terms. The thirty-two agent survey will demonstrate several indications of this absence of marketing analysis e.g. view
of competition, customer segmentation, hinterland study, profit analysis. Another important element in marketing programmes applied to agents which seems noticeably absent is any consistent, longer term marketing planning and strategy by the travel agent. As stated earlier, an information system, though necessary, was often missing and this meant that the conception, implementation and control of these plans could not be effected. Usually, however, the research revealed severe doubts as to whether the marketing will was there. The underlying attitudes, pre-conceptions and opinions so important in establishing the marketing philosophy firmly in the manager's mind were lacking.

Answers received on the performance growth and business mix of the thirty-two agents where these could be estimated with reasonable accuracy, tended to show a development over the previous five years of a conservative nature. If the effects of inflation are extracted (see cross-classification study 7.1.5,) the growth record of agents is not impressive and the attempt at creating a wider portfolio of business in terms of business house travel or own tour operating is not pronounced.

The additional research included in the thirty-two agent study showed that their reasons for not applying marketing stemmed largely from ignorance, complacency or misconceptions concerning marketing. Further insights on this agent passivity pointed to the role of the travel agent in the industry. It is appropriate here to recall both the comments made by Davidson in his book (8) on the merits of offensive markets and the debate between Burkart (154-6) and Baker (157) on the active role of the agents. It seems clear that confusion and lack of appreciation of the agent's role in the industry influence his application of marketing to his business. This lack of precise role definition, stems, as the survey will show, not only from the agent's own perception of his role, but also his perception of how his
principals see the agent. Part VII Chapter 2 follows up these findings and adds the further dimensions of the principals' own views in this comparative look at the agents' role in the industry. On the one hand it will be shown that agents see themselves as active (in accordance with the normative pronouncements in the literature review). On the other hand, their principals agree that, whilst an active role would be desirable, agents are either unwilling or unable to respond to this business challenge (see also VII Chapter 2).

Contrasting with this view of a passive, non marketing oriented agent is the finding that collectively the thirty-two agents exhibit a very wide range of marketing applications. If the list of twenty 'marketing oriented questions' used to rank agents is taken as an indication (VII 1.5.) at least one agent responded in a marketing oriented manner to each question or indicator. It would appear therefore that the sample, taken together, can demonstrate that the applicability of marketing can be found in practice.

However, a number of questions are raised as a result of this finding, particularly in the light of the fact that a considerable weight of published material in the shape of studies, reports, books, journals and articles show the feasibility and importance of applying marketing to travel agents. Firstly, why is it possible to apply marketing in some instances and not others? What conditions seem to favour marketing's application by agents? The cross classification study in 7.1.5. tests for associations between certain factors. The follow-up study (7.2.) and the in-depth case studies (7.3.) examine other possible reasons.

Secondly, if some agents are more active than others, or some agents practise some marketing, why do not more agents
follow their example? Is there anything which prevents the wider application of marketing by agents? Each Chapter in this Part seeks to discover whether constraints of time, money, personnel or other resources are the basic reasons. In examining the possible reasons for this low level of marketing the attitudes and opinions of the agents and their principals have been researched to show which barriers actively inhibit agents' marketing activities.

Finally, what implications do the field research findings have for the agents? How do these research results affect principal/agent relationships? This Part will indicate how agents perceive the nature of their business and their role in the travel industry. Their appreciation and awareness of marketing's applicability to their organisation will be shown to influence the activities they undertake.

Part VIII Chapter 3 spells out in greater detail the steps the travel agent can take to become both more marketing oriented and more active and creative in his trading behaviour. These implications, discussed in Part VIII, develop the ideas and suggestions arising from this field work in Part VII as well as from secondary research findings earlier in the thesis.
CHAPTER 1 : CONCLUSIONS OF THE THIRTY-TWO TRAVEL AGENCY INTERVIEWS

From the general introduction above it was explained that Part VII's main contribution to the thesis lay in the original field research material collected on marketing's applicability to the travel agent. Within this field research one of the main parts comprises the thirty-two travel agency interviews. As Part III indicated, the aims of the field research included the testing of certain ideas relating to travel agents' marketing behaviour, the generating of new insights and the indication of implications of the findings. The thirty-two agent survey was able to contribute greatly to these aims.

The thirty-two agent survey sought to discover what tools the travel agents were applying from the marketing area to solve their problems and meet their agency objectives. Furthermore, by the careful selection of questions, insights were gained on the attitudes and opinions of individual agents. The questions chosen for the questionnaire were selected from a much longer list which had been drawn up on the basis of the literature survey in Parts IV, V and VI. The eighty-one questions finally selected for the personally conducted structured interviews represented what was thought to be the most that could be administered given interviewing constraints e.g. time, confidentiality.

In addition, the co-operation gained from respondents enabled the researcher to include illustrative material about the agents' marketing activities. This material, which almost all agents provided, has been evaluated and a selection appears in section 7.1.2.

As discussed in Part III, the questionnaire itself was designed to discover the applicability of marketing to travel agents. The questionnaire in Appendix I begins with a section on classification data yielding eight different biographical details of the individual travel agents. This
information, which forms the basis of the next section below on the profile of the travel agents interviewed, also assisted in the cross classification study in 7,1.5.

The next part of the questionnaire covers the general business aspects of the travel agent. The questions were selected to discover what environmental pressures the travel agent was facing, is facing, and is likely to face in the near future. In addition, certain internal factors were included in a list of common problems facing the travel agent. One of these internal factors was "knowing what my customer wants" and would indicate whether the agent considered this a problem or not. To further ascertain the relative importance of marketing in the running of the travel agency, one question was inserted on which factor most affected the success of the business, and another on the criteria used for judging success.

To cope with the reticence normally shown by agents to questions concerning their performance, four questions were devised which covered the development of their business in terms of employees, turnover, profit and business mix. The questions were put in index form, after pre-testing of the questionnaire indicated that this would be the best way of obtaining any data on this subject.

The next section of the questionnaire includes questions on general marketing aspects to discover whether the travel agency manager believed that marketing applied to his business and the reasons for his view. The answers to these questions reveal much about the manager's commitment to marketing, which together with the following questions on his understanding of marketing, reveal a lot about his marketing orientation. This part of the questionnaire not only sought to uncover the manager's opinions concerning marketing but also what activities the managers were undertaking in the marketing field.
Furthermore, questions were included that referred to the agent's marketing information system - his record keeping, including mailing list. This was felt by the researcher to merit inclusion in the questionnaire owing to the fundamental importance of information in marketing management e.g. marketing control, mailing lists for promotion.

The next section of the questionnaire examined specific aspects of marketing that the travel agent could reasonably be expected to engage in - promotion, product planning, selling, marketing research. The questions seek to determine the behaviour pattern of the agents over time as well as at present, with an indication of their financial commitment to marketing together with the reasons for their behaviour.

The final section of the questionnaire examined the role of the travel agent in the industry to see whether the agent sees himself as an active or passive marketer. In addition, his perception of the principals' views are contrasted with his own. This gives an indication of the extent of passivity in the travel agent's role in the industry. There were also questions relating to how the agent sees himself in relation to his size and independence as well as the inherent advantages and disadvantages. The final questions related to how the agent views R.P.M., voluntary groups, his competition, classification of clients and location of his customers. This final section shows therefore how the agent relates to aspects of his environment and to his customers, as well as his attitudes to his industrial role.

Owing to the almost total co-operation received from the agents interviewed, it may be seen that a great deal of information was collected from the eighty plus questions asked. The answers are fully tabulated in the appropriate appendices, and certain key questions are analysed in
Apart from the questionnaire survey itself, illustrative material from co-operative agents enabled the researcher to highlight certain aspects of marketing that agents were practising. This information is discussed in 7.1.2. in some detail as it shows not only what can be done in practice but also that a variety of different types of agents (i.e. by size, independence) are capable of producing worthwhile marketing material.

Much of this illustrative material is in the form of publicity material (see appendix 6) and the contents of these publications are discussed fully in 7.1.2. In the opinion of the researcher it is necessary to show the reader exactly what is produced, as far as it exemplifies many of the normative pronouncements made in Parts IV, V and VI. Furthermore, by exposing these examples to scrutiny it is possible for the reader to realise both the extent of the applicability of marketing to travel agents and how individual agents see their business, its products and services, its markets and its opportunities.

Similarly, 7.1.4., which examines the information collected from the thirty-two agents by means of observation by the researcher, shows further aspects of their marketing behaviour. Being a retailer of travel services, the travel agent is inevitably located at a particular site. It is this location, including his point of sale, that is observable and merits inclusion in this research study.

All the data collected in the course of the thirty-two agent survey is brought together in the form of conclusions in 7.1.5.. These conclusions shed light on the main thesis arguments in the following ways. Firstly, the thirty-two agent interviews show the applicability of marketing to the travel agent. Travel agents when taken as a group practise a variety of marketing applications. Secondly, it is possible to establish whether any patterns emerge...
concerning the marketing behaviour of any sub groups within the sample. This has enabled the testing of the hypotheses mentioned in the general introduction to this Part. The thirty-two agent interviews and related information of this Chapter have indicated some reasons for the behaviour and performance of the travel agents. In fact, the breadth and depth of data derived from the thirty-two agent survey has played an important role in the elaboration of the overall thesis conclusions in Part VIII and the ensuing hypotheses and implications.

The implications of the travel agent study should be of interest not only to the travel agents themselves but also to their trading partners and other organisations in the travel trade. These include the agent's principals e.g. airlines, tour operators, hoteliers, etc. Furthermore, trade associations, government departments, and of course consumers may derive useful insights from this research.

This Chapter shows not only the composite marketing picture of thirty-two agents but also the detailed individual examples of marketing activities and attitudes. These should provide both lessons of what can be done and indications of what can be avoided.

Part VIII Chapter 3 underlines the managerial implications of the thesis findings by stressing the need to assure a profitable survival for travel agents and their trading partners. Marketing, with its emphasis on systematically satisfying customers profitably, encourages the organisation to become more sensitive to its actual and potential markets. This helps the travel industry as a whole and the travel agent in particular to have better survival chances in a competitive environment often prone to uncontrollable factors as Part VI Chapter I illustrated.

The detailed exposition of the findings of the thirty-two agent study now follows below.
1.1 GLOBAL CHARACTERISTICS OF THE 32 AGENTS

1.1.1 Biographical data (reference to Appendix 3)

Ten features describing travel agents have been tabled in the appendix (3), and those served as a basis for the cross-classification analysis discussed in 7.1.5. The opening section of the questionnaire assembled a number of classification data on the thirty-two agents interviewed.

The ten biographical features concerning the 32 agents are:

1. Date of founding
   20 in existence by 1970
2. ABTA/IATA membership
   30 ABTA and 12 IATA/ABTA members
3. Number of employees (inc. Manager)
   12 have only 2 employees
4. Turnover category
   14 in smallest category
5. Number of branches
   8 are independent (one branch)
6. Private or Limited Company
   22 are limited companies
7. Interviewee (Branch Manager etc)
   22 were Branch Managers
8. Settlement size
   17 in settlements up to 50,000
9. Number of agents in settlements
   17 were in settlements containing up to 4 agents
10. Location (primary etc)
    17 in primary locations

The largest classification under each feature indicates the profile of the travel agents interviewed. The 32 agent survey contained a mix of different types of travel agents and provided the basis for the information analysed later.

1.1.2 Performance data (reference to Appendix 5)

Nine aspects of the marketing activities of the sample have been tabled in the appendix as well as certain indications of their performance. This information was drawn upon in the cross-classification analysis that follows in 7.1.5.

Although agents were sensitive about providing confidential information about their performance, the researcher, with one exception was able to collect information, often in indexed or percentage form from all the sample.

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### Business Mix

1. **% Tour operating**  
   - 12 engage in none,  
   - 11 up to 5% of turnover  

2. **% Business house**  
   - 6 engage in none,  
   - 8 up to 5% of turnover  

---

### Growth (1970/1 - 1976/7)

3. **Employees**  
   - 10 increased, 13 constant  

4. **Turnover**  
   - 25 increased  

5. **Profit**  
   - 20 increased  

6. **Change in turnover composition**  
   - 7 constant, 8 changed  

7. **Hinterland**  
   - 75% of customers within 15 miles  

8. **Promotion budget**  
   - 15 spend less than £500 p.a.  

9. **Training budget**  
   - 17 spend less than £200 p.a.  

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The largest classification under each aspect indicates the profile of the travel agents interviewed. The 32 agent survey contained a mix of different performance of travel agents, and this information, net of inflation, is analysed later.

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### 1.2 SPECIFIC EXAMPLES OF MARKETING APPLICATIONS BY AGENTS

In the course of the conducting of the 32 agency interviews, a certain quantity of illustrative material was received from the agents. This was often in the form of publicity material and copies of agency recording systems. The main points arising from the information are summarised below and complement the earlier sections on global characteristics by penetrating behind the figures and adding to the picture gained of marketing activities of these agents in 7.1.1.

Four marketing techniques are selected which give some indication of how individual agents apply marketing. In each instance full illustrative material was provided by the travel agents, who, with one exception, asked to preserve their anonymity. They are included in the thesis in some detail, because of the effort in time, thought and cost expended by some agents to produce this material. These examples testify what can be done by certain agents and indicate how they view marketing's application and importance to their business.
1.2.1 Promotional material (point of sale)

This has been included for a number of reasons. Firstly the importance attached to promotion by agents in their answers to the questionnaire as well as published material from Part VI, Chapter 4. Secondly, the widespread co-operation received by the researcher in terms of illustrative material from nearly every agent. Finally the analysis of the promotional material received contributes to the development of certain conclusions about agents in Part VIII Chapter 1 which compares the potential range of applications (Parts IV - VI) with both a composite list of applications based on practical observation (Part VI, Chapter 4.2 and Part VII) of agents and the individual level of application.

Here the composite and individual point of sale material used by agents is examined.

A composite view (guided by range of potential methods discussed in Parts VI, Chapter 4.1 or 4.2).

Eleven agents in the sample employ some form of logo in their promotional material. In general this logo features a globe and/or a plane, boat, coach and train, which, apart from any creative considerations, indicates some link with travel. In general the agent's name is distinctively presented on the publicity material which usually is one colour, sometimes in two colours. In a few instances there is a certain lack of consistency in the house style, theme and content. This is due to confusion about how to incorporate changes in branch numbers and also to changes in stationery which are not phased in a planned manner, leading to a variability amongst different promotion items.

The composite list:

Stationery

1. Letter heading
2. Envelopes
3. Compliments slip
4. Visiting card
5. Itinerary
6. Circular sales letter
The variety of methods used indicate that agents are prepared to devote some resources both financial to produce them and manpower in order to develop appropriate material. In addition, the choices of point of sale promotional devices vary in their level of imagination particularly when compared to the way the "tourism product" could be segmented. Part VI, 4.1.3 showed the complexity of the "tourism product" extending beyond luggage label and plastic bags to the psychological approach attempted by Grace. (See below and appendix)

Specific Examples
A member of a large chain (Grace/Hogg Robinson; who have given permission to be named).

(i) Ticket wallet : This form of sales promotion is used by most agents who use this opportunity to stamp their agency name and logo on the wallet, sent out to their customers.

The agent uses this wallet in the usual house-style, to sell by orienting the company's services to the customer using phrases like:-
- "something you have been looking forward to receiving...."
- "now that your holiday and travel has been confirmed ..."
- "would like to explain a few important points ..."
- "... all part of the service from ..."

This example shows how a travel agent can segment his "product" by time – booking, confirmation, travelling etc. (See Part VI 4.1.3). In addition, the above indicates how the different needs of the consumer may be satisfied i.e. not just the need for travel, but the psychological need of expectation, for example.
The creative, active marketing approach is partly shown by the six important points explained by Grace Travel. Two of these attempts involve selling customers complementary services - insurance and other facilities (car hire, hotel accommodation). Indeed insurance is sold to the customer on the basis of "in your own interest".

(iii) Itinerary: This form, which is produced by several agents, also gives Grace the opportunity to repeat their selling attempts: "may we remind you to let us have your instructions for; travel insurance, car hire, currency/travellers cheques."

(iii) Postcard: Grace also provides customers with a post-card to send back to their friends whilst on holiday. This simple idea seeks to meet a number of objectives. It acts as a sales promotion gift to the customer providing a useful additional element to his "tourism product". It further projects the name of the company among existing and potential customers. It provides an opportunity for the statement of the company's vocation (see Part V).

"Grace Travel Ltd is a large Travel Agency Group providing personal and efficient service together with superb value in overseas holidays and all aspects of business, conference and group travel." It is worth noting that this statement is not as demand-oriented a statement of vocation as the promotion material which is produced by the company. What needed to be explained was what services are provided for the customer and why this "superb value" exists.

Finally the customer is sent "best wishes from all at Grace Travel". This personalised message aims at sending the customer away on holiday with some psychological boosting.

(iv) Hogg Robinson Newspaper: When Hogg Robinson took over Grace Travel on 1st January, 1978, they began to produce a newspaper aimed at their target group, in order to expand their business. The extract from their first edition serves to illustrate not only their manner of selling
services, but also how they explained to their customers the changeover in company name. They assured customers that the only change "is the name over the door". "Inside you'll find the same friendly team, the same expertise, the same holiday and travel bargains." This newspaper excerpt continues to expand their idea of their business vocation by explaining to readers "the main aim is to give a truly professional and personal service on your doorstep."

The newspaper even includes selling lines such as "make doubly sure! Book your holiday with Hogg Robinson Travel Ltd." It is worth noting that this form of sales promotion is used both by multiple groups who produce their own newspaper and individual agents who buy into a standard newspaper, by overprinting their agency name on the publication's front page.

All the above refers to the front page which also includes a promotional appeal for the public to use the company's "local Travel team, well equipped to help you solve all your holiday problems". "Their success relies on your booking next year's holiday with them because of the way they help you this year". Again, an attempt to help attain greater customer loyalty and repeat purchase.

(v) Invitation : Hogg Robinson also employ the technique of launching specific invitations to presentational evenings. It is interesting to note that the near side of the invitation contains certain questions relating to the compilation of an accurate and useful mailing list. Chapter 3 in this part contains a concrete example of the immediate effect a mail shot coupled with a promotional evening can have on bookings.

(vi) Compliments slips, brochure sticker, voucher wallet : These three sales promotion vehicles show how a constant policy of using company logos and house style helps to reinforce the company image with its public.
(vii) Ticket wallet: The appendix contains a different form of the ticket wallet mentioned earlier. In addition, there is a polite but firm official reminder to settle the holiday and travel account.

(viii) Bon voyage slip: The attention paid by this company to many details of the "travel product" is further exemplified by the idea of wishing the traveller "bon voyage" (safe journey).

Further advice is offered in order to avoid confusion at their destination, as well as suggesting that in the case of any doubts, the customer is told not to hesitate to contact the agency and ask for advice.

(ix) Luggage label etc.: A further sales promotion device, shared with all other branches, consists of a luggage label which not only fulfills a useful functional purpose for the luggage-laden traveller but also enables the company fascia to appear. The opportunity is not missed to mention "our experience is your guarantee."

Another interesting device consists of a "welcome home" note which continues the idea of segmenting the "travel product" chronologically (see Part VI, Chapter 4). A formal attempt is made to retain past customers by stating "We hope that you've enjoyed your holiday and look forward to being able to help with your travel arrangements next time". This is particularly significant in the light of the low proportion of regular customers travel agents tend to have (see VI and VII Chapter 3.1).

(x) Competition: Once again, this sales promotion method achieves more than one purpose. The idea of organising a competition to stimulate sales is not new in other fields, but in travel retailing it is relatively rare. The competition enables the company to achieve valuable market research information as well as promoting sales.
The two questions comprising the competition are as follows:-

(i) "It is best to use a travel agent because"

(ii) "I book with Hogg Robinson because ....

The first question centres on the role of the travel agent in the industry and adds to the information gleaned from the literature survey (Part VI, Chapters 1 and 2) and the researcher's own field work on this subject (see following sections). In addition the questions focus on the difference between enlarging the overall market, and enlarging market share (see Part IV).

(xi) Merchandising material: This travel agent also invests in material which is used at the point of sale to merchandise its services. The RAMS publications discussed in Part VI, Chapter 4, pointed out the role, importance and scope of merchandising for the travel agent.

The three examples included here, show what can be done. The selected rosettes are designed to guide the customer to companies that have been carefully chosen as the best by Hogg Robinson. This introduces a further dimension in the relationship between travel agents and their principals.

A self-service leaflet rack encourages visitors to the agency to "please take one", while a brochure rack heading clearly signposts the type of holidays sold at that part of the shop. In this case, the holidays are segmented by season.

(xii) Publications for business travel: A segmentation strategy is pursued through the use of another form of sales promotion which is a series of leaflets aimed at Business Travel. These Management Guides cover a number of different countries and are a service provided for business house clients. As Hogg Robinson explain on their overprinted leaflet Business Travellers Guide to World Public Holidays 1978, the Management Guides "reflect our desire to produce quality as well as economy for our clients and around them we have built a framework of useful, sometimes vital travel information on each individual destination."
Miscellaneous: Free plastic carrier bags bearing the Hogg Robinson fascia also proclaim that "our experience is your guarantee". This is another example of a sales promotion tool achieving two purposes—a functional aid for the would-be traveller; a suitable medium for promoting the agency and potential customers.

Another brochure produced for the agents, illustrates how Hogg Robinson segments the travel market. This booklet concentrates on the British Isles market and indicates what can be done by the agent to exploit this segment; hotels; sightseeing; package tours; conferences; exhibitions; study tours; meeting and assistance (transfers, interpreters, guides, car hire).

Further brochures called "Topic" concentrate on particular themes of customer interest, e.g. U.S.A., car ferries. The brochures are peppered with selling lines designed to actively promote agency services such as "ask us—it's our job to know", "we'll show you the way". "We'll channel our efforts into getting you across."

Finally in the review of Grace/Hogg Robinson's sales promotion activities, an article in RAMS News on July, 1976 entitled "There by the Grace of seven years" comprises a discussion of their use of sales promotions as "the backbone" of their marketing policy. Bookmarks are provided by Grace with not only their own name but that of the appropriate principal. They are designed to keep the right place in the brochures and are called "holiday selectors" and have space for agent's notes.

Summarising, Grace/Hogg Robinson shows what can be done in practice with a little thought to use sales promotion tools imaginatively to communicate the services provided by the agency. In addition the intelligent use of copy and illustrations assists in the projecting of company's image to its markets. Finally, the variety and content of the material discussed above plays an important role in the travel agent's creative, active selling activities.
It is not only the agents from the large chains who develop good promotional material. Small independent travel agents even without some of the strengths of size and membership of a chain, have developed wide ranges of promotional material. As will be developed in Part VIII, marketing's application depends partly on the attitudes of the management of the agency towards their business, its problems and opportunities. Three agents of this type have been selected as examples.

The first agent had developed a distinctive logo portraying the four types of travel - air, rail, coach and boat - with the words "world wide travel service." This house style was reproduced on a wide range of promotional material. In addition to the letter and envelope heads, the agent produced a post-card to be sent to the client on arrival of his tickets, the franking of which contained the phrase "travel well! travel ......... Ltd." Furthermore, material included also plastic calendars for clients which had promotional messages such as "a complete personal travel service" printed on the back. Other material consisted of luggage labels with the advice to travellers: "please lock your baggage and attach this label, and brochure stickers with the address of "your local travel agent." Finally the company printed a cardboard ticket in the house style of the agency.

The second agent produces his own tours under his brand name, which he prints onto ticket wallets. He then uses these ticket wallets as a promotion tool to accompany all tickets sent to clients. The wallet contains seven items aimed at providing useful information about complementary services provided by the agent as well as advice to travellers about their trip.

The contents of the wallet comprise firstly of a "holiday planning pocket book" published by Brandshare Ltd, with the assistance of A.B.T.A. and overprinted with the travel agent's own name. The contents of this booklet seek to cover many of the prospective traveller's requirements. There are sections
on pre-holiday organising, health and first aid guide, luggage, packing check list, children on holiday, "on your way", "once you're there", shopping, food, "using that surplus energy", "how to say it", "if in trouble", "coming home".

This sequential approach to the holiday "product" was discussed in Part VI, Chapter 4. The booklet's introduction underlies the merit of such advice - "Happy holidays begin here - and planning ahead brings any holiday closer."

Three other items given away by this agent in his wallet are: a Cooks travellers cheques booklet/order forms; customs advice to passengers regarding duty free allowances; a Health Education Council leaflet "advice to travellers".

The final three items handed out free refer to the role of the A.B.T.A. agent in contributing to an enjoyable holiday. The first of these, entitled "six special reasons for booking through an official A.B.T.A. travel agent" is overstamped with the agent's name. The six reasons are interesting to consider in context with the earlier analysis of travel agents' role in the industry (Part VI, Chapter 2): reliability; confidence; protection; knowledge; expertise; advice. The leaflet even ends on a "creative" note - "be more sure of getting away - book today!" The other two items are on the subject of holiday protection by A.B.T.A. to travellers using their members, and includes news of consumer protection available to travellers - Fair Trading Charter (Code of Conduct), Conciliation Service and Arbitration Scheme. This latter point reinforces the rise of consumerism forecast for the trade in this thesis (Parts VI and VIII).

The third small independent agent selected as an example uses promotion literature in the same distinctive house-style colour. The material covers ticket wallets with promotional messages such as "book your reservations early" and "our service, your pleasure" on the envelope. Preprinted postcards to advise customers on the agent's receipt of tickets and
preprinted letters to remind clients of prompt payment of accounts are used in a very polite manner. All communications to customers including statements of accounts, contain a list of services provided by the agent at the bottom of the page.

1.2.2 Vocation (See Part V, Ch.4)

Following on from a review of the promotional material received from the travel agents in the survey, it is possible to list the various statements defining the agents' business vocation and slogans used by the agent to identify their role in the industry. This is particularly revealing of how the individual travel agent sees his business and the extent to which he defines his business in terms of customer requirements.

Most of the agents make some attempt to publicise the nature of their business to their customers. Few make a reasonable success of this difficult task of stating their company's aims in a market or marketing oriented manner. Below is a list of the various statements from the publicity material of the agents interviewed in the survey.

The concept of vocation as explained in Part IV has been taken to include slogans or promotional phrases that add flesh to the often very skeletal description of the business, contained in the vocation.

List of travel agency vocations and slogans

Land-sea-air (travel service)

Holidays and Tours.

air, rail and coach reservations, steam ship passages, travel insurance, foreign currency, passports and visas, theatre-tickets.

"for world travel and theatre tickets"

Grace(Hogg Robinson) - see detailed example "your complete service" etc. etc. + Appendix 2 (iii) Postcard.

"Agents for all airlines, shipping companies, tour operators and railways" "... for all your travel" "your local travel agent"
"agents for all world airlines"
"international travel agent"
"travel centre"

"we have a very simple philosophy, if you have saved up all this time and money to go on holiday it is up to us to see that you do actually get a holiday"

"the power to organise great holidays by land, sea and air" from agents own brochure - "every year we try to introduce to our passengers new destinations .... in compiling this brochure, we have given our closest attention to ensure that your holiday with us will be a happy and memorable one"

"world wide travel service" etc. see detailed example + Appendix 2.

"travel service" and from the voucher wallet in "some of the services; inclusive tours; international travel; personal and baggage insurance; British overseas rail tickets; packing; shipping and forwarding; motor coach tours and travel; air bookings and charters; party travel and outings; sea passages and cruises; hotel accommodation; travellers' cheques; foreign currency; passports and visas; car hire; sightseeing."

"inclusive tours; air, sea, rail, theatre and car ferry bookings - specialists in individual itineraries."

" - for travel, the people you can trust" "world travel service"
"personal and courteous service, no booking fees + 25 years' experience"

"specialists in holiday and business travel"

"make your leisure our pleasure"

"for holidays by air-rail-road-coach-sea around Europe and further afield call and see us" - "School parties - private groups - social clubs - let us arrange your requirements for British and continental holidays."

"agents for all leading tour operators and rail, air, sea and coach companies"

"holiday and travel service"

"agents for railways, air and shipping lines"

from an agent's leaflet: "appointed agents for every major tour operator. Expert and personal attention with every booking. We can arrange visits to your family and friends..."
all over the world. We know the cheapest air fares.

Specific advice.

What seems to emerge as a "consensus vocation" is a reference to travel service accompanied with a reminder of the main forms of travel. Further phrases attempt to assert the expertise and experience of the agent and hence his ability to advise customers. The self-evident fact that agents represent various principals often receives prominence in promotion literature. What receives less attention are the more consumer-oriented statements focussing on meeting the needs of the would-be traveller.

1.2.3 Marketing Information Systems

Market Research: One small independent travel agent sends every "client" a stencilled letter on their return from their holiday hoping that they now feel "refreshed" and having enjoyed their stay away from home. The letter goes on to point out that "more than 90% are wholly satisfied clients" - which implies a possible maximum of one in ten clients are not completely satisfied! Nevertheless, the letter then asks for feedback both concerning what the client might like next year and what deficiencies he experienced in the current year. The reason given is to bring these deficiencies to the attention of the contractors and hoteliers so as to eliminate problems and improve service for all.

The letter is accompanied by a simple form listing air-travel arrangements, hotel, meals, tour operators' representative, service at place of booking and asking the client to rate these good, average or bad. There is ample space for comments. Although this research is very simple it helps to establish some formalised feedback from the customer.

A more detailed form is sent to returning customers by an agent as a member of a large chain in the form of a reply-paid card to the "customer relations service" section.
1. Where did you book your previous holiday? x/other agent/direct with tour operator.
2. Why did you book your holiday through x?
3. Was our office difficult to locate? easy/fairly easy/difficult.
4. Was there sufficient choice of holiday brochures available? yes/no.
5. Where did you buy your Travellers Cheques? not at all/my bank/x/other travel agent.
6. Were our counter staff helpful and efficient? good/satisfactory/poor.
7. Where did you buy your Foreign Currency? not at all/my bank/x/other travel agent.
8. Will you book your next holiday through x? yes/no/possibly.
9. If the answer to 8 above is NO or POSSIBLY what can we do to help you change your mind?
10. What other service would you like to have available at x?

This shows what can be done to design a market research questionnaire for a retail travel agent's marketing information needs. Questions 9 and 10 in particular show the potential for an active marketing approach.

Record keeping: Most agencies keep some form of records, if only for tax purposes or because their principals require it. Some prepare quite detailed records as an aid to the management of their businesses. However, the researcher found that in certain cases, even computerisation of records did not necessarily lead to an efficient use of the information (see Part VII, Chapter 3.2). What seems important is why the records have been created, whether there is a genuine need for the information and whether it can lead to tangible improvements in agency performance. Finally, the individual responsible for using the records is a vital element in the system. If he is lacking in time, experience, ability or motivation, the full potential benefits of record keeping may not be realised.
What is needed for an effective marketing information system is a systematic approach to the collection, treatment and application of data (see Part IV, Chapter 3).

1.2.4 Selling

One criterion which indicates how creative (active) or passive the individual agent is concerning his marketing activities is the extent and type of selling undertaken. Two agents have been selected from the material received, that show how active selling can be applied by the agent. The particular technique used is that of a circular sales letter although each agent uses this in a different manner.

The first agent, an independent with category 2 turnover, had been sending out two types of circular letter. The first was sent to "Residents" in the local catchment area with the aim of increasing the volume of new business coming to the agency. The letter began by asking whether the resident was thinking about a holiday or planning a business trip. If the answer was to be positive, the agency immediately put itself forward by saying "perhaps we can be of service to you".

The importance of geographical location was stressed by this agent in the second paragraph. It emphasized its High Street location, its proximity to other major towns and its easy parking. In the same sentence the slightly contradictory, even though interesting, information was given that "most of our business can be done by telephone" - thus relegating the locational aspects.

Furthermore, the third paragraph moved onto the selling point of the travel agency being owner-managed since 1969 (emphasizing the long establishment). At this point the agent stated their main concern which was to "offer an efficient and personal service to our customers."

So far the letter has highlighted the way in which the agent has perceived itself in terms of its role; its main advantages from the point of view of the potential customer.
The next two paragraphs go on to list out the agencies covered by the agent as well as the other services that can be offered (car hire, travellers cheques etc). A sentence in capital letters emphasises: **BY BOOKING THROUGH US ON THESE SERVICES THERE IS ABSOLUTELY NO ADDITIONAL COST TO YOU.**

The letter ends on another question 'Is there something we can do for you?'. Thus stressing the eagerness of the agent to seek out new business. The final phrases focus on action: "Call and see us" or "Give us a ring, we look forward to hearing from you".

The second sales letter used by this independent agent to increase its business is specifically targeted to the potential new business house client, and aimed to show the advantages of opening an account with the Agent. Once again, locational factors are stressed. Speed in ticketing is shown by ex-directory telephone to bypass peak holiday booking periods. In cases of extreme urgency the agent undertook personal delivery. A.B.T.A. and I.A.T.A. membership was pointed together with the ability to issue tickets which flows from this membership. The penultimate paragraph identifies the main objective which is "to offer you a personal service second to none, and wherever possible to save you money within the rather complicated fare-structures of the scheduled air services."

The last paragraph is split into two parts, the first thanking the Company executive for reading the letter even though he may either be among the few with little need for travel, or already has a satisfactory arrangement with an agent. The second part puts the more optimistic and constructive points that the agent would be delighted to hear from the client if he feels that the agent can be of service.
The other travel agency by contrast, is a large member of a large multiple. The personalised sales letter had the different aim of increasing loyalty amongst past customers and increasing the repeat purchase rate i.e. a holiday booking the following year. The letter, timed to coincide with New Year greetings, expressed the hope that the last holiday was entirely satisfactory and it encouraged the customer to use the agency's services again.

The letter attempts to establish the agency's U.S.P. - unique selling proposition - by highlighting the wide selection of holidays available, all under guarantee. In fact, a holiday newspaper produced by the chain of agencies gives further details.

Moving to encouraging action by the reader of the letter, the agency points out that the brochures for the forthcoming season are "here, waiting for you", the range being very wide to include alternative holidays all over Britain. "For any type of holiday or any travel or other booking, you can always rely on us for experience and service".

The letter ends with an invitation to telephone the manager if the client has not yet fixed anything. The personal approach of the letter continues with the assurance that the customer will receive "immediate attention as a personally invited customer". A final incentive is given in the form of a customer discount voucher entitling the holder to buy a travel bag at a special bargain price.

The reason these sales letters have been explained in detail is because of their relevance to the thesis. They indicate how selling techniques can be applied by the agent for relatively little cost and relatively little effort in time. The contents of the letters discussed above show how they can be used as a vehicle for a number of marketing strategies; segmentation (business houses; geographical (catchment area)); increase customer loyalty to the agency; product development (car hire, travellers' cheques, holidays in Britain); diversification (selling travel bags); increase market share.
Clearly, the unenlightened agent will have difficulties in employing this technique, as he not only has to be willing but able in terms of knowing the strengths of his business and how to sell them to his market. If the first agent in Chapter 3, which deals with in depth case studies, had used this technique, a few of its problems concerning high loss of new customers and low number of regulars would have been lessened.

The four marketing techniques illustrated above have provided evidence of what marketing applications are practised by some agents. In addition, a composite view of all the agents' attempts at promotional material or defining their vocation has been presented to give the reader an impression of the entire sample's endeavours in certain areas.

These four aspects of marketing represent a cross section of marketing activities for the travel agent. Promotion and selling are both elements of the marketing mix which is a basic element of marketing management. The business vocation is a necessary stage in the analysis of the agency's marketing role in the market and itself helps define marketing strategies e.g. segmentation, product development. Similarly, the example of marketing information systems is essential to the successful development of marketing programmes by providing the necessary, continuous flow of marketing information needed for analysis, planning and control.

Furthermore the interrelated nature of these four selected marketing methods implies that an agent who already is heavily engaged in one would reap the full potential of the marketing tool if he employed the others. For example, the use of a marketing information system would greatly assist the mailing of both sales and promotional material to actual and potential customers. In addition, a clearly defined vocation could be reflected in the way the agent expressed himself through his promotional and sales literature,
as well as providing an impetus for his marketing research.

The importance of this section lies also in the lessons to be learnt for the trade, particularly the travel agents. Part VIII reminds the reader of the evidence presented here that marketing is applicable, if applied by a variety of agents in a variety of ways.

1.3 SOME KEY QUESTIONS ANALYSED

The previous section illustrated the advantage of focusing attention on specific detailed examples of marketing applications by individual travel agents. It showed what marketing activities lie within the grasp of the travel agent, irrespective of his size or independence.

This section however seeks to transmit the main findings of the questionnaire survey, itself spanning more than eighty questions administered to thirty-two agents. Appendices 3 and 5 in particular give the reader a complete presentation of the answers both to the open and to the closed questions. The appendices permit the reader to review at a glance the individual answers both question-by-question and agent-by-agent.

In order to highlight the main findings as they affect the development of the thesis, certain questions have been selected from the survey to provide a representative picture of agents' marketing applications. It should be remembered at this point that the thesis is concerned primarily with the applicability of marketing to travel agents. In particular, it is of interest to ascertain the current level of application, in what form, and the reasons for the level of application. In addition, the thesis seeks to establish what factors are associated with the level of application of marketing by agents.

In the light of the research objectives, defined earlier in Part III, the thirty-two agent survey sought to test...
certain ideas and to generate new insights into this field.

It is with reference to the above that the key questions have been selected. These cover both the marketing and the general aspects as presented in the questionnaire itself and the corresponding appendices. The questions have been chosen for their contribution to the thesis arguments and their importance in understanding agents' marketing behaviour.

More specifically, the selection of key questions relates to the later analysis of the thirty-two agent survey developed in 7.1.5. This means that the key questions analysed here reflect the importance also given to these topics in the list of "20 marketing oriented questions" chosen to rank the thirty-two agents according to their marketing orientation.

Furthermore, the cross classification study in 7.1.5. also relates to the choice of key questions discussed here. Several hypotheses concerning agents' marketing behaviour were made and the study sought to test for significance between different factors.

Summarising therefore, the 80 plus questions have been reduced to a number of key questions that serve to both clarify and typify the marketing behaviour of agents. These key questions cover a reasonably high proportion of the total questions put to the sample. In fact the majority of the questionnaire is referred to either directly as in the case of marketing's definitions or indirectly as in the case of the detailed attitude scaling applied to questions such as the reasons why marketing did not apply to their business.

1.3.1 Marketing Questions

Does marketing apply? (questions 15 - 26 incl.) :
Twenty-one agents thought marketing applied to their business. The answers regarding the reasons why certain agents felt marketing did not apply are summarised below. From the open ended questions, the three main reasons that emerged were:

1. Word of mouth replaces the need for marketing.
2. The agent knows his market already.
3. Success depends on staff and/or location (not marketing).

It would appear that the minority of agents who felt marketing was not applicable, believed marketing to be primarily concerned with either promotions (e.g. word of mouth) or market research (e.g. knowing market). In addition, an imprecise knowledge of marketing's scope or role in business which is shown above also affected their awareness of marketing's contribution to the agency's success.

The replies to this open ended question reveal the attitudes and opinions of the owner managers which are determined by their background and experience. These answers represent the immediate reaction to the question. To gauge a little more closely what the respondents felt about a given range of possible reasons for marketing's non applicability to their business, attitude scaling was applied to a series of closed questions.

From the closed questions, (see questionnaire in Appendix) the following conclusions concerning agents' attitudes were made:

1. Not one agent felt that they were too small
   - that they lacked time
   - that they lacked money.

2. Most agents agreed that the reason was that principals were performing marketing activities instead of the agent.

It can be seen from the above that, in the agents' own
opinion, size was not a constraint to the application of marketing to their business. Furthermore, the agents generally did not feel that time or financial constraints could be said to bar marketing's application to their business. What seemed to explain their position was their attitude concerning their role in the industry. They believed that principals were carrying out the active role of marketing travel to the public. This has important implications on principal/agent relationships and travel agent passivity both of which are discussed again later.

What do you understand by the term "marketing"? (questions 27 - 34 incl.) :

Linked to the agents' perception of marketing's applicability, is that concerning the meaning of marketing itself (very few had admitted being unaware of marketing's role, with reference to the last questions).

The meaning of marketing (unprompted) :

When the agents were asked this question, nobody supplied the "textbook definition" (satisfying the consumer profitably), unprompted. One travel agent, however, said he understood marketing to be "satisfying customer wants".

This finding suggests that at least in a formal sense, the awareness of marketing was very low. The unprompted answers are the most revealing of their state of knowledge on the subject. The absence of cues led to a wide variety of answers.

The apparent contradiction between the ignorance of marketing displayed here and the ability to answer the previous questions on "marketing" application, might be resolved by the suggestion they felt confident that they knew what marketing meant.
The full list of actual definitions given by the thirty-two agents, appears below as it is revealing of the extent of awareness as well as providing some basis for understanding their attitudes and misconceptions.

A review of the answers given confirms the general pattern of response to marketing in the questionnaire. Firstly, advertising is most frequently associated with marketing in the definitions. Secondly, it is selling which is the next most commonly associated marketing activity. Both these activities are frequently equated with marketing. This was also the case with the product (including "goods" or "service") which was mentioned in 7 definitions.

Finally, what is noticeable from these unprompted responses is the rare mention of research, resources, customer response and profit. These are key aspects of the marketing concept (see also Part IV).
<table>
<thead>
<tr>
<th>No.</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Blending product to the needs of the customer</td>
</tr>
<tr>
<td>2</td>
<td>Get it before the public</td>
</tr>
<tr>
<td>3</td>
<td>Research potential for future markets</td>
</tr>
<tr>
<td>4</td>
<td>&quot;not sure&quot;, advertising</td>
</tr>
<tr>
<td>5</td>
<td>Advertising/selling - put out to the general public</td>
</tr>
<tr>
<td>6</td>
<td>Specific promotion, knowing marketing image</td>
</tr>
<tr>
<td>7</td>
<td>Selling and advertising/public relations</td>
</tr>
<tr>
<td>8</td>
<td>Selling to the public</td>
</tr>
<tr>
<td>9</td>
<td>Packaging</td>
</tr>
<tr>
<td>10</td>
<td>Sell the product</td>
</tr>
<tr>
<td>11</td>
<td>Extension of personality/reputation/enthusiasm to the public</td>
</tr>
<tr>
<td>12</td>
<td>NA</td>
</tr>
<tr>
<td>13</td>
<td>Advertising</td>
</tr>
<tr>
<td>14</td>
<td>Sophisticated selling</td>
</tr>
<tr>
<td>15</td>
<td>Ensure people aware of products</td>
</tr>
<tr>
<td>16</td>
<td>Maximise use of resources to get point across to public to get the right response</td>
</tr>
<tr>
<td>17</td>
<td>Projecting your image</td>
</tr>
<tr>
<td>18</td>
<td>Judge market trends - promotions</td>
</tr>
<tr>
<td>19</td>
<td>Advertising of service to the public</td>
</tr>
<tr>
<td>20</td>
<td>Advertising</td>
</tr>
<tr>
<td>21</td>
<td>Individual service</td>
</tr>
<tr>
<td>22</td>
<td>Leaflet/promotion</td>
</tr>
<tr>
<td>23</td>
<td>Organisations - presenting to the public, as a result make a profit</td>
</tr>
<tr>
<td>24</td>
<td>NA</td>
</tr>
<tr>
<td>25</td>
<td>Way we attract customer/selling</td>
</tr>
<tr>
<td>26</td>
<td>Present goods</td>
</tr>
<tr>
<td>27</td>
<td>NA</td>
</tr>
<tr>
<td>28</td>
<td>All advertising media - seeing clients</td>
</tr>
<tr>
<td>29</td>
<td>Aggressive/advertising/ selective selling</td>
</tr>
<tr>
<td>30</td>
<td>Studying consumer wants, explaining the offer</td>
</tr>
<tr>
<td>31</td>
<td>Hard sell of product and knowledge</td>
</tr>
<tr>
<td>32</td>
<td>Advertising</td>
</tr>
</tbody>
</table>
The meaning of marketing (prompted)

Scaled answers:

In addition to the open ended question, the answers to which are noted above, the attitudes of the agents were probed further by asking them to quantify their views. Each of the options listed in the appendix under this question were subjected to attitude scaling from 1 to 5. The conclusions of this attitude scaling appear below (where the scores and corresponding rankings are compared in the following way):

1. Unprompted answers (codified).
2. Prompted-answer first choice without scaling (simple frequency of response).
3. Prompted answer first choice as a result of scaling.
4. Prompted answer scores and ranks as a result of scaling all options.

This permits an analysis of shifts in attitudes depending on whether open or closed questions are given.

Summary of the Findings

The main conclusions are summarised below:

1. Low level of understanding, especially unprompted - even with prompting only 7 picked the right one.
2. "Selling" is the popular conception (on prompting).
3. Unprompted, marketing is thought most often to be "advertising".
4. Marketing research least often associated with marketing.
5. The switch in answers given to "what do you think marketing means" is very noticeable depending on: prompted or unprompted scaled or unscaled.
6. The reasons for this lack of consistency in response are likely to be due to either ignorance, forgetfulness or uncertainty.
Linked to the agents' attitudes regarding marketing's application and its meaning are their views concerning marketing research. This activity, as stated previously, provides a necessary basis for a marketing information system which is crucial to systematic marketing.

Marketing research (questions 56, 57 and 62 - 66 inclusive):

The general picture that emerges is of little marketing research activity mainly explained by "a lack of time" or need. As the reasons given by the twenty-eight travel agents have important implications for Part VIII, they are set out in full below:

Do you carry out a marketing research?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>3</td>
</tr>
<tr>
<td>No</td>
<td>28</td>
</tr>
<tr>
<td>NA</td>
<td>1</td>
</tr>
</tbody>
</table>

If no, why?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time reasons (T)</td>
<td>8</td>
</tr>
<tr>
<td>No need</td>
<td>13</td>
</tr>
<tr>
<td>Money reasons (m)</td>
<td>5</td>
</tr>
<tr>
<td>Head office</td>
<td>3</td>
</tr>
<tr>
<td>I know it all</td>
<td>3</td>
</tr>
<tr>
<td>Cost greater than benefit</td>
<td>2</td>
</tr>
<tr>
<td>Common sense</td>
<td>2</td>
</tr>
<tr>
<td>I am too small</td>
<td>2</td>
</tr>
<tr>
<td>Unaware of marketing research</td>
<td>1</td>
</tr>
<tr>
<td>Too new on the market - no patterns yet</td>
<td>1</td>
</tr>
<tr>
<td>Demand changing too fast</td>
<td>1</td>
</tr>
</tbody>
</table>

N.B. More than one answer from certain respondents.

Although lack of time did not appear to explain why some agents thought marketing was not applicable to them it does seem to affect their perceived need for marketing
research. Perhaps this discrepancy can be explained in the agents' perception of marketing research which is seen as being time consuming as opposed to marketing in general which is just seen as being in the province of the principals.

However, it should be noted that another frequent response reflected the lack of need felt by the agent for marketing research. Some of the reasons for this can be seen lower down the table, e.g. "I know it all", "head office", "common sense" "unaware". What seems puzzling is that certain agents do not feel that either the recent arrival on the market or fast changing demand necessitate marketing research.

Although most agents carried out no marketing research the following answers suggested a general need for certain data.

What information would you most like to know about?

A certain amount of consensus emerged with "the best way to promote my business" (8) "where could further business come from" (6) and "what does my neighbourhood think of my agency" (5) in third place, as the most frequent responses.

There is an interesting contrast between this interest in promotion research, new business opportunities and corporate image of the agency and the passive role the agency will be seen to generally play. The answer may lie in the fact that although currently he carries out little promotion and new product development, when confronted with the possibility of receiving information, he is stimulated to respond positively.

In addition, despite Beaver's and others' comments on the value of recording complaints/enquiries, agents do not feel the need to do so.
Do you keep records on customer enquiries/complaints?

<table>
<thead>
<tr>
<th></th>
<th>enquiries</th>
<th>complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>No</td>
<td>29</td>
<td>24</td>
</tr>
<tr>
<td>NA</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>

Reasons:

It is worth noting the attitudes expressed in the form of comments made by agents:—

- too many casual enquiries (even school children)
- too much effort needed
- questionable benefits
- each complaint is followed through individually
- so few complaints

These reasons are connected with agents' feelings of complacency, passivity, or lack of awareness of the cost effectiveness of this form of record keeping. Certainly, both enquiries and complaints can provide a source of creating new business by satisfying current and potential demand.

The two marketing activities which proved most popular, in terms of budget size, with agents were local advertising (16 agents) and public relations (4 agents) and this relates to the questions reviewed below. It is worth noting however that other promotion media proved to be among the least popular - point of sale displays; mail shots; local leaflet distribution.

Promotion (questions 48 - 51 incl. 53, 55)

Promotion methods:

On average, 6.9 out of 13 methods were used in the past.

The current figure stood at 4.7. This illustrates, not only the small range of methods used in the past but also the modest number used presently. The most popular
The method was local advertising and, given the low expenditures noted, indicates a very restricted promotion programme.

It should be remembered at this point, that advertising was the most often associated with marketing, and relates closely with the agents' own application of this form of marketing. Local advertising may be favoured either for economic reasons or because it naturally lends itself to the local agent's hinterland.

Despite the lack of marketing research, agents felt they knew which method was the most effective - local advertising.

This conviction about local advertising's effectiveness, despite an almost total lack of formal control, typifies a lot of agency trading behaviour which relies on experience, "gut-feel", flair or intuition, rather than formalised marketing systems.

The response to earlier questions showed there was a lack of marketing research coupled with the desire nevertheless to know more concerning what the neighbourhood thought about the agency. This would lead the reader to think that little attempt would be made to provide an image for the agency before the agent had assessed his status in the local community. In fact eighteen agents replied that they did follow a theme or image for their travel agency. This high proportion of agents may reflect the desire to project an image for the agency to the local community in order to establish the reputation locally, even if the necessary image study has not been previously conducted.

The theme or image usually was said to revolve around the travel agent as a local retailer of a service. The most frequently mentioned themes were: reliability; service; individual attention; friendliness.
A lack of marketing orientation was indicated by the reasons given for the layout of the shop and choice of window displays. In many cases, the shop layout had not been changed for five years. The main reasons for shop layout were either space saving or security, neither of which is consumer oriented. A more marketing oriented approach to shop layout would focus attention on the customers' needs e.g. comfort, personalising the service.

The theme for window display was also often lacking in marketing orientation and below the answers illustrate this finding.

**How do you select your window displays?**

Agents in about half the cases relied passively on merchandisers or their principals for selection of window displays. Only eight agents mentioned a positive marketing reason such as seasonality.

<table>
<thead>
<tr>
<th>Merchandisers</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principals</td>
<td>5</td>
</tr>
<tr>
<td>Seasonal</td>
<td>8</td>
</tr>
<tr>
<td>No special reason</td>
<td>8</td>
</tr>
<tr>
<td>Head Office</td>
<td>2</td>
</tr>
<tr>
<td>NA</td>
<td>3</td>
</tr>
</tbody>
</table>

*N.B. More than one answer per respondent.*

Given the importance of window displays as part of the travel agent's point of sale promotion, it implies an under-utilisation of the agent's active promotional role.

Relating to the selection of the window display, is whether the agent selected any particular theme for his window display. The window represents a crucial sales aid (see Part VI Chapter 4).

**Theme for Window Display**

Eighteen of the agents displayed some theme in their window display. By far the most common theme centred around a
display concerning the agency's principals. In a few instances, the agent's interest in the merchandiser's display of a principal's services obscured his view of his own local market which in some cases did not match. One example illustrates this frequent lack of market-oriented choice of display. One agent sampled was anxiously awaiting delivery of a miniature Concorde for his window display which, despite its interest value, had little prospect of promoting many sales in his hinterland.

Segmentation strategy : (questions 58, 59, 78, 79)

This strategy forms one important component of any firm's marketing plan. The following questions sought to discover whether the agent segmented his market and whether he did so with any consistency. The absence of research and low level of promotion were not encouraging signs.

Product specialisation :

Only eight of the agents specialise and then usually on the basis of age and type of activity sought by the customer. This contrasts with the potential scope for specialisation given the complexity of the "travel product". (See Part VI 4,1).

This small number of agents who have specialised in their product range is also reflected in their business mix mentioned earlier, which showed the relatively minor importance of business travel or own tour operating in travel agency turnover.

Customer classification :

Fourteen agents said they classify customers usually on the basis of age or income. From observation it was noted that several agents smiled when asked this question, which,
on further questioning indicated to the researcher that another form of classification was made on the basis of spending potential or propensity to complain.

Thus it would appear that the agent finds it easier to classify customers than to specialise his product range to match his hinterland, and its segments. This lack of consistency is to be expected when the agency is not systematically applying marketing.

Linked to the agent's segmentation strategy is the way in which he perceives his marketing activities compared to the actual or potential competition.

Main competition:

Fourteen agents felt that other local agents provided the main competition i.e. fighting over the same cake rather than expanding the market.

Eleven agents took another view - either other local shops, other expenditure or saving - which indicated a more creative perception.

This relates to passivity of the agent, in terms of his perceptions of competition and market share which are seen in the narrow terms of other agents not consumer demand generally.

1.3.2 General Questions

Problems (questions 1 - 8 incl.):

This series of questions had been included in the survey to indicate how the individual agent saw his problems over time. This gives a general indication of which provided the biggest obstacles to his success, and which gave the least trouble. In addition, the agent was asked to predict the future development of his business and its problems.
This comparative analysis over time sets the scene for the later questions in the interview which explored what the agent was doing and why.

1. Relative importance of external, uncontrollable factors (economic climate - See Chapter VI, Chapter I). Though this is important, it is outside the influence of the agent, who nevertheless remains preoccupied with these factors rather than those which might be within his control.

2. "Knowing what my customers want" was expected by the researcher to be a problem, however this was rarely mentioned—either as a serious or a small problem. The reasons for this could be either:
   a. unaware of consumer needs (not marketing oriented)
   b. feel that this is known (not marketing oriented)
   c. the agents do know consumer needs (marketing oriented).

Given the level of marketing research, (a) seems the most likely, and given agents' attitudes to marketing applicability to their business, (b) seems possible.

Following the analysis of factors affecting the travel agency in a negative sense, interviewees were asked about the key factor affecting success and how they judged a good year for their business. This would indicate not only the criteria most often used by the agent, but also how he measured this.

**Key factors influencing business success (question 9):**

Nearly 50% of agents mentioned staff as the key to success, and this factor together with the related one of service amounted for two-thirds of the replies.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>13</td>
</tr>
<tr>
<td>Service</td>
<td>8</td>
</tr>
<tr>
<td>Economy</td>
<td>6</td>
</tr>
<tr>
<td>Disposable income</td>
<td>1</td>
</tr>
</tbody>
</table>
This underlines the importance attached by the agents to personal service which is an important element of travel retailing. However, it is noticeable that only one of the thirty-two agents mentioned satisfied clients.

Judges of good year (question 10):

Agents when asked how they judge if they have had a good year, generally mentioned turnover. Few agents mentioned targets or budgets as a basis for judgement, two agents even said they relied on their accountant to tell them if they had had a good year. Profit was mentioned only by seven.

The full answers are presented below:

| Turnover | 19 |
| Profit   | 7  |
| Target   | 6  |
| Budget   | 4  |
| Break even | 2 |
| Accountant | 2 |
| PAX      | 2  |
| Bookings | 1  |
| Enquiries | 1  |
| Repeat business | 1 |

N.B. More than one answer per respondent

Although turnover is an important indicator of success, comparatively few agents defined success in terms of performance against some form of target or budget. Furthermore the need for enlightened marketing management to be aware of the agency's profits and profitability was lacking from the majority of agents.
Linked to the above is the extent of record keeping undertaken by the travel agent, which has been previously stressed as a "vital condition" for successful marketing. Even if the principle of record keeping is accepted by agents, which records are kept, how regularly and which are regarded as the most useful?

**Record-keeping**

**Profit records**

When asked which records were the most useful to the travel agent in managing his business, only four agents mentioned profit. This would seem to be very low given the importance of knowing the profitability of the business (see also Part IV Chapter I), but is consistent with the earlier responses. The most frequently mentioned answer was turnover (T/O) which accounted for half the responses. Records for principals (PL) and clients (CL) accounted for a further eight responses. This suggests that far from initiating a profit-based information system, the agent often records data in response to principals' or governmental e.g. tax needs.

This passive approach to profit record keeping is further exemplified by the lack of importance shown by the twenty-two agents who replied to the questions on the frequency of record maintenance. Only two out of twenty-two agents replying kept profit records on a weekly or daily basis.

**Mailing list**

Only nineteen agents kept a mailing list and this despite the sales promotion importance of this marketing activity as shown earlier in the thesis e.g. Part VI Chapter 4. Four agents used them only once annually and three only twice annually. At the other extreme, only three agents used their mailing list as frequently as bi-monthly. This low level of marketing activity in respect to mailing lists
contrasts with the potential to be gained from exploiting agency records as is analysed in Chapter 3 of this Part.

The role of perception in influencing attitudes emerges from a consideration of the role of travel agent as the agent himself sees it (Chapter 2 records the views of principals on the topic).

Role of travel agent (questions 67, 68 and 69):

A definite pattern emerged from the answers to the trio of questions on the travel agent's role in the industry. The table below compares answers to the four most popular views of their role extracted from the questionnaire. One of the main conclusions is that the travel agent perceives himself as a travel consultant whereas he thinks his principals see the travel agent as taking and processing bookings.

<table>
<thead>
<tr>
<th>Role of Travel Agent</th>
<th>Self</th>
<th>Tour Operator</th>
<th>Carriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>As providing a suitable place for purchase</td>
<td>2</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>As taking and processing bookings</td>
<td>5</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>As creating new business</td>
<td>3</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>As providing a travel consultancy service</td>
<td>18</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>28</td>
<td>26</td>
<td>23</td>
</tr>
</tbody>
</table>

This clear pattern of response suggests that despite evidence of low marketing orientation and passivity, the travel agent sees himself in an active, creative role. The later sections of this thesis explore further why the travel agent does not appear to live up to his self image.

Furthermore, the principals are seen as regarding the travel agents as either providing a suitable place for purchase or filling the role of taking and processing
bookings. This attitude influences the opinion of agents expressed earlier in relating to marketing's applicability to travel agents. With over 80% of agents perceiving tour operators as casting them in the mould of passive retailer, there could be an element of conditioning by principals - conscious or otherwise. It is interesting to note at this point, that principals themselves would prefer agents to be more active and creative (see Chapter 2).

The conclusions that emerge from this analysis of the key questions of the thirty-two agent survey suggests that the travel agents exhibit a low level of marketing orientation as well as being passive in their marketing approach.

The low level of marketing orientation can be seen from the responses to the questions on: application of marketing, meaning of marketing, promotion activities, marketing research.

Related closely to the above, is the passive nature of their marketing behaviour. The appendix shows the low financial level of their promotion and training budgets. The number of methods used in promotion is declining. Their view of the relevance of marketing shows signs of an acceptance of their principals' view of the passive nature of their role. Furthermore, their segmentation strategy and point of sale do not suggest a creative marketing oriented approach to the business.

The pattern of answers, which is further analysed in 7.1.5, reveals both a consistency in terms of what is not being applied and an inconsistency in some of the attitudes shown. For example, they seem aware of the most effective advertising method (question 50) and yet the consensus answering question 66 wish to find out the best way to promote their business.
1.4 OBSERVATION

In addition to the personal interviews carried out with the travel agents, the researcher intended to collect as much information about the agent's marketing behaviour by considering supplementary sources of data.

Section 1.2 considered the promotion literature of individual agents. This included their stationery, as well as examples of sales letters, market research, information systems and how agents defined their vocation.

The research of marketing's application by agents is extended by adding the findings of observation by the researcher. Appendix I shows the type of information noted by observation as indicated by the last page of the questionnaire.

The main conclusions of this phase of research are summarised below.

Shop layout: Appendix 7 contains information recorded from observation on the extent of desk versus counter layouts (40:60) as well as the number of different principals' brochures on display (average 100). This suggested that the personal service considered important by agents and perhaps more appropriate to desk than counter was only used by the minority. In general the number of brochures on display was representative of the range.

Window display: inconsistency was noted when the observed theme of window display was compared to the answers given (see Appendix 7), which could suggest uncertainty or confusion by the agent concerning what currently is displayed in his window. (No records of window display changes were generally kept)
Location (c.f. geographical factors in Part IV, 4.1 and Part VI, Ch. 2)

Primary/Secondary/In Store: the summary of these factors has already been discussed in the opening section of this Chapter. In addition, however, observations yielded the following information:

Neighbouring shops Key: 1 2 3 4 5
5 7 X 8 9
Agent

General conclusions serving as a guide.

1. From 9 neighbours

About 40% are other services: Estate agent 8
Bank 7
Building soc. 4
No travel agent among 9 neighbours (except one case).
No grocers except one - tobacco/confectionist 4
- shoe shop 7

2. Immediate neighbours (7 and 8)

Building society 4
Restaurant 3
Ladies shop 3

3. Next nearest neighbours (6 and 9)

Television 4
Estate agent 4
Ladies shop 4
Furniture 3
4. Composite near neighbours (6, 7, 8 and 9)

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<tr>
<td>Ladies shops</td>
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<tr>
<td>Restaurants</td>
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<td>Estate agent</td>
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<tr>
<td>Furniture</td>
<td>5</td>
</tr>
<tr>
<td>Motorists</td>
<td>4</td>
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Despite the variety of neighbouring shops the travel agents' perception of competition is primarily in terms of other agents.

**Age of respondent (estimated)**

- 6 under 40  (Agents No: 4, 6, 9, 14, 16, 26).
- 40 - 50
- 9 over 50 years (Agent's No: 1, 2, 5, 13, 18, 20, 23, 29, 30).

**Agent's shop front signs**: Generally none are used.

**CONCLUSIONS**

Having examined the results so far, the general conclusion that emerges is one of a group of travel agents (32) that are observed to display many of the characteristics of organisations that are not really marketing oriented. Many of the 80 questions answered reveal a lack of awareness of marketing and its implications, and a certain apathy as regards level of marketing activity both in terms of planning and strategy making but also in terms of resources devoted to the area.

In order to explore further the level of marketing orientation among the agents surveyed, twenty questions were selected from the main body of the questionnaire and each of the 32 agents subjected to a ranking according to how the questions were answered. Furthermore, in an attempt to look for possible patterns in the responses to the survey by the 32 agents, a number of cross classifications of answers was undertaken and the results subjected to hypothesis testing to determine significance.
It must be stressed once again at this point that the 32 agent survey was seeking primarily to reduce the bias inherent in questionnaire design and implementation using a sample. However, in that respondents-agents were randomly drawn from the general population of the area, the sample of observed agents will be subjected to small sample significance testing. Again, the conclusions to be drawn from this method of analysis are intended to relate specifically to the areas of the sample i.e. E. Anglia and S.E. England. Furthermore, the 32 agent survey must be put in perspective as it represents only one, though an important source of information for the thesis. The other sources include survey of principals, travel trade personalities' interviews; in depth case studies concerning agents; extensive desk research.

**Selection of twenty marketing oriented questions :** In part IV Chapter I, the researcher concluded that the essence of marketing consisted of three elements; consumer orientation; systematic approach; financial objectives. In order to proceed to some ranking of the 32 agents, it was necessary to select questions which would be most indicative of the agents' marketing orientation in terms of the three elements mentioned above.

As can be seen from the table below; thirteen questions were selected in the first category, six relating to the second, and one relating to the financial objectives in terms of performance. This choice of twenty questions assured twenty "marketing oriented" answers (see table below). These answers were all weighted equally in order to arrive at an impression of the level of scoring among 32 agents.

**The 20 "marketing oriented" questions/answers**

**A CONSUMER ORIENTATION**

**General**

1. Marketing applies to the agency business (Yes)

2. Marketing meaning - unprompted (Satisfying the consumer profitably)

3. Marketing meaning - prompted " " "

4. Perception of competition (other local shops, clients' saving, other expenditure).

5. Perception of self-role in industry (travel consultant)
Promotion
6. Number of promotion methods used currently (0.1 per method - maximum of 10)
7. Theme/image for agency (Yes)
8. Window display choice (Seasonal, attention, special promotion)
9. Theme for window display (Yes)
10. Promotion budget (£250p.a. or more).

Product
11. Product specialisation (Yes)
12. Client classification (Yes)
13. Product mix (Business house + own tour operating 10% or more of total turnover).

B. SYSTEMATIC APPROACH
Record Keeping
14. Profit records (Yes)
15. Mailing list (Yes)
16. Enquiries recording (Yes)
17. Complaints recording (Yes)

Marketing Research
18. Marketing research (Yes)

Forecast/Targets/Budgets
19. Judge of good year (Budget/target)

C. FINANCIAL OBJECTIVES
20. Performance (employees' growth of turnover of employee net inflation) (Increase)

Scoring and ranking of the 32 agents: Although the scoring of the agents is influenced by the choice, interpretation and weighting of the questions and answers, the overall pattern that emerges is relatively clear and tends to confirm the earlier desk research on published material concerning the level of marketing among firms. It also underlines the other field research that will be discussed later in this part, particularly
that relating to interviews with principals and travel trade personalities. From the table below the pattern shows a low level of scoring with only half the agents scoring over half marks. In fact the top mark was only 14, but of interest is that this mark was scored by a small and independent agent. Seven scored under 6.5 marks. Since a fully marketing oriented agent would be expected to answer positively to all of the 20 questions, a score of less than 20 is not indicative of a marketing oriented agent.

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Two by two contingency tables: Having established that the overall level of scoring amongst the 32 agents was low, an attempt was made to see whether these agents exhibited any patterns, consistency or relationships concerning their marketing activities. Certain findings specifically relating to marketing were subjected to the Null Hypothesis that no evidence of any association exists between 2 factors. Fisher's Exact Test was used at the 95% confidence level because this test is best suited to samples yielding two by two contingency tables with individual cells having expected frequency of less than 5. The two tailed test was applied in the absence of firm indications that a relationship lay in a particular direction.
A computer program was written to apply this test and in
Appendix 12 the reader will find the full printout of the five
cases in which the Null Hypothesis was rejected i.e. there
was some evidence of a relationship. The computer print-out
shows all the possible cross classifications given the marginal
totals, including the actual cross-classifications observed
from the 32 agent survey. These cross-classifications have
been arranged in decreasing order of extremity from the ex­
pected pattern. The computer calculates the probability of
each case occurring given the particular margin totals.
Cumulative probabilities are then calculated and the Null
Hypothesis is rejected if the cumulative probability is less
than 0.05.

Hypothesis testing was carried out in seven main areas:–

1. Travel agent location
2. Performance of the travel agent
3. Meaning of marketing
4. Application of marketing perceived
5. Consistency of specialisation
6. Small travel agents (See also Part VIII, Chapter I).
7. Independent travel agents (See also Part VIII, Chapter I).

Travel agent location : The intention was to explore the
possibility of any patterns existing between the location of
the travel agent and certain marketing factors that would be
thought to be related.

Three elements of travel agent location were taken : primary
(High Street) versus non-primary; distance from nearest travel
agent (under or equal to 100 metres versus more than 100 metres);
distance from nearest principal (under or equal to 20 miles
versus more than 20 miles).

These three elements serve to classify agents by the quality
of their location and their proximity to competition (other
agents or local principals). Each of these elements was taken
and the agents broken down into two categories e.g. agents with
a primary location, agents with a non-primary location. Each
of these categories was cross-classified with a number of
performance indicators to see whether performance was related
to location.
The performance indicators comprised of: turnover; employees; turnover per employee; change in turnover composition.

Furthermore, location was cross classified with answers relating to specialisation; mailing list; choice of window display; window display theme; agency theme or image; extent of hinterland; perception of competition.

With one exception that will be discussed later, no evidence was found (the Null Hypothesis was rejected) to relate location of the agent with performance or degree of specialisation.

Performance of the travel agent: With no clear pattern emerging with regard to travel agent location and performance nor degree of specialisation, the researcher analysed the potential relationship between certain indicators of agency performance over the period under investigation (1970/1 to 1975/6) and record-keeping, specialisation, general perception of problems, meaning of marketing, marketing application. Estimates could be made concerning the pattern of performance over a five-year period with reference to employees, turnover and change in turnover composition. Cross classification was carried out to test for a relationship with any of the above-mentioned factors. Was record-keeping, or awareness of marketing, for example, associated with better performance? Was specialisation associated with better performance?

The result of the hypothesis testing of all these relationships indicated that, with one exception, no evidence existed to show a relationship between these factors.

Meaning of marketing and its potential application to the agency business: It was thought worth analysing the potential relationship between agents who were aware of the meaning of marketing (unprompted, prompted) and various other answers of a marketing nature; systematic approach; consumer orientation; performance. This might indicate some consistency in the agents' marketing. Again it must be remembered that very few agents showed any awareness of what marketing meant and that in any case no evidence of any relationship with other marketing factors was established.
Similarly, no evidence was discovered between agents who saw marketing as applying to their business and their answers to other marketing questions.

**Consistency on specialisation**: This lack of consistency between the few agents who are aware of marketing and their marketing orientation as regards other answers, was explored in connection with travel agents' attempts at specialisation. A number of questions in the survey were related to the theme of specialisation: extent of hinterland; mailing list; product mix (% of business house and own tour operating); product specialisation; customer classification; promotion theme for window; theme/image for the agency; choice of window display. Some of these eight factors were purely quantitative expressions of agency activity e.g. extent of hinterland (up to 20 miles, or 20 miles and beyond), product mix (10% or more of turnover deriving from business house and own tour operating).

Although all eight factors were cross classified, no evidence of relationships was discovered.

**Small travel agents and independent travel agents**: Part VIII, Chapter I highlights certain cross classifications investigated with the purpose of shedding light on the marketing behaviour of small or independent agents compared to the rest of the 32 agents sampled. In fact the cross classifications carried on a number of marketing oriented questions confirmed findings from the rest of the field and desk research of the thesis. With three exceptions, no evidence of a difference was established between small agents or independent agents and the rest of the sample.

**Conclusions**: The 32 observed agents were surveyed with a questionnaire of more than 80 questions and many of these have now been cross-classified. Of 284 cross classifications subjected to the Null Hypothesis, only five cases led to the Null Hypothesis's rejection i.e. some evidence of a relationship. This represents a low number of cases of significance and the possibility cannot be ignored that these five cases occurred through random chance.
The first three cases related to small travel agents and their perception of competition and promotion budgets and to independent travel agents and their answers regarding marketing applicability.

The fourth case of significance refers to location of the agent and the person or reason behind the choice of window display. There is a relationship between agents with hinterlands of 20 miles and over and those same agents giving a marketing oriented reason (special promotion, attention-arousing, seasonal) for choice of window display.

The fifth case relates performance of the agency in terms of employee growth and the existence of customer classification. There is some evidence of an association between agents whose employees have increased and the classification of customers.

However, given these five cases, the isolated nature of the association, and the lack of consistent pattern found in the results indicate that conclusions should be drawn with considerable caution.

As mentioned in the introduction to this section, the results of the 32 agent survey were intended as one of many sources of data collected by the researcher on travel agent marketing. These cases of significance open further fields worthy of exploration in the future.

Final Conclusions
The low level of scores suggests a low level of marketing orientation among travel agents with none of the sample showing a consistent level of marketing orientation.

Part VIII, chapter 1 shows, with material gained from various sources researched in the thesis including this 32 agent survey, that generally neither small nor independent agents behave differently from the rest of the sample.

No evidence was discovered of any relationships between survey results referring to either awareness of marketing or applicability of marketing and agencies with other marketing activities.
Similarly, agents displayed no consistency in their policies of specialisation, which suggests that certain results happened haphazardly or without conscious planned efforts.

Neither location nor performance were generally associated with specific marketing factors.

The general picture that emerges is of certain agents displaying glimpses of marketing orientation but unable to show a sustained, systematic marketing approach to their business. This seemed to be indicated by the level of marketing oriented responses as well as the consistency between responses.

Thus the field research material collected in Chapter I has shown how marketing applicability as explained in the literature reviewed earlier in the thesis, is applied by thirty-two agents in practice. Furthermore the survey has permitted a closer examination of the nature, extent and reasons behind travel agent marketing behaviour. The findings form a basis for the rest of Part VII. The reactions to the 32 agent study follow below as well as the development of fresh insights on the thesis.

CHAPTER 2: CONCLUSIONS OF THE FOLLOW-UP STUDY

2.1 FEEDBACK FROM THE 32 AGENTS INTERVIEWED

All agents were recontacted, including those seen during the pilot and testing stages, and their reactions of this follow-up study are summarised below. The majority of agents originally interviewed were asked for their response to the survey results. However, it should be noted that either due to change in agency managementship or simple non-availability a small number of respondents could not be re-interviewed. In general, most of the agents were telephoned for their comments (a few were revisited), concerning the summary of survey results that had been sent to them (see Appendix 2).

General conclusions: The summary confirmed what individual travel agents had thought was the true situation. This was important as far as the main study was concerned as the individual agent's confirmation indicated that the 32 case studies of agents probably represented a truthful perception of what was taking place and agents' attitudes and opinions.
Specific findings: One agent was initially surprised about the level of ignorance of marketing among the 32 agents. However when the Branch Manager asked his own staff, he found that it was true that his staff were unaware of the true meaning of marketing. Furthermore, the Branch Manager was so impressed by the survey results that he intended sending the summary to his head office, in order to inform them of the "grass roots position". This specific example also is interesting in that it illustrates the communication problems facing a Branch Manager - upwards to his head office, downwards to his own staff.

The low number of agents recording customer enquiries and complaints was justified by one travel retailer on the grounds of high cost of postage. This appeared to the researcher to be an excuse. Another agent suggested a further reason for the low level of recording of this information by pointing out that this would create too many files and thus put undue pressure on office space. This agent added "crucial enquiries" would be dealt with anyway, and trivial ones are not worth handling.

Another agent pointed out the communication gap mentioned earlier, between head office and the branch. This time it was in connection with market research data on caller statistics which has to be supplied to head office, but about which the branch never receives any feedback.

One agent offered three reasons for the low level of advertising reported in the research summary: the product is nationally advertised by the principals; no initial travel agent loyalty by consumer; not effective on a local basis. It can be seen that these three factors, themselves indicate many queries, problems and insights into travel agent "psychology". These and other factors are examined in the second chapter of Part VIII 8.2.3. where agent attitudes and behaviour are discussed.

The same agent went on to define the low level of marketing research applied by agents in the survey, by saying that it could
be explained by intuition, which obviates the need for marketing research, and the existence of word of mouth about the agency outside the local area which makes research into local business redundant. These somewhat puzzling, though revealing comments have been included as they show much about the confusion, ignorance and misconceptions to be found at agency level, and are by no means untypical.

Finally, a few agents expressed a little surprise that finance did not appear to be a problem, but accepted nevertheless that this could be true.

2.2 SURVEY WITH MAIN PRINCIPALS
Eleven in-depth interviews were carried out by the researcher and these represented four national airlines, three major tour operators (four interviews), one hotel chain, one car hire firm, and one car ferry organisation. These structured interviews generally lasted one hour and were conducted personally by the researcher with the Marketing Managers or Marketing Directors of the organisations. No refusals were encountered to the interviews which were carried out within a few months of the main 32 agent survey discussed in Chapter 1.

The main objective of this field research was to obtain the principals' perspective of travel agents and the applicability of marketing to their activities. The interview was divided into three parts:

2.2.1 Principals' own answers to a few selected questions from the original 32 agent survey.
2.2.2 Principals' reactions to the 32 agent survey summary.
2.2.3 Principals' answers to 14 additional questions that were composed by the researcher as a result of the main survey, in order to yield potentially new insights into travel agent marketing activity.

2.2.1 Three questions in particular were asked: the meaning of marketing, marketing research; role of travel agent. There was some resentment among a few respondents at being asked what they understood by marketing, but as the answers revealed a disparate level of understanding, the researcher...
felt that the resentment cloaked a few psychological barriers (see 8.2.3). One Marketing Director even stated that the term marketing was simply an "ego-trip for salesmen".

On the subject of what marketing research information the principals would most like to possess, the consensus pointed to knowing where present business was coming from and where future business could come from. The first of these is particularly interesting as one would have expected principals to have at least fully analysed their existing business.

On the subject of the travel agent's role in the industry, an interesting dichotomy became evident from the researcher's interviews with the principals. The dichotomy centred on the actual role of the travel agent as perceived by the principals, versus the desired role that principals felt that agents should perform. What principals see as the agents' actual role in the industry corresponds to what agents themselves said they thought principals would say - i.e. taking and processing bookings. However, it is interesting to note that principals view the agents' desired role as identical to what the agents themselves see their role as being i.e. offer a travel consultancy service.

2.2.2 In general, the principals interviewed endorsed the summary of the findings and only showed some surprise at finance not being a problem to agents. A few specific comments are worth noting as illustrating a certain disappointment in travel agents.

- one principal said that the top 400 agents (10% of the total) provide 85% of the principals' revenue.
- one said agents were "moronic".
- "finding suitable staff" was seen by one principal as an example of the role of excuses in explaining agents' own performance.
- the lack of recording of customer enquiries was found by one principal to be not only surprising but sad.
- the lack of specialisation in the product range, was found to be foolish by one principal.
2.2.3 How many agents show signs of seeing marketing as a business philosophy? The estimates varied from 5% - 25% of the total outlets, the percentage often mentioned as being even lower for non-IATA agents. Thus it can be seen that the principals' estimate mirrors the general findings of the 32 agent survey as will be developed further in Part VIII 1.4.

What are the reasons for this level? A number of reasons were mentioned by the principals interviewed and these can be summarised as follows:

- historically easy entry to the travel industry.
- independent agents do not need to be marketing oriented as they are not capital intensive, have low leases, no franchising in the market.
- agents cannot afford to undertake marketing, due to inadequate commission (which is particularly significant as a view of the principal and suggests a deliberate policy aimed at minimising their expectation of the travel agent performing any marketing functions).
- historically boom market conditions.
- business handed to the travel agent "on a plate", as principals stimulate the demand which, anyway, is in abundance.
- travel agents feel powerless to influence market given heavy promotion by principals.
- travel agents' motivation - either in the business "for kicks" (particularly the old ones) or survival in a market where it is easy to make an adequate living.
- the quality of management - often resides at the booking clerk level - widespread ignorance.
- confusion as to the meaning of marketing, which in any case is not seen as the travel agent's job.
- market research is seen by agents as unnecessary due to being closer to market than the principals.
- retail price maintenance.
- different cultural attitude to selling.
- agents interested in action rather than "philosophising"
These reasons given by principals about (their) agents' level of marketing orientation are valuable not only as revealing principals' perceptions but also as inputs to Part VIII Chapter 2 which establishes hypotheses for travel agency behaviour.

**Does marketing lead to better agency results?** This question was put to the principals in order to confirm or deny the suggestion that the low level of marketing orientation among agents, should be seen in the context of the potential cost/effect of marketing.

All the principals thought marketing would improve agency results and Part VIII 2.3. seeks to answer this apparently puzzling contradiction of a potentially beneficial activity with such a low acceptance by travel agents.

**What marketing techniques are applicable to the travel agents?**
Further to the question above, principals were invited to suggest which marketing techniques could be applied to the agent. Several mentioned market research and market analysis into their hinterland or catchment area through keeping regular records, trend tracking and general business analysis. This virtually zero-cost systematic approach would allow marketing plans to be drawn up aimed at enlarging the catchment area.

Various promotion methods were mentioned: mail shots; keeping mailing lists of existing customers; local promotions; window displays; special promotions; public relations. The desirability of establishing a cohesive, consistent promotion programme was stressed.

**Which marketing techniques do you consider the most crucial for the travel agent?** This is very similar to the previous question, but designed to highlight the chief techniques that agents might adopt. The answers centred on the spreading of risk by developing a product mix with a business-house element. Also mentioned were: joint promotions with principals; public relations and mail shots.
What is a 'small' agent? : Most defined this in terms of turnover, along the lines of the survey classification i.e. up to £250,000 p.a. One principal mentioned the existence of an owner/manager, another mentioned up to three employees.

Do small agents behave differently from large ones? : Not all principals reacted to this question, one raised the theme developed in Part VIII 2.1. that small agents have advantages of quicker reactions, local identification and greater experience but do not have the benefits of corporate image, sales techniques (including "telephone manner") of the large multiples. Two other principals thought small agents were less professional than the large. One principal drew the interesting distinction between the "momma and poppa" agents which form 80% of the small agents and the rest which are small but growing.

What is an 'independent' agent? : In general, principals felt that an 'independent' agent was one not owned/controlled by a chain and would tend to have an owner/manager, who managed the business personally and was self-motivated.

The number of branches before independence is lost?: This question was aimed at ascertaining at what level the growing 'independent' travel agent would lose his independence. Answers ranged from 'up to 3' (median 'upto 4'), to 'upto 20' in the chain. One principal said that it depended on the area concentration and another said it depended on the character of the owner.

What big business methods are applicable to the small travel retailer?: One principal summed up the answers to this question by stating "all the methods, but the small travel agent does not see this as his role". Other principals were more specific and mentioned: bulk buying; franchising; long run capital investment; market research. One principal thought no big business methods were applicable.
What other industries are relevant to travel retailing?: This question develops the idea from Part IV Chapter 2 by seeking to find out whether principals considered any other industries as relevant to the marketing problems of travel retailing. Most of the answers were examples of other service industries - insurance; garages; dry cleaning. One mentioned "travelcare" along the lines of Mothercare, another mentioned grocers, and yet another cited confectioners and tobacconists.

What is interesting, is the notion of transferability of marketing ideas from service industries or retailing sectors to travel agents, which is supported in this case, by the principals.

What are the financial objectives of travel agents?: There was some consensus among those principals commenting on this question. The common view seemed to be that travel agents generally were motivated by a desire to "tick over", earn a reasonable or good living, or simply survive. One principal labeled travel agents "risk averters" when it came to their financial objectives.

What is a good travel agent?: This purposely open-ended question led to a similar response from many principals; namely that a good travel agent was one that had a high turnover with the particular principal concerned. One principal, however, did comment that a good travel agent was one that was stable and showed a good profit.

Does settlement size affect travel agency behaviour?: Opinions among principals were divided, with some believing that settlement size affected travel agency behaviour because of the greater personal contact in a smaller settlement. In addition, the type or mix of business was seen to be influenced by the size of settlement, e.g. "the town style" affecting the amount of business-house business.

Some principals, on the contrary, believed that settlement size did not affect the behaviour of travel agents.
2.3 INTERVIEWS WITH "TRAVEL TRADE PERSONALITIES"

Six in-depth interviews were carried out by the researcher along similar lines to those discussed in Part VII 2.2. The aim was once again to shed further light on travel agents and their marketing behaviour, particularly in the light of the 32 agent study. "Personalities" were interviewed who in their own way, could be said to have helped shape the travel industry. Many such personalities were consulted in the course of the thesis research, but in-depth interviews were carried out with six in particular. These "personalities" were selected on the basis of: travel trade experience; respect of the industry's opinion-leaders; historical contribution. Confidentiality was guaranteed.

Below are listed the main points arising from the interviews:

The passive nature of travel agents
- travel agents must sell harder to increase the market (sell to people outside the door, as well as already inside the door, contact customers after initial visit).
- travel agents fear sticking their chin out.
- only 150 out of 4,000 agents are seen as creative (active) - why? the answer put forward is a combination of lack of money, bad education, agents for inclusive tours only, laziness.

Low marketing orientation among travel agents
- role of entrepreneurial flair in post-war years that gradually evolved with the appointment of advertising agencies and sales managers.
- marketing in the travel trade is relatively young (15-20 years)
- entrepreneurs prefer to be independent except when times are hard (e.g. the A.B.T.A. luggage scheme).
- "marketing is little used" by most travel agents.
- the presence of barriers (no time for market research; marketing subsidiary to financial considerations; role of fear and the importance of individual people in travel agency behaviour)
Small/independent travel agents

- 'the momma and poppa' travel agents are uneconomic if their time is costed into the business - their motivation is for perks and to have enough to live on.
- small agents as well as inefficient large ones may go bankrupt.

Marketing improves travel agency performance

- the assertion by one of the respondents that "marketing works"
- the use of specific examples of where marketing is used (cost/effect) to change attitudes held by travel agents concerning marketing
- all marketing techniques can be used.

Future research avenues

- study of multiples/chains - what they understand by marketing; their use of marketing information with the computer,
- why the 85% who can afford holidays do not use travel agents.

Chapter 2 has, through the follow-up study, confirmed many of the findings of the thirty-two agent study. The agents themselves largely agreed with a summary of the research findings. The principals and travel trade personalities not only agreed with the thirty-two agent study findings but were able to provide a number of insights on the applicability of marketing to travel agents.

Their comments, which have been distilled from nearly twenty interviews, are full of implications for the travel agents and their relationships with their principals. The main contribution made to the thesis revolves around the following: the passive nature of travel agents; their low marketing orientation; the role, importance and applicability of marketing to travel retailing. In addition Part VIII will discuss further the suggestions made concerning the possible reasons for the agents' current marketing behaviour e.g. their motivation; impact of external factors; travel agent/principal relations. Finally this Chapter has shed further light on the nature of small or independent agents.
CHAPTER 3: IN-DEPTH CASE STUDIES OF TRAVEL AGENTS

This third Chapter adds two further in-depth case studies directly dealing with the application of marketing to travel agents.

3.1 A LONDON SUBURBAN ONE-BRANCH AGENCY

3.1.1 Introduction

This travel agency is owner-managed, employs three and a half staff and is in a High Street location.

The study involved analysing the marketing activities of the travel agency with particular reference to: review of the marketing costs (mostly advertising); customer card analysis to ascertain customer profile concerning frequency of holidays taken; performance analysis in terms of holidays taken and number of heads booked. In addition this in-depth case study sought to show what marketing research information could be obtained from a travel agent's records within a short time and at virtually zero cost. Finally, it was hoped to gauge the reactions of the owner/manager to the conclusions and proposals.

3.1.2 Review of marketing costs

As far as could be discovered from the incomplete and irregular records kept of promotion expenditure, the annual budget had never climbed into three figures. Occasional advertisements were placed in the local press to coincide with the paper's travel feature. The theme was usually general and not specific to a time of year or type of holiday. Currently the agency was taking small advertisements in local charity or school magazines at minimal cost. No systematic monitoring of window displays, in-store displays and local advertising was carried out, with the result that the travel agency did not know what effect its promotional effort (such as it was) was having on the market. A list below shows the main messages used since 1969 and indicates the thinking behind the agency's choice of marketing approach.
General free help given by local papers on copy and layout.

end 1969

Cinema. 1 min Summer commercial, £60.00

Press

2. 1.70 "leave your cares behind ...... friendly staff"
11. 9.70 "10, 9, 8 countdown holidays 71
24.12.70 "leave your cares behind ...... friendly staff"

mission control

.................(address)

exciting new worlds await the traveller
launched with precision by our expert team
all systems perfect GO GO GO

9. 4.71 "Spend a holiday in the sun this winter
all inclusive tours around £10"

7. 4.72 (Name of agency) - we've packed our cares and gone
why have we moved? For your benefit
- and ours of course!

To give you a more efficient, personal and complete
service

This means no counters or crowds while you are
deciding your holiday plans.

Come and see us.

9. 8.73 Travel agency - general advert
10. 8.73 " " " "
16. 1.76 Follow the sun
Money no problem?

23. 1.76 "Money a problem this year?"

Check with us to make your cheque go further
* full information available on children's reductions
* comprehensive world travel service

20. 1.77 "Don't know where to go?"

Go British

Do you know England past Staples Corner
Explore or tour with .............

Pop in for a brochure

17. 4.77 Charity Football Match

What's the score?
Holidays? Travel?

To be right on the ball

£....
March 1977 Palestine Police Old Comrades
Plan your next trip with E....
Call your friendly agency for all your travel requirements
We have a wide experience in arranging holidays and business journeys by land, sea and air.
Please consult our helpful staff.

29. 8.77 Round Table
13.10.77 Far or Near
Let our experts plan
Your next holiday for you

.............

1978 Horticultural Society, one page £6.00
1978 Company Sports Club Diary, one page £20 p.a.
Where to go? What to do?
U.S.A./Canada or West Africa
for world wide travel and all holidays
contact ............

3.1.3 Customer card analysis

Total number of customer cards on file (These were typed by a junior on cards from the instructions of the senior clerk).
Number not having taken a holiday (with the agency) since 1974. 993
Number having taken a holiday (with the agency) since 1974 1076
Total number of customer cards 2069

Regular number of customer (cards)
Number having taken a holiday 1975, '76 and '77 65
Number having taken a holiday in 1976 and '77 114

New customer (cards)
Number taking a holiday for the first time in 1976 247*
Number taking a holiday for the first time in 1977 292**
* (52% of the total)
** (56% of the total)
N.B. The customer card analysis also could have yielded data on month of departure; name of principal; location of the
customer; marital status. However lack of consistency of this data and researcher's time constraints prevented this information being collated in detail. Nevertheless, it showed the amount of detailed information that could be gleaned from customer cards on file. These customer cards did not show the destination, the value of the holiday, precisely who took the holiday, or the time of reservation. Clearly there is scope here for computerisation of client records to facilitate analysis of agency turnover and profits.

3.1.4 Performance analysis

Total business

<table>
<thead>
<tr>
<th>Total number of holidays taken</th>
<th>Total number of heads booked</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>2079</td>
</tr>
<tr>
<td>1974</td>
<td>1541</td>
</tr>
<tr>
<td>1975</td>
<td>1396</td>
</tr>
<tr>
<td>1976</td>
<td>1396</td>
</tr>
<tr>
<td>1977</td>
<td>1257</td>
</tr>
</tbody>
</table>

N.B. The bookings related to each calendar year are from November to October as per agency office records.

Timing: The graphs enclosed in Appendix 8 show that both for the number of holidays taken and the number of heads booked the monthly seasonal pattern has remained essentially the same. In other words, the records do not show any evidence of deseasonalising of the agency's business, which could be said to be a desirable strategy for any agency, seeking to spread its business load.

3.1.5 Conclusions

Total business: Decline in number of heads booked, even though the total number of holidays taken has increased by 3% over the period. Hence a decreasing number of heads per holiday booked was becoming evident.

Customer profile:
1. Each year over 50% of the holidays taken come from "first timers" — yet the total level of business has remained, at best, level.
2. Just under 50% of the customers (cards) had not booked since 1974.
3. The travel agency had very few regular customers – less than 5% of the total customer (cards) had booked in 1976 and 1977 and only 3% had booked since 1975, 1976 and 1977.

3.1.6 Proposals
Following on from the main conclusions, the researcher made several proposals to the owner/manager in order to observe the reactions. The proposals are listed below:

1. **Mail shots** to the 'regulars' (as goodwill booster, to further increase business from them) and to the 'first-timers' who had not yet booked for the current season, to those who hadn't booked for some time.
2. **Brochure layout** to feature: tour operators; destinations; type of holiday (in store).
3. **Window displays** to change regularly and feature themes based on: destinations; tour operators; type of holiday.
4. **Specific local advertising** with the emphasis on small one column inch advertisement appearing regularly on a particular theme at a specific time.
5. **The 'Travelscope' news magazine** which the travel agency overprinted with its name should be researched in order to gauge its effectiveness in terms of cost/effect.
6. **Public relations activity** should be extended to include special evenings for example.
7. **Customer enquiries**: keep records on all enquiries in order to calculate conversion rate into bookings.

**Note**: Regular monitoring was proposed as essential in order to gauge cost/effect.

3.1.7 Reactions by the Area Manager to the proposals

**General points**
Despite the considerable time (two working days) taken by the researcher in analysing the customer records on behalf of the agency, the Manager did not appear to feel the need to receive the results. In fact, when the researcher arrived with the results he was told "you have caught me on a bad day"
Besides possibly highlighting the conflict between solving short term problems and preparing long term plans, this reaction was interesting in revealing several other factors which became apparent during the interview.

1. **Surprise**: There seemed to be a high state of ignorance about the business. The manager seemed unaware of the number of customer cards on file (estimated 4000, actual 2000). Considerable surprise was registered by the manager at the low number of regulars which was called "Incredible". The parallel loss of old customers expressed as a high percentage of their total business drew the comment "they can't like us". Naturally, broad conclusions cannot be drawn from such comments but taken together they make a composite picture of the agent's attitudes and opinions. The latter comment is particularly interesting as it might denote either a lack of interest in researching their market or resignation and apathy concerning their customers. Again, this comment was made in connection with the low percentage of customers booking with this agent in their "home" postal district.

The Manager was also surprised at the low number of married customers.

2. **Passive response**: A marked lack of action resulted from the presentation of the findings to the Manager despite considerable interest shown at many of the conclusions and proposals. To examine the reasons for this, it is helpful to examine each item that provoked interest together with reasons that were stated to explain inaction. It must be remembered at this point that psychological factors influence the resistance to change of ideas by the Manager (See parts of Part V and further discussion Part VIII), and this phenomenon provides a background to assess the overt reasons given.

**Mail shots**: Interest was shown at possible segments at which to target mail shots e.g. first timers and/or regulars. However, limited time and money were cited as obstacles. The reaction to the idea of *chasing up* late bookings was that there was too much time pressure. Another reason was given that the tour operator allocation (presumably brochure) had been exhausted.
Brochure layout: The Manager felt that this was desirable and indeed had been instituted by outside shop fitter contractors. However, no action was proposed by the Manager on the grounds of limited space at the office and the existence of some classification already viz. seasonal split.

Window display: Again, the Manager agreed with the importance of window display and indicated, with some pride, the flashing lights newly installed by the contractor. The matter was left open with the Manager's observation that the agency must now assure availability of suitable material. No indication as to how "suitable" material was defined was mentioned.

Specific local advertising: The Manager was not keen to undertake further advertising in the local press due to lack of expertise and time. In the past, the agency had received some help from the newspaper in terms of copywriting. Furthermore, the Manager had indicated that as bookings were proceeding satisfactorily there was no need for advertising - a very simplified conclusion to a difficult marketing strategy problem. It was clear, in any case, that the agency could not provide the marketing information necessary on this or any other questions, about the advertising effectiveness.

The 'Travelscope' news magazine: Here, some agreement was reached about the need to assess the value of this promotion tool. In the researcher's opinion this was more due to the realisation that the relatively large and identifiable cost involved needed some controlling, than any intent to institute general marketing controls which could show alternative ways of spending the budget more effectively. The Manager, nevertheless, retained positive feelings towards this form of promotion possibly influenced by the numbers of copies picked up by customers.

Public Relations activity: The Manager had thought of undertaking some P.R. evenings but no action had been taken or firm plans made.
Customer queries: This item, together with all other forms of monitoring, was not felt practicable due to lack of time and money. Indeed, the clerks themselves reiterated this lack of time for market research due to preoccupation with booking holidays, during interviews with the researcher.

Conclusions
An ambivalent, contradictory attitude exists in the mind of the agency owner/manager. On the one hand, there is satisfaction with the balance sheet at the end of the year, which was mentioned as a kind of defence to the implicit criticisms of agency performance inherent in the researcher's findings.

On the other hand, an admission by the owner/manager that "where are we going wrong?" indicates that there is the realisation that performance is poor, or at least below full potential.

Rationalisations were made by the owner/manager to reconcile these different views, whether in terms of lack of time, money or needs. One of the clerks observed that the travel agency cannot carry out marketing due to agreements with tour operators who prohibit brand advertising. However, it was commented that the agency itself can be marketed.

Clearly, there exists considerable scope, preceded by considerable preparation and research, for applying marketing to this agency.

N.B.
Reactions by the employees tend to confirm the general pattern of reactions insofar as the employees showed no surprise or interest in the findings. Alternatively, reasons for the agent's static and poor performance and low marketing activities were shaped in the form of excuses e.g. A.B.T.A. restrictions.
3.1.8 The researcher's own conclusions of the in-depth case study

1. Minimal marketing activities carried out.
2. No marketing research.
3. Lack of awareness of the meaning and scope of marketing.
5. The owner/manager's reaction to the review reveals several features that will be developed in Part VIII e.g. ignorance, fear, attitudes.
6. Some of the marketing and the management is carried out on a day-to-day basis by the counter and administrative clerks, who are not trained for this function but assume it haphazardly through 'being on the spot', and the lack of management experience or ability of the owner/manager.

3.2 A PROVINCIAL BRANCH OF A MULTIPLE (LARGE CHAIN)

3.2.1 Introduction

The travel agency, in a secondary location, has five employees and is a member of a large chain of travel agents. An interview with the chain's Managing Director revealed a few points in particular. Firstly, from his experience of the performance of his branches in different towns, he felt that settlement size was related to performance of the agent, the most successful being in small/medium sized settlements 20,000 - 100,000 population. The reasons given for this view included: no presence of principals to compete on direct selling; the ratio of travel agents to the catchment area is favourable; possible to "sew up" the community; local media are more efficient; low rates and rents. Conversely, the reasons why large towns or city centres are not conducive to good agency performance include: high rent and rates; consumers pick up brochures but buy the holiday in the suburbs (all central London offices of this multiple had been closed down); over saturation of the area by agents.
A further point arising from the interview, which was later to be illustrated by the case study, was that not much marketing was happening at branch level for the following reasons: standard company merchandising; head office marketing input e.g. advertising; no marketing research in the entire company; selective selling (pushing commission lines). The Managing Director, and his Marketing Manager in a separate interview, did not know whether marketing affected their market share which had been stable.

The Managing Director revealed that although the personnel policy gave incentives to counter staff in the form of selective selling, prizes and so on, the Branch Manager was really just a "glorified counter supervisor". An extremely important implication for head office/branch relations.

In order to further illustrate the application of marketing to a travel agent, the general promotion activities of this multiple are examined in detail. As in Chapter 1.3 this reveals a great deal of the way in which marketing - ideas and actions - is practised by the agent.

Promotion activities of the multiple : From the wide variety of promotional material it is possible to form a background picture of the way in which the multiple sees its business. This will be helpful to the thesis by contributing another example of how a marketing technique is applied by an agent.

A few quotes from the promotion literature illustrates the company's vocation and industry's role:

"XYZ Travel now offers a complete retail service to the holidaymaker and the business man through a rapidly expanding chain of ...... travel shops most of which are located in X and Y regions".

"To most people, a travel agency is simply a convenient place to book a holiday ......... Our job is to do all we can to make sure you get a holiday you'll enjoy ....... and rather keen to know how you got on when you come back
Obviously the fact that we actually take note of what you think doesn't mean we're infallible. But at least it shows whose side we're on".

This agency's role in marketing services to its clients is further exemplified below:

"Today, international travel is extremely complex. It's also extremely expensive. And as costs continue to rise it's becoming more and more important for companies to look at their travel expenses more closely and aim to keep expenditure down to a minimum. Experienced and expert advice is, thus, essential to ensure you get just the right arrangement at the best possible cost."

This establishes the need for agent's advice in travel. The following quote contrasts the 'travel product' with other products (see also Part IV, Part VI chapter 2).

"If you buy a fridge or a washing machine you can shop around, look at the prices and see what you're getting for your money. And, if it doesn't work, the people who sold it to you will make it work.

It's not the same with a holiday. You can't see what you're getting until you get it. If it's wrong, it can't be changed. No form of compensation will make up for it."

This need for customer feedback is translated into some form of action by this agent in the shape of XYZ agency Users' Committee. This provides a forum for the exchange of ideas and the consideration of ways to improve travel facilities.

This need for feedback also led to a study carried out by the travel agent, the results of which were presented to customers as a service, and comprised of two sections. The first assessed the reaction of travel consultants to the question of which tour operator would be recommended for a given type of holidaymaker segmented by age, family status, spending power, type of activity. The second is an important example of marketing research which provides the agent with customer satisfaction information. Seven features were selected which
"make or mar the success of the holiday". Three related to the hotel - its position and standard of bedroom and lounges; the food; hotel service. Three further factors related to airport arrangements, the flight itself, and transfers.

Finally, returning holidaymakers were asked to complete their comments on the clarity of itinerary and joining instructions.

Finally, another form of marketing research which has a promotional purpose and shows what can practically be used by an agent able and willing to make the effort. On the back page of a quarterly travel magazine produced by the agent are quotes from three satisfied customers. This is an example of how marketing research underpins the marketing of the agency and also supplements the promotion campaign with comparatively little effort.

The analysis of the problem, outlined below, was based on interviews with the Branch Manager, Regional Sales Manager and agency records, as well as observation on site.

3.2.2 The problem

Specific:
1. To assess the impact of the 'late booking campaign' which had been aimed at increasing the level of bookings mid-season.
2. What were the reasons for the increase in the branch's share of the principal's market.
3. What was the return on the investment.
4. What other factors may have contributed to the results.

General:
1. Can a cost/effect relationship be established in this case.
2. What is the comparative influence of controllable/uncontrollable factors on agency performance.
3. What happened between the marketing "inputs" and the "outputs".
3.2.3 The analysis

The approach used was similar to that outlined in Part IV, Chapter 3 where the Kepner-Tregoe approach to problem identification was explained. As the campaign under investigation had occurred between June and September 1977, the marketing inputs controllable and uncontrollable, were identified within the time horizon of the campaign. Then the outputs in terms of the branch's performance before and after the campaign was examined and compared with the marketing inputs.

The inputs

Controllable factors: Staff changes had occurred from the end of January (6 months before) and consisted of new branch and regional management; the arrival of more experienced counter staff; an increase in the number of staff from 2-4.

The administrative system incurred changes in February.

The shop layout underwent changes in March (interior layout) and in September (fascia and windows).

Promotion activities continued as normal, before and after the June-September period, with good relations with the local newspaper and regular mail shots. One exception was the late booking campaign itself which majored on the theme of late availability during June to September, 1977.

Agency-manufactured mini-trips were run between June and October.

Public relations activity was decreasing in intensity since the beginning of the year. On the other hand, sales training was slowly increasing in importance since January.

Uncontrollable factors: The economic environment was not seen to have changed over the period (no local factors such as strikes).

Similarly, competition did not alter during the entire period under investigation. Other local agents remained "sleepy", other local shops were not seen as competing, and there was the normal advertising by the agent's principals.
The Outputs: The branch's market share with two of its major principals increased—in one case from third in January to first by August, and in the other, from third to second in the same period.

Other indicators of performance such as the branch's share of local business in the town increased marginally from 28.7% to 30.0% in the period May to October, 1977.

Existence of branch information (one actual example of Branch XYZ)

1. **Turnover**
   
<table>
<thead>
<tr>
<th>Current Year</th>
<th>Cumulative</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover (£'s)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North</td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Midlands</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Midlands/East Anglia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branch XYZ</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.2 **Agency multiple's business with major tour operators (heads)**
   
<table>
<thead>
<tr>
<th>Summer '77</th>
<th>Weekly Cumulative</th>
<th>Summer '76</th>
</tr>
</thead>
<tbody>
<tr>
<td>HORIZON heads booked</td>
<td>% total mkt.</td>
<td></td>
</tr>
<tr>
<td>THOMSON heads booked</td>
<td>% total mkt.</td>
<td></td>
</tr>
<tr>
<td>COSMOS heads booked</td>
<td>% total mkt.</td>
<td></td>
</tr>
</tbody>
</table>

1.3 **Principal's business by town (heads)**

   (a) Total for Town A.
   (b) Agent multiple's business for the principal (AA) in Britain.
   (c) Brand XYZ business with the principal (AA)
2. Market share

2.1 Market share in Town A (by principal AA)

(i) Market share of town A compared to Britain for a principal AA.

(ii) Market share of branch XYZ in town A for principal AA.

2.2 Market share of branch XYZ

(i) Market share of branch XYZ compared to multiple's total business.

Conclusions

Considerable information available at the branch, and from Head Office. Gaps in financial information regarding costs, profits - allocation problem. Some data relies on principal's co-operation.

3.2.4 Constraints

1. Lack of comprehensive marketing information.
2. Absence of specific marketing objectives for individual elements of the advertising campaign.
3. A framework for a promotion plan did exist but was incomplete. It is reproduced below to show what can be done.
4. No staff interviews.
5. Difficulty of allocating composite advertising to the branch, and to individual products.
6. Absence of data on head office's involvement with the branch, financial and otherwise.
<table>
<thead>
<tr>
<th>Date/Market</th>
<th>Target Population</th>
<th>Activities - Cost</th>
<th>Expected Result</th>
<th>Means of Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Within circulation area of the ... Telegraph (x,000)</td>
<td></td>
<td></td>
<td>Increase in Thomson bookings and increase interest in general inclusive tours</td>
<td>eg monitoring Thomson bookings for one week following ad.</td>
</tr>
<tr>
<td>OR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Shoppers within distribution town shopping of 3,000 area - leaflets in precinct area</td>
<td></td>
<td></td>
<td></td>
<td>?</td>
</tr>
<tr>
<td>OR</td>
<td></td>
<td></td>
<td></td>
<td>?</td>
</tr>
<tr>
<td>3. Past clients selective mailings</td>
<td></td>
<td>higher revenue monitoring each mailing bookings from for one week up-market clients</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Current up-market clients and friends 4 up-market coffee mornings possibly at branch with long haul companies</td>
<td></td>
<td></td>
<td>?</td>
<td></td>
</tr>
<tr>
<td>OR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Sports/Social club leaders summer promotion group with tour operators 40 audience</td>
<td></td>
<td></td>
<td>monitoring</td>
<td></td>
</tr>
<tr>
<td>OR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Car drivers distribution of 1,000 leaflets under windscreen wipers in city centre car parks</td>
<td></td>
<td></td>
<td>?</td>
<td></td>
</tr>
</tbody>
</table>
The above table illustrates the difference between the establishing of a logical framework for planning and the practical obstacles that exist which prevent the plan being followed. Some of these obstacles may be due to the relationships between the Branch Manager and their Head Office requirements (see Parts IV, Ch.4., VI and VII. 1.2.3). Others may be due to the potential conflict between short term interest (to meet sales targets) and long term ones (building a consistent plan). Yet others may be due to ignorance, laziness or unwillingness to note failure.

The table above, therefore, contributes to the thesis in providing further information about how an agent can formulate a promotion plan, stating precise target groups, activities, costs, expected results and means of measurement. In addition, the existence of a discrepancy between what is possible and what happens provides further fuel for the conclusions, hypotheses and implications elaborated in Part VIII. This shows, once again, how marketing's applicability to the agent can be analysed on three levels: the theoretically possible, the practically possible, the actual level of application in individual cases.

3.2.5 Conclusions

The late booking campaign probably did have some impact in July/August bookings with the relevant tour operator although the effect was not dramatic (see graph in Appendix 9).

The return on investment would be unsatisfactory in terms of additional net profits compared to the cost of the specific advertising campaign (32 estimated). However, this is not a good measure because of the existence of other factors influencing the sales and profits level. These factors can be grouped into those controllable factors changed before the June-September period and possibly affecting performance, and those changed after the period, or that were decreasing or simply not relevant to the exercise. In addition, a third group of factors could be classified as being outside the control of the travel agency that may have had an effect but which cannot be quantified or assessed.
Other controllable factors possibly affecting June-September performance:
- staff-management; counter staff
- administrative systems
- changes in interior shop layout
- mail shots
- sales training

Other controllable factors probably not affecting performance:
- fascia/window changes (too late)
- public relation activities e.g. special evenings (decreasing)
- mini-trips etc. (not relevant to the campaign).

Other uncontrollable factors:
- principals' promotion and other marketing activities nationwide
- the travel agency's general marketing activity as a group (including all the branches)
- local competition from other types of business, local travel agents, principals' direct selling.
- economical and social factors
- general consumer booking patterns over the period, locally and nationally i.e. would bookings have increased anyway?

3.2.6 Proposals made by the researcher
An information system should be set up that would seek to quantify the inputs (costs) and outputs (effects) systematically. Specific objectives should be set for all the marketing activities (especially promotions).

Regular review of the effectiveness of individual marketing activities.

3.2.7 Reaction of the Sales Director to the proposals
A great deal of interest was shown in the findings but no specific action was planned as a result of the case study due to the need to "discuss the matter internally with the management team". (The researcher has since learnt that reorganisation of the company's marketing team is underway).
3.2.8 Conclusions for the thesis

Light has been shed on the methodology that might be used to evaluate the cost/effect relationship in marketing at travel agency level.

It has been shown that it is possible to measure this relationship and identify key factors affecting performance in a given situation. Nevertheless, the existence of numerous constraints such as the lack of consistent marketing information severely hampers efforts.

The role of specific examples is needed to show the cost/effect relationship. For example, the multiple furnished the researcher with figures showing how a £5,000 mail shot to prospective business house clients led to 2,700 replies. These were followed up and led to 18 actual accounts yielding £265,000 worth of business. In another instance, a two year promotion campaign costing £11,000 aimed at increasing VFR business led to a 28% increase in traffic to North America at a time when the market only increased by 10%. Clearly, the sales barometer has to be treated with caution, but in the absence of experimental conditions, or specific objectives, it is at least a small step in the right direction of quantifying cost effect.

Finally the most detailed example the company was able to provide was about the effect of a marketing activity on performance. In this case the input is in terms of leaflet distribution and the output is in terms of bookings received by the principal in a particular town. Both these measures are crude, and can be converted into financial terms by costing the leaflet distribution and the resultant net increase in sales and profits. However, these were used by the company and presumably were the only criteria available.
Leaflet Distribution and its Effect on Bookings

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<tbody>
<tr>
<td></td>
<td>2 April</td>
<td>25 June</td>
<td>% Increase</td>
<td>2 April</td>
<td>25 June</td>
<td>% Increase</td>
<td></td>
</tr>
<tr>
<td>with door-to-door distribution</td>
<td>536</td>
<td>608</td>
<td>13.4%</td>
<td>818</td>
<td>953</td>
<td>16.5%</td>
<td></td>
</tr>
<tr>
<td>Precinct distribution</td>
<td>508</td>
<td>604</td>
<td>18.9%</td>
<td>835</td>
<td>1029</td>
<td>23.2%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1044</td>
<td>1212</td>
<td>16.1%</td>
<td>1653</td>
<td>1982</td>
<td>19.9%</td>
<td></td>
</tr>
<tr>
<td>No campaign</td>
<td>1468</td>
<td>1707</td>
<td>16.3%</td>
<td>1824</td>
<td>2053</td>
<td>12.6%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2512</td>
<td>2919</td>
<td>16.2%</td>
<td>3477*</td>
<td>4035*</td>
<td>16.5%*</td>
<td></td>
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Leaflet distribution was carried out in April of each year, either door-to-door or covering the whole shopping precinct of a town. Several areas did not participate in the campaign by the principal.

The conclusions to be drawn are revealing both from the point of view of the principal's attitudes and from the purely factual perspective. On the former, the principal suggested in his letter to the travel agent that the figures (which contained 2 arithmetical errors!) "seemed to indicate that there was some mileage from the exercise we carried out in April. The timing may have been slightly wrong. What I find particularly interesting is that distribution in precincts seems significantly stronger ......."

In fact, the comments above are rather vague and unprecise and do not state sufficiently clearly the factual conclusions and implications of the figures. The conclusions, in fact, show that the percentage increase was higher in 1976 in the "no campaign" areas, although in 1977 this situation was reversed. Indeed, in 1977 both door-to-door and precinct distribution resulted in comparatively higher increases in bookings than in "no campaign" districts. What was not known by the recipient of the letter (the agent) was the situation after 25 June, nor before 2 April, nor the cost and extent of the leaflet distribution.
It is worth noting that this latter example, and the
previous ones, comprised the entire information available
on this multiple's cost effectiveness research activities.

The case study also illustrated the nature of branch
activities and attitudes in comparison with those of
head office. One example typifies this: the Branch
Manager of the travel agency seemed not to fully appreciate
the value of statistics generated by the company computer
system on consumer activity.

Finally, the role of internal and external variables on
travel agency marketing performance. In this study, the
internal, controllable marketing inputs showed the extent
of marketing's applicability to the travel agent.

These two case studies have focussed on how two different
types of travel agents apply marketing to their business.
The information presented in the Chapter shows what the
travel agent can assemble given the will, the ability and
the time. The benefits of such research have been discussed
in each case, in terms of business opportunities, cost
effectiveness of marketing and Head Office/branch relations.

In addition, these two travel agents have further illustrated
what marketing applications exist and the role of the owner,
manager or Head Office in influencing the degree of marketing
orientation and activity of the agent. The implications of
these findings will be incorporated in the discussions in
Part VIII, particularly in relation to the implications for
the travel agent of applying marketing to his business.
CHAPTER 4 : OTHER RELEVANT FIELD WORK MATERIAL

In addition to research among travel agents, their principals, "travel trade personalities" and in-depth case studies, other field work in the shape of attendance at meetings and conferences has yielded interesting and complementary data.

The information collected in this Chapter refers to the travel agent seen from the wider perspective of the industry, small business and principal/agent relations. The material relates to the applicability of marketing to travel agents, but does not fit naturally into the preceding three Chapters.

The first section represents a selection of findings resulting from many meetings' proceedings. The researcher noted down those contributions or lectures which appeared most relevant to the thesis. In like manner, the second section indicates the results of a conference. Finally the third section, examines the relative impact of the travel agent as a promoter on behalf of the principal, who himself, as will be shown, attempts to activate agents.

4.1 TRAVEL INDUSTRY MARKETING GROUP MEETINGS

This group, which is an offshoot of the Institute of Marketing, was mentioned in Part IV and is a professional forum of marketers involved in the travel industry. The meetings serve to provide an essentially practical view of current, and even future, marketing problems and issues confronting the travel industry.

The researcher, as a member of the group, has attended several sessions, particularly those relating to travel agents, since 1974. It is worth noting that the themes itemised below not only complement previous discussions but also feed in naturally to the discussions in Part VIII.
4.1.1 **Role of the retail travel agent**

The meeting on 11 March 1974 grouped a panel of experts including representatives from W.H. Smith and T. Cook. The view emerging from the meeting was that the retail travel agent could apply a range of marketing techniques aimed at ensuring that customers come into the agency and spend more whilst there. Retail layouts should change every five years and should display a range of "products", some of which would be "crowd pullers".

Another point, which is developed in Part VIII 2.1 is that multiples benefit from economies of scale (negotiation, salaries, marketing research, computers) whereas the individual retailer can offer personal service.

4.1.2 **Travel agents should be active**

"Marketing on a shoestring" was the title of the meeting on 5th April, 1976 and sought to show that marketing activities could show benefits even on small budgets. A number of interesting examples were mentioned in connection with the central argument put forward by Ron Plant, David Heard and others, that the passive role of travel agents should be rejected. Below are listed some examples:

- promotion actually increases profits
- retain past customers by providing a service that will encourage repeat purchase (awareness necessary of the complete range of products to prevent the customer being seduced elsewhere) – see Part VII 3.1. conclusions.
- convert the unconverted to become regular travel agency customers (50% only go abroad and only 33% go two years' running – why so few of the travel agent's customers?) – See Part VII 3.1 conclusions.
- extend boundaries by direct mail
- identify every enquiry

4.1.3 **The unsophisticated travel agent**

The following points made by Kanter, Managing Director of Cooks, at the meeting entitled "How to create new profits" on 7th February, 1977 centred on profitability and the travel agent.
The travel agent is unsophisticated according to Kanter because management information is lacking and since the only way to increase profits is to isolate profitability, this is impossible without: monthly profit and loss accounts; monthly balance sheets; cost per transaction; cost per employee.

Furthermore, the lack of agent's sophistication is shown by the over-dependence on "gut feel and guesstimates" rather than using marketing activities to influence his business.

Cash flow should be used as a technique that would help the agent to concentrate on the more profitable business.

Finally the travel agent should deseaseasonalise the business - see also Part VII 3.1, even to the extent of reorganising the premises to move staff around at off peak periods e.g. administration, market research.

4.1.4 Travel agent motivation

Redhead made the point at a meeting on principal/agent relationships on 7th March, 1977, that agents' motivation can be summarised as "kicks or profits", which determine their expectations. Some are content with a modest income. Beaver made the point that marketing would be improved, by such techniques as outside representatives selling the travel agency and its services.

4.1.5 Role of external variables

At a meeting on "Soothsaying or Forecasting" on 12th December, 1977, Tanner made the observation that the travel trade is forced to forecast despite outside influences that can be unpredictable, as in the case of Court Line. The reasons why there is the element of compulsion in planning is due to the need to commit resources - staff salaries, sign leases.

Furthermore, according to Elms, forecasting may become more necessary as with increasing leisure the industry moves away from the era where Stabiliser protected the industry to an age when direct selling and government legislation may radically change the industry. Elms's use of the Chinese proverb "when wind blows, reed must bend" was revealing of the need for greater agency sensitivity to environmental factors.
4.1.6 Industry trends

Besides the perennial pre-occupation with direct selling which percolates most meetings, a few substantial points are made by principals and agents during the TIMG sessions. One of the main arguments is similar to that between Burkart and Baker discussed in Part VI, Chapter 2, the extent of service that an agent should provide. On the one hand direct selling would permit principals to mass market package holidays with minimal service or, on the other hand, travel agents are needed to market holidays which cannot be sold as simple cans of beans. In fact, in the words of Harry Chandler at a meeting on Direct Selling on 6th December 1976 agents are involved with "marketing holiday dreams" - a quite intricate concept of the "travel product". (See Part VI, Chapter 4.1).

Another trend which has been also previously discussed in Part VI Chapter 2, is consumerism and this was the subject of a TIMG meeting on 21st March 1977, at which Sandies of the Financial Times and Chandler were the main debating speakers. Chandler put forward the main arguments against extending consumer protection and Sandies the main points in favour of developing consumerism. The main arguments put forward against are:

1. **Costs too much** (for the rate payer and the consumer) :
   Four thousand complaints are received by ABTA from the four million holidays taken. Chandler went on to cite Methven's (ex-Director General of Office of Fair Trading) analysis of the number of complaints per £million spent -2.7 complaints in the case of holidays. In other words, the small number of complaints does not warrant the massive armoury of organisations partly or wholly dedicated to travel trade consumer protection.

2. **Consumerism encourages complaints** : Chandler lists the 'consumer types' who he feels are encouraged by consumerism to complain:
   All these possibly living in hope of receiving a free holiday. This phenomenon is of great concern to the agent as customers complain initially to the agent.
3. Caveat emptor: "Let the buyer beware" - Chandler argues that the consumer has a modicum of intelligence (and therefore does not need protecting. In any case, the ultimate right of the consumer is to withdraw his custom.

The main arguments put forward in favour of consumerism in travel:

1. Brochures do not correspond to reality
2. Insufficient warning to clients of changes - airport delays, hotel changes.
3. Appalling complaints procedures
4. Law is inefficient
5. Monopoly situation of certain carriers.

Although it is not possible to arrive at final conclusions as to whether consumer protection should increase, decrease, or remain constant, it is becoming increasingly evident that the agent must become increasingly aware of his task to satisfy his customers from his unique position between principals and markets.

4.2 CONFERENCES

Although several have been attended by the researcher during the course of the thesis, this section will refer to the Small Business Management Teachers Programme held at the London Business School from the 3 - 15 July, 1977.

The conference highlighted the inefficiency of many small businesses as regards marketing in particular. The point was made that if the level of turnover is good no need is felt for marketing activities such as market research. Only when business declines and a crisis occurs is a short run need felt for marketing - what was called at the conference "a fire-bucket management approach".

On a more constructive note, the session on "marketing and the small business" concluded that marketing could help firms survive less painfully. What was needed was a structure that took account of the following factors: the 80/20 rule that relates 80% of the revenue to 20% of the products/services sold; the emphasis on profits rather than simply turnover; cash flow; hinterland study.
4.3.1 The role of the travel agent via an airline's study of its consumers:

Introduction: A major national airline requested the researcher to carry out a market research study in order to establish the consumer profile and behaviour in relation to a particular discount tariff. The report concentrated on the factors that serve to make up the profile of the consumer and influence his behaviour but also put into perspective the travel agent's role.

An illustration of what can be done to improve principal/agent relations uses the "Club" formed by this airline, details of which appear below.

This example also illustrates another facet of travel agency marketing - his relationship with the principals who pay his commission and thus ensure his survival. This airline had recently instituted a Club which united agents with the airlines and aimed to bring their working relationships closer together.

In return for the free membership of the Club, the key agents receive certain privileges including: advance notification of educational trips; information of principal's training courses; preferential treatment when flying on the principal's airlines; get-togethers around the U.K; regular newsletters.

By packaging these benefits in certificates, membership cards, special baggage tags the airline clearly hopes to create and foster the goodwill of key agents who provide the main source of the principal's revenue. In addition the airline hopes to increase their share of agency business as well as expanding the cake overall by such techniques as free permanent plastic display cases to feature the principal's promotional material at point of sale. Other techniques designed to promote sales include prestamped response cards given to agents to enable them to request additional travel information for their customers.
Finally, advertising by the principal was designed to support the agents by encouraging the public through his door to pick up the airline's material. One line from the copy of the international series of advertisements shows the approach: "So when you travel, let a Travel Agent help with the planning. Then all you have to do is enjoy your trip".

The positive aspects of this relationship between agent and principal are stressed in promotional letters sent to prospective Club members. "I am sure it will help our relationship to the benefit not only of both of us, but also to the benefit of our mutual customers as well". Also, "...we know it will mean more business for Travel Agents, and, in turn, more business for our airline ...... by doing everything we can to help promote Travel Agents .... and to help Travel Agents promote."

4.3.2 The findings

Specific information was collected on the basis of 137 interviews personally administered to airline passengers. The interviews, usually lasting 5 minutes were in the form of a questionnaire containing 14 questions.

The questions covered the following points: age; sex; occupation; readership habits; past purchasing behaviour; purpose of trip; source of information; alternative travel plans; reason for travel; reason for brand choice (the particular airline); improvement suggestions; return trip arrangements; future destinations of interest; other comments.

A full report was prepared containing the analysis of all the data above, as well as conclusions about the profile and purchasing behaviour of the consumers, and other observations made on the basis of talks with airline staff, additional passenger comments and general observation, on site.

The seventh question is of particular relevance to the role of travel agents:
How did you hear about (the airline's tariff fare)?

- Newspaper (advertisement or article) 51
- Friends 39
- Travel agent 18
- Colleagues 11
- Airline's own staff 10
- Relations 7
- Other airlines 7
- Television 5
- NA 7

N.B. Some gave more than one answer.

The figures illustrate, in this case, the role of the travel agent in informing customers about principals' services. In this case, clearly the airline's own promotion campaigns in the press accounted for the largest source of information about the fares.

4.3.3 Reaction by the airline's Marketing Director

In contrast with the previous two case studies, the interest shown on several points of the study, as well as surprise at others, was translated into action. It can be said that some of the elements of the airline's marketing programme were influenced by the study. The promotional message and the ticket purchasing location took account of the findings of the survey. Perhaps it could be postulated that when a company actually feels the need for marketing research and this research is working to agreed and precise objectives, the likelihood exists that the company will take serious note of the findings.

4.3.4 Conclusions for the thesis

This research study into an airline's consumers illustrates the quantity and quality of detail that may be achieved by a relatively quick, and inexpensive, survey. It also showed the researcher that, apart from the questionnaire used, other research methods such as observation and interviews with company staff are valuable in this type of situation.
Chapter 4 as a whole has highlighted many of the issues that were raised earlier in this Part. In particular, the T.I.M.G. meetings raised points concerning the low marketing orientation and passivity of travel agents. The reasons put forward revolved around a combination of internal factors, such as agent's motivation and external environmental factors. This confirmed opinions expressed both in the rest of the field work and in the secondary research.

The need was identified for agents to take an active marketing role and exploit the benefits of marketing application in improving their agency's performance. Suggestions were made on how the agent might embark on changes in his marketing activities.

Finally, the role of the travel agent was examined in relation to his dealings with principals. Section 4.3 indicated that the travel agent, although important as a retail outlet for the principal, was not his main medium of promotion.

CHAPTER 5 : CONCLUSIONS

The field research analysed in this Part consisted of a study aimed at exploring the applicability of marketing to the travel agent. This field work consisted of several separate but interrelated sections, each of which formed the basis of a chapter in Part VII. Chapter I evaluated the responses of thirty-two agents concerning their marketing activities and attitudes. The questionnaire which contained over 80 questions yielded full and detailed answers which have been tabled in an Appendix. Certain key questions were selected for closer analysis on the basis of their contribution to the thesis arguments. This selective view of certain aspects of the thirty-two agent study together with deeper analysis, such as that of the 1,500, two by two tabular classifications by attributes (pp. 238-243), reveals a great deal about agents' marketing behaviour.
The primary research on travel agents was also discussed in Chapter 2 which examined the comments of the agents' principals and "travel trade personalities". This follow-up survey, which included feedback from the thirty-two agents themselves, served to put the results of the survey into perspective by noting and evaluating reactions and opinions of other parts of the travel trade.

Chapter 3 examined the two in-depth case studies concerning the marketing activities of travel agents. The potential application of marketing to travel agents was discussed together with the opinions and attitudes of the managers and staff concerned.

Finally, Chapter 4 contained relevant field work material from three other sources which did not naturally fit into the earlier chapters selected from the large amount of data available.

This field research carried out personally by the researcher resulted in many conclusions and implications for the travel agent and the travel industry as a whole. Although these are discussed more fully in Part VIII, the main conclusions arising specifically from this Part are set out below so that the reader can identify how Part VII has helped influence the overall thesis findings.

The picture that emerges is of a predominantly passive retail trade that does not actively, creatively approach its markets or its customers. This is reflected both in the performance indicators used in the study and the managers' opinions and attitudes collected by the researcher. The main reasons for this passive marketing stance by agents have been revealed by a review of all aspects of the primary research. They appear to centre around a combination of external, environmental factors and internal ones relating to the nature of the management.

These factors also relate to the low marketing orientation
exhibited by most travel agents, manifested both in terms of marketing activities and opinions. This finding was reinforced by the follow-up survey, particularly the results of interviews with the principals.

Furthermore, there was no evidence from the research discussed in this Part to suggest that the behaviour or attitudes of travel agents can be differentiated on the basis of either size or membership of chains. Various sources from the primary research show this finding, whether it be the thirty-two agents themselves, or the reactions of the follow-up survey interviewees. Indeed the agents illustrated in 7.1.2. that were able to initiate detailed marketing activities showed by their varied background, that neither size nor chain membership was a constraint to marketing’s applicability to their business. The cross-classification study in 7.1.5. illustrated this point with a few exceptions which are exhibited in Appendix 12. The ranking of agents in the same section similarly supported this finding, although it must be remembered that the overall level of marketing orientation amongst agents was low.

The findings for this field research have implications for travel agents, as was mentioned in the introduction to this Part. The performance of the individual agent is always the subject of attention by the manager or owner either because success needs to be maintained and planned for or because losses need to be minimised or avoided. Part VII contained examples of what travel agents are actually doing to implement marketing activities. These examples show what can be done and how travel agents design and even monitor their marketing activities.

Part VIII Chapter 3 develops further the ideas contained in this Part and analyses the managerial implications. For example, the passivity of the travel agent and his typically low marketing orientation could leave him vulnerable to external threats e.g. competition.
The marketing approach, which emphasises an information-based management and is aimed at flexibility to market fluctuations, would inevitably impose changes on the agency manager's view of his business. These managerial implications discussed more fully in the next Part would focus partly on the conversion of these threats in the environment to opportunities.

The small or independent travel agent can see from the findings of this Part that he is by no means debarred or constrained in applying marketing to his business. The research has shown, and the literature review supports the view, that a chief constraint is the nature of the management. Furthermore, Part VIII develops the idea of balance relating to the comparative advantages and disadvantages of the small or independent travel agent. This balance suggests that every agent whatever his size or number in the chain can attempt to exploit his inherent strengths.

These implications for the travel agent also affect and are consequently of interest to the agent's trading partners. It is the agents' principals and consumers who also stand to benefit from any increased awareness and application of marketing by agents. This may occur, for example, through greater consumer satisfaction and greater profits for the principals who depend greatly on the travel agents for their revenue. Similarly, an increase in the number of satisfied customers who regularly purchase travel "products" benefits the agents themselves as they rely heavily on the commission from bookings.

Finally, the full implications and lessons to be drawn from this primary research have to be added to the insights gained from the exhaustive secondary research undertaken. There is a wide difference between what the published sources state should happen in the interests of greater travel agency efficiency and what is shown to actually to be the case. The reasons for this discrepancy lie not
in the inappropriateness of the marketing ideas but in the practical limitations of the situation in which the travel agent finds himself.

Part VIII which follows brings together these two aspects - the practical dimension of marketing application by agents and the potential application - in a synthesis of the findings of the entire thesis. For example, given that size and independence of the travel agent do not appear to influence the application of marketing to his business, hypotheses are formulated in Part VIII concerning possible other reasons. This leads on to an exposition in Part VIII of the main implications of the thesis for the travel agent and related parties based not only on published material but also on the original field research conducted in Part VII.
PART VIII CONCLUSIONS OF THE RESEARCH THESIS

CHAPTER 1: MAIN CONCLUSIONS

1.1 The Difference Between Small and Large Travel Agents
1.2 The Difference Between Independent and Non-Independent Travel Agents
1.3 Most Travel Agents Tend to be "Passive" Marketers
1.4 Generally Low Level of Marketing Orientation Among Travel Agents

CHAPTER 2: MAIN HYPOTHESES

2.1 Balance Between Strengths and Weaknesses
   2.1.1 Small Travel Agents
   2.1.2 Independent Travel Agents
2.2 Passive Due to Travel Industry Conditions and Owner/Manager Characteristics
   2.2.1 Travel Industry Conditions
   2.2.2 Owner or Manager Characteristics
2.3 Low Marketing Orientation Due to Existence of Barriers
2.4 Other Factors, External and Internal, Affecting Travel Agent Performance

CHAPTER 3: FUTURE IMPLICATIONS

3.1 Research Implications
3.2 Managerial Implications

CHAPTER 4: EPILOGUE
PART VIII : CONCLUSIONS OF THE RESEARCH THESIS

Introduction

The purpose of this final Part of the thesis is to draw together the main findings of the desk and field research on the applicability of marketing to the tourism and travel retailer. Then, on the basis of the evidence available, formulate certain hypotheses to explain these conclusions. These hypotheses would necessarily be based on information gleaned from the research. Finally this Part VIII discusses the implications of the thesis both for the travel retailer and the travel trade in general concerning the marketing applicability to the travel agent. The epilogue ends with a final restatement of the main conclusions of the thesis, in the light of current developments.

It must be emphasised that the overall conclusions of this thesis are based on evidence on travel agents' behaviour which is specifically detailed in Part VII, which shows both what can be applied by agents as well as reasons why marketing may not always be fully applied.

The four conclusions contained in this Part Chapter 1 reflect the research made on the level of marketing application, the behaviour, the marketing orientation of travel agents. Given the nature of the travel agent (Part VI Chapter 2), the first two conclusions relate to the small or independent agent and answer the question as to whether size or independence influence marketing applicability.

Having established, on the basis of the evidence contained in the thesis, that neither size nor independence appear related to the level of marketing application, the third conclusion establishes the general passivity of travel agents. This passivity is essentially reflected in their behaviour in the marketing area (see Davidson Part IV Chapter 1). All the evidence suggests that agents are passive in their approach to marketing.
Related to this passivity is the question regarding the overall level of marketing orientation of agents, which, as explained in Part IV Chapter 1, is expressed both in terms of attitudes and activities. Normally, a passive agent would be low in marketing orientation, however an active agent may not necessarily be highly marketing orientated. The reason for this is that whereas a passive agent does not perform many marketing activities, an active one may carry out these activities which may be unconscious, haphazard, or temporary. Hence the third conclusion refers to the passivity of agents and the fourth conclusion refers to the related issue of marketing orientation. Both conclusions point to a generally passive travel agent who is low in marketing orientation.

Chapter 2 puts forward reasons for these conclusions, in the form of hypotheses. The first hypothesis suggests that size and independence do not affect the level of marketing application because of the balance of strengths and weaknesses of small and independent agents. These countervailing factors help explain these agents' continuing survival and why their level of marketing application does not follow a different pattern from other agents.

The second hypothesis explains the reaction of agents to their marketing opportunities and threats (Levitt, Part IV Chapter 1). The passivity is attributed to a combination of travel industry factors and owner/manager characteristics.

On the subject of low marketing orientation, the third hypothesis suggests, on the basis of the available evidence, that various barriers exist that prevent marketing being applied by the owner/manager.

Finally, if marketing appears to play a minor role in agents' activities and subsequent performance, the final hypothesis suggests that other internal as well as external factors may affect agents' performance (see Part IV Chapter 1.2 on Framework).

The evidence contained in the earlier Parts of the thesis has
provided the basis for these hypotheses, as well as the earlier conclusions on which these are based. Similarly, Chapter 3 examines the implications of these findings on the travel industry. Chapter 3 seeks to indicate, by example, how marketing may be applied by the individual travel agent. The examples of marketing application detailed both in Part VII and Part VI Chapter 4.2 serve to illustrate what is possible to achieve in certain individual cases. Chapter 3 spells out the managerial implications of these findings.

Chapter 4 serves as a final opportunity to incorporate latest developments, from the travel industry and elsewhere, that may be relevant to the thesis. It is the intention of the thesis that the findings are not limited to a time frame, but transcend the limits of a particular time period and generally relate to marketing applicability and travel agents.

CHAPTER 1: MAIN CONCLUSIONS

1.1 The Difference Between Small and Large Travel Agents

There is little evidence to suggest any difference in the level of application of marketing between small and large tourism and travel retailers:

The turnover criterion is used to classify the travel agents interviewed in the field study – those up to £250,000 being classified as 'small'. Follow-up research with principals, discussed in Part VII lends support to this approach of using turnover and at the level mentioned above. This is one of the criteria used to define small business. It is worth noting that in the general comments outlined from Parts V and VI, the term 'small' is not defined in the same way by the various contributors.

Originally, it was felt that owing to the nature, specific characteristics and problems of the small travel agent the level of marketing application would vary with size. It was thought by the researcher that marketing would be less applied by the smaller travel agent. In fact the findings of Parts IV,
V and VI (desk research) and Part VII (field research) did not support this view.

The desk research pointed to the conclusion that marketing is equally applicable to small and large business. In Part IV, Rodger in 4.1.3, suggests that marketing problems do not disappear with size and that marketing functions must be performed by someone inside or outside the organisation. Roe in 4.2.1 states that there is no evidence that large firms are more successful than small ones. Wood in 5.1.1 cites the Bolton Report's eight areas of problems facing small business and underlines Rodger's point above, that these problems apply irrespective of size.

There is also support for the researcher's conclusions that marketing may be equally applicable to small and large travel agents in Part IV 1.1 (the Institute of Marketing), Part VI 4.1.1 (Knowles) and 4.1.2 (RAMS). (These three examples are taken from the body of the thesis to illustrate the point and are not meant to be exhaustive).

If it can be said that the applicability of marketing is equally the case for small and large organisations, the field research sought to discover whether there was any evidence to suggest the level of application of marketing differed with size.

Certainly, Baker's account of how he, as a small travel agent uses marketing (see Part VI 4.2) points the way to a view of travel agents, irrespective of size, using marketing.

The table in appendix 10 sets out the responses of the 14 'small' travel agents surveyed (up to £250,000 p.a.). By examining the responses of the small agents to certain questions, selected from the overall questionnaire, it is possible to see whether there is any evidence to suggest that the small agents' attitudes and activities in the marketing area differ from the global answers of the 32 agents, outlined more fully in Part VII Chapter 1.

In general, it can be said that the answers do not indicate that the 14 travel agents possess distinctly different attitudes.
towards marketing or that they apply less marketing than the average for the sample. Below are listed the 14 areas which have been analysed with the corresponding figures for the 32 agents in brackets.

1. Does marketing apply? YES 10 (21) NO 2 (7) NA 2 (4)
2. Meaning of marketing. No. 6 (the textbook definition) 5 (7)
3. Mailing list. YES 8 (19) NO 6 (12) NA - (1)
4. Promotion methods used in the past. Average number 5.9 (6.9)
5. Promotion methods used now. Average number 4.5 (4.7)
6. Promotion theme. YES 9 (18) NO 4 (12) NA 1 (2)
7. Window display choice. Seasonality 4 (9) etc.
8. Marketing research. YES 1 (3) NO 13 (28) NA - (1)
9. Enquiries recorded. YES 1 (2) NO 13 (29) NA - (1)
10. Complaints recorded. YES 4 (7) NO 10 (24) NA - (1)
11. Product specialisation. YES 4 (8) NO 10 (23) NA - (1)
12. Customer classification. YES 7 (14) NO 7 (17) NA - (1)
13. Competition: Local travel agents. YES 9 (14) principals selling direct 5 (6)
14. Travel agent role self perception: travel consultant 10 (18) etc.

The answers to these fourteen questions, chosen to represent the extent of marketing application in terms of awareness and action, follow the general trend of the sample (VII 1.4)

In like manner, the performance of the 14 agents in terms of business mix, promotion, training budgets and turnover growth did not differ markedly from the general picture as outlined in Part VII 1.1.2. (see also VII 1.4)

Furthermore, the publicity material cited in Part VII 1.1.2 indicates that even small travel agents can engage in extensive effort to promote their agency and its services.

The follow-up study, VII Chapter 2, registered the confirmation of principals and travel trade personalities who considered that marketing applications by agents did not depend on their size.
To conclude therefore, if marketing is taken to mean the combination of approach and action, then it can be said that there is little evidence to suggest that marketing differs in the level of application according to size of travel agent.

The general comments made at the beginning of this section show that the small and large firms share the common denominators: of consumers; need for a systematic approach; and profit which is the essence of marketing as an approach, orientation and organisational stance (see Part IV Chapter 1.1). The applicability of marketing is universal and although it may vary among travel agents in the extent of its application, size cannot be used as a means of segmenting the agents.

1.2 The Difference Between Independent and Non-Independent Travel Agents

There is little evidence to suggest any difference in the level of application of marketing between independent and non-independent travel agents:

This section continues the theme of the preceding one, by seeking to establish whether independent (defined as one branch) travel agents possess different attitudes regarding marketing and whether these travel agents' level of marketing application differs from those agents from chains of two branches and upwards.

Originally, it was felt that the individual agent, when compared to the small chain or multiple, would register a lower level of marketing application. The findings of the field work in Part VII have produced little evidence to support this view. The desk research makes little reference to the independent travel agents' marketing activities, beyond linking these with the small travel agents. Consequently, little has been published in this field, because, as the 32 agent sample showed, very few agents were both small and independent (only 5).

The table in appendix 11 sets out the responses of the 8 'independent' (one branch) travel agents surveyed. The same
14 questions were selected as in the previous section and the responses compared to the responses of the 32 agents interviewed. Once again, the conclusion from this analysis is that there is little evidence to suggest that one branch agencies have a different level of marketing application than the chains. Below are listed the results:

1. Does marketing apply? YES 3 (21) NO 4 (7) NA 1 (4)
2. Meaning of marketing. textbook definition 3 (7)
3. Mailing list. YES 5 (19) NO 2 (12) NA 1 (1)
4. Promotion methods used in the past. Average number 6.3 (6.9)
5. Promotion methods used now. Average number 4.5 (4.7)
6. Promotion theme. YES 5 (18) NO 1 (12) NA 2 (2)
7. Window display choice. Seasonality 2 (8) etc.
8. Marketing research. YES 1 (3) NO 6 (28) NA 1 (1)
9. Enquiries recorded. YES - (2) NO 7 (29) NA 1 (1)
10. Complaints recorded. YES - (7) NO 7 (24) NA 1 (1)
11. Product specialisation. YES 3 (8) NO 4 (23) NA 1 (1)
12. Customer classification. YES 4 (14) NO 3 (17) NA 1 (1)
13. Competition: Local travel agents 2 (14); principals selling direct 2 (5)
14. Travel agent role self perception travel consultant 5 (18) etc.

The answers to these fourteen questions follow the general trend of the sample. Similarly, the performance of the eight travel agents, in terms of business mix, promotion, training budgets and turnover growth do not differ markedly from the general picture as outlined in Part VII 1.1.2. (See also VII 1.4)

Furthermore, as in the previous section, the publicity material cited in Part VIII, 1.2, indicates that the independent travel agent is equally able to produce material when compared with the multiples.

The in-depth case studies discussed in Part VII 3.1 and 3.2 show that the number of branches - or independence - of the travel agent does not seem to affect the level of application of marketing which was low in both cases. In fact the overall low level of marketing application found amongst travel agents throughout the field research is further discussed in Part VIII 1.4.
It seems therefore, that there is little evidence to support the view that independent travel agents vary in the extent of their marketing application.

The next section concludes that there may be another basis for differentiating among travel agents in this field.

1.3 MOST TRAVEL AGENTS TEND TO BE "PASSIVE" MARKETERS:

As a result of the desk and field research carried out by the researcher, he has concluded that most travel agents tend to be "passive" marketers. Passive is taken in the sense used by the EIU study referred to in Part VI which characterises travel agents as either being active, creative sellers or order takers and ticket issue points. Parts IV and VI contain many examples of the meaning of active/passive: "Take business to the customer instead of waiting for the client coming to them" (Part VI 1.4); (focus on) "opportunities not problems created by change" (IV 4.1).

In other words the concept of a 'passive' travel agent relates to one who by his attitudes in the marketing field takes a non-creative; non-active role in approaching his business.

It is suggested that the results of the field work point to this general picture of passivity among travel agents which better explains the low level of marketing application than their size or independence. A number of questions in the field survey of the 32 agents give clues for this conclusion. The agents have a narrow view of competition as being primarily local travel agents rather than being for the "$1 in their pocket". A wider view of consumer buying behaviour would enable more creative marketing strategies to be developed. Furthermore, the manner in which agents see their industry role in contrast to how they believe their principals see the agent's role shows that this contradiction between active and passive role perceptions is widespread. The range of marketing activities revealed by the 32 agent survey is limited – little marketing research; little product specialisation; limited budgets for promotion.
This conclusion of essentially passive travel agents is further exemplified by the field research with principals, "travel trade personalities" and in-depth case studies (see Part VII Chapter 2 and 3) which all backed up the idea that travel agents were not active in the way they approached their business (see also Part VII 4.1.2). In particular the high percentage of new business and the low percentage of repeat business each year shows the variable nature of the agent's clientele (Part VII 3.1) which is passively followed by the agent without any significant action to remedy it.

Furthermore, the literature review particularly by relating to Part IV adds weight to this contention that most travel agents tend to be passive. Some examples illustrate this point.

The Burkart versus Baker debate discussed in Part VI 2.2 drew into sharp focus the key factors behind the notion that retailers are passive. Both sides agreed that travel agents are passive, they only disagreed as to whether this should be the case, with Burkart essentially justifying the passive role. Baker argued that the travel agent role should be an active one, since the travel agency is to be considered as a business in its own right with the ability to influence its destiny.

The extent of the passivity is underlined by many references in the earlier parts of the thesis. For example, Davidson in Part IV 2.1 says that only a handful of companies use "offensive marketing" (or active marketing). The EMIT study, Part VI 1.4 pointed out that travel agents were not doing enough marketing activities locally to exploit the considerable market potential for holidays. Part VI 4.2 has many examples to add to this, whether it was the ATTITB survey (Part VI 4.2.3), which analysed travel agents' passive reaction to customer enquiries, or whether it was the consultant's report Part VI 4.2.5, that said that progressive agents are not just order takers but leisure package creators. Part VI 4.2 contains many exhortations made by the trade to the effect that travel agents should get out from behind the counter and expand or create new business instead of being content, as they are, to sit and wait for business.
Even Lickorish and Kershaw in their book *Travel Trade* in 1958, see Part VI 1.4, pointed to the fact that only 80 of the 4,000 agents are creative, and that this active minority provide a more than proportionate amount of the business.

Summarising therefore the evidence researched suggests that most travel agents tend to be passive and this possibly explains the trend in answering the questions of the main 32 agent survey's follow-up studies.

1.4 THERE IS GENERALLY A LOW LEVEL OF MARKETING ORIENTATION AMONG TRAVEL AGENTS:

Closely related to the conclusion about the general passivity of travel agents is the finding that there is a low level of marketing orientation among travel agents.

For the purposes of the thesis this marketing orientation may be explained in the following way. Marketing orientation refers to the emphasis or priority the organisation is giving to systematically satisfying consumer needs profitably. This orientation embraces the philosophy of the firm as well as its range of activities in the marketing field (see Part IV Chapter 1.2).

The conclusion that the level of marketing orientation among travel agents is low has been arrived at by comparing three sets of data: (1) a checklist of potential marketing applicability; (2) list of 'composite' marketing applications; (3) list of individual marketing applications. The distinction between these three will become clearer as each one is examined individually.

(1) Marketing Applicability

This refers to the potential range of marketing application that can be used. Part IV showed in Chapters 1 and 4 what marketing meant both in terms of the organisation and in terms of the industry.

Part V Chapter 4 showed the applicability of marketing to small business in general. Part VI Chapter 4.1 reviewed how
marketing could be applied to tourism and travel retailing.

The material researched in Parts IV, V and VI helps to make it possible to formulate a checklist of marketing applicability.

The applicability of marketing provides the common denominator between industries. It gives the ideal, theoretical level and is distilled from all the relevant theoretical work published to date.

(2) Composite Marketing Application

This refers to the extent all organisations in a particular industry apply marketing. It is made up of the sum of all firms' individual applications of marketing. This information although available is not easily accessible due to confidentiality, defensiveness, lack of comparability. The 32 agent survey discussed in Part VII Chapters 1 and 2 showed how a composite view could be built up of a group's level of marketing application. Similar problems of quantification occur when compiling a composite picture as to the individual level.

A qualitative view of the composite level of marketing application can be derived from firms in the industry, distribution system, competition, government, consultants and so on. Indeed, this thesis, particularly in Parts VI 4.2 and VII Chapters 2 and 4 assembles several estimates of the level of marketing application in the travel retailing sector.

Thus it may be said that this level indicates the marketing application existing in a particular industry or sector.

(3) Individual Marketing Application

This relates to the extent to which one organisation applies marketing.

Part VII Chapter 1 contained many examples of how agents applied marketing. The conclusion of this chapter contained
one way of quantifying both the "extent" and the "marketing" applied by the agent. These are not easy problems to overcome and relate to those discussed in Part IV Chapter 3 on marketing effectiveness.

Part VII Chapter 2 detailed views from the follow-up survey on individual agents' level of marketing application. Chapter 3 of the same part gave two further in-depth examples of individual agents' marketing activities.

Part VI Chapter 4.2 also examined individual examples of agents' marketing activities, ranging from marketing research to promotion.

1) A checklist of Potential Marketing Applicability

1. General appreciation of marketing as a business philosophy, company orientation and "way of life". An awareness in terms of owner or manager opinions, attitudes and beliefs that form the essence of marketing: consumer orientation; systematic approach; profit objectives or equivalent (Part IV 1.1).

2. Marketing Information System: Schwartz in Part IV 4.1.2 explains how the retailer may conduct marketing research (surveys, experiments, observation) and he outlines the main uses of such research (customer profile, reasons behind sales patterns, shop loyalty, customer opinions, location of actual and potential customers, advertising effectiveness). Schwartz stresses the informality of such research for the retailer, a view which Wills in Part IV 4.1.3 shares when he discusses the value of observation as a research method for the retailer. Nor is the smaller retailer exempt from this basic marketing function as was discussed in Part V Chapter 4. The reader should be left in little doubt about the potential application of marketing research to the travel retailer when the range of examples contained in Part VI 4.1 are taken into account.
3. **Marketing Objectives:** as explained in Part IV 1.1 profit is one of the essential elements of the marketing approach. There is a need therefore to set objectives for the marketing activities of the agency and these are formulated either by means of forecasts or targets.

4. **Marketing Strategies:** this refers to the design of the marketing mix as well as to the considerations of segmentation strategies. The perception of competition and market share in consumer oriented terms would be a necessary basis for formulating strategies (Part IV Chapter 1.3).

5. **The Marketing Mix**

5.1 **Promotion:** perhaps this element of the marketing mix yields the widest range of marketing applications to the travel retailer as Part VI 4.1.5 in particular, testifies. Promotion is taken in its wide sense to include the corporate identity and retail image (see Cox Part IV 4.1.4) store character (ORNSTEIN Part IV 4.1.3) shop layout, point of sale, local advertising, direct mail and other media, public relations and promotion effectiveness.

What is important to remember is that there is no evidence of any inhibitions by the writers that in theory, the entire range of promotion methods and techniques are applicable to the travel retailer and may be expressed in some form of promotion plan.

5.2 **Sales and Distribution:** in a retail service sector such as travel retailing both the location of the outlet (distribution) and the personnel management principles relating to sales are given importance. Part VI 4.1.4 discusses sales training, motivation, performance evaluation and choice of selling methods.

5.3 **Product:** Wood, as was explained in Part V 4.1, illustrates well how important product policy is for the small business. The fundamental question "What business are you in?"
(vocation) begins the product policy formulation. Part VI 4.1.3 shows the value of defining the "product" that the travel agent is marketing, with a view to segmenting the market, specialising and product innovation.

5.4 **Pricing:** Although, resale price maintenance limits the agent's use of this marketing mix element, pricing remains an important part of his marketing planning and strategy. This can be seen either in terms of the ATTITD job description of the travel manager (contained in the appendix of Beaver's book *Travel Trade Practice* (199)) or in terms of the value for money the travel agent chooses to offer for a given price (i.e. the services he offers, such as delivery of tickets).

6. **Marketing Control:** refers to the control procedures that may be adopted by the organisation to assess the effectiveness of its marketing activities (Part IV Chapter 3). **Budgeting** control as well as marketing research feedback are important elements.

The Checklist (Framework) of Marketing's applicability to the Travel Agent

1. **GENERAL APPRECIATION OF MARKETING**
   - consumer orientation
   - systematic approach (planning, strategy, control, management)
   - profit objective or equivalent

2. **MARKETING INFORMATION SYSTEM**
   - methods of marketing research
   - applications to marketing problems
   - financial planning/recording
   - enquiries/complaints recording

3. **MARKETING ObjectIVES**
   - forecasts
   - targets
   - globally and by marketing activity
4. MARKETING STRATEGIES
   - marketing mix
   - segmentation
   NB perception of competition/market share

5. THE MARKETING MIX

5.1 PROMOTION
   - promotion planning
   - corporate identity
   - local advertising, direct mail and other media
   - shop layout
   - point of sale
   - promotion effectiveness

5.2 SALES AND DISTRIBUTION
   - retail location
   - sales training
   - motivation of staff
   - performance evaluation
   - choice of selling methods

5.3 PRODUCT
   - vocation
   - product definition
   - specialisation
   - innovation

5.4 PRICE
   - discounting
   - cost analysis
   - value for money

6. MARKETING CONTROL
   - profit and loss accounts
   - cash flow
   - budgetting
List of 'Composite' Marketing Applications

Whereas the previous checklist refers to the potential applicability of marketing to travel agents, this list is made up of the combined answers given by the 32 travel agents in the main field survey. These combined answers to the main questionnaire yield a range of marketing applications used in practice by at least one agent in the sample. Thus it may be said that the composite answers show the range of application of marketing possible in practice, when added to the examples in Part VI 4.2 and VII Chapter 3.

The crucial difference between this list and the previous one is that the constraints of setting the questionnaire in terms of length, confidentiality and data availability meant that the composite list is necessarily smaller in scope than the potential applicability of marketing. In addition constraints at industry level serve to limit the extent of applicability e.g. RPM on package holidays.

What the desk research and field survey did show was what was possible to achieve in practice. Below is a list of the topics covered by the questions on marketing applicability in the field research.

1. General appreciation of marketing (meaning, attitudes, competition)
2. Marketing information systems (marketing research, enquiry/complaint recording, budgetting, record-keeping)
3. Promotion (mailing list, methods used, budget size, shop layout, window display, theme)
4. Sales (training budget)
5. Product (specialisation, classification of customers)
6. Distribution (hinterland study)
7. Price (reactions to RPM, cost)
8. Marketing planning (objectives, strategies and controls)
The reason why this list should be smaller than the potential applicability is due to a combination of factors such as constraints on travel retailing from the travel industry and the generally low level of marketing orientation amongst travel agents. This checklist and the following one are difficult to construct because of constraints in data collection, assuming the information actually exists.

3) List of Individual Marketing Applications

When individual responses are analysed, it can readily be seen that the level of application of marketing is generally low among travel agents, in terms of their responses to the survey's questions. It would be expected that a marketing oriented travel agent would not only be aware of the meaning and scope of marketing but would be actively involved in marketing activities such as promotion, sales, marketing research, planning and so on. None of the 32 respondents could be said to have comprehensively answered all the questions in a 'marketing oriented manner', (see Part VII Chapter 1).

It is worth noting, that the literature review also indicated that the level of marketing orientation was low in industry in general e.g. Norman Hart's study, Davidson, both discussed in Part IV 2.1. Wills and Stanton in Part IV 2.2 illustrate this by pointing out the case of marketing research which appears to be little used. Marketing research is a useful indicator of the level of marketing orientation, since this information input is basic to the elaboration of the marketing approach. Pickering in his study of small business (Part V 1.1) indicated that little use was made of marketing in the hotel industry. Part VI 4.2 illustrates the isolated nature of marketing application by individual agents with the consultancy study commissioned by Travelnews (236) underlining this low level of marketing orientation among agents. Interestingly, this study introduced the idea that performance in terms of market share, market penetration and hinterland exploitation was indicative of an industry not attuned to meeting the needs
of its actual and potential consumers.

Finally, the field research relating to the feedback interviews with principals, "travel trade personalities" and the TIMG meetings confirms this view of a substantial majority of travel agents appearing not to be marketing oriented.

**Extent of Marketing Orientation**

As developed in Part IV Chapter 1, marketing orientation focusses on the extent of marketing's impact on the organisation. Since marketing orientation may be seen as the embodiment of the attitudes and activities of the firm in the marketing area, it can be assessed also by reference to these different levels of application.

**At the Level of the Organisation**

1. **Absolute Level of Marketing Orientation**

   This may be expressed as the relationship between the individual marketing application and the marketing applicability level. Part VIII Chapter 2 compares these levels in the course of elaborating one of the hypotheses.

2. **Relative or Competitive Level of Marketing Orientation**

   This refers to the individual level compared to the industrial or composite level of application. Part VII Chapter 1 and related Appendices particularly refer to this relationship, as regards the group interviewed.

**At the Industry Level**

3. **Industrial Marketing Orientation**

   This compares the composite or industrial level with that attainable in theory — marketing applicability. Part IV Chapter 2 discussed this aspect, by highlighting constraints affecting the travel industry.
Conclusions

The main conclusions of the desk and field research focus on the behaviour of travel agents in the marketing area and suggest that the travel agents are generally passive in their approach and not marketing oriented in their business operations. There is no evidence to suggest that this comparatively uniform picture throughout the trade varies according to whether the travel agent is small or large, independent or member of a chain.

CHAPTER 2 : MAIN HYPOTHESES

2.1 SIZE AND INDEPENDENCE DO NOT APPEAR TO DIFFERENTIATE AGENTS' APPLICATION OF MARKETING DUE TO THE BALANCE BETWEEN EACH ONE'S STRENGTHS AND WEAKNESSES:

Both the literature review and the 32 agent study have yielded a number of factors contributing to the strengths and weaknesses of small and independent travel agents. Although the factors themselves are not weighted in importance (apart from frequency of response during the 32 agent study) the range of factors on each side of the balance indicates how delicately the advantages and disadvantages are poised.

Although the strengths and weaknesses of small and independent travel agents have been found to be interrelated, they are tabulated separately to show specifically how the notion of balance operates in each case.

2.1.1 The Balance Between Strengths and Weaknesses of Small Travel Agents

The Table below shows that the principal strengths of small travel agents that emerge from the research are: flexibility to respond to market changes; closer, personal contact with the agency's customers and markets; personal service.

On the other hand, the main weaknesses that arise from both field and desk research seem to be: economic vulnerability; constraints of time, management ability and money; negotiating weaknesses.
The Table gives the full range of factors mentioned and illustrates that the small travel agent although faced with certain disadvantages due to his size, nevertheless may benefit from certain strengths by virtue of his size (i.e. not being big).

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Desk Research</strong></td>
<td></td>
</tr>
<tr>
<td>Not overburdened administratively (V.1.1.)</td>
<td>No bulk buying (IV.4.1.5) &amp; (VI.1.3)</td>
</tr>
<tr>
<td>Flexibility and speed (VI.3.1.) &amp; (IV.4.1.5) &amp; (V.1.3)</td>
<td>One man cannot join ABTA (VI.1.3)</td>
</tr>
<tr>
<td>Knowledge of customers/markets VI.3.1) &amp; (V.2.1)</td>
<td>Diseconomies of scale in labour costs with growth (VI.1.3) &amp; (IV.4.1.5)</td>
</tr>
<tr>
<td>Greater product/market specialisation (IV.4.1.5) &amp; (V.2.1)</td>
<td>No time to release staff for training (VI.1.3)</td>
</tr>
<tr>
<td>Management flexibility (V.2.1)</td>
<td>Too busy (V.1.1)</td>
</tr>
<tr>
<td>Creative leverage (V.4.2)</td>
<td>Short run more important than long run (IV.4.1.5) &amp; (V.1.3)</td>
</tr>
<tr>
<td>Convenient location</td>
<td>Economic vulnerability – low cash reserves, staff competition with easy entry (V.1.3) &amp; (IV.4.1.5)</td>
</tr>
<tr>
<td>Personal contact</td>
<td>Shortage of cash – difficult to borrow money (V.2.1) &amp; (IV.1.3)</td>
</tr>
<tr>
<td>Low overheads in suburbs/villages (IV.4.1.5)</td>
<td>Time, ability, money constraints (V.2.1)</td>
</tr>
<tr>
<td>Low labour costs</td>
<td>Poor marketing planning esp. product (IV.1.3)</td>
</tr>
<tr>
<td>Owner's motivation and (V.1.3.1)</td>
<td>Poor management (IV.1.3.1)</td>
</tr>
<tr>
<td>Lower &quot;head office type&quot; overheads (VI.3.1)</td>
<td></td>
</tr>
</tbody>
</table>

| **32 Agent Study**                                                       |                                                                           |
| Personal service (8)                                                    | Smaller stocks                                                           |
| Personal knowledge, contact, closer to market (4)                       | Negotiating weaknesses                                                  |
| Control (2)                                                             | No market research possible                                              |
| Simpler                                                                 | Vulnerability to trends                                                  |
| Speed                                                                   | No IATA membership possible                                             |
| Security                                                                | Perception by the market                                                |
| Involvement                                                             | Staffing levels                                                          |
| Immediate feedback of results                                           | Public image                                                             |
| Clearer lines of responsibility                                         | Perks less likely                                                       |
|                                                                           | Limits to promotion budgets                                              |
|                                                                           | Unlikely to attract business-house business                               |
|                                                                           | Reputation                                                                |
|                                                                           | Goodwill                                                                 |
|                                                                           | Staff continuity                                                          |

TABLE **Strengths and Weaknesses of Small Travel Agents**
2.1.2 The Balance Between Strengths and Weaknesses of Independent Travel Agents

In similar fashion, the Table below, based on data researched in the course of the thesis, shows that the independent travel agent's main strengths are greater freedom of action and more control of his business. On the other hand, not being in a chain, raises similar weaknesses to those of the small agent, for the independent agent: less bargaining power; vulnerability to trends. In fact the references in the Table in 2.1.1 which relate to strengths and weaknesses of small agencies also were stated to apply to independents (small independents - IV.4.1.5, VI.3.1)

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>32 Agent Study</td>
<td></td>
</tr>
<tr>
<td>More freedom (9)</td>
<td>Less bargaining power (4)</td>
</tr>
<tr>
<td>Control (4)</td>
<td>Vulnerable to trends (2)</td>
</tr>
<tr>
<td>Staff advantages (2)</td>
<td>Obtaining finance (2)</td>
</tr>
<tr>
<td>Autonomy (2)</td>
<td>Survival more difficult</td>
</tr>
<tr>
<td>More flexibility</td>
<td>Lower salaries</td>
</tr>
<tr>
<td>Speed of decision</td>
<td>Lack of brand name</td>
</tr>
<tr>
<td></td>
<td>Staff welfare</td>
</tr>
</tbody>
</table>

TABLE Strengths and Weaknesses of Independent Travel Agents

2.2 AGENTS TEND TO BE "PASSIVE" MARKETERS BECAUSE OF TRAVEL INDUSTRY CONDITIONS AND CHARACTERISTICS OF THE OWNER OR MANAGER:

The combination of external and internal factors (see also Part VIII 2.4) explains the widespread passivity of travel agents. This arises because certain conditions in the travel industry together with certain characteristics of the owner or manager tend to favour this lack of activity (c.f. also framework Part IV Chapter 1.2 internal/external factors).

2.2.1 Travel Industry Conditions

A number of specific examples can be brought forward to explain how this passivity amongst travel agents developed due to industry conditions.
The historical perspective, mentioned for example in Part VI 1.4 and Part VII 2.2.3, underlines the view of an industry that has been in boom market conditions with an expanding demand due in part to higher living standards and improved transport. Notwithstanding certain short term crises, this boom late in the sixties and early seventies, coupled with easy entry into the market when leases were cheap and low capital intensity was the nature of the business, led to a feeling of complacency among many travel agents.

This feeling of complacency could be said to have been encouraged by the travel agent's relationship with his principals. This point emerged very clearly from interviews with principals (Part VII 2.2), "travel trade personalities" (Part VII 2.3) and the TIMG meetings (Part VII 4.1). As Yacoumis pointed out in Part VI 2.1 the travel agents could be said to be conditioned by their principals to believe that the agent can do little to influence demand. In other words, the marketing activities (promotions, product development, pricing, marketing research, planning, selling) of the principals leave the travel agent in a state of passivity as he feels the principal is doing all the marketing on his behalf. Interestingly, the 32 agent study brought out this conditioning in connection with the agent's perceptions of his role in the industry (see Part VII 1.3). The principals' own view is far from clear as the feedback interviews with them indicated. Whereas some were content for the travel agent to be passive others felt that although indeed he was passive, he should not be.

The consultant's study detailed in Part VI 4.2.1 suggested that travel agency passivity could be linked to the nature of their hinterland (local population density, trading position, well developed shopping centres). In other words, the location of the travel agent in relation to his hinterland influences his attitude to creating new business ("handed on a plate" was a phrase that was repeated several times by interviewees in connection with travel agents' business).

Linked with this former point, the extent of competition has been suggested as influencing the extent of agent passivity.
Consequently if the protection afforded by A.B.T.A. to the industry through Stabiliser, is considered together with an expanding market then a picture emerges of relatively low competitive activity between travel agents. Two trends that are beginning to affect the amount of competition are the threat of direct selling by principals and the surplus of outlets due to historically easy entry. See also Part VIII Chapter 3. This also relates to agents’ view of competition and their role in the travel industry.

Davidson (Part IV 2.1) summarises this discussion by suggesting that marketing becomes more important (and by implication passivity declines) under certain market conditions: competitive conditions; high margins; rapid change in technology and consumer tastes; frequent consumer purchase; good opportunities for product differentiation.

2.2.2 Owner or Manager Characteristics

The widespread nature of passive travel agents is also due to the characteristics of the person responsible for the day-to-day running of the travel agency (the owner or manager) and the policy making, if any (the owner or manager).

The desk research revealed many references, particularly in Part V, to the effect that owner/manager characteristics tended to be: lack of formal qualification; lack of management knowledge; lack of management ability. Furthermore, the effect of the owner/manager on his travel agency extends through his individual personality and his personal motivation in running the business and his personal perception of market opportunities; importance of personal service and flexibility.

The field research, particularly the interviews with principals and "travel trade personalities", underlines the view outlined above that the management experience and ability and the motivation of the owner/manager contribute to the passivity of travel agents. The TIMG meeting (Part VII 4.1.4) also stressed the motivation factor, in terms of "kicks or profits" and that this influences their perception of their marketing activities.
2.3 THE LOW MARKETING ORIENTATION IS DUE TO THE PRESENCE OF A NUMBER OF BARRIERS WHICH TEND TO ADD TO THE RESISTANCE TO CHANGE BY AGENTS:

The previous section ended on the subject of the individual owner/manager's impact on the travel agent's passive approach. The individual's behaviour is also key to the explanation of the low marketing orientation amongst agents, since a passive approach is very much related to an agency that is not marketing oriented.

The notion of barriers is helpful in explaining this phenomenon noted in Part VIII 1.4, for the reason that when an agency is faced with changing from one orientation, or business philosophy, to another, there is the natural phenomenon of resistance to change. This resistance can be characterised by the existence of certain barriers that prevent the travel agency from adopting the new (marketing) orientation. These barriers are especially important to identify in the light of the general view emerging from the research that marketing leads to better agency results in the market. The notion of barriers emerged not only from the psychological approach adopted by Petrof (Part V 2.2) but also in the course of field research with "travel trade personalities" who raised the idea of barriers accounting for the low marketing orientation amongst agents.

The many barriers mentioned during the course of both the desk and field research, may be conveniently grouped into five headings: ignorance; old traditions; view of marketing; excuses; psychological barriers. In addition the barriers may be grouped:

**Barriers at the Individual Agency Level**

These barriers operate at the level of the organisation and have the effect of preventing it from applying the full range of marketing techniques available in the industry.

Part IV Chapter 2 examined the conditions for marketing's occurrence in practice and suggested certain reasons for this level.

Part V Chapter 2 discussed the problems of small business several of which could account for the pattern of small business marketing applications.
Part VI Chapter 4 reviewed what certain agents were doing in the marketing field and some of the sources included in this section offered reasons for the level of application.

Part VII Chapters 2, 3 and 4 also provided some original material from the field work to help identify the existence of barriers and reasons for their importance in affecting the level of marketing application.

These barriers may be expressed as the difference between the composite marketing application (of the industry) and the individual marketing application of the organisation.

**Barriers at the Level of the Industry**

These barriers operate at the level of the industry (or total firms in the sector) and prevent the industry from fully applying marketing.

Relating as they do to the first type of barriers, these barriers were referred to in Part IV Chapter 2 as well as Part V Chapter 2. Part VI Chapters 1 and 2 also contained material referring to industry-wide barriers affecting the travel industry.

The field work analysed in Part VII also referred to these types of barriers as explaining the industry's level of marketing application - Chapters 2 and 4.

These barriers may be expressed as the difference between the marketing applicability level (ideally) and the composite level attained in the industry.

**Total Barriers**

As the above barriers are mainly differentiated on the basis of the individual organisation relating to its industry and the industry relating to the ideal level, it is necessary to consider the operation of barriers in general.

The total barriers of course all affect the individual travel agent either directly or indirectly through his membership of an industry or sector.
The total barriers may be expressed as the difference between the marketing applicability and the level of marketing application attained by the individual agent.

Reverting to the five headings mentioned earlier:

1. **Ignorance:** The level of ignorance amongst travel agents is critical insofar as this affects their awareness and knowledge of their business and ultimately governs their ability to manage effectively. The research has indicated that ignorance extends to: the nature of competition; the true trading and financial status; how, when and why to advertise; the full range of marketing activities. In addition, little is known about the principles and practices of modern management and a lack of management ability gives rise to a casual superficial approach to management problems. This lack of management ability is partly due to ignorance which results in the serious misuse of business records and information and partly due to limited education and experience which in turn give rise to closed minds and personal lack and misuse of time (Broom Part V 2.1). Related to this ignorance, is apathy, expressed in Part VI 1.4 as the 'locked drawer syndrome' or 9-5 mentality.

2. **Old Traditions:** As mentioned above, agents tend to be bound by tradition, which acts as a brake to developments such as the move towards marketing orientation. The research has revealed what type of traditions act as barriers, and a list of these are outlined below:

   - oriented towards providing solely a booking service
   - tendency to classify any positive sales effort as unfair competition (c.f. the 'cultural' view of selling expressed by one of the principals)
   - nineteenth century attitudes to people (so crucial in a service industry)
   - agents guided by archaic conditions that lead them to believe only they can possibly know and run their business.

3. **View of Marketing:** The general picture emerging here is that there is too narrow and specialist a view of marketing, with agents not taking a total approach to the business. Naturally, a distorted and uninformed perception of the nature and scope of
marketing forms a natural barrier to its adoption. In this connection, prejudices must be added and these centre around theory versus practice or academic versus practical considerations.

4. **Excuses:** The generally disappointing performance of travel agents as detailed in Parts VI and VII, leads agents to seek excuses to defend their poor record. A good example of this is provided in Part VI 1.4 concerning agents' reactions to being dropped as a tour operator agent. The tour operator was blamed for: bad brochure displays; no calls by representatives; no availability on holidays requested by agents; no display material; difficulty in making reservations; wrong target levels which were often only narrowly missed. The agent's location was also blamed; too much competition; local economic problems; small town; isolation.

All these excuses, while satisfying the travel agent himself, only serve to obscure reality and provide another barrier to the greater marketing orientation of the travel agent. Cost and time were significantly absent from answers concerning the absence of marketing research.

5. **Psychological Barriers:** These barriers centering on the individual (travel agent) were introduced originally by Petrof (Part V 2.2) to help explain why the unprofitable small business survives. However his points have been taken in the context of all agents most of whose performance according to available evidence is less than the optimum.

These psychological barriers consist of:

- motivation - interest in fringe benefits (car, "eating the goods")
- psychic income (independence, freedom from outside control, desire for status, recognition, self esteem, security)
- personal discipline - over-involvement with daily problems (what Davidson calls "fire-fighting")
- personal aspirations - insistence on family control
- owner not consumer orientated
- assumptions made on limited experience
- fear - of the unknown
of the complications surrounding marketing

A good example of all these barriers mentioned in this section comes when the case of marketing research is examined. As mentioned earlier this represents one of the pivotal areas of marketing and yet there is great resistance to its adoption by travel agents. This low level is explained in Part IV 2.2 as partly due to companies' limited view of marketing research and partly due to a limited view of marketing generally (failure to recognise competition, equating marketing with selling, failure to recognise problems as marketing problems). Part V pointed out that small business often saw paper work as an irritating diversion from the real job of running the business (Part V 1.3) and that the sixth sense of agents to gauge the divine needs of customers is severely limited by the lack of marketing information, often only relying on customer complaints and enquiries.

Marketing research throws up the need to demonstrate that its costs are outweighed by its benefits, and this being difficult to prove has led to inertia and the tendency to undervalue the merits of marketing (Part VI 2.2).

This cost/effect approach may be one of the measures to reduce these barriers and should be the subject of further research (see Part VIII Chapter 3) especially as this thesis, in Parts V, VI and VII has shown that on a limited scale it can be done.

2.4 THERE SEEM TO BE OTHER FACTORS APART FROM MARKETING, EXTERNAL (UNCONTROLLABLE) AND INTERNAL (CONTROLLABLE) THAT AFFECT AGENTS' PERFORMANCE:

Here, the theme developed by Levitt at the beginning of Part IV 1.1 is returned to, where he says that marketing is concerned with balancing the threats and opportunities of the firm's external environment with the aims and resources of the internal environment. In addition, Foster quoting Mallen's view of the firm's internal and external environment (Part IV 1.4) is useful in laying the foundations for this section.

As far as internal factors are concerned, marketing as well as
other controllable factors such as finance, personnel and general management govern the likelihood of success. Indeed, the Bolton Report, discussed in Part V, mentioned eight problem areas for the small business, of which marketing was only one. However, as the researcher takes a broad view of marketing to encompass all "customer impinging resources" (Kotler) it could be said that a fully marketing oriented travel agent would render all these internal (controllable) factors subordinate to marketing.

The in-depth case study in Part VII 3.2 showed that not only internal but external factors may intervene into the marketing cost/effect relationship. The desk research, particularly concerning the development of the travel industry, showed the number of external factors that may affect not only the size of the overall cake but the individual agent's share of the cake. These factors include: economic factors (precipitating possible short-term crises); climate; political (e.g. war in Cyprus); medical (Cholera in Portugal); consumer protection; common market; direct selling by principals; competition; A.B.T.A. activities; government policies and legislation.

CHAPTER 3 : FUTURE IMPLICATIONS

3.1 Research Implications

This thesis on the applicability of marketing to the tourism and travel retailer has opened up further avenues for research which are related to the central theme.

Certain marketing techniques' applicability to the travel agent could be researched in more detail e.g. marketing research, market segmentation.

The cost/effect relationship mentioned in Chapter 2 could be explored with a view to attempting to build up a comprehensive series of cases of marketing expenditures linked to results. This would also have repercussions on methods that could be used to overcome some of the barriers in Part VIII 2.3.

The effect of certain trade developments on the travel agent could be investigated in order to establish how certain external factors influence the agent's marketing activities. These trade
developments could include: role of the Common Market; consumerism; direct selling; role of A.B.T.A. Further research could be undertaken to compare the results of the researcher's 32 agent survey in south-east England and east Anglia with other regions of the country to see if certain variations exist. In addition, the relationship of type of settlement with travel agent activity could be examined.

Other potentially fertile areas for research include the exploration of the principal/agent relationship to see whether the application of marketing at travel agent level is affected, and if so in which way, by trends in this relationship. Another relationship worthy of research could be the relationship of head office and its branches in order to see how economies and diseconomies of scale arise.

In fact, the marketing behaviour of multiples could be studied in order to shed more light on the potential application of marketing in practice e.g. computerisation and marketing.

Finally, the United Kingdom travel retail sector could be compared with the travel retail trade in other countries such as the United States, which possibly have useful experience in this field of marketing applicability. The U.K. sector could also be compared to the marketing experience of some of the many other U.K. industries mentioned in this thesis e.g. insurance, garages, grocery retailing.

3.2 Managerial Implications

Part VIII Chapters 1 and 2 spelt out the main conclusions and hypotheses resulting from an exhaustive desk research (Parts IV, V and VI) and extensive field research (Part VII). These findings have important implications for the manager. The rest of this chapter is devoted to analysing the lessons the manager can derive from those findings, and the practical ways in which he can begin to implement these findings in his best interest.

The findings concentrate on three areas:

1. The potential application of marketing to the retail travel agent.
2. The extent of marketing's application to travel agents in practice.

3. Possible reasons for the discrepancy between 1 and 2.

The conclusions and hypotheses resolve themselves into four areas:

1. Agents' level of marketing application cannot be differentiated on the basis of size or independence. The main reason is the balance of strengths and weaknesses.

2. Most travel agents tend to be passive marketers. The main reasons are travel industry trends and characteristics of the manager.

3. There is a generally low level of marketing orientation among agents. The main reason is due to the existence of barriers that add to resistance to change by agents.

4. There are additional factors affecting agent performance, external (uncontrollable) and internal (controllable) factors.

The first conclusion consisted of dispelling the notion that travel agents' marketing behaviour could be classified according to their size (annual turnover) or their independence (number in chain). The field research discussed in Part VII corroborated the conclusions of the review of published material evaluated in Parts IV, V and VI that neither size nor independence inhibited the application of marketing. The implication of this finding affects travel agents of all types: from small to large; from independents to multiples.

The notion of balance (strengths, weaknesses) was hypothesised, in the previous chapter, as a major reason for this finding. The implication for the manager is to attempt to minimise the disadvantages and capitalise on the advantages inherent in his travel agency by virtue of his size or independence. If the main strengths and weaknesses identified in the previous chapter are compared to the possible solutions practised by certain agents,
then a range of options arises that will relate differently to
different agents. Earlier in the thesis, particularly Part VII
and Part VI Chapter 4.2, the practical examples of marketing
applications were highlighted. The key implications for the
manager (from the point of view of a small or independent one)
are discussed below.

The manager may reduce the weaknesses of small size by noting
the practical moves undertaken by certain agents. For example,
to overcome the disadvantages of limited financial resources
which agents feel do not permit market research or extensive
promotion, joining a voluntary group could be considered. The
general advantages were spelled out by Maidment in VI 3.2 and
consisted of ways of compensating for certain weaknesses of the
smaller agent. Voluntary groups, by their loose association
of member agents, can overcome other weaknesses e.g. difficulty
of bulk buying; source of finance; computerisation. The
voluntary group is a practical method of minimising the economic
vulnerability of the smaller agent caused by low cash reserves
and increasing competition from the multiples by seeking
economies of scale; synergy and mutual benefits that a clubbing
together of individual agents can provide. The weakness of
staffing - continuity; provision of perks; day release; level
of service - could be lessened if the example of Bob Baker were
followed - see Part VI .4.2.1. This travel agent has upgraded
the status of the selling function and engages in weekly staff
training sessions for example, in an attempt to recognise the
importance of staff in retailing a travel service. Another
weakness of the smaller agent mentioned in the course of the
agent survey, was their poor public image and reputation as
perceived by their local market. Increased attention to public
relations would lessen this weakness by creating the right climate
for the agency to market its services, e.g. Norman Richardson
Travel VI 4.2.4 Another weakness the agent could minimise is
pressure of time on the manager of the small agency. This
weakness could be lessened by sound planning (budgets, targets)
which could spell out the short and long term objectives of the
agency and at the same time help lessen the vulnerability to
competition by making the manager more prepared to defend his
market share or attack new segments. Major multiples seen in the course of the survey on principals - VII Chapter 2.2 - and in the in-depth case study - VII Chapter 3.2 - already apply comprehensive plans to their marketing operation. Finally, the disadvantages of holding smaller stocks (brochures, etc.) and difficulty in attracting the business house turnover could be overcome by specialisation. Marlowe in his study of agents (VI 4.2.1) concluded inter alia that specialisation led to better performance.

The weaknesses of the independent agents mentioned earlier in Part VIII Chapter 2.1, are similar to those outlined above with the major exception of the impact of the Head Office support on the individual outlet. Once again, membership of a voluntary group could overcome some of the problems caused by being independent e.g. joint local advertising; joint market research; sharing of computer facilities.

The manager can capitalise on his strengths as a small agent by recognising that one of his major assets is his flexibility and speed of reaction to changes in the market. The small agent, by virtue of his size, is not overburdened by administration, and is enabled to exercise better control, through immediate feedback of results. All this depends on the manager adopting a systematic approach to his business, which involves recording, targetting, budgeting the marketing activities so as to be able to use his capacity to respond quickly to market changes. Again, the in-depth case studies VII Chapter 3, showed what could be done in practice from existing company records (3.1) and what a major multiple actually does (3.2). Bob Baker (6.4.2.1) explained how the small agent can use the skill of the larger agent to his own advantage e.g. "creative leverage" in the realm of advertising design. Another strength is the staff involvement and motivation that arises from a small business with clear lines of responsibility and a comparative absence of bureaucracy. This potential for agency staff involvement and motivation can be combined with the greater personal contact and knowledge of customers to increase the quality of personal service. The 32 agent survey revealed that most agents felt that staff held the key to success. The implication of these findings is that the manager must invest in staff development in the way the multiples do. As mentioned earlier in this section, the manager has to evaluate the specific.
trade-off in terms of costs and resultant effects, e.g. whether increasing his training budget is likely to lead to better results.

The independent travel agent can also capitalise on his strengths, mainly in terms of flexibility, caused by the freedom of the manager to take decisions without consideration of head office/branch relations. One tour operator mentioned to the researcher in the course of his field work, (VII Chapter 2.2) that the independent agent is able to promote a special offer from his principal at a speed which normally the multiple cannot match.

Thus it may be concluded that the overriding implication of the first finding is that the individual agent needs to be aware of the main strengths and weaknesses inherent in his business and then choose from the range of practical options to him, which are most suitable to his agency, in cost effective or other terms.

The second finding was that agents tend to be passive marketers operating as order takers or ticket issue points. The thesis has shown both through the desk research and through the field research that this passive approach is a controversial subject, whether in terms of debates in the travel press (Burkart and Baker VI, 2.2) or in terms of agents' self perceptions (32 agent survey VII Chapter 1) or in terms of the rest of the travel trade's perceptions of what the agent could or should be doing (VII Chapter 2). This passive approach, what Davidson might refer to as the antithesis of his "offensive marketing", characterises the majority of agents whether in the opinion of travel trade personalities (VII Chapter 2.3) or those expressed at a TIMG meeting (VII Chapter 4.1.2) or the research study by Marlowe (VI 4.2.1). This thesis further suggests that travel industry conditions and owner/manager characteristics lie behind this passivity (VIII Chapter 2.2).

Marketing research is essential to arrive at this increased sensitivity to industry trends and many of the sources quoted in the thesis stress this feature, for example Stapleton and Stanton (IV Chapter 2.2); Wood (V Chapter 3.1); Kanter (VI Chapter 4.1.3). This emphasis on the need for marketing research is complemented by practical example of agents, e.g. VII Chapter 1.2.2 This form
of feedback provides the agent with the information to guide his decisions and evaluate his assumptions about the market. For example, one of the main trends contributing to this passivity was suggested by certain principals in the follow-up survey to be the historically boom market conditions. This travel market needs to be carefully monitored if an individual agent is to profit from market opportunities and avoid market threats.

Another important implication related to this finding is the impact of the principals' activities on the travel agent and its marketing.

Although the agency manager's income derives from commission earned on the sales of his principals' products and services, his continued survival depends greatly on satisfied customers that enter his agency outlet. Ideally, a marketing oriented agency will satisfy customers' interests and at the same time meet the interests of the agency manager and his principals.

However, the influence that principals may exert on the agency manager's marketing activities means that in certain cases, he may be inhibited or encouraged by those from whom he earns commission. The potential influence of his principals covers most spheres of the agency manager's marketing including:

Product formulation
Product information (brochure design, availability)
Facilities for travel agents to make up their own Incentive Tours
Provision of credit
Pricing - commission levels
Enquiry handling
Complaints handling
Marketing research on consumers of travel product
Window display material
Mass media advertising of travel products
Public relations activity affecting principals' image
Joint promotion activities
Counter staff incentives - educational

Thus, it can be seen that the principals, through their own marketing activities, influence those of the agency manager by
limiting his range of strategic and tactical options. These options are limited by the package tours and transportation offered by the principals and also to some extent by their promotional activities over the heads of the agents.

There are situations when the principals could materially affect the agency manager's attempts to adopt the marketing approach (c.f. Part VI Chapter 2.3). Firstly, the situation can arise in which the agency manager fails to receive the support he feels he needs from his principals. The word "support" itself implies that the distribution role of the agent is in the front line, with the agent at least sharing an equal part with the principal in ensuring profitable customer satisfaction. This support takes many forms, as indicated in the list above, and ranges from quick responses to agency enquiries to the satisfactory handling of customer complaints and the efficient servicing of his outlet in terms of merchandising material. This support may be expressed in terms of the principals' responsiveness to agency needs. The agency manager's requirements are likely to put more strain on his link with principals as the manager becomes more sensitive to his market's actual and potential needs.

Secondly, the principals may affect the agency's own attempts at marketing, if future marketing plans of the principals ignore the views, opinions and interests of the agency manager concerning his markets. A manager confronted by a principal who is disinterested, apathetic or oblivious to his needs, will try to counter this by using his newly acquired marketing skills to increase control of his destiny e.g. by specialising, by creating his own products (c.f. historical context Part VI Chapter 1).

Finally, the agent may be affected by his principals' attitudes and behaviour towards him. This underlines the two earlier points but needs emphasising. Earlier in the thesis, (Part VII Chapter 3), field work indicated the partly schizophrenic view by principals of their agencies. On the one hand, principals need agents to assure the distribution of their products. On the other hand, they cost the principals money in terms of commission and servicing. Furthermore, although the principals see the agents as being generally passive order-takers, they feel that agency managers should actively seek business. This ambivalent attitude further
incorporates the idea that the principals' interests may not be best served by agents fighting each other for market share, instead of enlarging the travel market generally and increasing their penetration. It is worth noting that principals are also aware of the profit opportunities inherent in direct sales to customers. Again on the other hand, principals would appreciate an efficient network of marketing oriented travel agents capable of creatively and actively expanding the travel market.

This increased awareness of industry conditions also includes a good understanding of the nature and extent of the agency's hinterland and the relationship of his location to his surroundings. Wills (IV Chapter 4.1.5) shows what could be done by the retailer in terms of a hinterland study and an in-store study. Marlowe's study (VI 4.2.1) indicated the importance of market penetration studies as a practical guide to gauge sales potential. The researcher's 32 agent study included observations of agency manager offices which indicated that there tended to be lack of awareness of agency location in relation to its hinterland. Few of the agents visited, even had wall maps of their area. Another important managerial implication of this finding is the need to research and analyse competition. The 32 agent survey indicated a poor grasp of the nature of competition with most agents citing other local agents as the main source of competition. However, recent trends in the travel industry e.g. growth of direct selling, indicate the importance of other factors on individual agents' activities.

As mentioned above, agent passivity is linked with the characteristics of the owner or manager. Indeed, the importance of the individual running the business underlies many of the implications of the third finding. If the manager is to achieve this reassessment of his own strengths and weaknesses, then training programmes can facilitate this process e.g. ATTTIB courses and RAMS activities. The ATTTIB job description of a branch manager cited by Beaver in his book (199) and mentioned in Part VI Chapter 4.1.1, shows the direction an individual agency can move in. His duties (after suitable training) would include the full range of marketing activities; new business development; management information; record maintenance.
Furthermore, this review of the manager's characteristics includes a revaluation of his motivation in running the business i.e. economic, psychological as explained by Petrof (V Chapter 2.2). An agent such as Bob Baker rejects the passive approach and clearly displays the signs of a retailer motivated by economic considerations rather than solely psychological or maintenance ones. Since these factors relate closely to the implications of the third finding, it will be considered at this point.

The third major finding refers to the related issue of the generally low level of marketing orientation among agents. Both the desk research and the field work revealed many instances of views expressed that marketing may lead to better agency results. IV 2.2 suggested marketing was an important factor in a firm's success while Rodger (IV 1.3.1) pointed out that business failure was caused largely by marketing weakness. Similarly, in the follow up study (VII 2.2.1) all principals interviewed felt that marketing would lead to better agency results and they mentioned the complete range of marketing techniques as being suitable. A final example, from the field research, came from the Small Business Management Teachers Programme held at London Business School in 1977 (Part VII Chapter 4.2). The conference concluded that, in the field of marketing, it could help firms survive less painfully and was often used in crisis situations. To explain the discrepancy between the desirability of applying marketing and the correspondingly low level of marketing orientation among agents, it has been hypothesised in VIII Chapter 2 that this is due to the existence of barriers that add to the resistance to change. The immediate implication of this for the manager is the need to overcome these barriers. These barriers consist of: ignorance; old traditions; view of marketing; excuses; psychological barriers.

As the concluding section of the researcher's article in Travelnews (1) spelt out, the desirable conditions for the manager to overcome these barriers and apply marketing may be expressed in terms of entrepreneurship, enlightenment and effectiveness. Entrepreneurship refers to the manager's motivations as regards his agency's development, in terms of actively and creatively applying marketing to furthering his
business objectives which could stretch beyond mere comfortable survival. Enlightenment refers to the necessity of the manager being aware fully of marketing and its scope applied to his business. Ignorance generally breeds prejudice and other negative attitudes to marketing which in turn contribute to some of the psychological barriers mentioned in Chapter 2. Finally, effectiveness reflects the manager's commitment to situate his marketing activities in the context of a management oriented approach to business with its emphasis on cost effectiveness.

The cost effectiveness approach has been mentioned in the researcher's Travelnews article and earlier in the thesis (Part IV Chapter 3 and elsewhere) as a way of associating a benefit to the travel agent of a particular cost. This idea has also been mentioned in the researcher's follow-up interviews with the trade (see Part VII Chapter 2). This approach can break down many of the barriers to increased application of marketing by travel agents, because they become more aware of the positive effects of marketing expenditure on their business. However, in order to pursue this idea further it is of more practical help to consider the precise cost effect of marketing. The manager should seek to concentrate on measuring the financial effect of his marketing cost, where this is possible.

Furthermore, the effect of promotional activities was precisely measured and several examples are mentioned in Part VI 4.2.4. For example, Allan Beaver mentioned the effect of his £1,000 promotion budget in 1972 on his business. Commercial radio figured in RAMS Special Paper No. 9 which illustrated Alan Power Travel of Plymouth which experienced a cost effective campaign. Orbell (257) mentioned that retail shop modernisation led to an associated increase in turnover. Direct mail was cited by Beaver (259) and yielded 50 first time cruise customers. Several other examples are included in this section to indicate the practical value of embarking on specific marketing activities with an easily definable payoff.

Some Suggested Steps

Part VIII Chapter 2 showed the framework of marketing orientation that was distilled from the mass of data collected about agents
and their potential application of marketing. Parts VI and VII in particular highlighted the wide range of possible applications in practice. Bearing in mind the obstacles that exist in adopting a marketing orientation, as well as considering the short and long run implications for the manager, a number of steps could be selected by the manager in the short run from the range already existing in practice.

Certain criteria could be applied by the manager in his initial selection of marketing activities:

(i) Importance: for example, the setting up of a marketing information system is crucial to the development of marketing orientation in the agency, since without information the agency's markets cannot be analysed, objectives and strategies cannot be set and controls cannot be used to monitor performance.

(ii) Pay-off: for example, certain marketing activities such as special local promotions can lead to a comparatively easily measurable effect (VI 4.2.4).

(iii) Ease of implementation: advertising is already widely used and implementation may depend more on modification of approach than on revolutionary new thinking.

Promotion Policy

The discussion above has already indicated the ways in which the promotion mix - above-the-line and below-the-line advertising, public relations - is used by travel agency managers. The results of the 32 agents survey were typical insofar as they showed the prominence attached to some form of promotion even with limited budgets (VII Chapter 1).

Product Policy

This provides the manager with the basis for segmenting his market and classifying customers, which was mentioned earlier as being desirable.

As also mentioned earlier in the thesis (Part VI 4.1.3) the "travel product" is a complex amalgam of ingredients and this
means that with the increasing variety of products on the market, the manager must try to fit his agency and its objectives to his customers and their actual or potential needs. Some agents already specialise in destinations and this single aspect of specialisation enables the manager to gear his agency promotion to that destination e.g. window display, point of sale, local advertising. This can strengthen his competitive position and better exploit current and potential needs. Other agents have developed their business house business e.g. Lunn Poly and this enables them to concentrate some of their limited resources on providing good services, on a competitive basis, for this segment. Innovation is possible for the manager by experimenting with new "travel products" for his agency, e.g. insurance and monitoring effects on his performance.

Sales Policy

One effect of the manager adopting the marketing approach is that the counter staff assume a crucial role in the marketing team. From being simply a clerk, the counter staff perform a vital role linking the agency with its customers. They have an important creative selling function which requires a coherent personnel policy including selection, training, and remuneration. The ATTITB study cited in Part VI Chapter 4.2.3 indicated that actual sales performance fell below the potential to be expected from an active agency staff.

Summarising, therefore, it may be said that the main implications of this finding concerning barriers are threefold. Firstly, the manager needs to be aware of the barriers that exist and their relative importance to this agency. Secondly, he should attempt to overcome these barriers by combination of: objectives that he sets for his business; attempts at evaluating the elements of his marketing programme to optimise his effort in time and money. Finally, in the short run, he should embark on a number of specific marketing tasks which lead to a positive payoff. This should form the basis for fully orienting his business towards marketing in the longer term.

The fourth finding of the thesis concerned the other external and internal factors affecting agency performance. The importance of these non-marketing factors has been illustrated earlier in
the thesis e.g. historical developments affecting travel agents (Part VI Chapter 1), role of external variables (Part VII 4.1.5), impact of uncontrollable factors (Part VII Chapter 3.2). The main implications for the manager centre around his need to exploit opportunities and anticipate threats from his environment and balance these with the aims and resources of his internal environment.

An indication of how this may be achieved came in Part VII Chapter 3.2 which examined a branch of a multiple with a view to evaluating his marketing activities relative to the other factors. The Kepner-Tregoe approach outlined in Part IV Chapter 3 helps in providing the framework for analysis.

An implication for the agency manager is to become more aware of trends in his external (uncontrollable) environment. These include not only travel industry factors mentioned earlier but also social, political, economic developments at home and abroad. As in the case of Court Line, occasionally these factors can have dramatic repercussions on the individual agent. In addition medical, climate, consumerist developments, Common Market policies and ABTA/IATA regulations can have important repercussions for the manager. In order to monitor all these developments, the manager has to follow the hitherto rare examples of agents using marketing information systems to systematically generate valid, reliable information for marketing planning. Although the 32 agent survey revealed a very low level of agency involvement in any form of marketing information system, examples of specific aspects exist. For example, Part VII Chapter 1.2.1 illustrated a multiple's attempt at market research. Furthermore, the in-depth survey of a branch of a multiple (Part VII Chapter 3.2) showed that a computer based information system linked to budgets and targets can generate a great deal of marketing information.

This finding also implies that the other non-marketing controllable factors—financial, administrative, personnel, general management—must be incorporated in a management information system. Part V on small business particularly the first two chapters, helps to put marketing's role in the overall business into perspective. The main reason for this is that the small scale of the enterprise accentuates the interplay between different controllable factors.
and stresses the variety of problems confronting the manager. The Bolton Report, particularly, indicated the range of controllable, internal factors of concern to the small business.

The important implication for the manager of this finding then is to incorporate systematically all the internal and external factors into his planning and decision making.

The four main findings of the thesis focus on the applicability of marketing to travel agents. These findings have important implications for the manager, from small to large, whether independent or multiple, both in the short run and longer term. However, apart from implying a greater adaptability, sensitivity and responsiveness on the part of agents to their environments, these findings have implications for the travel trade as a whole and those organisations with a stake in the industry.

Principals, through a better understanding of the marketing role and functions of the retail travel agent can review their relationship with agents to their mutual benefit and that of the business. Consumers, whether current or potential, have an important stake in the industry and benefit immediately from any change in the marketing orientation of agents. By achieving greater influence at the beginning of the marketing process (marketing research into their requirements), they will express their satisfaction ultimately in repeat purchase of the tourism "product" - to agents and principals' benefit.

Foreign competition may note the findings and watch their effect on travel retailers, in the context of their attack on U.K. markets. Alternatively they may brace themselves for a counter attack by an energetic, creative set of agents seeking to market U.K. tourism services to foreign visitors or to sell U.K. holidays direct to overseas customers e.g. in Denmark.

ABTA and IATA may take the findings as an input into their policy making. This may hold true also for the government seeking to establish a coherent policy for the travel trade, given its concern to uphold "public interest" and listen to "public opinion".

There is a difficulty in balancing the needs of all these parties
but the thesis findings suggest that travel agents can potentially play an important marketing role to everyone's satisfaction.

CHAPTER 4: EPILOGUE

The applicability of marketing to the travel agent involves consideration both of the ability, in theory, of marketing to be applied to the travel agent, both small and large, independent and chain, and the application of marketing in practice. This study has examined the applicability of marketing to the travel agent, and suggested the potential that exists for applying marketing both in spirit and action to the travel agent.

The passive nature of the travel agent, his low marketing orientation suggest that barriers exist that prevent the potential of marketing from being fully realised in practice. There is no evidence to suggest that size and independence are elements, it is rather ignorance, lack of awareness, misconceptions and prejudices of owner/manager coupled with industry factors that have led to this situation. There is enough evidence through examples of individual travel agents to suggest that marketing is applied, can be applied and could be applied to the tourism and travel retailer.

These findings have important implications for the travel agent in particular and the travel trade in general. Marketing contributes to an agent's profitability by gearing his organisation to satisfying his market's needs more effectively. The travel agent therefore could consider becoming more marketing oriented. In order for this change to happen, he has to be persuaded of the benefit of adopting the marketing approach and its techniques e.g., local promotion. The barriers that contribute to the agent's resistance to change could be overcome by making him aware of marketing's potential benefits through a variety of educational and consultancy activities. This realisation of marketing's potential contribution is vital if the travel agent is to transform his "shop" into a modern, information-based, marketing operation.

It is only when this change in agents' attitudes is complete, that, small and large, independent and chain, can exercise the active,
creative role that their position in the High Street, and proximity to consumers encourage.

The travel trade itself greatly depends on the efficiency of its retailers and many current and future developments will be affected by travel agents: direct selling; government intervention; RPM abolition; A.B.T.A. rules; computerisation. The active versus passive controversy concerning the travel agent's role will eventually be resolved when both travel agents and their principals realise the agents' importance both as retail outlets for the principals and their importance as a retail business in their own right. The applicability of marketing to the travel agent is crucial to the development of the travel trade because: marketing is a vitally important business activity; marketing's applicability to the travel agent has been shown to be possible; both principals and agents and their customers depend on the correct application of marketing for mutually profitable trade relations.
APPENDICES

1. THE QUESTIONNAIRE
2. THE SUMMARY OF THE 32 AGENT SURVEY
3. BIOGRAPHICAL DATA OF THE 32 AGENTS
4. HINTERLAND
5. PERFORMANCE DATA OF THE 32 AGENTS
6. PUBLICITY MATERIAL OF A LARGE CHAIN
7. THE RESULTS OF THE 32 AGENT QUESTIONNAIRE
8. GRAPHS OF PERFORMANCE ANALYSIS OF A LONDON SUBURBAN ONE BRANCH AGENCY
9. GRAPH RELATING TO A PROVINCIAL BRANCH OF A MULTIPLE
10. SMALL TRAVEL AGENTS' RESPONSES
11. INDEPENDENT TRAVEL AGENTS' RESPONSES
12. SIGNIFICANT CASES
CTION 1: GENERAL BUSINESS ASPECTS

OWN CARD A

1. What are the main problems affecting your business? (OPEN)
   (Repeat showing list)

2. Which is the least serious?

3. Have any problems become more serious compared to last year?

4. Have any problems become more serious compared to 3-5 years ago?

5. Have any problems become less serious compared to last year?

6. Have any problems become less serious compared to 3-5 years ago?

7. What is most likely to affect your business in the next year?

8. What is most likely to affect your business in the longer term?
   - rising overheads, e.g. rent and rates
   - obtaining finance
   - administration work for government
   - keeping records for outside bodies
   - recruiting suitable travel agency staff
   - competition
   - knowing what my customers want
   - working long hours
   - economic climate
   - dealing with tour operators/carriers
   - seasonal nature of my business
   
9. What factor most affects the success of your business?

10. How do you judge if your agency has had a good year?

11. How if at all, has your business changed in size over the last five years?

   Constant 0.50% 51%-100% 100%

OWN CARD B


12. Turnover

13. Profit

14. How has your turnover changed in composition (open)?
SECTION 2: GENERAL MARKETING ASPECTS

Q.15. Do you think marketing applies to your business? Yes/No/Don't Know

SHOWCARD C
Q.16. If no, why do you think marketing does not apply to your business? (Open first, show card)

- I do not have enough time
- I survived well without marketing
- There is no competition
- I am not aware of what marketing can do for me
- I cannot afford to spend money on marketing
- My business is too small
- Marketing is nothing now; it's just a word
- I am already using parts of marketing - only I do not call it that
- I do not need marketing
- The principals do the marketing instead of me

SHOWCARD D.
Q.17-
Q.26. For each statement give your opinion.

Q.27. What do you understand by the term "marketing"? (Open first, show card)

SHOWCARD E
Q.27. (Repeat showing list)

Q.28-
Q.34. For each statement grade your opinion - SHOWCARD D.

SHOWCARD F
Q.35. Which activities do you spend most money on? First Choice

Q.36. Which activity do you spend least money on?
Q.37 What records do you keep?
   Turnover Yes/No
Q.38 If yes - weekly, monthly, quarterly, or yearly
Q.39 Types of Business Yes/No.
Q.40 By principal Yes/No.
Q.41 By client Yes/No.
Q.42 Profit Yes/No.
Q.43 If yes - weekly, monthly, quarterly, yearly or other?
Q.44 How far back? 1-3 years; 4-5 years; 7-10 years; 10 years +
Q.45 Which is most useful?
Q.46 Do you keep a mailing list? Yes/No.
Q.47 If yes, - how often do you use it? monthly, quarterly, biannually or annually

SECTION 3 : SPECIFIC ASPECTS OF MARKETING

SHOWCARD G

Q.48 Which promotion methods have you tried in the past?
Q.49 Which do you now use?
Q.50 Which is the most effective?

SHOWCARD G

   Q.48 Q.49 Q.50
   Advertising on TV/Radio                  1 1 1
   Press advertisements                    2 2 2
   Magazine advertisements                 3 3 3
   Promotion in shops or stores            4 4 4
   Talks to local groups                   5 5 5
   Direct mail to general public           6 6 6
   Mail shot to previous clients           7 7 7
   Window displays                         8 8 8
   Film shows                              9 9 9
   Cinema advertising                     10 10 10
   Business entertaining                   11 11 11
   Special brochures                       12 12 12
   Sponsorships                           13 13 13

Q.51 Are you trying to follow a theme or image? Yes/No.
Q.52 How much do you spend on promotion per annum?

POINT OF SALE

Q.53 What are the main factors you took into account when laying out the shop? (Open)
Q.54 Have there been any changes in the past 5 years? Yes/No.
Q.55 How do you select your window displays? Merchandisers, Principals Seasonal, No special reason, Others.

CUSTOMER RELATIONS

Q.56 Do you keep records on customer enquiries? Yes/No.
Q.57 Do you keep records on customer complaints? Yes/No.
Q.58 Do you specialise at all in a range of products? Yes/No.
Q.59 If yes, on what basis?

SELLING

Q.60 Counter sales and telephone sales - % of total?
Q.61 How much do you spend on staff training (with yourself) per annum?
Do you carry out any marketing research? Yes/No.
If Yes, why?
What?
If No, why not?

Which information would you most like to know about?

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<th>1st Choice</th>
<th>2nd Choice</th>
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<tbody>
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<td>1. Where does my business come from?</td>
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<td>2. The best way to promote my business</td>
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<td>3. Why do my clients come to me?</td>
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<td>4. What is the competition doing?</td>
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<td>5. What is the effect of my shop layout?</td>
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<td>6. What is the effect of my counter staff?</td>
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<td>7. Where could further business come from?</td>
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<td>8. What does my neighbourhood think of my agency?</td>
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<td>9. Would specialising be profitable?</td>
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<td>10. Is my current business working at top efficiency?</td>
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<td>11. None</td>
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SECTION 4: THE ROLE OF THE TRAVEL AGENT IN INDUSTRY

Q.67 How do you see yourself?
Q.68 How do Tour Operators see you?
Q.69 How do Carriers see you?

- As providing a suitable place for purchase
- As taking and processing bookings
- As helping with enquiries
- As furthering and dealing satisfactorily with complaints
- As assisting clients to departure points
- As creating new business
- As providing a travel consultancy service

Do you see yourself as small compared to other Agents' branches? Yes/No.
What are the main advantages of being "small"?
What are the main disadvantages of being "small"?
What are the main advantages of being "independent"?
What are the main disadvantages of being "independent"?
Would you join a voluntary group of agents? Yes/No.

RPM significantly affects my business
- strongly agree
- agree
- neutral/neither agree nor disagree
- disagree
- strongly disagree
- don't know

COMPETITION

Who is your main competition?
- Other Travel agents locally
- Other local shops
- Principals selling direct
- Clients saving instead
- Other expenditure
- Others

Do you classify your clients from a marketing point of view? Yes/No.
If yes, how?
% of customers coming within x miles?

- 25%
- 50%
- 75%
- 100%

Any comments?

**OP LAYOUT**

**WINDOW DISPLAY**

**OP LOCATION**

**OTHER AGENTS' POSITION**

**OTHER ATTRACTIONS**

**NO OF SHOPS IN CENTRE**

**HIGH STREET/off HIGH STREET**

**NEAREST PRINCIPAL**

**TRANSPORT**

**CREDIT CARDS**
The Survey

All travel agents drawn from TRG Directory.
Thirty-two interviewed using a questionnaire.
Area chosen was South East England and East Anglia,
(excluding Greater London).
September - October 1976.

Some Characteristics of the Sample

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<th>Category</th>
<th>Quantity</th>
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<td>IATA members</td>
<td>9</td>
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<tr>
<td>Less than 5 employees</td>
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<td>Up to £250,000 p.a. turnover</td>
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<td>£250,001 - £500,000 p.a. turnover</td>
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Some Interim Findings

General

1. The main problem, currently and in the future, was seen to be the economic climate (next came finding suitable staff).
2. The least serious problem was finding finance (next came administrative work for government).
3. Suitable staff was most often mentioned as the main key to success.

Marketing

4. The majority thought marketing applied to their business, and those that thought not were often unaware of what marketing meant.
5. Most respondents thought marketing meant selling (next came the 'text book definition' - satisfying the consumer profitably).
6. Local press advertising was found to be the most popular and effective item of marketing expenditure.
7. Frequently the annual promotion budget would be £250 - £500.
8. Very few kept records of customer complaints, hardly anyone recorded simple enquiries.
9. The majority did neither specialise nor classify their customers marketing wise.

Role in Industry

10. The great majority thought that HPM abolition would greatly affect their business.
11. The agent sees himself as a travel consultant which is not how the principal sees it (according to the majority interviewed).
12. The majority felt that the main competition comes from other local travel agents.

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April 1977
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<th>Agent no.</th>
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<th>IATA(I)</th>
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<th>Turnover</th>
<th>Number of branches</th>
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Code: * 1970/71 = 100, brackets 1972/3 = 100  ** D Decrease   C Constant   I Increase
Now that your holiday and travel has been confirmed Grace Travel would like to explain a few important points...

**Passports**
For travel abroad you must be in possession of a valid passport or travel document and it is advisable to make application not less than two months in advance of departure. Any visa or health requirements must also be complied with and we shall be pleased to advise you in this connection.

**Travellers cheques and foreign currency**
We suggest that you carry the major part of your spending money in travellers cheques and only a small amount in foreign currency. Both cheques and currency are obtainable through your usual bank.

**In the event of cancellation**
If for any reason you find it necessary to cancel your holiday, notification must be received in writing by our office before any action can be taken.

**Insurance**
In your own interest, it is essential to be covered by a comprehensive holiday insurance policy. If you did not make arrangements when booking your holiday you are strongly advised to do so at once and we can handle this for you.

**Travel tickets and departure details**
As soon as these are received from the tour company, normally 7 days or so before departure, they will be checked by our staff and then passed on to you immediately.

**Other facilities**
We will be pleased to arrange for Car Hire to and from your departure airport or at your destination as well as overnight hotel accommodation in the United Kingdom.

...all part of the service from Grace Travel!
**Interline Travel** Itinerary for:

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</table>

Free Baggage Allowance:

All times quoted are local times

Please re-confirm onward reservations and obtain reporting timings on arrival at destination.

Your tickets and itinerary should be checked carefully to ensure that they meet with your requirements.

**Check List**

- [ ] Passport
- [ ] Visa(s)
- [ ] Vaccinations

May we remind you to let us have your instructions for:-

- Travel Insurance
- Car Hire
- Currency/Travellers Cheques
Here are your travel documents
Take them all with you when you go,
together with the official confirmation
of your holiday, to avoid any confusion
at the hotel.

Also check that your passport
and any other documents
are valid for your stay.

Best wishes from us all at

Grace Travel.
Goodbye Grace ... No regrets

From January 1st, 1978 Grace Travel will cease to exist as a company, but clients of Grace Travel need not shed a tear. All offices have been under the management of Hogg Robinson for over a year now, and all that is changing is the name over the door. Inside you’ll find the same friendly team, the same expertise, the same holiday and travel bargains.

The combined companies form one of the largest travel groups in the UK, whose main aim is to give a truly professional and personal service on your doorstep.

No relative is too far away

If your grandson lives in Grand Rapids or your Aunt in Alice Springs, it’s no reason for dismissing the idea of ever visiting them.

Certain ABC and Apex fares offer dramatically reduced prices which make apparent impossibilities a reality.

To take advantage of these low cost fares requires pre-planning. So why not contact us now, find out the facts and think about it.

You’ll be forgiven for now knowing what ABC and Apex fares are (we’ll be pleased to explain) but your grandson may not forgive you for missing the chance of a lifetime.

The business man’s book club

Business Travel clients of Hogg Robinson are now regularly mailed with guides to major travel destinations in Europe, Middle East, Far East and North America.

If you have to travel on business we might make it more of a pleasure and we certainly will try to save you money.

If you would like more details ask the Manager of your local Hogg Robinson branch.

Book your holiday with:
Hogg Robinson Travel Ltd.
Craven House, 119/123 Kings
London WC2B 6PT.
Telephone: (01) 242 1091
Invitation to a Hogg Robinson Presentation featuring

on

at

commencing

-------------------------------

Name

Address

'I would like to be included in Hogg Robinson Travel's free holiday mailing service

<table>
<thead>
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<th>Yes</th>
<th>No</th>
<th>Already included</th>
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and this is the sort of holiday and travel information that would interest me.'

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<th>Type(s) of holiday (i.e., hotel/villa/ British/cruising, etc.)</th>
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<table>
<thead>
<tr>
<th>Countries</th>
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Approximate cost per person: £100/£200/£300 (delete as appropriate).

Tour Operator(s) preferred

-------------------------------

347
With Compliments

Vouchers

Hogg Robinson (Travel) Ltd
Craven House
119/123 Kingsway
London WC2B 6PT
Telephone 01-242 1091
Telex 265721
Telegrams Hoggrobtav
London WC2
NOW THAT YOUR HOLIDAY AND TRAVEL HAS BEEN CONFIRMED, we would like to explain a few important points.

**Passports**
For travel abroad you must be in possession of a valid passport or travel document and it is advisable to make application not less than two months in advance of departure. Any visa or health requirements must also be complied with and we shall be pleased to advise you in this connection.

**Travellers cheques and foreign currency**
We suggest that you carry the major part of your spending money in travellers cheques and only a small amount in foreign currency. Both cheques and currency are obtainable through your usual bank.

**In the event of cancellation**
If for any reason you find it necessary to cancel your holiday, notification must be received in writing by our office before any action can be taken.

**Insurance**
In your own interest, it is essential to be covered by a comprehensive holiday insurance policy. If you did not make arrangements when booking your holiday you are strongly advised to do so at once and we can handle this for you.

**Travel tickets and departure details**
As soon as these are received from the tour company, normally 7 days or so before departure, they will be checked by our staff and then passed on to you immediately.

**Other facilities**
We will be pleased to arrange for Car Hire to and from your departure airport or at your destination as well as overnight hotel accommodation in the United Kingdom.

---

**Settlement of your holiday and travel account**

All cheques must be made payable to Hogg Robinson (Travel) Ltd. allowing at least 10 working days for clearance. The enclosed confirmation/account must accompany payment. It will be receipted and returned to you.

To comply with the tour company's booking conditions your account should be settled with Hogg Robinson at least eight weeks prior to departure.

Settlement of the balance of cost on your

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<th>Total Holiday Cost</th>
<th>Less Deposit Paid</th>
<th>Balance Due £</th>
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</table>
Your travel documents with our compliments

Make sure you take them with you on your journey together with your holiday confirmation — just to avoid any confusion at the hotel.

A reminder

Do check that your passport and any other documents you need for your holiday are valid for the duration of your stay. If you have any doubts don’t hesitate to contact us and ask our advice.
Welcome Home!

We hope that you've enjoyed your holiday and look forward to being able to help with your travel arrangements next time.

HOgg ROBINSON TRAVEL
at any branch of HOGG ROBINSON TRAVEL

Every month...
You get the chance to win a weekend for two in Paris or Amsterdam with the compliments of

Travescene

At the end of the year...
You could win the star prize of a fortnight for two in glorious St. Lucia, a Caribbean dream holiday awarded by

Sovereign Holidays

And this is all you have to do...
Just study the six reasons we give below why people book their holidays through a travel agent, and then list them in order of importance. If you think reason 'C' is the most important, put the figure '1' against it in the box provided; put the figure '2' against your second choice, and so on from '1' to '6'. To complete your entry we then want you to tell us why you book with Hogg Robinson Travel.

Return this to us and you're in with a chance
(check our address overleaf)

It is best to use a travel agent because: I book with Hogg Robinson because

A
A local agent is easy to reach and always available.

B
He can offer a full range of travel services under one roof.

C
He provides reliable, unbiased advice free of charge.

D
He can take away the paper work and the brochure searching.

E
He provides a friendly, efficient service.

F
He can keep costs down and is always aware of the latest special offers.

I agree to the conditions of entry (overleaf) and confirm that I am over 18 years of age.

Signed .................................... Date .........................
The centre section of *Synopsis* is designed as a wall chart to give you an instant comparison of Cost Savers with normal combined "flight plus hotel" prices around the world. For more detailed information on the broader aspects of travel we produce and regularly update a series of Management Guides to travel. These include:
  China
  Eastern Europe
  North America
  The Middle East and North Africa.

Brochures are also available for all our special programmes to exhibitions and trade fairs.

For free copies of any of our publications please contact:

The Marketing Director,
Hogg Robinson Travel,
Craven House,
119-123 Kingsway,
London, WC2B 6PT.
Telephone: 01-242 1091.

HOGG ROBINSON TRAVEL
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- 2 product
- 3 consumer needs
- 4 mkt. research
- 5 promotion (incl. advertising)
- 6 sales
- 7 efficiency/profit
- 8 satisfying (customer needs)
- 9 packaging
- M Monthly
- D Daily
- W Weekly
- B Biannual
- Q Quarterly
- 27-34 No. of questions
- 3D Twice weekly
- Y Yearly

*Score for each answer (see Q. 27-34) no. 6 being the correct one.*
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Code: se service, sp space, sec security, a appearance,
m merchandisers, s seasonal, pl principal, at attention, Sp special promotion
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Code: * 1 location, se service, st staff, py productivity, e economic, sat satisfied client, s good selling
** T/0 turnover, p profit, b budget, a accountant, t target, be break even, rb repeat business, PAX passenger

eq enquiries

* w weather
WEEKLY BOOKINGS AS A % RELATING TO PEAK WEEK

% WEEKLY COMPARED TO PEAK WEEK (100%)

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** For column headings and codes see App. 5
### APPENDIX 11  INDEPENDENT TRAVEL AGENTS' RESPONSES

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** For column headings and codes see App. 5
### Marketing-oriented Perception

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### Non-marketing oriented Perception

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### FISHER'S EXACT TEST

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### REJECT NULL HYPOTHESIS (SOME EVIDENCE OF A RELATIONSHIP)

2. Agent Location (Distance from Principal) and Reason for Window Display Choice

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| 24 | 5 | 29 |

### FISHER's EXACT TEST

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### REJECT NULL HYPOTHESIS (SOME EVIDENCE OF A RELATIONSHIP)
### Fisher's Exact Test

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#### Fisher's Exact Test

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#### Agent Performance (Turnover per Employee) and Customer Classification

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**REJECT NULL HYPOTHESIS (SOME EVIDENCE OF A RELATIONSHIP).**
5. Small Travel Agents and Annual Promotion Budgets

ENTER N(1,1),N(1,2),N(2,1),N(2,2) 75,15,6,2

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FISHER’S EXACT TEST

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OBSERVED

REJECT NULL HYPOTHESIS (SOME EVIDENCE OF A RELATIONSHIP).
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   Travelnews, 24.7.75.
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