SERVICE QUALITY OF BANGLADESHI TRAVEL AGENCIES AND ITS IMPACT ON TOURISTS' SATISFACTION: A POLICY RECOMMENDATION

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A B S T R A C T

This study examines the performance of travel agencies and its relationship with tourist satisfaction in the context of Bangladesh. The results indicate that the identified factors affect tourist satisfaction. From among the factors guide services, safety and security, information significantly influences tourist satisfaction. The findings suggest putting emphasis on travel agencies' guide services, information, accommodation, safety and security factors for boosting the level of tourist satisfaction. Our analysis confirms that tour guide interpretation has an influence on tourist satisfaction. Key findings reveal that tourists' satisfaction largely depends on correlations between travel agencies' services, transportation, safety & security. The article provides advanced information for tourism authorities and travel agencies' managers about the tourists' perception which indicates tourists' satisfaction in Bangladesh.

Keywords: Tourist satisfaction; tour experience; service quality; travel agencies performance;

1. INTRODUCTION

The aim of this study is to investigate the impact of service quality of travel agencies on tourist satisfaction in Bangladesh. "Service quality is a prevalent topic in the literature on which many researchers have conducted numerous investigations". Recently it is seen that, tourism industry has become an increasingly important research topic due to its popularity and development. According to the United Nations World Tourism Organization (UNWTO) (2013a), more and more countries

regard tourism as an engine for economic recovery. However, the only way to reach sustainable tourism development is to provide each tourist with a satisfying and memorable travel experience (Mossberg, 2007; Walls, Okumus, Wang, & Kwun, 2011). In the tourism industry, travel agencies are professionals who help shape tourists' first impressions of destinations and the experiences they have there (Leclerc & Martin, 2004). Huang, Hsu, and Chan (2010) indicated that travel agencies' service is a vital product in the tourism market. High-quality tour guide service not only brings financial benefits to a travel agency, it also improves the destination's image. Services are everywhere (Hoffman & Bateson, 2011). Many researchers and scholars have shown an interest in an assessment of service quality in travel agents service sector (Foster, 1997; Hossan, 2012; Mohamed, 2007; Olorunniwo & Hsu, 2006; Stickdorn & Zehrer, 2009; Yu, Morais, & Chick, 2005). In that case service industry is becoming more popular industry here and the tourism industry is an important service oriented and customer centric sector which is considered more essential than other industries for improving service quality. Travel agencies' service has been recognized as one of the prime businesses which are an emerging industry in Bangladesh during the past decade. For improving this sector, travel agencies and government need to take long term planning. In this regard, "the attention to service quality from the perspective of customers is considered as one of the most important factors deciding the success of tourism". Tourism is often viewed as a "smokeless industry" all over the world. Most of the tourists love Asian destinations for its amazing attractions which deal "wide-range of fascinations in terms culture and people". Especially, "tourism in ASEAN countries has seen considerable development by attracting.

2. OBJECTIVES OF THE STUDY

The objectives of the study are:

2.1. To analyze service quality of travel agencies that has great impact on tourist satisfactions

2.2. To measure the degree of influence of travel agency's co operations include information, security and safety, transportation, accommodation those have great impact on tourists satisfaction

3. RESEARCH METHODOLOGY

This study basically took both quantitative and qualitative approach to answer the research. questions. A questionnaire survey was conducted to collect the data. (Geva & Goldman, 1991; Mossberg, 1995; Wang et al., 2000; A. Wong,2001; Yu et al., 2002; Zhang & Chow, 2004). The data were collected from 290 tourists who had completed and/or very close to complete their tour. These tourists were either domestic tourists or inbound tourists of Bangladesh. We collected data from tourists who came for gastronomic purpose in different popular tourism spots of Bangladesh. We took permission from the authorities first. Thus, the convenience sampling technique was adopted for selecting the sample size, because it is less expensive and less time consuming technique. After studying the relevant literatures, five factors were identified that affect tourist satisfaction - Information, Transportation, Accommodation, Safety and Security, and travel agencies' services. By considering these factors, a structured questionnaire was developed that included twenty five different statements، A five point Likert scale was used there for collecting and measuring the responses.The collected data were initially fed into and processed by the SPSS-20 software. The instrument was examined by the validity test and the reliability test first. For testing the validity of the instrument، a correlation analysis among the variables was done. Later، data were analyzed through the regression analysis for measuring the influencing factors of tourist satisfaction.

4. HYPOTHETICAL RESEARCH MODEL

Based on the literature review, a hypothetical model was developed. As illustrated in Figure, the following hypotheses were proposed

H1: Tourist satisfaction with guiding service is determined by travel agencies' performance

H2: Both tourist satisfactions with guiding service and with tour services are determinants of satisfaction with the overall tour experience.

H3: There is no significant difference between overall expectations and overall perception of the customers in the service provided by travel agencies in Bangladesh

H4: Correlation coefficient between perceived service quality and customer satisfaction is not significantly different.

Although it is widely accepted that service quality dimensions affect tourist satisfaction with the service area studied (Baloglu et al., 2003; 2003;Heung et al.,2002, Johnson et al., 2001; Kang et al.,2004),the relationships among tourist satisfaction in different service areas have seldom been researched. Because tour-guiding service is a core component of any tour, it is reasonable to argue that whether tourists are satisfied with tour-guiding service plays an important role in their satisfaction with services provided by tour operators. Chan (2004);

Chan (2004) found that tourists' evaluation of tour guide service positively affected tourist satisfaction with tour services and the overall tour experience; and tourist satisfaction with the tour affected tourist satisfaction with the tour experience. Findings of Chan's (2004) study provided the basis for hypothesizing the relationships among these factors of tourist satisfaction in this study.

5. REVIEW OF THE LITERATURES

The tourisms' importance is viewed from many angles - economic, social, cultural, political, etc.(Ferdaush and Faisal, 2014). Contribution of Tourism has three high-priority goals of any country: income generation, employment creation, and foreign exchange earnings (Rahman, 2013. Early studies on tour guides focused on the topic of tour guide's role. Cohen (1985). Service quality has been extensively researched, in most cases along with customer satisfaction, in the fields of consumer behaviors and marketing. Service performance is a concept closely related to service quality. Service performance has been used by some researchers as a good proxy for service quality, especially in operationalizing service quality (Crompton & Love, 1995; Therefore, when tourists evaluate travel products and services, they consider the performance of their tour guide a key factor, and this has been recognized by several studies (Huang, Hsu, et al., 2010; Munro, Morrison-Saunders, & Hughes, 2008; Tubb, 2003; Zhang & Chow, 2004). A proliferated number of studies on the topics of service quality and customer satisfaction can also be found in hospitality and tourism research fields (e.g., Antony, Antony, & Ghosh, 2004; Beck, Martin, Xu, & Qu, 2004; Campos-Soria, Garcia, & Garcia, 2005; Ekinci, 2003). On the operational level, service performance has been found to be a more reliable and valid measure for both service quality and customer satisfaction (Crompton & Love, 1995; Johns, Avci, & Karatepe,2004;Yuksel&Rimmington,1998). Service performance is a concept closely related to service quality. A tour guide is defined as "a person who guides groups or individuals on visits around the buildings, sites and landscapes of a city or region and who interprets in the language of the visitor's choice, the cultural and natural heritage and environment" (Black & Ham, 2005, p. 178). The narrative messages disclosed insightful real-life information on tourists' perception of tour guide performance and how tour guide performance influenced tourist satisfaction. Recently, Weiler and Yu (2007); The descriptive messages expressed insightful real-life information on tourists' perception of tour guide performance and how tour guide

performance influenced tourist satisfaction. Recently, Weiler and Yu (2007). Customer satisfaction was also considered as a result of comparison of the service performance with expectation (Barsky, 1992; Hill, 1986; Oliver, 1980). Despite the similarities and overlaps between service quality and customer satisfaction as research constructs, some researchers have attempted to make a

distinction between the two (Ekinci, 2003; Fornell et al., 1996; Recently, service quality has been generally accepted as one of the determinants of tourist satisfaction (Baloglu, Pekcan, Chen, & Santos,2003;Chan,2004;Heung, Wong, & Qu, 2002; Kang, Okamoto, & Donovan, 2004; Lee, Graefe,&Burns, 2004). Heung et al. (2002); Grönroos,2007)empirically tested the components of customer satisfaction and conceptualize satisfaction as the comparison between customer expectations and customer perceptions ((Buttle, 1996; Foster, 1997; Kouthouris et al., 2005; Wu, 2009)argued that degree of customer satisfaction was directly proportional to level of service quality provided to the customer.

6. DATA ANALYSIS AND FINDINGS

6.1. Demographic Profiles of the Respondent

Total numbers of respondents were 320 out of which 290 responses were accepted in this research. Among the total respondents¸270 were domestic tourists and rest 20 were international tourists. The considering thing is all the respondents were not touring for entertainment and amusement. 10 respondents were for medical purpose¸5 were for shopping¸4 were for having training¸11 were for official assignment¸and finally 260 were for entertainment and refreshment. It was observed that a large number of respondents (275) were in a short duration tour¸i.e. 1 day to 5 days' tour and while a small number (15) were in a long duration tour¸i.e. more than 10 days' tour. Interestingly¸a considerable number of respondents (190) completed their tour in 4 to 7 persons' group¸whereas 1 to 4 persons' group tours were made by 70 respondents. Cost effectiveness and convenience in a group were the causes of this scenario¸although only 30 respondents were participated in a bigger group (more than 8 persons). However, the research also took into consideration the cost factor of the tourists. It was found that relatively smaller number of respondents (41) spent higher cost (more than BDT 60000 per person)¸although 28 respondents. Spent BDT 30000 to BDT 55000 (per person) for

their tour purpose. In addition ͵ a large number of respondents (139) spent below BDT 10000 (per person) ͵ while 70 respondents spent BDT 15000 to BDT 25000. The 275 respondents highly satisfied about services, ͵ information, accommodation; safety and security provided by travel agencies that was (95%) and 11 respondents were satisfied and rest of the respondents are either satisfied or dissatisfied.

6.2. Validity Testing

For testing the validity of the instrument ͵ the critical correlation coefficient (rc) is calculated first. Here ͵ sample size (n) is 290 ͵ significance level (α) is 0.05 and it is a 2-tailed test. The corresponding critical correlation value (rc) is 0.111. To be a valid instrument ͵ the r value of all the variables should be greater than the rc value (i.e. r > 0.111).

Table 1: Correlations

		Information	Transportation	Accommodation	Safety and Security	Tourism Spot
Tourist Satisfaction	Pearson Correlation Sig.(2 tailed)	.521** .000	.213** .000	.382** .000	.285** .000	.231** .000

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

6.3. Reliability Testing

Table 2: Reliability Statistics

Cronbach's Alpha N of Items	Cronbach's Alpha N of Items
.73113	.73113

Table 2 shows the reliability of variables that were used in this research. The Cronbach's Alpha coefficient is 0.731 ͵ which indicates the instrument is reliable and the variables are internally consistent.

6.4. Regression Analysis

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.616a	.380	.370	1.208

a. Predictors: (Constant), Guide services, Information, Safety and Security, Accommodation, Transportation

In Table 3¸ the value of R (coefficient of correlation) is 0.616 which proved that the relationship between the five independent variables and the dependent variable is significant. The value of R^2 (coefficient of determination) implies that 38.0% of the total variance in tourist satisfaction are explained by the predictor variables¸ i.e. Information, Transportation, Accommodation, Safety and Security, and Guide services.

Table 4: ANOVA[a]

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	276.466	5	51.891	35.080	.000[b]
	Residual	447.579	304	1.465		
	Total	727.048	309			

a. Dependent Variable: Tourist Satisfaction

b. Predictors: (Constant), Guide services, Information, Safety and Security, Accommodation, Transportation

Table 4 shows that the P value is 0.00 (<0.05). Therefore, there is sufficient evidence to reject the Null (H0) Hypothesis at 5% level of significance. It means that the Information, Transportation, Accommodation, Safety and Security, and guide services significantly affect the Tourist Satisfaction

Table 5: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error		Beta		
(Constant)	-2.282	.469			-4.835	.000
Information	.776	.091		.408	8.292	.000
1 Transportation	.012	.134		.005	.109	.908
Accommodation	.0431	.088		.225	4.752	.000
Safety& Security	.510	.121		.190	4.142	.000
Guide services	.305	.145		.095	2.074	.036

a. Dependent Variable: Tourist Satisfaction

Table 5 shows the regression coefficients of independent variables. Almost all the variables have a very good influence on the dependent variable. Three variables – Information ¸ Accommodation ¸ and Safety and Security are significant at the .001 level. A guide service is significant at the .036 level. But Transportation is not that much significant ¸ as suggested by the model. The standardized coefficient beta (ß) indicates that Information has the highest influencing power which is followed by Accommodation ¸ and Safety and Security. Based on the findings of Table 5 ¸ the following regression equation can be developed.

$$Y = -2.282 + 0.776 + 0.012 + 0.431 + 0.510 + 0.305 + \text{Error Term}$$

Here ¸ Y means Tourist Satisfaction.

7. CONCLUSIONS, LIMITATIONS AND FUTURE RESEARCH

Tourism is a promising sector in Bangladesh. It is a growing sector with an increasing contribution in GDP. In today's Bangladesh ¸ there are many tour operators' ¸ travel agents ¸ transportations ¸ hotels and so on. But it is ignored by the authorities that there are different types of tourists with different purposes ¸ like medical treatment ¸ shopping ¸ official assignment ¸ amusement etc. That is why ¸ all types of tourists should not be treated equally. Therefore ¸ tourism authorities and policy makers

should design different types of policy and strategy to attract different types of tourists and ensure their satisfaction. With the aim of investigating the factors that affect tourist satisfaction in Bangladesh, the research is conducted. It also measured the degree of influence of these factors on the tourist satisfaction. The results of the research suggest that the selected variables adequately elucidated tourist satisfaction and that the policy makers should focus on the factors that affect tourist satisfaction in Bangladesh. Tourists are pleased if they receive updated information, use adequate transportation, access quality accommodation, enjoy safe and secured tour, and have a neat and clean tourism spot with proper facilities. One of the important findings of the research indicates that the selected factors are positively correlated with tourist satisfaction in Bangladesh. Another finding directs to reject the null hypothesis, i.e. the research got enough evidence to accept the alternative hypothesis, which means information, transportation, accommodation, safety and security, and guide services influence the tourist satisfaction in Bangladesh. A specific discovery from the regression coefficients indicates that greater emphasis should be given towards information, accommodation, and safety and security in order to boost up the level of tourist satisfaction. There are many limitations we saw while collecting data one major limitation was that tour guide are not highly educated and well trained. The sample size was also not big enough to verify the factors .Tourism sectors contribution may have the possibility by creating more employment, increasing GDP if government and travel agencies ensure quality services and standard guide facilities with proper policies that will increase tourist satisfactions and lead to explore more research in this field.

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