CUSTOMER RETENTION AMONG SELECTED IATA TRAVEL AGENCY: BASIS FOR PROGRAM ENHANCEMENT

Arriane Kristle F. Aday and Ranna D. Fabros

ABSTRACT

This is a study on customer retention among selected IATA travel agency in Makati City. This study shows how the customers' demographic profile and some other factors such as brand image, customer value, customer experience, service quality and customer loyalty that could affect their retention level with regard to the selected travel agency. The study also aims determine the significant difference of the retention factors when grouped according to profile. The researchers proposed an action plan for the purpose of the study.

INTRODUCTION

Customer retention is typically defined as the evaluative judgment and process concerning a specific service or product after consumption or the experience, and contrasting pre-purchase expectations with perception of performance (Kim, 2013). That is why, measuring customer retention is a good way to know if customers received the same service with their expectations and it is an important factor in building customer relationship (Cui, 2014). During the past few decades, customer retention has become a major area of attention to practitioners and academic researchers. These concepts have strong impact on business performance and customer behavior. Service quality leads to higher profitability and customer retention, and is often measured by finding out the difference between service quality and customer retention and a comparison of experiences with prior expectations (Mason, 2013).

Customer retention has been the major topic in numerous studies in hospitality industry, particularly in examining attributes that travelers may find important (Carlson, 2013). Factors like cleanliness, security, value for money and courtesy of staff, convenience of location, prompt service, and behavior of employees are just few of the determinants of customer retention.

METHODOLOGY

This study used the descriptive-survey method of research. The researchers' major method focused on the responses of the respondents regarding customer retention. The researchers prepared a survey-questionnaire that was used to gather information needed in the study. The descriptive-survey method minimizes bias and simplifies analysis of results because it is a process of analyzing, gathering, classifying and tabulating data (Ruthers, 2013). Data that were gathered were subjected to statistical treatment and tools. Since this study gathered numerical data and explained phenomenon or generalization across groups of people, a quantitative method was utilized to generate objective measurements and mathematical, statistical or numerical analysis of data.

This study was conducted in the city of Makati. Makati City has been the center of business and commerce in the country, and it houses almost all IATA accredited travel agencies. The researchers chose this locale because of the availability of respondents who have been regular clients of these travel agencies. The participants of the study are tourists who regularly book their travels through AITA and non-IATA accredited agencies. The researchers used convenient sampling to select respondents because it is the most fitting technique of selecting samples as tourists are only expected to volunteer for this survey. The researchers utilized G-Power method to get the sample size. The resulted sample size is 110 respondents from the regular clients of different travel agencies in Makati City with effect size of 0.35 and actual power of 0.90.

The researchers utilized a survey-questionnaire as the primary instrument. The questionnaire was developed by the researchers based from the reviewed relevant literature. It is presented in two parts. The first part is the demographic profile of the respondents in terms of age, gender, civil status and income. While the second part is the factors affecting customer retention, which include brand image, customer value, customer experience, product quality and customer loyalty. The responses for the factors affecting customer retention were measured using the scale of agreement: Strongly Agree, Agree, Disagree and Strongly Disagree.

RESULTS AND INTERPRETATION

This part of this paper presents the results from the conducted study and the interpretations. This presentation is in three parts, which include the demographic profile, customer retention factors, and the test of significance.

Table 1. Respondents' assessment on the brand Image as customer retention factor

Brand Image	Weighted Mean	Interpretation
The agency is known to the rich and famous people.	3.32	Agree
The agency's name is advertised in flyers and brochures	3.38	Agree
The agency is known for its best quality.	3.42	Agree
The name of the agency is popular to travellers.	3.44	Agree
The agency has high market and advertising value	3.46	Agree
The agency is known for its satisfactory performance.	3.55	Strongly Agree
The agency's name is advertised in flyers and brochures	3.59	Strongly Agree
Agree Composite Mean	**3.45**	

Table 1 shows the respondents' assessment on the brand image as customer retention factor which registered an average weighted mean of 3.45 which indicates that the respondents agreed that brand image is a customer retention satisfaction.   According to (Gabor & Contiu, 2012) consumer perception towards brand is an important aspect of marketing.

Table 2. Respondents' assessment on the customer value as customer retention factor

Customer Value	Weighted Mean	Interpretation
Customers are given gifts and freebies to show appreciation.	3.35	Agree
Comments and queries are entertained.	3.38	Agree
The agency provides customers discounts.	3.41	Agree
Travel agents provide personalized services to customers.	3.53	Strongly Agree
Customers are offered new products.	3.54	Strongly Agree
The agency takes suggestions from customers.	3.59	Strongly Agree
Travel agents always attend to the needs of the customer.	3.72	Strongly Agree
Composite Mean		**3.50**
Strongly Agree		

Table 2 shows the respondents' assessment on the customer value as customer retention factor which registered an average weighted mean of 3.50. It indicates that the respondents strongly agreed that customer value is customer retention factor. According to (Zairi, 2012) Customer value is a very often misused and abused expression. Many organizations use it casually in order to state that

their customers are happy and satisfied with the levels of service rendered and the products and services purchased, but they actually have never tried to measure that satisfaction.

Table 3. Respondents' assessment on the customer experience as customer retention factor

Customer Experience	Weighted Mean	Interpretation
The staffs and employees give welcome and parting remarks	3.42	Agree
Customers can follow-up through phone or mail about the product they purchased.	3.49	Agree
Safety and security of customers are prioritized	3.50	Agree
Clients feel satisfied with the service performance	3.58	Strongly Agree
The agency provides satisfactory customer service.	3.62	Strongly Agree
The staffs and employees have warm and good relationship with customers.	3.66	Strongly Agree
Customers have no bad experience with the services, and can be highly recommended.	3.72	Strongly Agree
Composite Mean	**3.57**	**Strongly Agree**

Table 3 shows the respondents' assessment on the customer experience as customer retention factor which registered an average weighted mean of 3.57. It indicates that the respondents strongly agreed that customer experience is customer retention factor.

According to (Zomerdijk, 2012) the benefits the customer gets from using and experiencing the service includes how they perceive they have profited or gained from the service provided and their experience of it, i.e. how well their requirements and needs have been met. Another outcome of the service from a customer's point of view will be their conscious or unconscious assessment of the service provided.

Table 4. Respondents' assessment on the service quality as customer retention factor

Service Quality	Weighted Mean	Interpretation
Implementation of policies is consistently conformed with.	3.32	Agree
The agency has commitment to their clients.	3.36	Agree
The agency quality features of database system and service	3.37	Agree
The agency provides reliable service.	3.49	Agree
The services offered are affordable.	3.59	Strongly Agree
The travel agency cares for the clients.	3.64	Strongly Agree
The agency provides quality performance.	3.73	Strongly Agree
Composite Mean	**3.5**	**Strongly Agree**

Table 4 shows the respondents' assessment on the service quality as customer retention factor which registered an average weighted mean of 3.5. It indicates that the respondents strongly agree with service quality as customer retention factor. Based on (Urban, 2012) in the growing service sector there is still the most problematic challenge of how to deal with service quality. Quality is one of the most expected aspects by customers of almost all service products.

Table 5. Respondents' assessment on the customer loyalty as customer retention factor

Customer Loyalty	Weighted Mean	Interpretation
I'm proud of being a client of the agency	3.24	Agree
I will not opt for another agency.	3.27	Agree
I repeat purchase/ booking in their agency even when comparative competitors are available.	3.33	Agree
I use the same agency brand over and over again	3.37	Agree
I encourage friends to patronize their agency and advertise to them the service	3.62	StronglyAgree
Composite Mean	**3.37**	**Agree**

Table 5 shows the respondents' assessment on the customer loyalty as customer retention factor which registered an average weighted mean of 3.37. This indicates that the respondents agree that customer loyalty is a customer retention factor. According to Basu (2013), customer loyalty has been defined as the strength of the relationship between the individual's relative attitude and repeat patronage.

Significant relationship between the respondents' gender and the customer retention factors in terms of brand image, customer value, customer experience, service quality, and customer loyalty

The results have shown that only customer experience has not significant relationship with the gender of the respondents in measuring customer retention, while the brand image, customer value, service quality and customer loyalty have significant relationships with gender. Even though some researchers have investigated the effects of gender differences between service quality and satisfaction relationships, the study on gender role remains infrequent. It is worth to note that gender roles may be significant during evaluation stage (Hoyer & MacInnis, 2013)

Significant relationship between the respondents' civil status and the customer retention factors in terms of brand image, customer value, customer experience, service quality, and customer loyalty

This shows that there is significant relationship with civil status only in terms of brand image, customer value and service quality, while in terms customer experience and customer loyalty is no significant. The results supported the literature stated in (Pratap, 2013) study that questions about civil status appear on questionnaires for quantitative research, such as census forms and market research instruments. In a person's medical history, civil status is considered to have both

quantitative and qualitative significance. A government records the civil status of its citizens by means of a civil registration system. Historically, inquiries into marital status have also appeared on applications for employment, loans and credits.

Table 6. Action Plans

KEY RESULT AREA	SOLUTIONS	PERSONS INVOLVED
The travel agency is known to the rich and famous people	The travel agency should always offer least expensive but quality services to the clients	Travel agency company Travel Agent
Customers are given gifts and freebies to show appreciation	Search for new trends/strategies that may fascinate the customers, like discounts.	Travel agency company, Clients
The staffs and employees give welcome and parting remarks	Travel agents must have formal training in how they approach every client. Travel agent must be patient, helpful and polite.	Travel agents, Clients
Implementation of policies is consistently conformed with	The travel agencies have a responsibility to provide sufficient information, instruction, supervision and training to their staff how they give policies to their clients.	Travel Agency, Clients
Proud of being a client of a travel agency	Continuing to build trust in the customer by giving quality service.	Travel Agency, Travel Agent, Client

CONCLUSIONS

The researchers found out that majority of respondents belong to the 20-29 age group, female, married, and are earning 25,001-30,000 a month. The respondents agreed that brand image is a customer retention factor particularly that the agency's name as being advertised in flyers and brochures, and the agency is known for its satisfactory performance. However, they strongly agreed that customer value, customer experience, service quality and customer loyalty are customer retention factors of travel agencies. It was supported by facts that that travel agents always attend to the needs of the customer, and customers are offered new products, customers proved to have no bad experience with the services, the agency provides quality performance, so most of them encourage their friends to patronize the same agencies. In terms of brand image, there is a significant difference between the brand image as a customer retention factor and the civil status, age, gender, and income of the respondents. Likewise, there is a significant difference between customer value as a customer retention factor and the civil status, age, gender, and income of the respondents. There is no significant difference in customer experience and customer loyalty as customer retention factors and the civil status, age and income of the respondents. But, there is a significant difference in customer experience as a customer retention factor and the gender of the respondents. In the case of Service Quality, there is no significant difference in service quality as a customer retention factor and the age, gender and income of the respondents. But there is a significant difference in service quality as a customer retention factor and the civil status of the respondents.

RECOMMENDATIONS

From the conclusions drawn, the researchers recommend that travel agencies maintain the quality of services of the travel agencies in order to have a good customer retention. It is also recommended that they offer a more affordable packages for tourists so that they can regularly book for travel and tours. To future researchers, it is recommended that they widen the scope of their future studies which may include local agencies that can offer the same services that the international agencies can. The researchers may also want to recommend that future studies may look into a more convenient travel options and services.

REFERENCES

Aban, R. N. (2012). A dynamic model of the duration of the customer's relationship with a continuous service provider: The role of satisfaction. Marketing Science, 17 (1), 45-65.

Alvin, R. (2014). Determination of hotel guests' satisfaction and repeat patronage in the Hong Kong hotel industry. International Journal of Hospitality Management, 20, 277-297.

Anderson, J. M. (2014). Psicología Social de los Viajes y el Turismo. Madrid, Thomson Ed.

Andrews, D. (2014). A Model of Customer Satisfaction and Retention for Hotels. Journal of Quality Assurance in Hospitality & Tourism , 7 (3).

Barsky, S. (2015). Measuring Service quality: A re- examination and extension. Journal of Marketing, 56, 55-68.

Bill, P. K. (2013). An attempt toward an integrated theory of consumer psychology and decision-making. Systems Research, 3 (3), 161-175.

Blem, M. (2015). The Impact of 9/11 and Other Terrible Global Events on Tourism in the United States and Hawaii. Journal of Travel Research 45(1), 99-110.

Blue, F. (2012). Learning from customer defections. Harvard Business Review,74, 57-69. Brooks, K.L. (2014). Taj Group of Hotels.

Carlson, H. (2013). Understanding Attacks on Tourists in Egypt. Tourism   Management, 16, 91–95.

Carol, N. (2016). Tourism, terrorism and Turmoil in Nepal. Annals of Tourism Research, 32(3), 669-688.

Chenney, E. (2016). The Closing of the American Border: Terrorism, Immigration, and Security since 9/11. New York: Harper.

Corey S. (2014). Driving Fatalities After 9/11:A Hidden Cost of 9/11. Applied Economics, 41(14), 1717-1729.

Cui, C. (2014). The Impact of terrorism on tourism demand. Annals of Tourism Research, 35(2), 299-315.

Deliotte, J.M. (2017). Evaluating the Long-   Run Impacts of the 9/11 Terrorist Attacks on US Domestic Airline Travel. Applied Economics 38(4), 363-370.

Dor, P. (2013). Terror and Consent.

Essner, J. (2003). Terrorism´s impacto n Tourism: what the industry may learn from Egypt´s struggle with al-Gama´a al-Islamiya. Security and Development. IPS 688.

Fienes, J. A. (2015). The Hotels of Rome: Meeting the Marketing Challenge of Terrorism. The Cornell Quarterly, 29, 71-79

Gordon, J. (2015). The Effects of Terrorism: evaluating Kenya´s tourism Crisis. E-review of tourism Research, 2(4), 88-95.

Goodman, S. (2015). Understanding barriers to leisure travel, tourist's fears as marketing basis. Journal of Vacation Marketing, 11(3), 197-208.

Hall, M. (2003). Tourism Issues, agenda setting and the media. E-review of tourism Research, 1(3), 42-45.

Hills, M. (2015). The Causes of Terrorism, In Charles W. Kegley, Jr. (Ed.). The New Global Terrorism: Characteristics, Causes, Controls. Upper Saddle River. NJ: Prentice Hall.

Hooley, R. (2015). 'The Impact of the perception of risk on international Travellers'.International Journal of Tourism Research, 9(4), 233-242.

Howard, G. (2015). New York–Buenos Aires: Different Solutions to the Same Problem: Terrorism and Citizenry. ROSA DOS VENTOS, 4(1), 40 -58

Howes, W., (2015). Patterns of transnationalterrorism, 1970-99: alternative time series estimates. International Studies Quarterly, 46, 145-165.

Juniac., W. J. (2016). The Effect of Terrorism on Executives' Willingness   to Travel Internationally. Unpublished doctoral dissertation). The City University, New York.

Justine, J. P. (2014) Tourism, Tealpolitik and Development in the South Pacific. In A. Pizam and Y. Mansfeld, (Eds.), Tourism, Crime and International Security Issues. (pp.123-142). New York: Wiley.

Kim, P. (2013). The impacts of terrorism: perceptions of faculty and students on safety and security in Tourism. Journal of Tourism and Travel Marketing, 15 (2–3), 81–97.

Lamb, T. L. (2014). Terrorism, Seasonality, andInternational Air Tourist Arrivals in Central Florida: An Empirical Analysis. Journal of Travel and TourismMarketing 1, 3-15.

Li, M. (2015). Travel Safety, terrorism and the media thesignificance circle of the issue attention cycle. CurrentIssues in Tourism, 5(5), 458-466.

Lowell, C. (2015). Tourism, terrorism, and thenew World for Event Leaders. E-review of tourismResearch, 3(6): 139-144.

Maia, M. (2012). Can tourism provoke terrorism?Working Paper Series. Num. 3. Sustainable Developmen through Tourism, University of Munster, Alemania.Material Disponible en www.sd-tourism.org.

Mason, J. (2013). Terrorism and Africa. African Security Review, 12(4), 92-103.~ 65 ~

Mason, T. (2016). Causality between Transnational Terrorism and Tourism: The Case of Spain. Terrorism, 14(1), 49– 58.

Mauer, B. (2014). The Effects of Risk Perception on Intention to Travel in the Aftermath of September 11, 2001. Safety and Security in Tourism: relationship Management and Marketing, 15 (2), 19 -38.International Journal of Travel Tourism and Pilgrimage olume 2(i), 2014
McPherson, A. (2014). Tourism and terrorism: conflicts and commonalities. Worldwide

Miller, A.M. (2015). Regional Effects of Terrorism on Tourism: Evidence from Three Mediterranean Countries. Working Paper B 26, Center for European Integration Studies, Rheinische

Morose, G. F. (2014). An Econometric Analysis of the Impact of Terrorism on Tourism. Kyklos 45, 531-554.

Olga, T. (2014). Distribution of Transnational Terrorism among Countries by Income Class and Geography after 9/11.International Studies Quarterly, 50(2), 367-393

Olson, M. (2016). Governmentality. In Graham Burchell,Colin Gordon & Peter Miller (Eds.), The Foucault effect(pp. 87-104). Chicago, IL: University of Chicago Press. Korstanje,

Passa, L. (2015). Profiling Risk:perception of tourist. Annals of Tourism Research, 31(4),1051-1054.

Phil, M. (2016). The logic of terrorism: Terrorist behavior as a product of strategic choice. In W. Reich, (Ed.), Origins of Terrorism. New York: Woodrow Wilson Center Press.

Pressey, K. And Matthew, C. (20149). Business Executives as International Terrorist

Ria, T.E. (2017). International Terrorism: Implications and Challenge for Global Tourism. Business Quarterly (November), 20-29.

Rooky, J.T. (2016). The threat of terrorism as an intervention on international travel flows. Journal of Travel Research, 42(1), 4-12.

Shaw, G. (2013). Discussing concepts: terrorism and tourism in the spotlight. Turismo Desarrollo: Revista de Investigación en Turismey Desarrollo Local, 6(14).

Swannie, V. (2014). Tourism, PoliticalStability and Violence. In A. Pizam and Y. Mansfeld,(Eds.), Tourism, Crime and International SecurityIssues, (pp. 105-121). New York: Wiley.

Terblanche, J. (2012). The psychology of terrorism. London: Routledge.Wendell, J. (2015). Riad Fever: heritage tourism, urban renew a land Medina Property in old City of Morocco. E-reviewof tourism Research, 6(4), 66-78.

Yeung, A., & Pierson, C. (2012) Conversations withGiddens: making sense of modernity. CA: Stanford University Pres.Targets. In J. R. Buckwalter, (Ed.),International Terrorism: The Decade Ahead, (pp. 21-28).Chicago, IL: The University of Illinois at Chicago. Office of International Criminal Justice.