

A Study on Travel Agency Selection Factors and Demographic Influences among Outbound Tourists from Telangana State

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ABSTRACT

Selecting an appropriate travel agency is most important for outbound tourists due to higher complexity, dependency and uncertainty in services like visa assistance, air ticketing, accommodation, foreign exchange and travel insurance when compared with domestic tourists. We can find a number of studies on travel agency selection in the international context, such as Singapore, Malaysia, China, Japan, Dubai, Sri Lanka, etc., but limited empirical studies were found in the Indian context, especially Telangana. This study is focused on finding out the important factors considered while selecting a travel agency in Telangana, and to study the influence of demographic variables on these factors. This study employed a quantitative, descriptive and analytical approach for conducting the study.

The primary data were collected from a total of 90 respondents who travelled on tours from Telangana (Hyderabad and Nalgonda) and used the services of travel agencies. A structured questionnaire was designed with two sections, i.e., demographic variables and factors related to travel agency selection, on a Likert scale, and was used to collect the primary data. This study adopted the snowball sampling method for collecting primary data. The primary data were analysed with the help of SPSS. Here, Cronbach's alpha was used for the reliability of the scale; mean, standard deviation and Relative Importance Index (RII) were used for ranking the travel agency selection factors, and the Mann-Whitney U test & Kruska-Wallis H test were used for demographic differences. The scale showed high reliability, i.e. Cronbach's alpha is 0.895. RII analysis showed factors like Years of Experience & Past Performance, Discounts & Offers, 24/7 Service Availability, Customised Services and Value for Money were found to be more important and Instalment-based payments, Advertisements and Accessibility were found least important. Demographic variables like gender, age and education have no significant difference on travel agency selection factors. The results suggest that the travel agencies should focus on economic benefits, credibility and continued support through a universal strategy rather than focusing on demographic segmentation.

Keywords: Outbound Tourism, Travel Agency Selection, Relative Importance Index (RII) and Value for Money.

INTRODUCTION

Selecting a proper travel agency plays an important role in outbound travel arrangements because of the greater complexity and uncertainty in outbound travel compared with domestic travel. Tourists depend on travel agencies for their travel arrangements like air ticketing, visa assistance, accommodation, travel insurance, transportation, entry tickets, foreign exchange and package tours. Selection of an appropriate travel agency for their travel arrangements is influenced by several factors like service quality, price, agency reputation, product features, accessibility, trust, personalised services and value for money. A reliable travel agency is essential for proper trip planning and provides assistance in case of unexpected issues at the time of travel. Therefore, the selection of an appropriate travel agency for travel arrangements can significantly influence the overall experience and satisfaction of outbound tourists.

This study helps to understand the decision-making behaviour of outbound tourists for selecting a travel agency for their travel arrangements. It helps to understand the key factors that influence the selection of a travel agency. Such type of information is helpful for travel agencies while developing package tours, pricing strategies and promotional activities.

The study is more relevant, particularly to the state of Telangana, because it has an increased number of tourists travelling for outbound travel because of rising income levels, globalisation, digitalisation, increased connectivity and changing consumer lifestyles. As the number of outbound travellers is increasing, it is necessary to understand how they choose a travel agency for their travel arrangements. It helps the development of the travel and tourism sector in Telangana; it also provides region-specific evidence regarding tourists' decision-making behaviour while selecting a travel agency and their preferences for selecting travel agencies for their travel arrangements.

LITERATURE REVIEW

Travel agency selection has been one of the important research areas in tourism, and researchers have identified various factors influencing tourists' decision to choose a travel agency for their travel arrangements. Earlier studies on travel agencies emphasised factors such as service quality, reputation, trust, safety, pricing and convenience. Heung and Chu (2000) found that word-of-mouth communication, travel agency reputation, and staff attitude were the most important factors influencing travel agency selection. Similarly, Heung and Zhu (2005) show that tour safety and security, agency reputation and agency credibility significantly influence travel agency selection decisions. Hui and Wan (2005) also highlighted mainly the value for money and agency reputation as main factors influencing travel agency preference by Singaporean travellers.

Hassanli, Brown, and Tajzadeh-Namin (2013) identified product features, pricing, advertising, service delivery, advertising and agency image as important when selecting a travel agency. Unlucan, Katricioglu, and Dalci (2010) found that convenience, pricing, responsiveness, corporate image and accountability significantly influenced travel agency preferences. Hong, Kim, and Lee (2019) further found that reputation, human service and professionalism positively affect customer satisfaction and long-term relationships with travel companies.

With the rapid growth of technology in tourism, researchers have focused on online travel agencies (OTAs). Most of the studies by Ezeuduji (2015), Ng, Cassidy, and Brown (2006) and De Jager (2015) show that trust, cost saving, convenience, transactional security and personalised service are major factors affecting travellers' selection between traditional travel agencies and online travel agencies. Online users value time saving and convenience, and traditional agency users continue to appreciate expert guidance and personal interaction.

Recent OTA studies found additional determinants like security, ease of use, privacy, electronic word-of-mouth (e-WOM) and brand image. Pinto and Castro (2019) show that better pricing, ease of browsing, convenience, and speed positively influenced the customer's online purchase decision. Arora (2019) found that low price, customised packages, service quality and post-booking support significantly affect OTA selection in India. Likewise, Mishra and Atulkar (2025) highlighted that customer service, user friendliness, 24/7 availability and security were the most important factors influencing customer preferences for OTAs. Safety, trust and privacy were also found to be important determinants of OTA usage by Ku and Fan (2009) and Habibie et al. (2025). Electronic word-of-mouth (e-WOM) has a significant influence on travel agency selection and purchase intentions of the customers.

While selecting a travel agency, demographic characteristics also play a major role; some of these factors include gender, age, occupation, income, marital status and place of residence (Heung & Zhu, 2005; Wan & Hui, 2005; Hassanli et al., 2013; Rodriguez-Pallas et al., 2024). Overall, the travel agency selection is influenced by reputation, service quality, safety, trust, price, technology, convenience and demographic factors of the customers. However, limited research has been conducted to examine these determinants in the Indian tourism context, especially in Telangana, indicating the further need for empirical investigation.

One of the major inconsistencies from the review of literature relates to the importance of Price. Most of the studies showed that Price and Value for money were the most influential factors while selecting a travel agency for their travel arrangements (Arora, 2019; Hui & Wan, 2005; Katircioglu et al., 2010). But in contrast, Hong et al. (2019) showed that price competitiveness did not affect customer satisfaction and relationship continuity.

Research Gap

From the literature review, it was found that most of the studies related to travel agency selection for their travel arrangements were conducted in international contexts like Singapore, Hong Kong, Shanghai, Australia, South Africa, Poland, Indonesia, Spain and Bangladesh. It was found that there was limited empirical research focused on outbound tourists in the Indian context, particularly in Telangana State. Moreover, a number of studies have been done related to domestic tourism, Online Travel Agencies, or the difference between traditional booking and online booking channels rather than specifically focusing on travel agency selection for outbound tourists from the state of Telangana, India. Hence, the present study helps to fulfil this gap by identifying the major factors influencing outbound tourists in choosing a travel agency for their travel arrangements.

Objectives of the Study

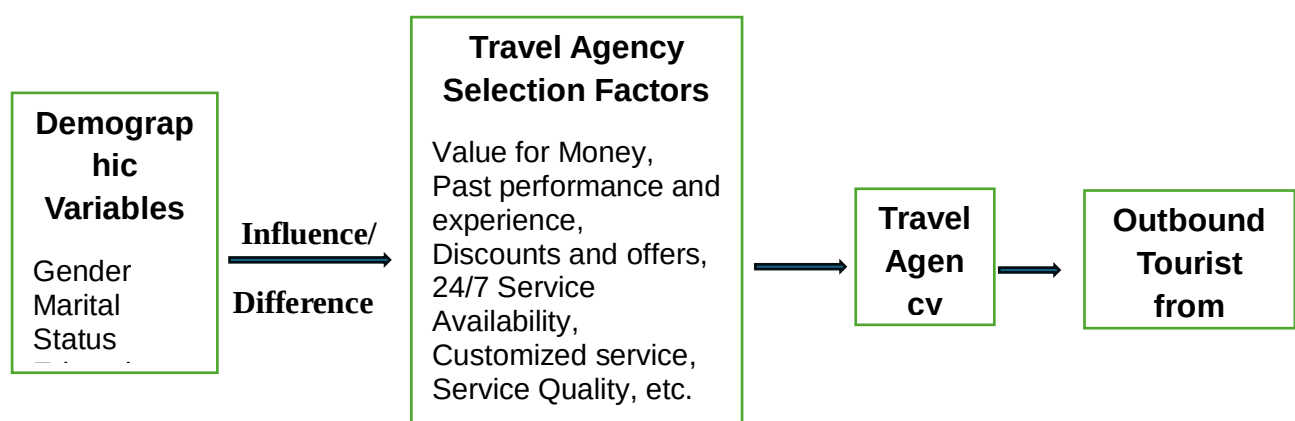
1. To examine the key factors influencing travel agency selection among outbound tourists from the state of Telangana.
2. To study the influence of demographic variables on travel agency selection factors.

Hypothesis of the Study

1. H0: The demographic variable gender has no significant influence on travel agency selection.
H1: The demographic variable gender has a significant influence on travel agency selection.
2. H0: The demographic variable age has no significant influence on travel agency selection.
H1: The demographic variable age has a significant influence on travel agency selection.
3. H0: The demographic variable education qualification has no significant influence on travel agency selection.
H1: The demographic variable education qualification has a significant influence on travel agency selection.

The present study is significant in the context of social sciences because travel agency selection is how tourists make decisions shaped by economic, psychological, social and demographic factors. The analysis of the influence of demographic variables on travel agency selection factors helps to find the variations in consumer preferences and decision-making among different social groups.

Conceptual Framework



The conceptual framework for the present study is designed to identify the important factors considered while selecting a travel agency and to examine whether these factors differ across demographic variables. The theoretical framework is based on the assumption that the decisions to select a travel agency for their travel arrangements may be influenced by the various characteristics of the tourists. In the framework, characteristics like age, gender, marital status and educational qualifications are considered as demographic variables. Travel agency selection factors include value for money, discounts & offers, 24/7 service availability, customised services reputation, product features, accessibility, advertising and payment facilities. These are the factors that may influence the selection of a travel agency for travel arrangements. Therefore, it establishes a relationship between demographic variables and factors influencing travel agency selection. The first part of the study identifies and ranks important factors for travel agency selection, and the second part examines whether there is a significant difference in demographic variables and factors related to travel agency selection.

METHODOLOGY

This study employs a quantitative research approach to examine the factors influencing travel agency selection among outbound tourists from the state of Telangana and to study whether these factors vary across different demographic groups. The study adopts a descriptive and analytical research design. The descriptive component is to identify and describe major factors considered when selecting a travel agency for their travel. The analytical component is responsible for examining the relationship and differences between travel agency selection factors and demographic characteristics of the tourists.

Sampling and Data Collection

This study was conducted on outbound tourists from the state of Telangana, India, who used the services of travel agencies for making their travel arrangements. For this study, the primary data was collected by administering a structured questionnaire. This questionnaire consists of two sections. The first section covers the demographic characteristics of the tourists, such as age, gender, education, occupation and Income. The second section consists of statements related to the factors influencing travel agency selection for their travel arrangements. These are measured using a five-point Likert scale, which ranges from Strongly Agree to Strongly Disagree.

The primary data were collected from tourists who travelled on outbound tours from the selected districts of Telangana (Hyderabad & Nalgonda), India and used the services of travel agencies for making their travel arrangements for their travel. Snowball sampling technique was employed to collect primary data from the respondents. In snowball sampling, the researcher found a few respondents initially, then asked them to refer others who fulfilled the requirements of the study. A total of only 90 samples were collected for conducting this study because of time constraints, and the researcher could not find the finite population sources for the present study.

Ethical considerations were given high priority throughout the study. Before collecting primary data, the information given to the respondents regarding the purpose of the study and its academic nature of study. Participation was voluntary, and respondents could withdraw at any point in time. The questionnaire did not contain any data related to personal information or sensitive data of respondents.

The information collected will be used only for academic purposes. The primary data collected from the respondents were analysed and reported honestly, without any falsification, fabrication or manipulation of actual results. The information collected from the previous studies was properly acknowledged in references.

Limitations of the Research Design

The research paper has certain limitations and constraints. This study covers only selected districts (Hyderabad & Nalgonda) of Telangana state, India. Therefore, the findings cannot be generalised to other

districts of Telangana. The study used the non-probability sampling method; therefore, not everyone in the population has an equal chance of being included in the sample.

The results are entirely based on the data provided by the participants; hence, the findings of the study are affected by participants' personal perceptions, opinions and the fairness of the respondents. There may be similarities among the responses because respondents were selected using snowball sampling; the respondents may also have similarities in behaviour.

Data Analysis Tools and Techniques

Primary data were collected from the respondents who travelled on outbound tours from Telangana. Primary data were coded for easy analysis. For analysing the primary data, SPSS statistical software was used. To test the reliability of the questionnaire, Cronbach's Alpha was used.

The statistical tools like Mean, Standard Deviation and Relative Importance Index (RII) were used to find the major factors considered while selecting a travel agency. Then the Mann-Whitney U test and Kruskal-Wallis H test were applied to find the association between Gender, Age, education, and occupation and the top important factors of travel agency selection.

RESULTS

Table 1: Case Processing Summary

		N	%
Cases	Valid	90	100
	Excluded	0	0
	Total	90	100

Table 2: Reliability Statistics

Cronbach's Alpha	N no of Items
0.895	18

To check the reliability of the scale, Cronbach's alpha was calculated and found to be 0.895 (>0.70), indicating high reliability among 18 items. To identify the most important factors for selecting a travel agency, the Mean and standard deviation were calculated then the Relative Importance Index (RII) was calculated.

Table 3: Mean, S.D. and RII of all the factors

Factor	T1	T2	T3	T4	T5	T6	T7	T8	T9
Mean	4.09	4.10	3.81	4.02	4.17	3.18	4.12	3.53	4.21
S. D	.907	.949	1.111	.874	.768	1.241	.776	1.073	.786
RII	0.818	0.82	0.762	0.804	0.834	0.636	0.824	0.706	0.842

Factor	T10	T11	T12	T13	T14	T15	T16	T17	T18
Mean	3.99	4.40	4.31	4.06	4.28	4.03	4.27	3.91	4.23
S. D	.966	.731	.816	.853	.735	.953	.731	1.088	.794
RII	0.798	0.88	0.862	0.812	0.856	0.806	0.854	0.782	0.846

It was found that outbound tourists from Telangana show more preference for years of experience & Past Performance, Discounts & Offers, 24/7 Service Availability, Customized services and value for money. And showing the least preference towards instalment-based payments, Advertisements of travel agencies, and Easy Accessibility, respectively.

Table 4: Mann-Whitney U test: Gender Vs major travel agency selection factors

Factor	Value for money	past performance	Discounts and offers	24/7 service availability	Personalized service
Asymp. Sig. (2-tailed)	p=.316	p=.507	p=.974	p=.449	p=.097

To examine the gender difference towards the travel agency selection criteria, a Mann-Whitney U test was conducted. The results show that there is no statistically significant difference between male and female respondents towards major travel agency selection factors. The p-values were as follows: value for money p=.316, past performance p=.507, Discounts and offers p=.974, 24/7 service availability p=.449, and Personalized service p=.097, as all p-values are >0.05. Therefore, gender does not influence selection of a travel agency.

Table 5: Kruskal-Wallis H test: Marital Status Vs major travel agency selection factors

Factor	Value for money	past performance	Discounts and offers	24/7 service availability	Personalized service
Asymp. Sig. (2-tailed)	p=.877	p=.107	p=.423	p=.294	p=.412

Similarly, a Kruskal-Wallis H test was conducted to examine the effect of marital status on travel agency selection criteria. It was also found that all the p-values are greater than 0.05, the null hypothesis is accepted. Therefore, marital status does not show any influence on travel agency selection.

Table 6: Kruskal-Wallis H test: Education Qualification Vs major travel agency selection factors

Factor	Value for money	past performance	Discounts and offers	24/7 service availability	Personalized service
Asymp. Sig. (2-tailed)	p=.520	p=.198	p=.356	p=.139	p=.253

Kruskal-Wallis test is applied to test whether educational qualification influences travel agency selection. It was found that there was no statistically significant difference among different educational groups in travel agency selection criteria. Here, all the p-values are greater than 0.05. Therefore, the null hypothesis is accepted. So, educational qualification does not significantly influence the selection of a travel agency.

CONCLUSION

This study examined the factors influencing the selection of a travel agency among the outbound tourists from Telangana. The scale, with a very high Cronbach's alpha of 0.856, is highly reliable. This study ranked the 18 factors of travel agency selection by calculating the mean and Relative Importance Index (RII). Among all the 18 factors, the respondents showed that years of experience & past performance, discounts & offers, 24/7 service availability, customised services and value for money were highly preferred. In contrast, instalment-based payments and advertisements of travel companies showed the least importance.

The influence of demographic factors on the top five travel agency selection factors. The Mann-Whitney U test for gender, and the Kruskal-Wallis H test for marital status & educational qualifications showed no statistically significant differences, I. e, all $p > 0.05$. So, all null hypotheses were accepted. So, it is concluded that travel agency selection is independent of the demographic factors like age, gender and educational qualifications.

RECOMMENDATIONS

Based on the above results, the travel agencies have to focus on five major factors like value for money, past performance, Discounts and offers, 24/7 service availability, and Personalized service; don't waste their budget by spending a heavy amount on factors which have low RII. The travel agency managers should maintain transparent pricing, provide reliable assistance through the travel process, offer packages according

to customers' budget and preferences and also demonstrate their experience and performance. The RII ranking will guide the managers to allocate resources for those factors which are more prominent from customers' point of view.

From the results, it was found that demographic variables like age, gender and educational qualification do not have any effect on travel agency selection. So, it is better to maintain basic service standards for all tourist groups, while providing specific services if they need. These implications should be followed carefully because the study is only based on 90 respondents and selected through snowball sampling from Nalgonda and Hyderabad.

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