

CUSTOMER RELATIONSHIPS IN THE RETAIL TRAVEL TRADE – WHAT IS THE OPINION OF MANAGEMENT?

M Roberts-Lombard (Department of Marketing Management, University of Johannesburg)

The biggest challenge facing the South African retail travel trade over the past ten years has been the recruitment and retention of customers. A primary reason for this is that human interaction in the retail travel trade is becoming less frequent. In order to be more customer focused, marketers should provide exceptional performance in quality, delivery, and cost competitiveness. The purpose of this article is to indicate the current status of the retail travel trade in South Africa's customer relationships and to provide recommendations to the trade regarding the improved application of the principles of relationship marketing. The target population for this study was 310 travel agencies of which 175 managers and/or owners participated through personal interviews in the completion of questionnaires. The findings of the study indicate that the owners and managers of travel agencies must create an environment which is more accessible for the critical interaction with customers. The loyalty of customers can be increased when customers are provided with the opportunity to share their experiences and comments with the retail travel trade in an interactive manner.

For the purpose of this article the term "retail travel trade" refers to all travel agencies registered with the Association of South African Travel Agents (ASATA). The terms "retail travel trade" and "travel agency/travel agencies" will be used interactively throughout the article.

Key phrases: Customer market, customers, customer service, relationship, customer commitment, travel agencies

INTRODUCTION

In the majority of the developed world, approximately 80% of the work force is employed in the service sector. The service sector refers to the retail sector, educational institutions such as schools and universities, travel and tourism, medical, construction and communications services (McColl, Callaghan & Palmer 1998:43). Service organisations are fundamentally important to the economy of any country, as they contribute, amongst others, to its Gross Domestic Product (GDP) and employment rate. Tourism in South Africa, for example, contributes 8% to the country's GDP (Dikeni 2006:519). Growth in the service sector has persisted since the late 1990's and service industries have a large impact on national economies (Baker 2003:586). Furthermore, in South Africa, the contribution of the services sector to the country's GDP has increased from 55% in 1992 to 62% in 2006 while its share in employment increased from 58% in 1992 to 67% in 2006 (UNCTAD 2007). The growth in the service sector lead to it becoming more competitive, transforming the management and marketing of service organisations (Baker 2003:586).

The number of travel agencies in South Africa, classified as a developing economy, has grown by 15% since 2000 and is responsible for the creation of 7.5% of all employment in the South African service sector (ASATA 2007). Currently, the focus of service organisations is their clients and their needs and preferences (Armstrong &

Kotler 2007:223). Organisations that recognise the importance of customer orientation create an organisational culture which takes into consideration the interests of the customer in all its activities. Such organisations should consider the customer as a partner in achieving the success of the organisation. This approach is superior to short-term separate interests which occur within an organisation, no matter whether it is the interests of the employees, management or directors of the organisation. Everyone's role on the side of the organisation should primarily be observed through the success of offering value to the customer (Vranesevic, Vignali & Vignali 2002:365).

The measurement of the customer relationships of the retail travel trade in South Africa was done according to three constructs that were developed from the literature (refer to Figure 1). For the purpose of this study the components for the building of long term relationships with customers include aspects such as the ability of a business to provide customers with products and services of a superior quality, customer loyalty and commitment implies that trust and commitment are two pre-requisites to ensure customer retention and customer research for customer satisfaction relates to the measurement of customer preferences on a regular basis. This article will provide a discussion on the theory relating to the three constructs discussed above. The problem statement and the objectives of the article will be followed by a discussion of the methodology applied and the major findings and managerial implications resulting from the research.

LITERATURE REVIEW

The purpose of relationship marketing is the building of long term relationships with customers. The outcome of a relationship approach towards customers is to ensure their long term loyalty and commitment towards the business (Zeithaml, Bitner & Gremler 2006:182). Businesses have increasingly become aware that the retention of existing customers imply a lower cost compared to the recruitment of new customers (Stefanou, Sarmantiotis & Stafyla 2003:619). However, customers are increasingly becoming more refined in their expectations of the business. There is also a growing tendency amongst customers to establish a more intimate and enduring relationship with the business. Such a relationship must be characterised by the involvement and commitment of both parties to the relationship, the reactivity of the business regarding the management and resolution of customer queries and complaints as well as the ability of the business to pay individual attention to customers (Clark 2000:210-21,215).

The building of a long term relationship between the business and the customer depends on the principles of trust, commitment, shared objectives and mutual benefit (Brink 2004:42). Although Pressey and Mathews (2000:274) and Paswan, Spears and Ganesh (2007:75-79) agree with this statement, they do argue that there is a growing need in consumer markets to establish the different components for long term relationship building in a revolving consumer market. They further stipulate that it is only through continuous research in their consumer markets that a business in a specific industry will be able to identify and manage the components required to establish long term relationships with customers. Considering that there is a definite need to explore the different components that constitute the customer market environment of a business, each of these components will be discussed in more detail below.

Components for the building of long term relationships with customers

Relationship marketing focuses on the retention of existing customers. By maintaining current customers, it is suggested that costs are reduced by saving money that would otherwise have been spent on advertising, personal selling, the setting up of new accounts, explaining procedures to new customers and reducing costs of inefficiencies in the customer learning process. A relationship-orientated view of the customer takes into account the income and profit to be earned over a long-term relationship with a customer (Terblanche 2007:29). Ndubisi (2007:99-101) stipulate that trust and commitment are two primary principles on which relationship marketing is built. The level of satisfaction which a customer experience in a relationship with a business is directly related to the principles of trust and commitment.

Businesses which recognise the importance of customer orientation create a business culture which takes into consideration the interests of the customer in all its activities. The business should observe the interests of the customer as a partner in achieving the success of a business, as superior to short-term separate interests which occur within a business, no matter whether it is the interests of the employees, managers or owner of the business (Vranesevic *et al* 2002:365). Customer retention is therefore only possible for the business if the principles of relationship marketing, namely trust, honesty, commitment, open communication channels, a focus on the interests of the customer, a commitment to quality, the provision of added value through products and services and the willingness to retain customers are applied by the business and if relationships with customers are managed professionally (Bove & Johnson 2000:493-494; McPherson 2006:8).

Townes (2007) state that in the retail travel trade in South Africa a greater emphasis need to be placed on relationship building through service delivery. A stronger focus is required on the following aspects to ensure increased customer satisfaction and customer retention, namely:

- The needs of customers;
- The development of communication skills amongst employees;
- The provision of products that will satisfy the needs of customers;
- The improvement of service delivery standards to customers; and
- Retaining contact with customers through the planning of direct marketing programs.

Finally, Blem (2001:96) indicates that an important component of customer retention is the compilation of a database of existing customers. This empowers the business to address customer problems faster, satisfy customer needs more successfully, establish a long term relationship with customers and increase profitability. To enable the business to create and establishment an intimate relationship with customers therefore requires a detailed knowledge of the customer base. It furthermore indicates the manner in which the business is flexible to adhere to the needs and wants of customers.

Customer loyalty and commitment

Customer loyalty is increasingly being recognised by businesses globally as a path to long-term business profitability. Loyalty measure the value which the purchase of a product or service hold for a customer. It determines whether a customer will return to the business for repeat purchases (Bush, Underwood III & Sherrell 2007:10-13). There are two dimensions to customer loyalty, namely the behaviour dimension and the attitude dimension. The behaviour dimension refers to the manner in which a customer behaves during repeat purchasing and indicate over time the purchasing preference of a customer towards a specific brand or service. The attitude dimension, on the other hand, refers to the intention of a customer to purchase a product or service on a repeat basis and to recommend the product to others. The customer who has the intention to purchase a product or service on a repeat basis and who is willing to recommend such a product or service to others, will have a high probability of being loyal to the business (Kandampully & Suhartanto 2000:347; Donovan 2007:14-15). Ensuring the satisfaction of customer needs, therefore increases the potential for customer loyalty towards the business. This ensures the long term growth and future existence of the business. Satisfied and loyal customers are

therefore more profitable to the business than loyal customers only (Lamb, Hair, McDaniel, Boshoff & Terblanche 2008:6).

Townes (2007) argue that the loyalty of customers towards the retail travel trade is a pertinent factor towards the financial success of the industry. This aspect is especially relevant when considering that travel agencies are service centered businesses. Within these businesses increased customer loyalty can imply a substantial increase in the profits of the business. Terblanche (2007:2-4) agree with this statement by stating that value can be provided to the customer through an improvement in the level of service delivery to customers. By focussing on the following aspects, the business can increase the level of customer loyalty (Bäckström 2008:22-26):

- Acknowledge the presence of customers immediately. Time is valuable to the customer and the business should therefore not waste the customers time;
- Greet the customer with an enthusiastic smile and in a warm and friendly manner;
- Make eye contact with customers whilst communicating to them;
- Use the title and surname of customers;
- Use non-verbal signs to indicate to customers that their communication is important to the business and that the business do appreciate their contributions; and
- Treat customers as friends and they will behave as friends.

Steyn, Ellis & Musika (2004:35) and Lager (2008:30-33) further state that, in order to stimulate customer-loyalty, marketers should provide exceptional performance in quality, delivery, and cost competitiveness (i.e. customer orientation). The business should also understand how customers measure value, and how these value expectations can be met. To win orders, a business should exhibit an external customer orientation that manifests the relative strength of the business in relation to its competitors (Shaw-Ching Liu, Petruzzi & Sudharshan 2007:25-27). Therefore, to create a lasting customer commitment towards the business, careful attention should be given to detail, meeting promises and a swift response to the requirements of customers, i.e. competitive capabilities

Customer research for customer satisfaction

Customer satisfaction is the feeling that a customer has that a product has met or exceeded his/her expectations and can be explained in terms of the so-called Disconfirmation Paradigm. The Disconfirmation Paradigm proposes that meeting or exceeding customer expectations lead to customer satisfaction, but dissatisfaction

results if performance (such as product performance or employee performance) falls short of those expectations (negative disconfirmation) (Boshoff 2006:2-3). Hendrik, Beverland and Minahan (2007:64-65) state that businesses who fail to ensure customer satisfaction face dire consequences. These include (over the short term) complaints, negative word-of-mouth, customer switching, loss of sales, loss of market share and eventual bankruptcy.

A business must therefore remain aware of the fact that the individual product or service needs of customers are primarily based on the core product or service offered by the business and that such a need must be satisfied in advance. The adding of value to the product or service of the business is therefore determined by the knowledge base which the business has of its customers (Jordaan & Prinsloo 2004:32-33). It is for this reason that market research is of vital importance to ensure that the marketing initiatives of the business includes the following aspects (Jordaan & Prinsloo 2004:32-37, 184-205; Herbst 2001:340-342):

- Adding value to the products and services of the business through high quality levels of service delivery;
- Each customer relationship must be approached as a long term investment in customers;
- The communication mix must be focussed on the gathering of information from customers; and
- The distribution system and channels of the business must add value to its products and services.

Bolton (2004:47) state that in customer-centric businesses, there is a move towards supporting customer “pull” of products and services. This change requires that marketing departments generate sufficient information to answer the following question, “Who are our customers?” and then to extend this to, “What products or services do our customers want to buy?” The researching of customer needs empowers the business to segment their customers more successfully, forecast accurately against these segments, and adjust the product or service development process to ensure that the right product mix arrives in the market place at the right time for the right customer groups.

PROBLEM STATEMENT

The retail travel trade in South Africa is a dynamic and competitive industry. The payment of commission to travel agencies by the suppliers of travel products in South Africa (e.g. South African Airways, Southern Sun and Protea Hotels and Avis

car rental) were phased out from the 1st of May 2005. This implies that the only income stream for the retail travel trade from this date is their service delivery charge to corporate and leisure customers. A corporate customer refers to a business customer and a leisure customer refers to an individual/retail customer. This scenario necessitates the retail travel trade in South Africa to ensure that they deliver a service to customers that will satisfy their needs in a professional manner. Through such service delivery, the ideal outcome should be satisfied customers (Bendix 2005:1, 16). Ward & Dagger (2007:283) stipulate that in any form of relationship between customer and service provider the attitude of the customer towards such a relationship is likely to be of importance, thus the stronger the customer perceives the importance of relationships in general, the more likely the customer is to develop a stronger relationship with the service provider. Whilst there are many potential dimensions to such a relationship, the importance of these dimensions to customers may impact on the strength of the relationship developed between the service provider and customer.

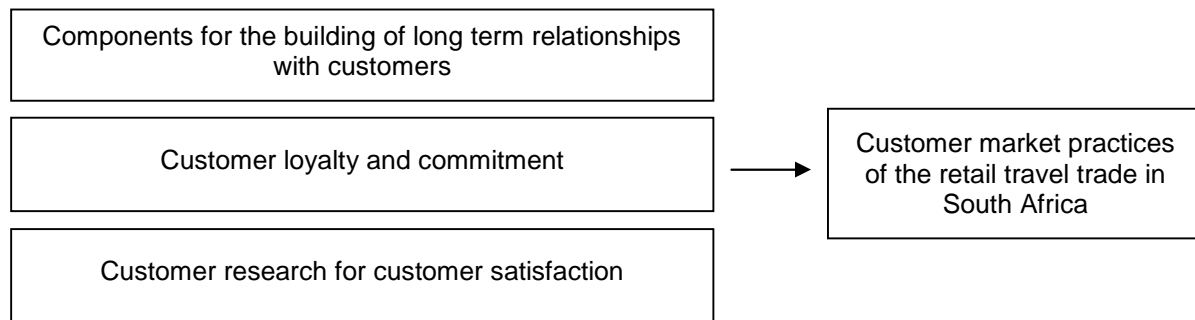
The development, maintenance and strengthening of a relationship with customers will depend on the customers perception of the importance of key relationship dimensions. These dimensions will eventually influence the relationship inclination of customers towards the establishment of a long term relationship with the business. The key dimensions referred to are bonding, empathy, reciprocity, trust, friendship, recognition, thoughtfulness, understanding, time to listen, commitment and loyalty (depending on, amongst others, product and service quality) and shared values (Ward & Dagger 2007:283) Therefore, it becomes important for travel agencies to implement customer relationship building strategies based on the customers experience with the retail travel trade through their level of relationship commitment, product quality and service delivery. Such strategies could be to the benefit of the retail travel trade in the long term since a satisfied customer will communicate his/her experience to other members of the public in a positive manner. Such customer recruitment is done on behalf of the retail travel trade without any financial expenditure (Bendix 2008:9). This is especially relevant considering that the current global economic recession and increased competition for a shrinking South African travel market necessitates travel agencies more to retain their current customer base, which can only be achieved through successful service delivery. Against the brief background on the importance of customer relationships and the retail travel trade in South Africa provided above, the problem statement of this article is as follows:

TO INVESTIGATE THE CUSTOMER RELATIONSHIPS OF THE RETAIL TRAVEL TRADE IN SOUTH AFRICA.

More formally, the article wants to establish the current level of relationship marketing relationships which exist in the customer market of the travel retail industry in South Africa and to identify limitations in these relationships which might exist in this market. The principles of relationship marketing in the customer market of travel agencies in South Africa are identified and the application thereof by the retail travel trade in the country determined. Jordaan & Prinsloo (2004:81) stipulate that the products and services of a business is an integral part of its ability to satisfy the needs of customers. It encompass a combination of the design and characteristics of the product which is supported by the delivery of a quality service. The business hereby attempts to satisfy the needs of customers with greater success compared to the ability of competitors. Within the customer market of a business, the customer must make a commitment to establishing a relationship with the business (Otto, 2004:13). This therefore emphasise the necessity for a business to research its customer markets on a continuous basis.

CONTRIBUTION OF THE ARTICLE

Limited research has been conducted on customer market practices in South Africa, and no study has focused exclusively on the customer market practices of the retail travel trade in the country. Prior research within South Africa, as well as internationally, includes studies conducted for the purpose of investigating customer relationship building in a manufacturing environment or to provide a broad academic perspective on customer relationship networks without an application to a specific industry. This article will provide a discussion on customer relationships from a service industry perspective which will be beneficial to the retail travel trade in South Africa. The results and conclusions drawn may be used to ensure higher levels of customer relationship building in the retail travel trade in South Africa and other developing economies across the world. In addition, the findings of this article could also create a greater awareness amongst South African travel agents of the requirements for establishing positive, long term relationships with both the leisure and corporate customers of the retail travel trade. It is therefore proposed that this article will contribute to the theoretical and empirical knowledge on customer relationship building in the retail travel trade in South Africa.

Figure 1: Conceptual framework

Research constructs

Source: Developed for the study

OBJECTIVES OF THE ARTICLE

The primary objective of the article is to investigate the customer relationship practices of the retail travel trade in South Africa and to make recommendations regarding the improved application of the principles of relationship marketing to the customer market of the retail travel trade in the country.

The secondary objectives are:

- To determine whether the retail travel trade in South Africa implement the components which are required for the building of long term relationships with customers;
- To determine whether the retail travel trade in South Africa have a long term inclination towards customer retention to ensure customer loyalty and customer commitment;
- To determine whether the retail travel trade in South Africa conduct research amongst their customers to determine their needs and satisfaction levels;
- To make recommendations regarding the improved application of the principles of relationship marketing to the customer market of the retail travel trade in South Africa.

Hypotheses of the article

H₁: The retail travel trade in South Africa do implement the components which are required for the building of long term relationships with customers.

H₀₍₁₎: The retail travel trade in South Africa do not implement the components which are required for the building of long term relationships with customers.

- H₂: The retail travel trade in South Africa do have a long term inclination towards the retention of customers to ensure customer loyalty and commitment;
- H₀₍₂₎: The retail travel trade in South Africa do not have a long term inclination towards the retention of customers to ensure customer loyalty and commitment;
- H₃: The retail travel trade in South Africa do conduct research amongst customers to determine their needs and wants;
- H₃₍₀₎: The retail travel trade in South Africa do not conduct research amongst customers to determine their needs and wants.

The section below provides an overview of the methodology followed in the study.

RESEARCH DESIGN

Research approach

This study made use of a quantitative research approach and applied a descriptive research focus since it primarily depended on the interviewing of respondents (the managers or owners of travel agencies in South Africa). The study was also cross sectional since the respondents were only interviewed once.

Research method

Population and sample

The population for this study included all the travel agents registered with the Association of South African Travel Agents (ASATA). The target population for this study was 310 travel agencies of which 175 participated in the completion of questionnaires, resulting in a response rate of 56% (n=175). In terms of the small size of the population, it was decided to conduct a census.

Research instrument and data gathering

A structured questionnaire was used. Questionnaires were completed through personal interviews with managers or owners of travel agencies in South Africa. The questionnaire consisted of two sections. Section A incorporated closed-ended questions to gather demographic data on the profile of the travel agency. Section B was in the format of a five-point Likert-type scale, comprising 25 items on customer relationship building. The purpose of the 25 items was to test respondents' current and ideal application of identified customer relationship principles.

The item response continuum ranged from 1-5, where 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree and 5 = strongly agree. The current application of the customer market relationship building principles were indicated as x(a) on the questionnaire, whilst the ideal implication were indicated as x(b). Effect sizes were calculated between the current and ideal application of the identified relationship marketing principles in the customer market of travel agencies in South Africa. Structured interviews were conducted with fifteen owners or managers of travel agencies in Johannesburg and Pretoria, to pre-test the questionnaire before its formal application as a data gathering instrument.

Research procedure

Personal interviews were conducted with the managers and/or owners of travel agencies in South Africa. A time frame of ninety days was used to complete the interviews. To ensure the participation of the maximum number of population elements, interviews were arranged on the premises of the travel agency.

Data analysis

The following analysis of the data were done:

- Averages of the differences between the ideal and the current application of customer market relationship building practices by travel agencies in South Africa were calculated;
- Standard deviations for individual items on the questionnaire were calculated;
- Explorative Factor Analysis (EFO) to determine the validity of the questionnaire as a measuring instrument. Maximum likelihood was used as the method of factor extraction, and a direct quartimin oblique rotation was specified. According to the MINEIGEN criterion one factor was retained for each identified construct. The questionnaire can therefore be regarded as a valid research instrument.
- Cronbach's Alpha-values to determine the reliability of the questionnaire as a measurement instrument. The calculation of Cronbach's Alpha-values was done for each construct. Hocking, Stacks and McDermott (2003:131) indicate that Cronbach Alpha-values determine the consistency according to which respondents answered the different items on the questionnaire. Nunnally and Bernstein (1994:264-265) recommend Cronbach Alpha coefficient scores above a 0.7 cut-off value. Table 1 below illustrate that the items on the research instrument was measured with scales that could be described as reliable.

Table 1: Cronbach's Alpha-values for the customer market constructs in the study

Construct	N	Cronbach's Alpha co-efficient
Components for the building of long term relationships with customers	175	0,91
Customer loyalty and commitment	175	0,90
Customer research for customer satisfaction	175	0,90

- Practical significance by means of effect sizes. Cohen's d-values were used for this purpose. The study did not make use of inferential statistics (p-values), but applied the d-values of Cohen to calculate effect sizes. The effect sizes indicate the practically significant differences between the current application of the items on the questionnaire and what the ideal application of the items should be (Ellis & Steyn 2003:51-53; Steyn 1999:3). Effect sizes (d-values) were calculated by using the following formula (Cohen 1988: 20-27):

$$d = \frac{|\bar{x}_1 - \bar{x}_2|}{s_{\max}}$$

where:

- d = the effect size;
- $\bar{x}_1 - \bar{x}_2$ is the difference between the current situation and the ideal situation (e.g. respondents had to indicate on a Likert scale of 1 – 5 their current evaluation of a statement as well as their ideal evaluation of the statement); and
- s_{\max} is the maximum standard deviation of the two comparable groups.

Ellis and Steyn (2003:52) and Steyn (1999:3) specify below the cut off points which can be used when interpreting effect sizes:

- If $d \approx 0,2$, it indicates a small effect;
- If $d \approx 0,5$, it indicates a medium effect; and
- If $d \approx 0,8$ or is larger, the effect is both large and practically significant.

The major findings of the study are discussed in the section below.

EMPIRICAL RESULTS

The customer relationship practices of the retail travel trade in South Africa was measured according to three constructs, namely the components for the building of long term relationships with customers, customer loyalty and commitment and customer research for customer satisfaction. Each of these constructs were y

analysed to provide information on the means, standard deviations and effect sizes between the items for (a) the current application of customer relationship practices and (b) the ideal implementation of customer relationship practices. Table 2 below also provides an indication of the total number of respondents (n) who participated in the study.

Table 2: Constructs for the customer relationship practices of travel agencies in South Africa

Sub-construct	N	Average (a) [x(a)]	Average (b) [x(b)]	Maximum standard deviation	Effect size (d)
Components for the building of long term relationships with customers	175	4,38	4,76	0,55	0,74
Customer loyalty and commitment	175	4,67	4,82	0,41	0,43
Customer research for customer satisfaction	175	4,19	4,74	0,69	0,79

The different constructs indicated in Table 2 above are discussed below.

COMPONENTS FOR THE BUILDING OF LONG TERM RELATIONSHIPS WITH CUSTOMERS

The owners and managers of travel agencies in South Africa (n=175) view their current application of the principles for the building of long term relationships with customers as good [x(a) = 4.38], but view the ideal application thereof higher [x(b) = 4.76]. The practically significant effect size (d=0,74) indicate that the owners and managers of travel agencies in South Africa would prefer that the components which are required for the building of long term relationships with customers be better implemented.

CUSTOMER LOYALTY AND COMMITMENT

The owners and managers of travel agencies in South Africa (n=175) illustrate a long term inclination towards customer retention. This approach of the travel agency management strengthens the commitment and loyalty of customers towards the travel agency [x(a) = 4.67]. Although owners and managers of travel agencies in South Africa are of the opinion that the long term nature of their relationship inclination can be further developed [x(b) = 4.82] a practically insignificant effect size (d=0,43) indicate that they are of the opinion that they are focusing strongly on the needs and wants of customers to ensure their continuous support, loyalty and commitment.

CUSTOMER RESEARCH FOR CUSTOMER SATISFACTION

The owners and managers of travel agencies in South Africa (n=175) indicate that their planning and implementation of research activities to determine the needs and satisfaction levels of customers are successfully applied in the travel agencies [$x(a) = 4.19$]. They are, however, of the opinion that these research activities can be more structured to ensure the successful measurement of customer satisfaction levels [$x(a) = 4.74$]. The practically significant effect size ($d=0,79$) indicate that the owners and managers of travel agencies in the South Africa are of the opinion that the planning and implementation of research activities to determine the needs of customers, must be given priority. .

The empirical results suggest that:

- H_1 can be accepted, while $H_{0(1)}$ have to be rejected. Travel agencies in South Africa do implement the components which are required to strengthen a long term relationship with customers.
- H_2 can be accepted, while $H_{0(2)}$ have to be rejected. Travel agencies in South Africa do have a long term inclination towards customer retention to ensure customer loyalty and customer commitment.
- H_3 can be accepted, while $H_{0(3)}$ have to be rejected. Travel agencies in South Africa do conduct research amongst their customers to determine their needs and satisfaction levels.

Against the background of the major findings discussed above, the managerial implications of the study are highlighted below.

MANAGERIAL IMPLICATIONS

The implementation of relationship marketing activities in the customer market of the retail travel trade in South Africa can be accommodated more successfully by focusing on the aspects discussed below. These aspects relate to the components for building long term relationships with customers and customer research for customer satisfaction as managers and owners of travel agencies in South Africa indicated significant practical differences between the current and ideal implementation of these constructs.

Components for the building of long term relationships with customers

An environment must be created that is more accessible for critical interaction with customers. The retention of customers can be increased if such customers are

provided with the opportunity to share their experiences and recommendations with the business in an interactive manner. This makes them feel part of the business because their opinions are appreciated. Gordon (1998:240-249) and Renton (2007:12) is in agreement with this empirical finding by stating that customer participation in product and service development must be stimulated to ensure an increase in customer satisfaction levels. This can be achieved through the formalisation of research activities within the business to establish customer preferences. The customer is hereby provided with the opportunity to communicate changing preferences, needs and wants directly to the business. The business thereby empowers itself to adapt its marketing strategies to the changing preferences of its target market.

Hendrick, Beverland and Minahan (2007:64-72) argues that the ability of a business to compile and manage a database of their existing customers can strengthen their relationship with their customers. This empowers the business to address the problems, queries and complaints of customers in a more professional and successful manner and to satisfy the needs and wants of these customers. The creation and establishment of an intimate relationship with customers requires a detailed knowledge of the customers. It furthermore indicates the manner by which the business would be willing to adhere to the expectations of customers (e.g. through research surveys identifying customer needs and preferences). This viewpoint is in correlation with the finding of the study which stipulates that travel agencies need to compile a more comprehensive data base of their customers. This will provide the travel agency with personal and corporate information which can be used to arrange follow-up telephone calls to determine the level of customer satisfaction with the service delivered. This aspect is especially important in cases where the travel agency have long term corporate customers and wants to determine the satisfaction levels of these customers to ensure their retention and loyalty. Hereby, the travel agency will enable itself to identify problem areas speedily and to address it in a fast, efficient and professional manner to ensure the satisfaction of their target market.

A business must also create a desire amongst their customers to do repeat purchases. By focusing on the aspects below, customers can be stimulated to return to the business for repeat purchases, namely the delivery of a professional service to customers, the speedy handling and resolving of customer enquiries and complaints, the creation of an esthetic environment within which a service is delivered to the customer (this aspect includes the appearance of employees) and the rewarding of loyal customers through structured loyalty programs. A structured loyalty program can, for example, include a specified percentage discount for purchases of a specific

product or purchases over a specified amount. Travel agencies must also be better organised to ensure the increased retention of customers. It can include the establishment of a customer service office who receive and administrate all customer enquiries (corporate and leisure market). Hereby the queries of customers can be professionally managed to have a positive influence on the retention of customers. However, it is important that a customer service office should differentiate between enquiries received from the corporate and leisure market. This enables the travel agency to direct enquiries and complaints to employees who are operating in the specific customer market.

It is furthermore recommended that the desire for repeat purchases by customers can be achieved focusing on the following aspects:

- The delivery of a professional service to customers.
- The speedy management and solution of customer enquiries.
- The creation of an aesthetic environment in which the service is delivered to the customer (this aspect also includes the appearance of employees during the service delivery process).
- The rewarding of loyal customers through structured loyalty programs. A structured loyalty program can include a percentage discount for the purchase of a specific product or service (e.g. a flight ticket, hotel accommodation or car rent) by the travel agency.

Paswan, Spears and Ganesh (2007:75-87) state that the relationship between the business and the customer must be based on a win-win principle to ensure that the relationship between the two parties are long term and constructive. Both parties to the relationship must be co-workers in the creation of value in the relationship and each party must receive added value from the relationship to ensure its success. A long term relationship with customers increase the product and service innovation strategy of the business. The intimacy between the business and its customers is therefore developed from the successful implementation of relationship marketing strategy by the business (Tinsley 2002:74; Ugbah, & Evuleocha 2007:51-54).

Finally, the travel agency management must create channels whereby the travel agency can monitor its relationships with the corporate market. The monitoring of the travel agency's corporate market can be done according to the following four categories, namely:

- Category 1

Customers who are currently profitable and illustrate the potential to remain profitable in the future.

- Category 2

Customers that are currently profitable, but who can become less profitable in the future.

- Category 3

Customers who are not currently profitable, but who illustrate the potential to become profitable in the future.

- Category 4

Customers who currently or in the future do not illustrate any potential to be profitable.

Through such categorisation, the travel agency empowers itself to manage corporate customers more profitably which can lead to increased loyalty towards the travel agency.

The initiation of a coupon or card system by the individual travel agency or the franchise holder can be considered to reward loyal customers. This initiative can be applied to both corporate and leisure customers of the travel agency. In the case of the corporate market, the four categories of corporate customers, as indicated above, can be used as a framework for the implementation of a coupon or card system according to the involvement of the corporate client with the travel agency. For example, categories 1 and 3 must be viewed as a priority for the implementation of such a coupon or card system to stimulate the loyalty of corporate clients in these categories further.

Customer research for customer satisfaction

Research activities within the travel agency must be managed in a formalised manner to determine the needs and satisfaction levels of customers. More comprehensive planning must be built into the research initiatives of the travel agency to specify its objectives and outcomes.

Product development and service delivery must be planned around the needs and preferences of individual customers. This aspect is especially relevant towards the corporate market which represents a primary source of travel agency income. The

professional management of a trust relationship with corporate customers is central to ensure the future loyalty of the corporate market towards the travel agency.

Travel agencies can improve their service delivery to customers by increasing their knowledge of customers. The importance of research is therefore re-emphasized. The service delivery of consultants to customers can be followed by a questionnaire of no more than ten questions, where the following aspects are measured:

- The friendliness of the travel consultant.
- The approach of the travel consultant during the service delivery process.
- The ability of the travel consultant to address and manage queries.
- The knowledge of the travel consultant regarding the service being delivered.
- The aesthetics of the environment within which the service is delivered.
- The reception provided to the customer when he/she arrives at the travel agency.
- The speed with which the service is being delivered.
- The recommendations of the customer to improve the service delivery level to him/her.
- General recommendation to the travel agency regarding aspects such as aesthetics and the appearance of the employees.
- Positive aspects regarding the travel agency which the customer wants to emphasise.

The individual travel agency or the franchise holder must monitor the performance levels of competitors within the retail travel trade or businesses outside the trade on a continuous basis. This will assist the travel agency management in the formulation of formal customer service standards for their travel agency or to adapt current service delivery standards to customers. By focusing directly on the best customer service practices of competitors or other businesses, travel agencies will enable themselves to improve on their customer retention levels.

CONCLUSION

Globally, customers are increasingly becoming more refined in their expectations towards the business emphasizing the need amongst customers to establish a more intimate and enduring relationship with the business. Such a relationship must be characterised by the involvement and commitment of both parties to the relationship, the reactivity of the business regarding the management and resolution of

customer queries and complaints as well as the ability of the business to pay individual attention to customers (Clark 2000:210-21,215).

This article provided a theoretical perspective on customer relationship building with specific reference to the components for the building of long term relationships with customers, customer commitment and customer loyalty as well as customer research to ensure customer satisfaction. This was followed by a discussion on the findings of the study. These findings concluded that travel agencies do not research the needs and wants of their customers on a continuous basis to determine their preferences with regard to the supply of products and services. Furthermore there should be a stronger emphasis on the different components which are necessary to ensure that travel agencies build stronger, long term relationships with their customers.

The article concluded with a focus on the managerial implications of the findings. The major managerial implications of the study were that an environment must be created which is more accessible to the critical interaction with customers. In addition, the customers of travel agencies must also be provided with products and services which are of a high quality. This will ensure that the communication of travel agency customers to the general public will motivate the latter to purchase from the travel agency.

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