

# Market Orientation and Service Quality towards Service Performance of DOT Accredited Travel Agencies in CALABARZON Region

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**Kathleen A. Cueto, PhDIHM**

Graduate School, Lyceum of the Philippines University Batangas  
kacueto@lpubatangas.edu.ph

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**Abstract** – *This study aimed to assess the market orientation and service quality towards service performance evaluation among travel agencies accredited by the Department of Tourism (DOT) in CALABARZON. To be able to assess the travel agencies, the researcher based her method on the descriptive design and adapted questionnaires from different authors with passing reliability test results. This was distributed among 235 customers and 104 travel agents with an effect size of 0.30 and a power probability of 0.95 using G\*Power 3.1.9. It was statistically treated using percentage, frequency, weighted mean, and ANOVA. The travel agencies have market orientation as being agreed by the respondents who are travel agents and customers in relevance to customer orientation, inter-functional coordination, and competitor orientation due to articulation of vision, discussion of customer needs, and their initiative in collecting marketing information from competitors. The respondents perceived that the DOT accredited travel agencies in CALABARZON are providing services to a great extent where they can provide tangible facilities, reliable employees, and services, responsive and assuring personnel and showing empathy towards their clients. The performances of travel agencies are delivered to a great extent, which allows them to acquire customer satisfaction and loyalty. Among the five developed models of service performance in relation to customer satisfaction, the model that includes empathy, customer orientation, responsiveness, assurance, and tangible are the main component that predicts the performance of travel agencies. However, with regard to customer loyalty, the model that includes empathy and tangible is highly significant. There is a highly significant correlation between the service quality and the service performance among travel agencies in the CALABARZON.*

**Keywords:** *Market Orientation, Service Quality, Service Performance.*

## INTRODUCTION

Travel agencies are facing many challenges in providing services to their customers. These challenges are different in varying degrees depending on the increasing demand of customers and their adaptation of technological advancement. In this innovative business management, challenges are past the requirements of travel-related products and companies such as airlines, ground support, customs, online appointment, ticket reservations and others. The biggest challenge faced is competing with online self-booking and moving away from the conventional methods of travel services. They need to cope with digital technology, which at times is expensive to deal with and would require more trainings for their employees. However, since travel agencies are already competent prior to these, it is easy for them to understand the advantage of technological

advancement that they should apply in the provision of their travel-related products.

Before the travel agencies start the business, they should be well-oriented about their market and competitors to be able to formulate inward and outward organizational processes. Market orientation is a way where organization focuses on meeting the needs of their customers. This philosophy has been part of the travel agency where their goal is more on customer-oriented and focuses on competitors' strength and weaknesses as well as the collaboration in the interdepartmental flow to increase their operations. By achieving this, the travel agencies must have a positive and satisfactory service quality to give their clients.

Service quality is usually divided into five categories based on the ServQual Model, which is related to tangible, reliable, responsive, assuring, and empathic services given to the market. The difference among the two is that market orientation is driven

through the needs assessment of the target market that other business failed to provide while service quality is the extent of processes, they provide to meet the expectations of the market [1]

The service performance is the combination of overall activities and process that an organization conducts to achieve their goal. This does not necessarily mean that they will focus on one area only but will determine the competitiveness of the organization in any facet of the business and management. Nevertheless, there are different studies that intend to determine the focus of service performance. However, relevant literature tried to explain the extent of its correlation to other aspect of managements, such as market orientation and service quality [2].

A clear relationship among the three variables, such as market orientation, service quality and service performance are not yet established and found among publishable papers. But a study conducted by Ramayah, et al. [3] have a practical conclusion that there are limited studies pertaining to the correlation of these concepts. They were able to justify the service performance to be within organizational context. However, they were able to determine the impact of market orientation and service quality towards the performance of the organization.

Travel agencies are trying their best to achieve all facets of service quality and market orientation by producing unique product packages and good physical facilities, along with agents who are well-experienced in the travel industry. And to further enhance their credibility in travel-related products provision, they are guided by different accrediting agencies, such as the Department of Tourism. The government made sure that they have formulated guidelines for the travel agencies to help them become equipped with standard that can be observed to attain a good quality service provided for the consumers.

This study is to address some underlying issues among travel agencies on how they can provide services and better perform their function as travel-consultants and travel-related product providers. The researcher chose this topic because she wanted to determine the extent of services and performances of accredited travel agencies in several aspect of market orientation, customer's satisfaction, and services. This study may be utilized by many individuals, group of travelers, travel agents, travel agency owners, DOT, consumers, and academe in identifying customer's

needs and achieving their performance as accredited travel agencies in CALABARZON.

Further, this will be very useful to the Department of Tourism in integrating activities and process flow of their accredited travel agencies based on the identified predictors of service performance among DOT accredited travel agencies in CALABARZON. Likewise, academic organization offering International Tourism and Hospitality Management may align their respective curriculum within the demands of the tourism hospitality market customers specific for travel industry performance.

### **OBJECTIVES OF THE STUDY**

This study aimed to assess the market orientation and service quality towards service performance evaluation among DOT accredited travel agencies in CALABARZON. Specifically, it sought to assess market orientation of travel agencies in CALABARZON in terms of customer orientation, competitor orientation and inter-functional coordination; determine the service quality of DOT accredited travel agencies in CALABARZON in terms of tangibles, reliability, responsiveness, assurance and empathy; present the service performance of travel agencies in CALABARZON in terms of customer satisfaction and customer loyalty; determine the predictors of the performance of DOT accredited travel agencies in terms of market orientation and service quality; to test the significant relationship between service quality and service performance; test the significant relationship between market orientation and service quality; and develop a framework to improve the service performance among DOT accredited travel agencies in CALABARZON.

### **MATERIALS AND METHODS**

#### **Research Design**

Descriptive method was used to determine the current market orientation and service quality towards service performance evaluation of travel agencies. According to Nunkoo [4], descriptive method is the guide for strategic planning among researchers on how they will acquire fact finding information relating to tourism and hospitality management. The author would like to emphasize the importance of descriptive to the industry so that those who are making scientific and management observation will have a specific view on how the industry is assessed in any scholarly work.

### **Participants of the Research**

The participants of the study were 235 customers and 104 travel agents using an effect size of 0.30 and a power probability of 0.95 using G\*Power 3.1.9. Each province was allocated proportionally using stratified random sampling.

### **Data Gathering Instrument**

The instrument of the study is an adapted questionnaire from different theorists and authors to be able to construct the tool. It was submitted to the panel of experts for further evaluation and criticism for the official validation of the questionnaire. Since each author has his/her own reliability test results (see Appendix), the researcher did not test the questionnaire anymore and as advised by panel of experts and statistician.

The following are the sources where the researcher adapted her questionnaire: To assess the market orientation of travel agencies in CALABARZON, the research adapted the questionnaire of Woi, [6], which has a Cronbach alpha value of 0.8648. In order to determine the service, the questionnaire of Rosha, and Kaur, N. [7] and Johns, et al. [8], which has a Cronbach alpha value of 0.95. In terms of service performance as to customer satisfaction and customer loyalty, the researcher made use of Yang and Peterson's, [9] about Customer Perceived Value, Satisfaction, and Loyalty: The Role of Switching Costs with Cronbach alpha value of 0.82 and 0.90, respectively.

The questionnaire is composed of different parts based on the objectives of the study. Officially, there are two sets of questionnaires: one for the travel agents and another for their customers. The questionnaire utilized a four-point Likert Scale for its scoring where the value has corresponding verbal interpretation with options of 4 as the highest value and 1 as the lowest score.

The first set has three major parts. Part I consisted of business profile in terms of ownership, size (number of employees), number of customers per week, and number of years in operation. Part II assessed market orientation of travel agencies in CALABARZON in terms of customer orientation, competitor orientation and inter-functional coordination. Part III determined the service quality of DOT accredited travel agencies in CALABARZON in terms of tangibles, reliability, responsiveness, assurance, and empathy. Part IV included relevant

statement on service performance in terms of customer satisfaction and customer loyalty

The second set of questionnaire has three parts. Part I included statements pertaining to market orientation of travel agencies in CALABARZON in terms of customer orientation, competitor orientation and inter-functional coordination. Part II found out the quality of services of DOT accredited travel agencies in CALABARZON in terms of tangibles, reliability, responsiveness, assurance and empathy while Part III were items stating the service performance in terms of customer satisfaction and customer loyalty

### **Data Gathering Procedure**

The procedure in obtaining relevant information was through distribution of survey questionnaire but before it has been done, the researcher sought the expertise of her research adviser about how she can conduct the study. At first, she searched and used different studies and articles looking for questionnaire which can be adapted to answer the problem stated in this study. After constructing her questionnaire, she immediately submitted it to her adviser and revised it according to the sensible suggestion given to her. After it was approved, she consulted her panel of experts and presented the journals and studies where she adapted the statements and information for her own data gathering instrument. After it was revised and approved by the panel of experts, she prepared a letter of request addressed to the managers/owners of travel agencies. Another hindrance that she experienced was that not all travel agencies participate in the study due to the fear that the researcher might use sensitive information against the company. Nevertheless, she tried to introduce herself properly and guarantee them that the information acquired is for the benefit of the study.

### **Data Analysis**

When all respondents were done in answering the questionnaires, they were immediately retrieved, and the responses were tallied, tabulated, and interpreted through the great help of the University statistician.

To be able to interpret and analyze the results, the researcher utilized different statistical tools. Percentage and Frequency were used to present the business profile of the DOT accredited travel agencies in terms of ownership, size (number of employees), number of customers per week, and number of years in operation. Weighted Mean was used to assess market

orientation of travel agencies in CALABARZON in terms of customer orientation, competitor orientation and inter-functional coordination; and determine the service quality of DOT accredited travel agencies in CALABARZON in terms of tangibles, reliability, responsiveness, assurance and empathy; and present the service performance of travel agencies in CALABARZON in terms of customer satisfaction and customer loyalty. Analysis of Variance (ANOVA) was used to determine the predictors of the performance of DOT accredited travel agencies in terms of market orientation and service quality; and to test the significant relationship between service quality and service performance.

**Ethical Considerations**

In any research to be conducted, there were ethical consideration that needs to be observed. The researcher used several ethical behaviors as she conducted her study. To make sure that she maintained the disclosure of information, no name or any personal identification was needed to write down in the questionnaire. More so, she sought permission among the owners and managers of travel agencies as well as their customers before they answered the questionnaire. The letter included the objectives of the study and guaranteed of the safety and security of the information provided by the respondents. She provided the pens to be used and provided sufficient time to allow them to fully read and understand the statements written as they gave their answer.

**RESULTS AND DISCUSSION**

It can be seen from the table that most of the travel agencies in CALABARZON are owned by one person or usually called sole proprietor which got the higher number of 62 or 59.6 percent. Travel agencies operated in a sole proprietorship because travel business may not need too much capital so a single owner id able to start up a business like this. For them, it is easy to start with this kind of business management alone; however, partnership maybe done with different travel accommodation, travel trips and other related activities where customers will pay their own services in the respective travel places. The more services and quality of travel products, it would be easy for entrepreneurs to enter the travel industry market partnership since it can help them with the cost due to transfer pricing if products are acquired from their sister company.

**Table 1 Percentage Distribution of the Business Profile**

Profile Variables	F	%
<b>Ownership</b>		
Sole proprietor	62	59.6
Partnership	42	40.4
<b>Size (Number of Employees)</b>		
below 10	46	44.2
10 – 15	46	44.2
16 – 20	11	10.6
20 and above	1	1.0
<b>Number of Customers Per Week</b>		
below 10 customers	63	60.6
10 – 20 customers	33	31.7
21 – 30 customers	7	6.7
31 – 40 customers	1	1.0
<b>Number of Years in Operation</b>		
1 – 3 years	3	2.9
4 – 6 years	28	26.9
7 – 9 years	52	50.0
10 years and above	21	20.2
<b>Services Frequently Availed by the Customers</b>		
Visa Assistance	94	19.4
Passport Procurement	98	20.2
Ticket Assistance	86	17.7
Document Handling	80	16.5
Land Transport	28	5.8
Hotel Reservation	56	11.5
Travel Insurance	28	5.8
Others	15	3.1

The study identified the number of personnel employed by travel agencies in CALABARZON. It was found out that most of them hire below 10 and 10 – 15 employees with highest frequency of 46 or 44.2 percent. This is advisable for travel agencies that have only one branch or for those small sized firm so that they could limit their expenditures without sacrificing the high quality of service they provide their customers.

As cited in the study of Peterkin [10], travel agencies usually hire several people to be able to provide services to their customers. These people are those who are expert in travel assessment and product promotion where they will advise customer which package is the best that suit their needs. However, since most of the services are done online or through telemarketing, there is no need for too many personnel to do the task. The technological advancement adapted by the society impacted the effectiveness of travel services.

Results also show that there are those that have 16 – 20 employees with frequency of 11 or 10.6 percent while the least is 20 and above with frequency of 1 or 1.0 percent. Those travel agencies that provide vast

number of services to their customers would eventually need a lot of personnel to make the operation flow efficient and meet the expectations and increasing demand for travel market. It also indicates that every week, travel agencies have an estimated number of customers, which is below 10 customers with highest frequency of 63 or 60.6 percent.

In terms of number of years in operation of the travel agencies, it shows that they have been part of the industry for 7 – 9 years, which got the highest frequency of 52 or 50.0 percent. This shows that they have become accustomed to the services they provide and are able to foresee the needs of the customers. Further, they already have enough experiences as they faced different challenges of travel industry and may already had change management assessment in the past. Further, some travel agency has been in the business for 4 – 6 years with frequency of 28 or 26.9 percent which means that by being in the same industry for a minimum of four years makes them competent in the kind of service they provide. More so, some agencies are in this business operation for 10 years and

above with frequency of 21 or 20.2 percent while those that are operating for 1 – 3 years got the frequency of 3 or 2.9 percent, which means that even there are travel agency available in the market, some entrepreneurs would still go with the same services and intend to be part of this kind of network. This may be due to the profit it brings to the business owners and the demand of the market for more travel services providers.

For the variable services frequently availed by the customers, the respondents are allowed to have multiple answers depending on the kind of service acquired from them. It shows that passport procurement is the most sought-after services with highest frequency of 98 or 20.2 percent because of the time needed by the customers for acquiring online appointment and in completing their requirements. Since there are only limited slots per day in different branches of DFA, customers sought help from a travel agency and make the online appointment where accredited travel agencies were given slots for this kind of transactions.

**Table 2. Market Orientation of Travel Agencies in CALABARZON**

<b>Customer Orientation</b>	<b>WM</b>	<b>VI</b>	<b>R</b>
1. Travel agency articulated a vision for the association.	3.43	Agree	1
2. Vision statement is relevant to the association’s activities and mandate.	3.35	Agree	3
3. My association developed a mission statement.	3.37	Agree	2
4. Mission statement is compatible with the activities being carried on by the associatio	3.29	Agree	5
5. Board of Directors understands the association’s value statements.	3.30	Agree	4
<b>Composite Mean</b>	<b>3.35</b>	<b>Agree</b>	
<b>Competitor Orientation</b>	<b>WM</b>	<b>VI</b>	<b>R</b>
1. Regularly monitor our competitor’s marketing efforts.	3.12	Agree	3
2. Frequently collect marketing data on their competitors to help direct their marketing plan	3.30	Agree	1
3. Salespeople are instructed to monitor and report on competitor activity	3.20	Agree	2
<b>4. Composite Mean</b>	<b>3.20</b>	<b>Agree</b>	
<b>Inter-Functional Coordination</b>	<b>WM</b>	<b>VI</b>	<b>R</b>
1. Marketing information is shared with all departments in the organization	3.24	Agree	5
2. Regularly have inter-departmental meetings to discuss market trends and developments.	3.29	Agree	2
3. Marketing people regularly discuss customer needs with other departments	3.30	Agree	1
4. The marketing people regularly interact with other departments on a formal basis	3.25	Agree	3.5
5. All departments are involved in preparing business plan and strategies.	3.25	Agree	3.5
6. The travel agency did a good job of integrating the activities of all departments.	3.19	Agree	6
<b>Composite Mean</b>	<b>3.25</b>	<b>Agree</b>	

Table 2 presents the market orientation of travel agencies in terms of customer orientation. The composite means of 3.35 indicates that the respondents agreed on the above-mentioned indicators. Whereas, in terms of competitor orientation (3.20) indicates that the

respondents agreed on the above-mentioned indicators. The table also presents the market orientation of travel agencies in terms of inter-functional coordination. The composite mean score of 3.25 indicates that the respondents agreed on the above-mentioned indicators.

The travel agencies are customer-oriented because they wanted to achieve full customer satisfaction and in order to do so they need to become accustomed and familiar with the needs of their own customers. The assessment of customer needs is attained based on the past experiences and by formulating a foreseeable concept of the future needs of the market based on the trends and process of travel industry. Travel agencies are doing this because their services would need to coordinate with different industries, such as airline, hoteliers, transport services and documents handling processes. Initially, they are in partnership with these businesses and industries to make sure that all the travel packages are well established and coordinated to lessen the time to be consumed by their clients.

According to Satguningam, et al. [11], market orientation has relationship with the markets' needs to assure that all services are aligned. Enterprise must know their target market and eventually assess their behavior to ensure that all developed products and services will meet the customer preference that would lead to further satisfaction. When the customers are satisfied, there is a big chance that they will come back and acquire the same services and would use word of mouth as means of marketing strategy. This may help the organization to establish and position itself in the market and becoming known for its service.

All items were rated agree and the item, association articulated a vision for the association got the highest mean score of 3.43 This is the highest mean item because mission and vision of the company is a guide for them to know the extent of travel-related services they need to provide. The vision can increase the engagement of employees (who are the travel agents) to maximize their effort if they fully understand the desire of the organization to help their customers. This also helps the employees to become engaged in the goal of organization and able to influence their decision making on how or what services must be provided. It was followed by association developed a mission statement and vision statement is relevant to the association's activities and mandate (3.35) because it is the foundation of the organization on formulating a good strategy and local vantage point where they will consider determining which road to take and what accomplishment they wanted to achieve. This is associated with a good planning strategy along with good directors (leaders) and skills of their manpower.

This also implies that the travel agencies are conscious of their competitors' products and services

as well as the pricing strategies. The strategic development of any services is identified through market, competitors, and the organizational factors. According to one of the travel agents who have been informally interviewed, the competitors or other agency performance has a big impact to other travel agency, especially those that are only starting because the weaknesses of other agency will affect the performance of the new agency due to the psychological behavior of the consumers. When a travel agency is unable to perform the task properly, the market will have a negative perception of all companies providing travel-related products. So, it would help if the competitor analysis may be provided and use it as basis for new and innovative strategic plan.

More so, with an interpretation of agree, the item frequently collect marketing data on their competitors to help direct their marketing plan got the highest mean score of 3.30. This is because of the opportunity to increase their competitiveness through assessing the process flow of their competitors. It is important that travel agency must conduct market research to put them in an advantage situation by learning the global economy, as well as the productivity of travel-related service enterprises. In case that travel agency was unable to conduct market research prior to the start-up of business due to financial limitations, there are still chances that they can study their competitors. Businesses, including travel agencies, allow their competitors to conduct benchmarking to be able to maintain the healthy competition in the market and to increase production and efficient operation within the organization. Addition to this, the travel-related services must help each other to increase their productivity in serving the market (or a portion of their target market) to be able to maintain the positive perception of travel agency industry.

While the least is regularly monitoring our competitor's marketing efforts (3.12). The respondents need to identify how other travel agency are reaching out to their target market especially now that one of the marketing tools used is social media and networking, which is cheaper and extends to larger network. The use of internet as means of marketing strategy has increased the opportunities for new entrant to branch out their travel-related products. Home-based and freelance network has become appealing to small time entrepreneurs that at times affect the brand positioning of official travel agencies. The use of internet has been one of the trends nowadays that people would communicate with travel agents through messaging due

to its convenience on the part of the customers. The travel agencies are coordinating and collaborating within the organization inter-departmental to ensure that all process is aligned to one another. The most important department that usually collaborates is the marketing and the technical/production to ensure that information provided by the sales team to the customers is based on the process flow of the technical and operation team.

Kanovska and Tomaskova [12] stated that inter-functional coordination is the coordination of all activities and operations of the company through effective collaboration within different department. The personnel of each department must know the process of others to ensure that they are in the right track in the provision of other services. The baseline of the revenue of any company is their production and marketing team who are responsible for acquiring the market and ensure that the products and services are provided as well. Among the coordinations done by the travel agencies, the most practiced is marketing people regularly discussing customer needs with other departments (3.30). It is followed by the information that the travel agencies regularly have inter-departmental meetings to discuss market trends and developments (3.29) since the organization would want to have a clear communication with one another. The travel agents may open their problem during meetings and the organization may address it accordingly. Any situation that arises within the organization is tackled and probable solutions may be presented. In addition to this, the marketing people regularly interact with other departments on a formal basis, and all departments are involved in preparing business plan and strategies (3.25) to maintain mutual respect and formal documentation on any procedures and process done as record keeping. It is important that all are professionally inclined to the process within the organization to make sure that they have harmonious relationship to reduce future problems and conflicts. The business plan and strategic plan are done to gain the insights of each member of the organization on how they can cope with the situation in the travel market.

Table 3 shows the service quality of the DOT accredited travel agencies in CALABARZON in relevance to the tangibility of their products, services, and facilities. This obtained a composite mean of 3.29 and rated as great extent. This means that the travel agencies are providing the services that are included in the table as tangible. This implies that the respondents perceived that travel agencies are providing tangible

services, such as having modern looking facilities, using advanced technology, positive and respectful appearances of employees and utilizing good quality marketing materials like brochures and flyers. This may be because the tangibles provided by the travel agencies are appealing. Having good facilities encourages customers to come and trust the travel agency and the appealing look of the offices and layout increase the satisfaction of clients. They feel comfortable while doing transactions with travel agents and it gained their trust because the place is very accommodating, which makes them feel that they are at the right place and may acquire the right services. When this happens, there is a chance that the service tangibility may increase the loyalty of the customers.

Similarly, according to Maric, et al. [13], tangibility and intangibility of services have a high effect in the consumer and employee's satisfaction. Based on the SERVQUAL model, tangibility is the aspect of services where the physical objects contribute to the feelings of safe, secured, and good quality of products. More so, the management aspect of men influences the engagement of the workers when they are in an environment that is suitable to their needs.

The travel agency has a modern-looking office décor, which got the highest mean of 3.34. Further, the travel agency is utilizing advanced reservation technology (3.29) because they are already using different systems, which is bought from system vendor to increase the efficiency of travel services given to their customers. Since the global market is adapting to the fast innovation of information technology, travel agencies cannot escape this, too. They should be able to compromise their manual method and adapt the changes in the market and travel operations. Further, the affiliated agencies, such as airlines, hotel and resorts and event travel documents process are already available online, so they need to cope with the changes and the increasing demand of their customers. They are also given the opportunity to have different systems to purchase in the market that meets the needs of the organization in increasing their operation, flow, and efficiency. It shows the good and modernized offices they must make the customers feel welcomed. More so, having a good office does not just satisfy the customers, but also the personnel as well. It is hard to work in a place that is not convenient to work with and since travel agents need to be creative in dealing with the travel arrangements of the customers; they need to have an environment appealing to their creativeness such as colourful walls and good ventilation.

**Table 3. Service Quality of DOT Accredited Travel Agencies in CALABARZON**

<b>Tangibles</b>	<b>WM</b>	<b>VI</b>	<b>R</b>
1. The travel agency has a modern-looking office decor	3.34	GE	1
2. The travel agency is utilizing advanced reservation technology	3.29	GE	2
3. The travel agency has neat-appearing employees	3.27	GE	3
4. There are available visually appealing promotional brochures	3.25	GE	4
<b>Composite Mean</b>	<b>3.29</b>	GE	
<b>Reliability</b>	<b>WM</b>	<b>VI</b>	<b>R</b>
1. The employees are completing the promised tasks	3.27	GE	2
2. The personnel are performing the service right the first time	3.32	GE	1
3. The provision of services at the time promised	3.26	GE	3
4. The employees are insisting on error-free transactions	3.22	GE	4
<b>Composite Mean</b>	<b>3.27</b>	GE	
<b>Responsiveness</b>	<b>WM</b>	<b>VI</b>	<b>R</b>
1. The employees understand the specific needs of the customer	3.31	GE	1
2. The travel agency management ensure that they are giving prompt service	3.27	GE	2
3. All personnel are willing to help the customers' needs	3.20	GE	3
4. The employees are never too busy to responds to their customers	3.18	GE	4
<b>Composite Mean</b>	<b>3.24</b>	GE	
<b>Assurance</b>	<b>WM</b>	<b>VI</b>	<b>R</b>
1. The travel agency have competent employees	3.08	GE	4
2. The employees are instilling confidence in customers	3.21	GE	2.5
3. The personnel make sure that the customers feel safe during transactions	3.30	GE	1
4. The employees have wide array of product knowledge	3.21	GE	2.5
<b>Composite Mean</b>	<b>3.20</b>	GE	
<b>Empathy</b>	<b>WM</b>	<b>VI</b>	<b>R</b>
1. The travel agency makes sure that individual attention is provided by the travel agent.	3.23	GE	4
2. The travel agency have sufficient resources to offer good service to their customers	3.24	GE	3
3. The employees follow up with each customer individually	3.29	GE	1
4. The employees provide personal attention to their customers	3.18	GE	5
5. The travel agents demonstrate having customer's best interest at heart	3.26	GE	2
6. The management understanding customers' specific needs	3.09	GE	6
<b>Composite Mean</b>	<b>3.21</b>	GE	

Legend: 3.50 – 4.00 = Very Great Extent (VGE); 2.50 – 3.49 = Great Extent (GE); 1.50 – 2.49 = Moderate Extent (ME); 1.00 – 1.49 = Not at All (NA)

In addition to this, the travel agency has neat-appearing employees with 3.27 because the company requires their personnel to wear uniform along with its logo are name to assure the customers that they are approaching the official travel agents. Uniforms and company logo are important to assure the clients that they are doing the transaction with the official personnel of the travel agency so that they will not be abused or victim of fraud. Lastly, the least tangible service they provide is the available visually appealing promotional brochures with the lowest mean score of 3.25 to reach out to their customers. Brochures can have complete data and information about the travel services and may require other contact information of the travel agencies. Unlike those being posted on the

internet that can be changed or be hacked, brochures and flyers will remain the most ethical way of advertising the products and services. This is supported by the study of Maaiah and Masadeh [14], which stated that tourism brochure tends to be one of the most important tools in marketing a tourism and travel products for it projects the perception, the images, and the actual attractions, as well as packages for sites, products, and services. Though at times, word of mouth is much appealing, the customers would still feel impressed if they could see pictures and official information of the tourism businesses. The images can increase the loyalty and satisfaction among the clients because they feel that the company is providing that



necessary information that they need through colorful and appealing brochures and flyers.

It implies that they are dependable in securing their customers that all services they provide will be a success. The travel agencies tend to become reliable and trustworthy with travel-related products because of having travel agents with wide experiences in travel documents processing and by having access to different travel products. They are coordinated and affiliated with the travel organizations such as airlines, hotel and resort, and travel services locally and internationally to ensure that they access to come up with different packages that are affordable and trouble-free for their clients.

Being part of the travel service industry, travel agents must complete what is being promised to their customers because they are being paid and the customers expect that they acquire what they paid for. This means that the travel agencies are very knowledgeable of the needs of the customers seeking their help. Those who need travel services would eventually jump to online booking where they waste so much time and became indecisive since there are many available packages and prices. When customers approach travel agency, they even provide suggestion on the requirements and services that are specifically appropriate for them. The travel agencies have a list of requirements that the customer will need to provide to lessen the hassle and problems in the future before they process the papers or documents or even request for reservations.

However, the respondents perceived to be great extent is the provision of services at the time promised with mean score of 3.26 and the employees are insisting on error-free transactions with the lowest score of 3.22 as the least assessment of quality of service. There are times that possibility of wrong information and documents submitted can consequently lead to the delay of processing. This usually happens when the clients are unable to provide such, and the travel agent would need to make a follow up with clients to reduce the risk for future errors. This means that the travel agents already know the time frame for document or services processing due to their past experiences with other clients so they can distinguish the time frame when all services will be available and acquired. When providing service, the most advantageous part is to be ahead of schedule so that there will be more time in case problem arises. Ananda and Devesh [15] were able to identify why error-free transaction is insisted to the customers to lower the risk for delay of acquiring

their services. This will increase the satisfaction that is being felt by the consumers since they feel that they are being handled properly. They are informed of the necessary information that is needed from them and insist that honesty must be practice during provision of service so that the employees will be able to identify alternative solutions to lessen the hassles experienced by the customers. It can be seen from the table the assessment of service quality of the DOT accredited travel agencies with regard to responsiveness or their immediate reply to the certain needs of their clients related to travel. The travel agents were able to have positive response to the needs of their customers because they can foresee what services is the best to provide. They have wide background already on how to handle their clients and what are the possible concern that will arise as well as the possible solutions to address the issues. Moreover, the travel agency services are limited to travel-related products so those that are related to travel services are handled by the agents. The results revealed that the employees understand the specific needs of the customer got the highest score because of the expertise of travel agents who handle the clients. They connect their clients to the best experiences in acquiring travel-related activities. Since they already had first-hand experiences about travel, they were able to suggest which activities and packages as well as requirements needs and the kind of service, they provide to assure that the customers will acquire what they need while saving time and money.

More so, all personnel are willing to help the customers' needs with weighted mean of 3.20 and the least is the employees are never too busy to respond to their customers with mean scoring of 3.18.

The travel agents know that their customers need their time and expertise to provide the travel-related services and products to them. The main component of being a travel agent is their time to do the task for their customers. All their attention is about the travel services, and this is what is being paid for by the consumers. They make sure that all needs are provided and stand as the customers' advocate in identifying the best and suitable packages in travelling. Addition to this, the heart of travel agency business is services that would deal with the needs of their customers. Clients are the most important group of individuals that allow the travel agency to survive in relevance to revenue and attaining business goals. Their needs and requirements are the main objective that travel agencies would like to achieve and this is done by being willingly helpful to each customer who seeks their services.

Travel agents tend to show that they are knowledgeable of the travel-related products and services because they have broad experiences of acquiring it for their customers. Addition to this, they show courteousness since they understand what is being experienced by people who wanted to travel but became indecisive due to many online access and travel services available in the market. Travel agencies became their one-stop shop because clients knew that there are travel agents who can recognize their struggle.

It shows that among the items cited, the personnel make sure that the customers feel safe during transactions got the highest weighted mean of 3.30 because the clients can see the travel agents and their office or branches where they conduct the transaction. The heart of any business is their customers and by instilling confidence in them that they came to the right person for quality service will mean that there are chances that they may provide customer satisfaction. This could be done by personally handling the needs of clients and show them that the priority of travel agents is to assure that they have the best experience and not the profit. This is important for it can increase the satisfaction and build trust for future business dealings. The travel agency would prefer to acquire the patronage of the customers, so they make sure that clients are secured and confident. Addition to this, since the travel agencies are DOT accredited, the clients will eventually feel that they are secured since it passed the requirements of the accrediting body and that they feel being protected by the government.

Based on the job requirements and description of travel agents, they must have experienced providing travel related products and services. And in case they have insufficient experiences, the travel agencies are providing trainings for them to make sure that they are competent enough to handle their customers. The company intends to hire people that could cope with the demand of work and the changes in the customers' preference about travel-related services. Arderne [16] posited that travel agents have distinctive qualities that not everyone does have. Those who became successful in this career are those who are simply organized, have good vision, with different skills, and risk takers. They tend to become natural explorers and internet savvy who mastered different technological advancement relating to travel operations and documents processes.

It can be gleaned that the item the employees follow up with each customer individually got the highest weighted mean of 3.29 because they understand how it feels to wait long period of time and waste so

much money if the clients will acquire travel products that are not aligned with their desired travel experiences. The travel agents follow up with each customer individually because the travel agents want to handle each client individually to focus on their personal needs in relation to travel-related services. When they follow up, they became updated on the changes of customers' preference along the way and to establish good interrelationship among them. Also, it can increase the satisfaction since the clients would feel that they are being valued as an individual and as a person and not a mere client only. The travel agents and the overall management were able to understand the needs of their customer. This will clearly satisfy their customers since they are giving personal attention to each of the clients' needs because the travel agency must work as one where they provide services that deal with the increasing demand of their customers. They collaborated with each other to assure that their customers acquired the services that are relevant to the nature of needs they seek from the travel agencies.

Table 4 presents the service performance of travel agencies in CALABARZON in terms of customer satisfaction. It obtained a composite mean of 3.23, which is agreed by the respondents because the performance provided by the travel agency gained more satisfaction from their customers. This may indicate that these businesses are trying to meet the preference and mostly needed services related to travel-related products to reduce the customers' stress and saving more time and money as they avail these services. According to Dutta [17], perceived quality of services performed by travel agencies are directly linked to the customer satisfaction. The formulated model of the factors that may affect the customers satisfaction revealed that quality services can increase the experiences of the customers that lead to positive feedback and loyalty.

The company employees have the knowledge to answer the customers' questions got the highest mean of 3.31 followed by company employees properly handled any problem that arise (3.30) because travel agents can foresee any hindrances that may arrive while transacting with the clients. It shows that the travel agents have the capability of always answering customer's queries because the travel agents have wide background about travel documents and processes so they can well inform the customers on the important information. Addition to this, their experiences and trainings contributed to their capability of answering the queries of their clients. Zykova [18]

stated that travel agent is the one acting on behalf of the customer and represents the travel business marketing. So, they need to be an expert in this field, especially

now that clients' demand is increasing due to the emergence of online travel services.

**Table 4. Service Performance of Travel Agencies in CALABARZON in terms of Customer Satisfaction**

<b>Customer Satisfaction</b>		<b>WM</b>	<b>VI</b>	<b>R</b>
1.	Company employee have the knowledge to answer the customers' questions	3.31	Agree	1
2.	Company employees properly handled any problem that arise	3.30	Agree	2
3.	The contact employees understand customers' specific needs	3.27	Agree	4.5
4.	Employees address the customer' complaints in a friendly manner	3.12	Agree	12
5.	The company performs the service correctly the first time	3.24	Agree	6
6.	The customers' transaction is always accurate	3.17	Agree	11
7.	The company keep the customer records accurately	3.23	Agree	7
8.	The products and services customers ordered are delivered within time promised	3.10	Agree	13
9.	Using the company's website requires a lot of effort	3.21	Agree	9
10.	All the customer purchasing, or travel services are included in the menu options	3.20	Agree	10
11.	The organization and structure of online content is easy to follow	3.28	Agree	3
12.	The company provides most of purchasing functions that they need	3.27	Agree	4.5
13.	The company provides wide ranges of products/services packages	3.23	Agree	8
<b>Composite Mean</b>		<b>3.23</b>	<b>Agree</b>	
<b>Customer Loyalty</b>		<b>WM</b>	<b>VI</b>	<b>R</b>
1.	Customers say positive things about the company to other people	3.05	Agree	3
2.	Customers would recommend the company to those who seek my advice about such matters	3.28	Agree	1
3.	Customers would encourage friends and relatives to use the company	3.14	Agree	2
4.	Customers would post positive messages about the company on some Internet message board	2.71	Agree	5
5.	Customers intend to continue to do business with the present company.	2.77	Agree	4
6.	Customers intend to do more business with the present company	2.65	Agree	6
<b>Composite Mean</b>		<b>2.93</b>	<b>Agree</b>	

Also, the organization and structure of online content is easy to follow, and the customers' transactions are always accurate with 3.17 because the travel agents will require their clients of the necessary documents and data only in a precise manner. Nevertheless, the employees address the customer' complaints in a friendly manner with mean of 3.12 because the travel agents understand that the best way to handle problem is through showing passive behavior while the least is the products and services customers ordered are delivered within time promised with 3.10. This indicates that the travel agents can predict the time that will be consumed in processing the documents. Through this, they can tell the clients of a specific time frame of the processed documents to be delivered.

The table also shows the service performance of travel agencies in CALABARZON in terms of customer loyalty which obtained the composite mean of 2.93. This means that the respondents agreed that customer loyalty is achieved through good service performances of the travel agencies because of the positive experiences by their clients towards their

provision of services. The study of Yang, et al. [19] revealed that travel agency is the main contact organization on travel services. So, the importance of customer loyalty is a critical factor to the success of this business organization. By being able to identify the consumers' needs, they can provide the services and attain positive feedback from them that increase their loyalty.

However, customers would post positive messages about the company on some Internet message board with 2.71, especially when it is posted on Facebook account of the travel agencies because the customers would like to show their appreciation and acknowledge the good and quality service that the travel agencies provide them. And the least is customers intend to do more business with the present company with lowest score of 2.65 because a good and positive experience can enrich the patronage among the customers.

When they have good experience with one travel agency/agent, they wanted to do the same transaction with the same people because they knew

that they could rely on them. The first impression and experience of the customers is very important for it will lead to repeat transactions and increase loyalty among the clients. Travel agencies profit more on repeat transactions compared to the new customer because of being secured that they will still have clients in the future. Peacock, [20] stated that to make a business

stable is to maintain and acquire repeat buyers because it can make the income more robust. This sustains the business and makes them more profitable in the market. It is part of the best practices among companies to make sure that they know the needs of their customers and invest in them by providing more suitable services to increase their level of patronage.

**Table 5. Correlation Between Service Quality and Service Performance of Travel Agencies**

Service Quality	Service Performance					
	Customer Satisfaction			Customer Loyalty		
	r-value	p-value	I	r-value	p-value	I
Tangibles	.521**	0.000	Highly Significant	.293**	0.000	Highly Significant
Reliability	.505**	0.000	Highly Significant	.197**	0.000	Highly Significant
Responsiveness	.556**	0.000	Highly Significant	.262**	0.000	Highly Significant
Assurance	.574**	0.000	Highly Significant	.206**	0.000	Highly Significant
Empathy	.645**	0.000	Highly Significant	.337**	0.000	Highly Significant

Table 5 shows the relationship between service quality of the DOT accredited travel agencies and service performance. Based on the results, the computed r-values indicates a moderate positive correlation, and the resulted p-values were all less than 0.01 alpha level, thus the null hypothesis is rejected. This means that there was a significant relationship exists and implies that the better the service the better is the performance as to service. The results implied that service quality is highly associated with service

performance of DOT accredited travel agencies in CALABARZON because how they deliver their services can improve the satisfaction and loyalty of their customers. This is supported by the study of Sun and Zhang [21] where they found a correlation between the improvements of service quality to the performance of the travel agencies in the market. The service satisfaction is based on the staff and their training, would be strengthened along with enhanced marketing network, and concern about the travellers' needs.

**Table 6. Correlation Between Market Orientation of Travel Agencies and Service Quality**

Service Quality	Customer Orientation			Competitor Orientation			Inter-Functional Coordination		
	r-value	p-value	I	r-value	p-value	I	r-value	p-value	I
Tangibles	.502**	0.000	HS	.364**	0.000	HS	.577**	0.000	HS
Reliability	.515**	0.000	HS	.321**	0.000	HS	.506**	0.000	HS
Responsiveness	.398**	0.000	HS	.359**	0.000	HS	.484**	0.000	HS
Assurance	.420**	0.000	HS	.328**	0.000	HS	.552**	0.000	HS
Empathy	.501**	0.000	HS	.280**	0.000	HS	.511**	0.000	HS

Legend: Significant at p-value < 0.01; HS = Highly Significant

Table 6 shows the relationship between market orientation and service quality of the DOT accredited travel agencies. Based on the results, the computed r-values indicates a moderate positive correlation, and the resulted p-values were all less than 0.01 alpha level, thus the null hypothesis is rejected. This means that there was a significant relationship exists and implies that the better the market orientation, the better is the service quality provided. This implies that there are highly significant association between market orientation and service quality because the travel agencies will be able to reassess and evaluate their

current services based on the extent of their knowledge about their market and status in the industry as providers of travel products and services. This is supported by the study of Ramayah, et al. [3] where they found a correlation between the five (5) dimensions of service quality when it is grouped to the market orientation. The mediating effect shows that the effect of service quality is like a domino effect with the market orientation as well as performance of any company.

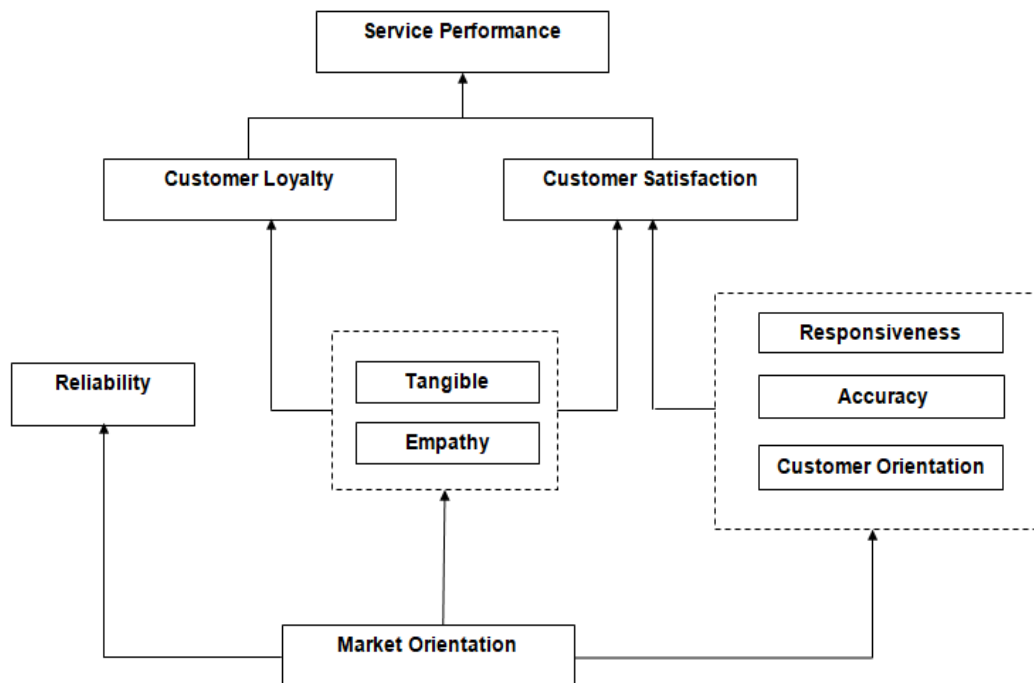
The proposed framework shows how the hypothetical problem was addressed in this study.

Tangible and empathy are important components of customer loyalty and satisfaction while responsiveness, assurance and customer orientation are significant elements of satisfaction but not of loyalty. However, reliability is not considered a predictor of loyalty nor satisfaction but important part of market orientation.

It means that among the indicators of market orientation, the most beneficial predictor of service performance is the customer orientation, which is highly significant to customer satisfaction. When the travel agents are customer oriented or have sufficient knowledge about the increasing demand among their clients, they will be able to make extra effort to adjust to their needs, suggest which packages is most appropriate and the pricing that suits the budget of the customers. Consequently, this will make the clients feel that they come to the right travel agency and has talked to the appropriate person who can guide them in decision making which packages to acquire.

Further, among the five (5) dimensions of ServeQual model, only four (4) variables are highly significant to customer satisfaction such as empathy, responsiveness, assurance, and tangible which are directly related to customer satisfaction as indicator of service performance.

These dimensions are catered through services, behavior and gestures which are the complimentary figures of their travel products. Even they have the best products, but the travel agents are unable to be reliable, responsive, and empathic, then the customer will seek the same products from other travel agencies. More so, market orientation is not associated with customer loyalty as predictor of service performance. Only service quality in relevance to empathy and tangible can highly affect the customer loyalty. This framework is recommended for future use in researching how market orientation and service quality may affect the overall performance of DOT accredited travel agencies in CALABARZON area.



**Figure 1: Proposed Framework**

**CONCLUSION AND RECOMMENDATION**

The travel agencies are market-oriented as being agreed by the respondents who are travel agents and customers in relevance to customer orientation, inter-functional coordination, and competitor orientation due to articulation of vision, discussion of customer needs, and their initiative in collecting marketing information from competitors. The respondents perceived that the DOT

accredited travel agencies in CALABARZON are providing services to a great extent where they can provide tangible facilities, reliable employees and services, responsive and assuring personnel and showing empathy towards their clients. The service performance of travel agencies is delivered to a great extent which allows them to acquire customer satisfaction and loyalty. Among the five developed models of service performance in relation to customer

satisfaction, the model that includes empathy, customer orientation, responsiveness, assurance, and tangible as the main component that predicts the performance of travel agencies. However, with regards to customer loyalty, the model that includes empathy and tangible is highly significant. There is a highly significant correlation between the service quality and service performance among the DOT accredited travel agencies in CALABARZON. There is a highly significant relationship between market orientation and service quality. A framework was developed to determine the predictors of service performance among travel agencies in CALABARZON.

To assure that the travel agency's mission is aligned with their services, they may conduct organizational mission/vision re-assessment and may add captivating taglines to increase the market orientation and encourage increased customer demand. The travel agents may strengthen their researches about their competitors' marketing efforts through online sites and social media sites to ensure that they are always at par in terms of services they offer and even in terms of promotions. Having a safe and secured physical office for the travel agency will increase trust amongst customers and therefore may also increase the customer traffic which will lead to a successful deal. Inter-departmental planning such as collaboration of services may be restrengthened so that the travel agency will be effectively linked to other department of the organization. The travel agency may increase the empathic behavior of their travel agents through seminars about leadership, behavior and customer service to further demonstrate positive attitude in provision of services. The developed strategic plan may be implemented to the service performance of DOT accredited travel agencies in CALABARZON. A future endeavor may be done to determine the marketing orientation, service quality and service performance of DOT accredited travel agencies using additional factors such as problems encountered, challenges and lived experiences of travel agents in providing travel services.

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