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THE EFFECTS OF TOUR OPERATOR'S SERVICE QUALITY ON TRAVEL AGENTS'S CUSTOMER VALUE, SATISFACTION AND LOYALTY IN VIETNAM

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ARTICLE INFO	ABSTRACT
	Service quality is the most important factor of tour operators determining the relationship between travel agents and tour operators. The authors surveyed 288 travel agents in Vietnam and used Smart-PLS software to test the research hypotheses: Tour operator's service quality positively impacts travel agent's customer value, satisfaction, and loyalty; Tour operator's service quality impacts travel agent's loyalty through customer value, satisfaction; Customer value impacts travel agent's loyalty through satisfaction. The result confirmed these relationships in the travel industry B2B environment, satisfaction includes process satisfaction and outcome satisfaction, loyalty includes behavioral loyalty and attitudinal loyalty. Research results help tour operators in Vietnam achieve business efficiency through travel agents to increase satisfaction and maintain travel agents's loyalty to tour operators, including: (1) providing stable service quality; (2) providing service quality as commitment; (3) providing service as the end consumer's expectation; (4) always improve service quality; (5) provide competitive products.

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1. Introduction

Tourism products are distributed through the main consumption channel, which is travel firms. Travel firms promote the improvement of tourism products, attracting and retaining tourists. Travel firms, in addition to selling products directly to tourists, also act as wholesalers and sell products to other travel firms. A travel firm's decision to buy a product or be loyal to another travel firms is loyalty will help the travel firms improve business efficiency. After the Covid 19 pandemic, tourists tend to plan and pay for each group's trip themselves. Therefore, travel firms need to link up and form a way to send and receive tourists from each other to better exploit these tourist groups. Many studies and practices show that the cost of maintaining loyal customers is much lower than the cost of exploiting new customers, and the profits brought by loyal customers are also much higher than those of new customers.

There have been many studies on the relationship among service quality and customer value, satisfaction, loyalty through the chain of Quality - Value - Satisfaction - Loyalty in the tourism industry. However, there has not been many researches on this relationship in travel industry, especially between travel agents and tour operators. Dolors Seto´- Pamies's research (2012) on customer loyalty to travel firms is based on the chain: Service quality – Satisfaction - Loyalty; this research is based on a survey of tourists. Gallarza et al.'s research (2013) on customer loyalty to travel firms according to the chain of Service Quality - Value - Satisfaction - Loyalty based on customer surveys of students who buys a group package tour. Ivan's research (2014), research on the role of service quality, perceived value, and relationship quality in the loyalty of tourists to travel firms based on the chain of Service quality - Value - Relationship quality (including satisfaction, trust, commitment) - Loyalty. Khuong et al.'s research (2016) on the service quality of travel firms in Ho Chi Minh City on the word-of-mouth impact of MICE tourists based on the

chain of Service Quality - Customer Value - Satisfaction - Loyalty. Gallarzaa et al. (2019) researched customer value in the chain: Value - Satisfaction - Loyalty based on a survey of 340 tourists at the hotels. Bidyut's (2020) research on customer loyalty to travel firms is based on survey data from 408 customers of travel firms in India, confirming the chain of Service quality - Satisfaction - Loyalty in the travel industry, however, the survey subjects were tourists. Research by Granados et al. (2021) confirmed the chain Service Quality – Customer Value – Satisfaction - Loyalty in the B2B travel industry, however, this study has not studied the direct relationship between service quality and satisfaction, service quality and loyalty, satisfaction and loyalty.

The above studies are mainly in the B2C, not the B2B environment. Furthermore, the factors in the chain have not been fully studied; satisfaction is studied as satisfaction by process or satisfaction by results but not both simultaneously; loyalty is studied by behavior or attitude but not both behavior and attitude simultaneously; indirect relationships have not been studied much. Currently, in Vietnam, there are not many researches on the relationship between travel agents and tour operators, especially researches on the relationships among service quality and customer value, satisfaction, and loyalty.

2. Theoretical background

Relationship marketing is a concept that has received significant and increasing attention in the general marketing literature since the early 1990s (Iacobucci & Ostrom, 1996; Bejou, 1997; Mattsson, 1997). Relationship marketing is wholeheartedly embraced by marketing practitioners and scholars (Barnes, 1995), Relationship marketing is said to have been widely adopted in business practice (Durkin & Bennett, 1999). Christopher et al (1991) emphasizes a transactional marketing approach that focuses on turning prospects into customers, through the exchange process.

The goal of relationship marketing is to turn new customers into regular customers and then gradually strengthen the relationship; turn customers into "advocates" and ultimately "loyalists" for the company. According to Gruen et al (2000), "developing and keeping long-term relationships with buyers is a core aspect of relationship marketing". Relationship marketing theory suggests that service quality has a positive influence on both the quality of the relationship and customer loyalty, which has been proven through researches (Chumpitaz & Paparoidamis, 2007; Fullerton, 2005; Rauyruen & Miller, 2007). According to this theory, the relationship between the parties assumes that the benefits of this exchange outweigh the costs. As a result, customers are more loyal to the firms with higher service quality, derive more value, and are more satisfied in the relationship. In summary, relationship marketing theory asserts that customers engage in relational exchanges with organizations when they believe that the benefits derived from this exchange exceed any costs involved. Value is also a fundamental concept in relationship marketing and customer relationship management when considering value as the core benefit to maintain customer engagement, satisfaction and loyalty (Cronin et al., 2000). Gallarza et al. (2011) assert that the concept of value is fundamental to marketing theories; Perceived value is generally an important antecedent factor explaining product purchase intention, satisfaction and loyalty. According to Vieira et al. (2008), relationship marketing is most relevant in the B2B context. This is confirmed in Palmatier et al. (2006) meta-analysis which found that "relationship marketing is more effective in situations where the buyer perceives the relationship as important, i.e. in business service versus product offering, B2B business environment rather than consumer business market". Empirical studies of marketing practices have shown evidence that service companies operating in a B2B context are more likely to adopt relationship marketing practices than consumer goods companies (Brodie et al., 2008).

The travel agents are the customers of the tour operators. Tour operators not only need to make efforts to find customers, but also need to make efforts to retain customers, create and maintain relationships with travel agents. Tour operators always provide high quality service, creating value for customers to make the travel agents satisfied and continue to be loyal to tour operators. Relationship marketing theory is used to test loyalty in the relationship between travel agents and tour operators, which is a buying and selling relationship. The factors of service quality, customer value and satisfaction will be used to re-examine loyalty in the relationship between the travel agents and tour operators.

3. Literature review and hypotheses

3.1. Service quality

Service quality is defined based on the level of a firm's perception of whether the service provided by the provider can meet the requirements, desires and goals of customers (Farn & Huang, 2008). Service quality is believed to be the main source of competitive advantage in the B2B market context (Haghkhah et al., 2020).

Recent studies, building on Parasuraman's, provide a few important definitions of service quality. Quality focuses on the consumer's perspective; Therefore, quality is described as whatever the buyer perceives as quality (Abdullah & Abdul Rahman, 2015). A definition proposed by Othman and Abdullah (2016), service quality is the difference between consumers' predictions of service performance before consuming the service and their observations of the provided service. Abdullah and Othman (2019) define service quality as the consumer's specific assessment between the expected service quality and the actual service provided. Service quality is the difference between customers' expectations of a service provider and their evaluation of the service (Ali et al., 2021). According to Anwar and Abdullah (2021) there are two variables that influence consumer perception, which are expectations

and quality standards. Therefore, the quality of service for travel agent is not only after using the service but it is also formed before purchasing the service; Service is a process, service quality is also evaluated by travel agents during the process of forming demand, purchasing and using the service.

3.2. Customer Value

In the context of B2B business environment, creating value for customers is essential because customer value contributes positively to the cooperative relationship between customers and suppliers (Anderson & Narus, 1998). According to Oh (2000), "By providing new insights into consumer behavior around the trade-off between quality and price, customer value can reveal the underlying drivers of consumer decisions, purchase intention and brand loyalty". Furthermore, customer value impacts a company's business strategy, priorities, and other interests (Green & Peloza, 2011). For a company's survival and long-term success, identifying and creating customer value is essential (Payne & Holt, 2001).

Customer value is the comparison between "received" and "given" attributes in a marketing exchange (Taylor & Hunter, 2003; Lam et al., 2004) or simply the benefits considered compared to cost. Many authors agree that the study of customer value has become one of the most prominent topics in recent tourism services literature (Gallarza et al., 2013). According to Gallarza et al. (2013) view on customer value: Customer value in tourism is a trade-off "based on the existence of a series of utilities, according to the principle of compensation and/or balance between positive and negative aspects evaluated by consumers".

3.3. Satisfaction

Satisfaction is an affirmative emotional state acquired from assessing a business in terms of all communications with all stakeholders (Sanchez et al., 2006). "Satisfaction is a collective involvement of purchasing and consuming and is driven by two aspects of prospects and

practiced performance of service. Satisfaction can thus be defined as the feeling of liking or displeasure as a result of linking the outcomes with expectations" (Lally, 2010).

Satisfaction studies are divided into two groups: those that are essentially process-oriented and those that are outcome-oriented. Process-oriented theories reflect the traditional view of satisfaction and suggest that satisfaction is the result of a comparison between expectations and perceived reality (Spreng et al., 1996). Outcome-oriented theories are a newer paradigm that asserts that satisfaction is an end state that is not always based on met expectations (Spreng et al., 1996). This theory is not a competing model, but it is a complementary model to the process-oriented model, whether outcomes directly or indirectly influence satisfaction (Oliver, 1993). In service business research, it can be predicted that satisfaction can be either joy (indicated by happiness) or relief (indicated by avoiding a negative state such as low sales). Satisfaction is understood as pleasurable satisfaction (Oliver, 1999).

3.4. Loyalty

There are many definitions of loyalty, but they are mainly based on behavioral loyalty (repeat purchases) and attitudinal loyalty (brand advocacy). There are many studies on behavioral loyalty. According to East and Hammond (1996), customers' tendency to repurchase a brand is expressed through behavior that can be measured and directly impacts brand sales. The willingness of customers to repurchase a supplier's services and products and maintain a relationship with the supplier (Rauyruen & Miller, 2007). The degree of a company's intention to continue a relationship with a supplier, expand the number and volume of this relationship (Homburg et al., 2003). Besides, there are also studies on attitudinal loyalty, also according to Rauyruen & Miller (2007), the level of psychological attachment of customers and the customer's supportive attitude towards the suppliers or the overall attachment to the

suppliers or deep commitment to a product, service, brand, or organization (Briggs et al., 2007). Many studies both behavioral loyalty and attitudinal loyalty, such as Vickery et al. (2004), loyalty is a long-term repurchase commitment that includes both favorable attitudes toward the seller and repeat patronage. A composite or multidimensional construct combines different groups of seller intentions, attitudes and performance indicators (Palmatier et al., 2006). A construct that measures the probability that a buyer will return and be willing to undertake collaborative activities such as referrals (Bowen & Shoemaker, 2003). To study loyalty between travel agents and tour operators, we can approach loyalty in both behavioral and attitudinal aspects. Loyalty is the degree to which a customer demonstrates repeat purchasing behavior from a service supplier, has a positive attitude toward the supplier, only considers this supplier when there is a need for this service (Gremler and Brown, 1996). Loyalty to a tour operator from a travel agent is proposed as a combination of key variables in interfirm relationships (Granados et al., 2021).

The latest research on loyalty in the B2B environmental travel business by Granados et al. (2021) is based on the service quality – customer value – satisfaction - loyalty chain, however this study has not studied the direct relationships between service quality and satisfaction, service quality and loyalty, satisfaction and loyalty and indirect relationships of service quality on loyalty. Meanwhile, research by Khuong et al. (2016), Gallarzaa et al. (2019), Soyoung An et al. (2019), Caruana (2002), Olorunniwo et al. (2006), and Fatima et al. (2018) has proven these relationships. This study inherits the research on loyalty in the B2B environmental travel business of Granados et al. (2021), adding some relationships between factors to test the relationship between tour operator's service quality on travel agents's customer value, satisfaction and loyalty in Vietnam.

Studies on B2B environmental business emphasize that quality affects value (Jayawardhena, 2010; Roy et al., 2019).

Gil-Saura et al. (2016) concluded that tourism service suppliers should focus their investments on creating value for customers through the provision of value-added services, which are considered is very important in the trend of reducing intermediation in the tourism industry; and to enhance customer-perceived value, tourism service providers should differentiate their product and service offerings from those of competitors through identifying the product and service attributes that customers can be considered unique. Tour operators need to provide high services quality that bring greater value to travel agent customers, which leads to higher satisfaction to bring more loyal customers to the business. (Granados et al., 2021).

Hypothesis H1: Tour operator's service quality has a positive effect on customer value for travel agent.

Dolors Seto´- Pamies (2012) affirms that travel service quality has a strong impact on customer satisfaction, therefore, service quality is an excellent predictor of customer satisfaction. Satisfaction is influenced by perceptions of service quality (Alshurideh et al., 2016). In the B2B environment, service quality is an important strategic factor affecting customer satisfaction; The higher the service quality, the more satisfied customers are (Huang et al., 2019). Not only do tour operator need to provide high-quality services that deliver greater value, this also leads to higher satisfaction, and more loyal travel agent customers (Granados et al., 2021).

Hypothesis H2: Tour operator's service quality has a positive effect on travel agent's satisfaction.

Service quality has been proven to be an important factor predicting customer satisfaction, loyalty and behavioral intentions (Lam et al., 2004). Chang Chia-Hsun and Thai (2016) argue that service quality has a direct and positive impact on both customer satisfaction and loyalty, and customer satisfaction has a direct and positive impact on customer loyalty in B2B environment.

Hypothesis H3: Tour operator's service quality has a positive effect on travel agent's loyalty.

Several studies have been conducted and found that customer value has a positive influence on customer satisfaction (Lam et al., 2004; Sugiati et al., 2013; Vedadi et al., 2013). Empirical studies on B2B environmental business emphasize that Value influences Satisfaction (Eggert & Ulaga, 2002; Lam et al., 2004; RuizMolina et al., 2015). The results of Gil-Saura et al.'s (2018) research on B2B environment confirm that service quality and perceived value are antecedent variables of satisfaction; Quality affects satisfaction through value, and value directly affects satisfaction.

Hypothesis H4: Customer value has a positive effect on satisfaction.

Based on previous research, it was found that customer value has a positive and significant impact on customer loyalty (Lai et al., 2009; Vedadi et al., 2013). Therefore, customer value is the rational trade-off between the benefits and costs of a product or service, customer value affects the quality of customer relationships and loyalty (Lam et al., 2004).

Hypothesis H5: Customer value has a positive effect on loyalty.

Customer satisfaction is one of the most popular attitudinal measures used in loyalty research (Williams et al., 2011) and many studies have demonstrated that satisfaction affects indicator of customer loyalty or long-term orientation (Lam et al., 2004). Many studies support the positive influence of satisfaction on loyalty and long-term orientation (Vickery et al., 2004; Lam et al., 2004; Williams et al., 2011; Lee & Bellman, 2008; Yanamandram & White, 2010). In the tourism context, satisfaction is considered the main direct factor

of loyalty (Shukor et al., 2017). Peric et al. (2020), demonstrated that tourist satisfaction influences the relationship with loyalty. In order to achieve justifiable growth, travel agents need to place emphasis on customer satisfaction which leads to loyalty (Bestoon et al., 2020).

Hypothesis H6: Satisfaction has a positive effect on loyalty.

There are some researches about loyalty based on service quality – customer value – satisfaction – loyalty and showed the indirect relationships between these factors. Khuong et al. (2016) pointed out the relationship between service quality and loyalty through customer value and the relationship between service quality and loyalty through satisfaction. Gallarzaa et al. (2019) affirmed the direct and indirect relationship of the customer value - satisfaction - loyalty chain in the tourism business. Soyoung An et al. (2019) confirmed the indirect relationship between service quality and satisfaction through customer value. Caruana (2002), Olorunniwo et al. (2006), and Fatima et al. (2018) asserted that satisfaction plays a mediating role in the link between service quality and loyalty in retail banking, the hotel industry, and hospital healthcare services, respectively.

Hypothesis H7a: Customer value mediates the impact of service quality on loyalty.

Hypothesis H7b: Satisfaction mediates the impact of service quality on loyalty.

Hypothesis H7c: Customer value mediates the impact of service quality on satisfaction.

Hypothesis H7d: Satisfaction mediates the impact of customer value on loyalty.
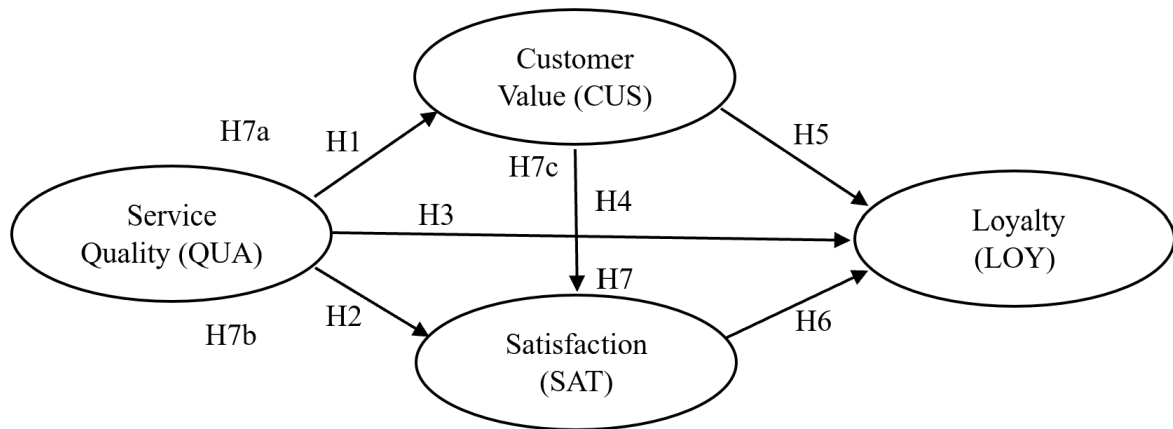
he proposed research model is as follows:

Figure 1. Proposed research model

4. Methodology

Method

The study applied mixed methods of qualitative and quantity methods. First, qualitative method was applied to adjust the constructs of service quality (QUA), customer value (CUS), satisfaction (SAT) and loyalty (LOY) to suit the research context in Vietnam. This method was conducted through in-depth interviews with senior executives, owners coming from Vietnamese travel agents. After this stage, the indicators for the factors of service quality (QUA), customer value (CUS), satisfaction (SAT) and loyalty (LOY) are showed in Table 1. The second stage, the quantitative method was undertaken to assess measurement model and structure model. The main survey was implemented by using face to face interviews or online surveys.

Sample and data collection

The sample of this empirical study has been drawn from the purchase decision-makers of Vietnamese travel agents. These travel agents belong to the list of active firms under the Vietnam National Administration of Tourism and are concentrated in tourist centers: Hanoi, Da Nang, HCMC. A convenient sampling taking method was used and the survey was conducted by face-to-face meeting, by phone or online through a questionnaire.

Statistical analysis

We used PLS-SEM path modeling to test our hypothesis, specifically the software SmartPLS 3.0 (Hair et al., 2017). PLS-SEM path modeling is best suited to estimate our research model because of the following reasons: (1) The sample (n = 288) is somewhat small. (2) One of study objectives is to test the relationship of factors which are lacking testing in previous studies in Vietnam related to travel agents, so this study is also a kind of exploring study for which PLS-SEM is suitable.

Measures

This study uses indicators from previous studies which were showed in the literature review and they are adjusted through the stage of qualitative method to suit the research context in Vietnam. The measurement of service quality (QUA), customer value (CUS), satisfaction (SAT) and loyalty (LOY) is based on previous studies shown (*see Appendix 1 online*).

4. Results and Discussion

4.1. Evaluation of measurement model

The constructs of CUS and LOY meet reliability, convergent validity, and discriminant validity. The constructs of QUA and SAT just meet reliability and discriminant validity. To meet convergent validity of these two constructs, the following variables should be

removed: QUA2, SAT4, SAT5. After removing the mentioned variables, all constructs meet reliability, convergent validity, and discriminant validity (*see Appendix 2 online*).

4.2. Evaluation of structural model

Structural model is measured based on the following criteria (Hair et al., 2017): (1) Collinearity assessment between constructs; (2) Structural model path coefficients; (3) Coefficient of determination (R^2 value); (4) Effect size (f^2); (5) Blindfolding and Predictive relevance (Q^2); (6) Effect size (q^2).

1) Collinearity assessment between constructs:

VIF values for variables of CUS, LOY, SAT are below 5 (see Appendix 3), indicating that, in line with Hair et al. (2017), the results obtained are not negatively affected by collinearity.

2) Structural model path coefficients

The result shows that all hypotheses are accepted (see Appendix 4). This research results consistent with previous studies (Dolors Setó - Pamies, 2012; Gallarza et al., 2013; Ivan, 2014; Khuong et al., 2016; Gallarzaa et al., 2019; Bidyut's, 2020; Granados et al., 2021). The result confirms service quality – value – satisfaction – loyalty chain in travel industry B2B environment (*see Appendix 5 online*).

There exist indirect relationships among the model constructs consistent with previous studies: QUA-SAT-LOY (Caruana, 2002; Olorunniwo et al., 2006; Khuong et al., 2016; Fatima et al., 2018), QUA-CUS-LOY (Khuong et al., 2016), QUA-CUS-SAT (Soyoung An et al., 2019), CUS-SAT-LOY (Gallarzaa et al., 2019) (*see Appendix 6 online*), (*see Appendix 7 online*).

3) Coefficient of determination (R^2 value)

The coefficient represents the exogenous latent variables' combined effects on the endogenous latent variable. That is the coefficient represents the amount of variance in the endogenous constructs explained by all the exogenous constructs linked to it, where values of 0.5 are considered to be moderate and 0.25

are weak (Hair et al., 2017). In our model, the mediators R^2 coefficient of LOY is 0.304 so we can assess that this value is nearly moderate. In addition, regarding the variances explained by variables of QUA, CUS and SAT, an R^2 of 0.304 shows that QUA, CUS and SAT are accounted for 30.4 per cent of the LOY variations.

4) Effect size (f^2)

(see Appendix 8). In addition to evaluating the R^2 values of all endogenous constructs, the change in the R^2 value when a specified exogenous construct is omitted from the model can be used to evaluate whether the omitted construct has a substantive impact on the endogenous constructs or not. Guidelines for assessing f^2 are that values of 0.02, 0.15, and 0.35, respectively, represent small, medium, and large effects (Cohen, 1988) of the exogenous latent variable. Effect size values of less than 0.02 indicate that there is no effect. The result in Table 7 shows that there are small effect for the relationship between QUA and LOY (f^2=0.034), nearly medium effect for the relationship between CUS and LOY (f^2=0.068), SAT and LOY (f^2=0.083), CUS and SAT (f^2=0.053), QUA and SAT (f^2=0.074), nearly large effect for the relationship between QUA and CUS.

5) Blindfolding and Predictive relevance (Q^2)

Geisser (Q^2) test indicates the predictive ability of the dependent variables (see Appendix 9). The result shows that the constructs of CUS, LOY and SAT are higher than 0 which supports the predictive capacity of the research model.

6) Effect size (q^2)

The Q^2 values estimated by the blindfolding procedure represent a measure of how well the path model can predict the originally observed values. Similar to the f^2 effect size approach for assessing R^2 values, the relative impact of predictive relevance can be compared by means of the measure to the q^2 effect size. As a relative measure of predictive relevance, values of 0.02, 0.15, and 0.35 indicate that an exogenous construct has a small, medium, or large predictive relevance, respectively, for

a certain endogenous construct. This figure must be computed manually because the Smart-PLS software does not provide them. To compute the q^2 value of a selected endogenous latent variable, we need the Q^2included and Q^2excluded values. The Q^2included result from the previous blindfolding estimation is available from Table 8. q^2 (QUA is removed) =0.0058, q^2 (CUS is removed) =0.026 and q^2 (SAT is removed) =0.032 which show QUA, CUS and SAT have small predictive relevance for LOY.

5. Conclusions and Managerial implications

5.1. Conclusion

The research results show that there is a positive relationship among the tour operator's service quality and the travel agent's customer value, satisfaction, loyalty. The research results also show that there are positive relationships between the travel agent's customer value, satisfaction and loyalty; there is a positive relationships between the travel agent's customer value and satisfaction. The research results also show the impact of service quality on loyalty through customer value, satisfaction; the impact of service quality on satisfaction through customer value; the impact of customer value on loyalty through satisfaction. Through consultation with some travel agents, after data processing, it was found that the tour operator's service quality is the most important factor determining the relationship between travel agents and tour operators. Tour operator's service quality is also travel agent's, helping travel agents implement their business strategies and deciding whether travel agents maintains a relationship with tour operators or not. The research results confirm that in travel industry B2B environment, satisfaction includes process satisfaction and outcome satisfaction, loyalty includes behavioral loyalty and attitudinal loyalty.

5.2. Managerial implications

From the research results, some managerial implications are proposed related to increasing the loyalty of travel agents, thereby helping tour operators in Vietnam to achieve success in their business activities.

Firstly, tour operators need to provide products with stable quality, avoiding the service quality of each group and each tour is different. Travel agents can feel secure and focus on exploiting tourists so that the tour operators can have more customers. Stable service quality helps travel agents reduce customer care costs and the costs of learning and switching to another supplier. This is the basis to help travel agents maintain long-term relationships with tour operator.

Secondly, the tour operators needs to provide quality services as commitment to the buyer, the travel agents. In the travel industry B2B environment, there is a contradiction between offering tours and organizing tours. Travel agents selling tours to tourists often speak well about the products to easily convince tourists to buy the products. In contrast, the tour operator will organize tours according to the standards set by both parties. And sometimes the tour operator, as a seller, also talks well about its product to the buyer, a travel agent. Therefore, travel agents and tour operators need to agree on service standards and provide the right services to tourists.

Thirdly, tour operators and travel agents need to carefully research each type of tourist customer they will serve so the service quality meets the end consumers who are tourists. Travel agents are people who directly approach tourists to advise and sell products, while tour operators organize consumption. In case the tour operators clearly understands the tourists that the travel agents send, the tour operators will provide services that match the tourists' expectations, and the tour operator's service quality also meets the travel agents' expectations.

Fourthly, tour operators need to invest in improving the quality of their services to meet the increasing demands of customers, helping customers feel that the quality of service is commensurate with what they spend. Improved

service quality is a tour operator's competitive advantage. In addition to meeting the demands of tourists, the two sides need to coordinate to provide services that are highly competitive, unique and always improved.

Fifthly, tour operators need to provide services that made travel agents's satisfaction and offer more value for travel agents to enhance travel agents's loyalty. Tour operator's products must be competitive in terms of service quality and price.

5.3. Limitations

This research has some limitations related to sample size and sample taking method because the difficulty in approaching the board of director members of travel agents. The future researches should increase the sample size and apply the more exact sample size taking method such as stratified random sampling. The future researches can be focused on other factors such as antecedent variable of service quality, customer value, satisfaction.

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