

## Travel Agencies: Toward Protecting Travel Consumers from Online Travel Agency Scams

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### Abstract

Traditional travel intermediaries have always been the "go-to guy" for arranging travel services, and with the internet, consumers today can make independent purchasing decisions. However, many consumers fall prey to the travel scams of "travel agency sharks" on the internet. How does one distinguish between a legit travel agency and a fraudulent one? Moreover, what is the impact of these scams on the sector? The purpose of this paper is, therefore, to find ways to curb this corrosion. The study followed a qualitative approach, and the population included n=19 travel agencies registered with the Association of Southern African Travel Agents (ASATA), and semi-structured interviews were used to gather data. The results indicate that the travel agency operation still needs strict regulations, and there is also a great need for education and awareness on the side of the consumers in terms of the services of a travel agency. This study contributes to the gap that exists in travel agency literature, research on online travel agency frauds and possible mitigating factors.

**Keywords:** Agency, fraud, internet, travel agency, tourism

### Introduction

An unknown author states, "to function well in today's world, you need a good doctor, a good lawyer, and a good travel agent." The first one takes care of your health, the second one aids you in traversing legal battles, and the last one transforms your travel holiday dreams into a reality (Mancini, 2013: 105). The importance of using a travel agency for travel bookings cannot be taken for granted. For years travel agencies have played a vital role in the tourism distribution channel, acting as a broker by bringing sellers and buyers together, and they continue to play this vital role (Dolnicar & Laesser, 2007). Travel agencies sell products that they do not own and are paid a commission on the sale of travel products by the suppliers; for example, they sell airline tickets and reservations on behalf of airlines (Kadam & Janvekar, 2020). The value of a travel agent cannot be ignored, and there are varied reasons why it is ideal for a consumer to book through one. Some reasons include that travel agents are experts who can find the best deals from reputable suppliers, save consumers' time, and are accountable for problems (Mancini, 2013). Furthermore, travel agencies provide up-to-date information pertaining to accommodation, sightseeing, and travel documents such as passports and visas (Kadam & Janvekar, 2020; Henama & Apleni, 2020).

Over the years, we have seen the evolution of travel agencies, and today there are different kinds of travel agencies. From traditional travel agencies, specialised agencies, medical travel agencies, and now online agencies. There has been a shift in terms of a travel agency's functionality or role. Traditionally, consumers would approach a travel agency for the purchase of travel products. However, with the internet, consumers are now conducting the same process online, ignoring traditional travel agencies (Lam & Cheung, 2009). From the consumer's point of view, using an online travel agency represents easy access to information.

According to Kelly (2017), online travel agencies have exponentially gained market share since the 1990s, occupying almost 40% of the US online digital booking market today.

Unfortunately, undesired travel agencies have emerged with the shift to the internet. As indicated in the literature, several fraudulent travel agencies are taking advantage of vulnerable consumers by pretending to be real travel agencies. They have "legit websites" and provide travel confirmations and itineraries, only for a poor consumer to find out at the airport or at the destination that it was all a dream. This situation begs the question as to whether there are ways in which consumers can avoid falling prey to these scams. This also compels the research to look into available governing regulations to protect consumers and the impact this could have on the image of travel agencies.

The existing research on travel agencies has focused on a collaboration between airline companies and travel agencies (Yeh et al., 2016); the competitiveness of traditional travel agencies (Aguiar-Quintana et al., 2016); competition between online travel agencies and hotels (Chang et al., 2019); customer loyalty to travel agencies (Silva & Goncalves, 2016); concern about the information provided on the websites of medical travel agencies (Maguire et al, 2016); website evaluation of online travel agencies (Chiou et al, 2011), and internet vs. travel agencies (Frias et al., 2008). There is limited research on the scams in retail travel agencies resulting from the internet revolution, which validates the need for this study. Online travel agency deceptions are becoming common in many countries, leaving many victims with empty wallets and holidays in dreamland.

Against this background, this research aims to formulate expert knowledge on how the consumer can be vigilant against travel scams and the role that the travel agencies can play in protecting the consumers and the overall image of travel agency operations. The results from this study may be helpful to consumers, both experienced and prospective travellers, and may pave the way forward for the industry in terms of finding solutions for regulations.

## **Literature review**

### ***The travel agency industry in South Africa***

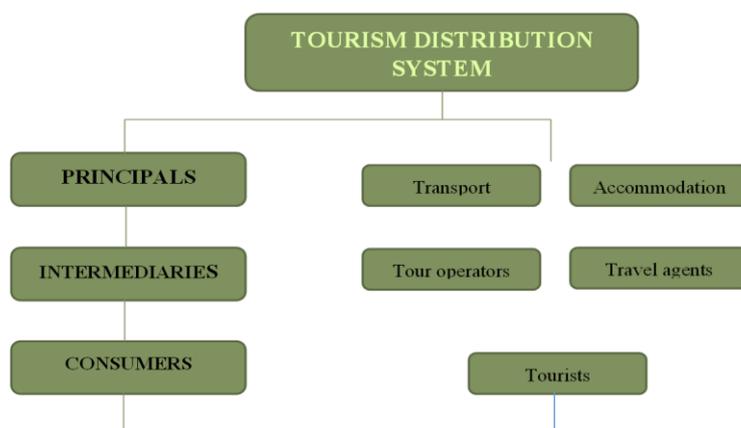
The South African travel agency industry is quite competitive and dynamic. Since 2005, the industry has grown significantly and contributed almost 9% to the South African employment in the service sector (ASATA, 2018). To better understand the travel agency industry in South Africa, one needs to follow the tracks of the Association of South African Travel Agencies (ASATA). The main premise of the association is to offer a professional and ethical service to the travel consumer and regulatory standards to its members. More than 1000 travel agency branches in South Africa are affiliated with ASATA. Of many travel agencies in South Africa, almost 64% follow the business model of the Independent Travel Consultant (ITC). This model encourages the agent to be self-employed. 14,4% of the market is also made up of travel agencies belonging to branded branches or owned by travel groups. The industry comprises 13,5% franchised branches and 4,9% affiliated travel agents (ASATA, 2018). Over the years, the industry has seen changes in the business model of a travel agency, such as the restructuring of the revenue base and the shift from solely focused on the supplier to customer-focused and start charging customers fees for services. The industry has also seen a growth of presence on the internet, attracting both leisure travellers and corporate clients.

Starting a travel agency in South Africa is not specifically different from starting any business as the travel sector is yet to be regulated. An individual will be subjected to registering a business and being tax compliant. With the necessary capital, relevant licenses/accreditations such as Global Distribution Systems and International Air Transport Association (IATA) can be obtained for operational purposes. As stated earlier, ASATA is a non-compulsory body representing travel agencies in Southern Africa, therefore; it does not regulate the industry.

### *The role and importance of travel agencies*

Essentially, there are two different kinds of travel agencies, traditional travel agencies and online travel agencies. The travel products are relatively the same but the platforms from which the services are offered differ. Traditional travel agencies were the first business model in distribution to emerge, and then later, it was online agencies. Online agencies took off after the introduction of the internet in the 1990s (Singh, 2019). Online travel agencies perform the same functions as traditional agencies by providing access to travel-related services.

On the other hand, traditional travel agents provide more customised services according to customer needs (Kim et al, 2007). As noted earlier, travel agents can be categorised in different ways depending on the market that they serve. These markets can either be the leisure market, this is the market for holiday purposes, and there are also travel agencies serving the needs of corporate clients. They are paid commissions for assisting clients with travel services, and their role is to act as an intermediary between suppliers of travel services or principals and customers (Lai, 2014) by providing information, handling transactions, and advising customers, as depicted in Figure 1 below. In essence, travel agencies play an essential role as the middlemen between a consumer and principals (Aguiar-Quintana et al., 2016). Sometimes travel agencies are confused with tour operators, who are responsible for arranging tours that can be marketed or sold by travel agencies.



**Figure 1: Tourism distribution system**

### *Online travel agencies*

The revolution of technology is changing the way businesses operate (Opote et al., 2020). The role of travel agencies as information providers has transformed, which can be attributed to the internet. Traditional travel intermediaries face a complex operational environment due to the internet (Aguiar-Quintana et al., 2016). There is already competition between online and traditional travel agencies as suppliers cut the need for intermediaries, known as disintermediation (Law et al., 2015). The concept of disintermediation means that travel product owners such as airlines and tour operating companies bypass the travel agencies and book directly with the tourism product owners. This is a major threat to traditional travel agencies. The internet has changed the face of the tourism industry in terms of information sharing and e-commerce. The largest category of goods and services purchased on the internet are travel-related products (Yu, 2008). Marketing charts of 2018 indicate that globally, the biggest online market ahead of travel (59%) is fashion (61%). This supports the claim that travel-related products largely make up online purchases. It must be noted that traditional travel agencies are quite familiar with information communication technology (ICT) as they depend

on it for up-to-date information. This information is accessed through computer networks such as Central Reservation Systems (CRSs) and Global Distribution Systems (GDSs). These computerised networks have allowed suppliers to promote their products and accessibility for consumers.

Using a travel agency provides uniform travel arrangements and a form of “security services” (Gustafson, 2012: 278). This form of security services comes in the form of all the travel products being arranged at a one-stop shop, thus providing convenience, and the internet enables such convenience. It is for this reason that travel agencies appeal to consumers even more online; purchasers of online tourism products and services enjoy convenience and access to flexible rates (Wu & Chang, 2005; Wang & Wang, 2010). With online travel agencies (OTAs), consumers can book with suppliers through websites and experience the hotels’ services offline. The dissatisfaction with the offline services of the supplier means that there is the possibility that the customers may book through the OTA websites in the future (Chang et al., 2019).

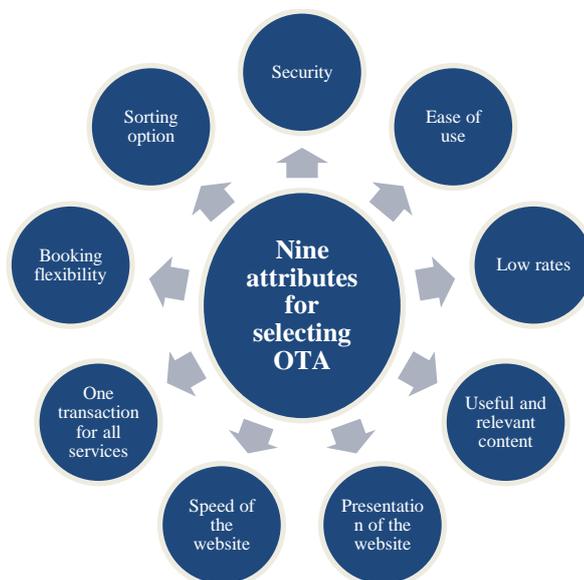
OTAs have mastered their websites to lure prospective consumers. For example, in terms of responsiveness, their websites are helpful and do not ignore customers’ requests. And with assurance, the OTA websites display capable behaviour to instil confidence in customers and empathy. They also provide customers with individualised attention to demonstrate that the agency has the customer’s best interests at heart (Chang et al., 2019). From the market’s perspective, many feel it is easy to access information through OTAs, particularly for younger people. In a study conducted by Castillo-Manzano and López-Valpuesta (2010), the results indicated that younger people are most likely to make travel bookings on the internet. The increase in online distribution has meant that suppliers bypass travel agencies, thus contributing to disintermediation. According to Aguiar-Quintana et al., (2016), the introduction of the internet has put traditional travel agencies in a complex and uncertain operating environment. With these changes in the distribution system, the internet also comes with the issue of trust and security as travel consumers are exposed to travel scams.

### *Causes of online travel scams*

Internet scams are not unique to the travel sector. According to Levi (1998), travel fraud cuts across several financial institutions, businesses such as airlines, travel agencies, and customers. Travel frauds are enabled by fake travel agencies, word of mouth, black markets, and employees of genuine travel agencies through stolen credentials (Hutchings, 2018). Whether young or old, everyone is not immune to travel scams, which begs the question of trust with travel purchases online. According to Lai (2014: 419), trust in a travel agency is “a feeling of confidence that the travel package offered by a travel agency will meet his/her expectations”. For an online purchase with a travel agency to be a success, it needs a great deal of trust (Kim et al., 2011: 256). Online shopping is quite scary and many consumers are reluctant to share personal information because they do not trust the digital transaction of goods and services (Suh & Han, 2003), particularly the high-priced tourism products and services (Kim et al., 2011: 264). There is an upswing of fraud in the travel industry. In a report conducted by Edgar, Dunn & Company, it was predicted that the sum of fraud losses to the travel intermediaries will increase by 19% to an estimated amount of \$25 billion by 2020 (Shnidman, 2018).

Fraudsters create “real” travel booking sites using appealing pictures of travel destinations derived from the internet. These sites promote discount deals using search engines such as Google. Consumers need to book only through a legitimate agency with a reputation (Kirsten, 2019). Kirsten (2019) also suggests that consumers should look for online reviews. However, this is dicey as scammers’ websites may contain fake reviews highlighting the

agency to be the best and have been around for some time. Kim et al. (2007) identifies nine attributes for selecting travel agencies online (Figure 2).



**Figure 3: Nine attributes for selecting travel agencies online**

From a South African perspective, there is an association of travel agents known as ASATA. Perhaps this is one way of measuring the legitimacy of a travel agency. ASATA was established in 1956, representing almost 90% of the travel industry. One of the main thrusts of the association is to ensure that travellers that are making use of an ASATA-accredited agency receive professional, ethical, and trustworthy services (ASATA, 2019). Although this may be a way to assess the legitimacy of a travel agency, herein lies the problem; ASATA's membership is voluntary. So, for this reason, there may be legitimate agencies that are non-members.

### ***Online travel scams: Cases***

Unfortunately, fraud cases of travel agencies continue to spread, leaving consumers in shambles and ultimately destroying the image of the travel agency operations. Particularly with OTAs, fraudulent trade has been one of the significant disadvantages (Kadam & Janvekar, 2020). The following section will demonstrate some of the narratives drawn from the media. These cases are real and affect young and old people; in one incident, Soweto pensioners were left heartbroken after being defrauded an estimated amount of R85 500 (\$6, 028,49). Kgobotlo (2019) states that one elderly reported on how they were returned at the check-in counter: "We are not working; we are just pensioners. How dare he rob old pensioners". In another story reported by Ramphela (2019), a couple planning a honeymoon through a travel agency were victims after paying a full mount: "I lost a total of R63 000 (\$4 443,51) for a holiday to the Maldives, but there were many extras we planned once we were there." Serra (2018) reported another similar case of honeymooners in Cape Town who were conned an estimated amount of R40 000 (\$2, 820,35) to Thailand. The couple was provided with fake travel documents and learned about them as they were about to board the plane. Njilo (2018) reported on a case of friends who were scammed for a holiday to Zanzibar. "The day before our departure, I checked online only to discover that the tickets were invalid." One friend reports the ordeal: "I am so mad and angry. This was supposed to be my first overseas trip. I wanted to have a special birthday celebration."

Lee (2014) also reported on a case of families in the United Kingdom that fell prey to a fraud costing thousands of Rands, operated by a "non-registered" travel agent in Polokwane. Many also discovered at the check-in that the tickets were invalid. The cases presented above are just a few of many; what is somewhat troubling is that many of these scammers will initially have a proper trip to build trust and word of mouth. So, a family member whose trip was "successful" with the travel agency could easily suggest the agency to friends and relatives, resulting in entering a lion's den. In 2018, the ASATA CEO reported on *Carte Blanch*, an investigative journalism television show in South Africa, that "This is a professional industry; you would not go to a doctor or an accountant that is not registered with a professional body, and we encourage people to consider the same when booking travel services."

Although this makes sense, the narratives are not necessarily the same as the medical, accountancy or legal sectors are much more regulated and protected than the business operations of travel agencies. For this reason, the element of trust from consumers is much more practised. This situation is much more complex, if a client searches on Google and comes across a travel agent claiming to be a member of ASATA or any professional body, not many people will visit the ASATA Website to verify this. Moreover, the ASATA Website is not updated daily in terms of active membership.

### ***Image of the travel sector***

Image is usually associated with destination image in tourism literature, not necessarily on the travel agencies or the sector. Literature has pointed out that travel agencies are often the primary information source in terms of destination selection (Baloglu & Mangalolu, 2001). In other words, the use of travel agencies is based on trust, and this can be translated to having a good image in the eyes of the consumers. The negative image of travel agencies can be generated from the bad experience encountered by consumers online. According to Frias et al., (2008), the internet experience can cause confusion and frustration for the consumer, thus leading to a bad image. In their study, Frias et al., (2008) found that destination image becomes worse when the internet is used as compared to a travel agency exclusively. There is no available data on the image caused by travel scams, and the current study seeks to establish this through industry professionals.

With all this in mind, this study aims to address this dilemma by looking at the role of travel industry professionals in combating this predicament and the role that consumers can play in being more vigilant against travel scams. Therefore, this was done by gathering professional advice on what consumers can do to protect their hard-earned money by not falling prey to these scams. Furthermore, the research aimed to provide measures that can be put in place to safeguard travel agency operations as a professional industry, as the ASATA CEO stipulated.

### **Methodology**

This study adopted a qualitative approach. The qualitative approach allows the study population to share their perspective on the investigated phenomenon (Mason, 2002). For this reason, the qualitative approach was deemed appropriate as the objective of the study is to investigate the viewpoints of the experts in the sector on the matter.

The primary aim of this research was to investigate the nature of travel agencies and the travel scams in retail travel agencies resulting from the revolution of the internet. To achieve this aim, the following research questions were asked:

- Is opening a travel agency in South Africa a bureaucratic process?
- What is the importance of using a travel agency?

- What are the causes of travel agency/online scams and their impact on the overall image of the sector?
- Are there ways to combat fraudulent travel agencies and advice for travel consumers?

For a qualitative study, purposive sampling is appropriate; as stated by Creswell (2013), study participants are selected with the intention that they will answer the research questions and understand the phenomenon being studied. So, to better represent professionals within the travel agency operations, the study population consisted of travel agencies in South Africa registered with ASATA. The travel agencies work closely with travel consumers and are therefore seen fit to provide valuable information on the phenomenon studied.

A complete list of travel agencies was obtained from the ASATA Website, of which many agencies are located in South Africa. As previously mentioned, ASATA represents almost 90% of the travel industry. Travel agencies in South Africa were included in the study for which the motivation is three-fold:

- Travel agencies are experts and play a vital role in the travel industry.
- Legit travel agencies are mostly affected by these travel scams.
- As tourism stakeholders, travel agencies' opinions and solutions on issues that affect their business matter.

All the travel agencies were contacted via email to establish their willingness to participate in the study. The email included a consent letter explaining the value of the study to ensure that participating agencies have an idea of what the study is all about. The participants were assured confidentiality and anonymity in the letter and could withdraw anytime.

Although the list of travel agencies from which the sample was drawn is over 100 members, with a qualitative approach the sample size tends to be small (Sandelowski, 1996). Morse (2000) suggests that if data collected from respondents is more useable, fewer respondents are needed. Previously, researchers such as (Clarke & Braun, 2013; Fugard & Potts, 2015; Guest et al., 2006) have suggested that when it comes to qualitative studies, a minimum sample size of at least 12 is required to reach data saturation. Therefore, a sample of 20 travel agency experts was deemed sufficient for the study's primary purpose.

Over 50 emails were sent to travel agencies across the country, and many were undelivered. A total of 19 travel consultants agreed to participate in the study. It was difficult for the researcher to conduct face-to-face interviews with interested travel agencies amid the pandemic due to geographical barriers and the busy schedule of the respondents. The online semi-structured interviews were scheduled at their convenience, and the researcher developed an interview guide that was guided by the research questions of this study. The research questions had already formulated the themes for analysis in line with the research questions of this study.

This section starts with a background of the research participants. Most of the respondents held different positions in their agencies, from travel consultants to managing directors. As seen in Figure 3, the majority were managing directors of the travel agencies. As previously noted, for this study, it was essential to obtain information from the experts dealing with travel agency issues on a day-to-day basis. The respondents' backgrounds suggests that the information provided in the study can be treated with validity. This information suggests that the research participants provided varied data from different expertise within the travel agency operations.



**Figure 3: Position within the agency**

Source: Author's research

Table 1 presents the years of experience and market specialisation of the respondents. Most of the respondents boast much experience in travel agency operations. The majority (63.16%) have been in the travel sector for more than 21 years. There is also a varying market specialisation of travel agencies, from corporate to leisure and corporate. Table 1 also supports Erdoğan's (2012) claim that travel agencies are diverse, mainly dependent on the destinations, the business size, the type of product, and the market to which it appeals.

Table 1. Respondent's background (N = 19)

Years of experience	(f) N=19	(%)	Market Specialisation	(f) N=19	(%)
21+ years	12	63.16	Leisure and corporate	13	64.42
11 – 20 years	5	26.32	Corporate	4	21.05
5 – 10 years	2	10.53	Leisure	2	10.53

Source: Author's research

## Results and discussion

This study aimed to understand the cause of travel scams and to gather expert knowledge on how consumers can avoid falling prey to these frauds. Responses to research questions on understanding this occurrence were categorised according to the following themes: *The importance of using a travel agency; opening a travel agency in South Africa; causes of the travel agency scams; the impact on the overall image of the sector; mechanisms to combat fraudulent travel agencies and advice for travel consumers.*

### *The importance of using a traditional travel agency*

Travel agencies play an essential role in the travel and tourism industry, especially in distributing travel products (Thomson, 2008). With the advancement of technology and the Fourth Industrial Revolution (4IR), one of the study's secondary objectives was to find travel agencies' position and importance in this internet era. Travel experts believe that it is important to make use of agencies as they are knowledgeable with the latest travel information, saving clients' time and money and assuring peace of mind. Technology might improve for the better. However, traditional travel agencies will always have a role to play because of the professional aspects to travel. Furthermore, the results suggest the process of dis-intermediation, where consumers bypass the travel agencies to deal directly with suppliers (Andreu et al, 2010). It is rather not eminent because even with the internet, travel agencies have the advantage of a human touch where the needs of consumers are considered (Kadam & Janvekar, 2020). One travel consultant explained:

"With the amount of online fraud, false advertising, and changing weather, you do not want to get stuck somewhere with no one to call back home. The industry is slowly moving

back to traditional agents. Care of duty for corporates and reporting capabilities are of the utmost importance; you will not have that if you book online."

With the influence of the internet, other travel agency experts believe that the importance of using a travel agency has changed in terms of their role and the clients they mainly serve. Traditionally, vacationers are known to be the central focus of tourism enterprises such as travel agencies and tour operators (Singh, 2019). A travel agent specified:

"The importance of using a travel agency in this day and age has changed dramatically with the accessibility of online booking platforms. This shift has seen travel agencies utilised as an outsource for corporate travel procurement and to arrange trips that are difficult to arrange yourself."

This quote above indicates that the impact of the internet on travel booking has meant that the travel agencies' market has been cut to the point that many agencies are now predominantly serving the corporate market with less leisure as people use the internet. The importance of traditional travel agencies is highly emphasised in terms of their personalised services. Travel agencies simplify the process for clients by selecting the best options and advising clients about the destination, attractions, activities, and all the other travel components regarding the journey. A study by Cheyne et al., (2006) indicates important benefits such as reliability, assurance, handling complexity, good deals, and security. Despite the growth of online agencies, many clients still prefer the traditional travel agency for the benefits highlighted. A travel agent explained:

"Knowledge and experience, there are so many options available on the internet, it is difficult to make a decision. Travel Agents know the hotels and destinations and know what works and what doesn't. It is a one-stop shop for flights, accommodation, rail, etc., we know the latest rules, regulations and visa updates, but a client cannot speak to Google. There is also personalised service – I genuinely do everything possible to assist my clients and make their travel life easier, 24/7 service – any time, any day, Knowledge of airlines and procedures, contacts when things go wrong, GDS – quick and easy access to all flights."

The quote above illustrates the importance of the human factor and the indication that travel agencies will never be obsolete. Although the internet has benefits for the travel sector, the importance of dealing with traditional travel agencies can never be surpassed as they provide personal service and are available in emergencies.

### ***Opening a travel agency in South Africa***

With fraudulent online agencies popping up everywhere, the researcher wanted to investigate the ease of establishing a travel agency in South Africa. On the ASATA list of members alone, over 150 South African travel agencies compete in this seasonal market and mostly rely on the corporate market to stay afloat. Some of which are no longer active. The experts were split in terms of whether it is difficult or easy to open a travel agency. Half say that opening a travel agency in South Africa is relatively easy. There seem to be issues with agencies' lack of regulations and accreditation. For example, one travel manager points out:

"It is easy, but most of them are not accredited, and do not have the knowledge or the skill set to look after their clients. This is also where most of the fraud happens...it is called ITC i.e. independent travel consultant. There seems to be a misunderstanding in the public that anybody can be a travel agent, and that we make lots of money, which is not the case. Reputable agents probably work on a net profit margin of 2.75 – 3.75%."

In addition to the easiness of opening a travel agency, a travel advisor stated that:

"Anyone can open an agency if they ticket through a 3rd party. No membership through governing bodies is a pre-requisite. Financials are not checked; experience is not verified, and they do not even have to have a registered company."

The quote above is somewhat concerning and may reveal why there are so many travel scams, especially if there are no proper verification systems for anyone claiming to be a retail travel agency.

The participants also indicated that opening an agency in South Africa can be quite difficult. And this difficulty is also attributed to the challenges of starting an agency in terms of the effort and resources required to succeed such as financing. Furthermore, the respondents insist that a lot of experience and skills are required. A senior travel consultant asserts:

“You need cash to buy the IATA licence, which is quite costly. You also need the client base – travel these days is very cutthroat with clients opting for a company that gives the service. The setup of the agency is also quite pricy, i.e. computers, courses, consultants, etc.”

Sharing similar sentiments, a director explained:

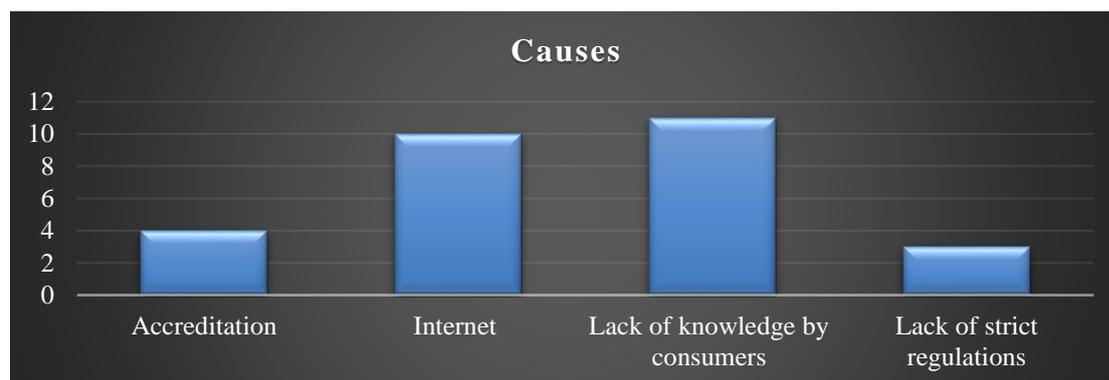
“Opening a travel agency in SA is hard work – not only does one have to fight for market share but to ensure constant regulatory adherence is an expensive and difficult exercise.”

The quote above shows that opening the agency is also difficult from a competition point of view regarding having a share of the market. This view is supported by the ASATA report indicating that the Independent Travel Consultant (ITC) business model accounts for 64% of the travel agencies in South Africa (ASATA, 2019). This indicates that the travel agency market is highly competitive.

Part of the concern from the participants is that everyone is able to open a travel agency. Most travel professionals in the industry take this as an insult to the industry. The premise is not to gatekeep the industry but to regulate new entrants into this market. One travel manager stated: "I've had personal experience of agencies opening without the owner having a clue as to how to run it. They think it's easy money – in reality, it takes a lot of effort, time, and hard-earned knowledge to start and maintain a decent, honest agency. I take it as a personal insult that anybody 'from the street' can open a travel agency and then pose as an agent. Then your assistance is called upon (without any compensation, might I add) to 'help' them with problems, quotes, etc.” Although it seems like a bureaucratic process to establish an agency from an administration point of view, the results show that many who need quick cash can find a loophole. It is quite concerning that no membership through governing bodies is a prerequisite for starting or operating a travel agency.

### *Causes of travel agency scams*

All the traditional travel agencies interviewed were aware of the travel agency scams within the sector, and most of the participants have heard of travel fraud between 5 – 10 incidents. The internet has undoubtedly exacerbated cybercrime, and in the travel sector, it is no different as fake travel packages are advertised on social media (Papanikolaou et al, 2013). This notion supports the results in this study as the research tried to establish the root of these scams, and the majority of the travel experts attributed the cause of travel scams to lack of knowledge by consumers and the internet (See Figure 4).



**Figure 4: Causes of the travel agency scams**  
Source: Author's research

The reasons for the travel agency scams varied from one travel expert to another. These incidents are quite common, and fraudulent online travel agencies usually possess what seems like valid tickets and vouchers provided to travellers. One managing director narrates:

"My agency is inundated with suspicious requests for reservations, normally originates from Ghana or "UK" where people ask which credit cards are accepted. Accommodation fraud over the November/December periods. The public pays, obtains receipts/vouchers, and this establishment either does not exist or is double-sold. Groups were left stranded at the airport after fake tickets/confirmations were sent. Honeymooners flew to a destination only to find that accommodation wasn't paid."

The issue of trust and lack of knowledge comes to the fore in many of the interviews with the participants. Many of the travel experts believe that travel consumers are too trustworthy with the travel information received from the internet. A senior travel consultant stated:

"Consumers believe everything they see on the internet, whether it's an advertisement or pop-up, of which in most cases it is just false advertising. They trust random people from all walks of life. Rather book with someone affiliated with a consortium like Pentravel, Sure Travel, XL Travel, eTravel, etc. But again, this is also due to lack of knowledge by consumers."

The quote above illustrates that information is quite critical. This narrative suggests that informed consumers are most likely not to be the victims of such scams and one travel consultant argued that:

"Contrary to popular belief, informed consumers are more likely to use travel agents. It is the not-so-informed ones that run for unbelievable online offers. Travel agencies with physical addresses are quite accountable."

Even though regulations and accreditation could be in place, the lack of knowledge by consumers and the internet enables fraud to occur. The lack of knowledge is also supported by Xu et al. (2021), indicating that the tourists' limited knowledge and the ability to discern imitation travel products is another factor. This requires more awareness and education for consumers. Travel bodies must create awareness that reaches far more than just those within the industry.

### ***The impact on the overall image of the sector***

The image of any industry is what sells. The researcher is of the belief that the travel business community should be concerned about the impact of these scams on the travel sector. Therefore, the researcher wanted to investigate the impact these scams could have on the overall image of traditional travel agencies. Consumers tend to be reluctant to consume

anything associated with a bad image, thus decreasing demand. The results from the respondents indicate that these scams can damage traditional travel agencies' reputations. Travel agencies are now viewed with suspicion. According to one managing director:

"Fraudsters and scam artists tarnish the reputation of other travel agencies by causing consumer uncertainty and pushing travellers to procure their tickets, accommodation, and vehicles directly through suppliers. Many travel agencies or ITCs are closing due to the lack of business."

This quote echoes the earlier narrative by one travel consultant that travel agencies are now dealing with the corporate market having lost the leisure market due to the internet. The quote above also echoes the sentiments of Frias et al., (2008), alluding to how internet confusion and frustration can cause a bad image.

Travel agencies are trusted for their professional and personalised services. With such scams in the travel sector, regardless of the nature of an agency, travel experts assert that this leads to a lack of trust as explained by one managing director:

"Consumers don't trust agencies anymore because of all the odds they see on the internet with different rates than those offered by the agencies and they end up thinking the agency is a scam."

In the earlier discussions, I made it clear that scams are not unique to the travel sector. From the experts' narratives, there was also a feeling that the image is not necessarily affected as scams are not unique to travel agencies. One of the consultants argued:

"I don't think it affects the overall image of the travel industry. Scams take place in many areas of commerce".

Although this is true, the magnitude of the negativity or the damage to the image of each specific industry is not quite the same given the services provided. Travel agencies sell products that they do not own, and they rely on commissions provided by the suppliers and consumers can easily bypass them, thus losing business.

The aspect of trust will eventually be an issue for most travel consumers. However, this will not stop consumers from using traditional travel agencies, as they provide personal service. Del Bosque et al. (2006) assert that the perceived image of a travel agency creates consumers' expectations of future services. So, with scams, the image of travel agencies might be tarnished, leading to an unreliable representation of the travel agencies in the consumer's mind.

### ***Mechanisms to combat fraudulent travel agencies***

As mentioned previously, ASATA is a voluntary body. To help with the sector's regulation, respondents were asked whether it should be compulsory to be a member of ASATA if one opens a travel agency. All the agencies said yes, this is important, and the respondents also provided possible solutions on mechanisms that can be applied to combat the scourge of fraudulent travel agencies. They emphasised the importance of stronger regulations that ensure compliance and also the need for a compulsory body. A managing director stated:

"Stronger regulation of the industry is the most important aspect. Ensuring that you only use an agency that complies with ASATA, IATA, PCI DSS, and the POPI Act compliance will alleviate the scourge of fraudsters".

Sharing the same sentiments. One consultant explained:

"All Travel Agents ticketing through 3rd party IATA accredited travel agencies should themselves be ASATA registered, which will ensure that their financials are checked yearly. No IATA-registered travel agency should be allowed to have any independent travel agencies ticketing through them that are not ASATA registered. To add, all new agencies should have undergone a very intensive vetting process, financial, legal, etc. These ITC's that are popping up everywhere are causing problems. New agents should pay a risk deposit to ASATA and

IATA (this is already in place with IATA) or have insurance in place, to cover for any fraud transactions, etc."

From the quote above, it is clear that this is quite an intricate situation, which requires solid regulations and customer education around guidelines for making use of a legit travel agency. Travel agencies use computer reservation systems known as the Global Distribution System (GDS) to access travel products. In Ivory Coast, one company compromised the system by issuing tickets fraudulently. Hutchings (2018) advises that travel agencies may need to run fraud detection systems.

### *Advice for travel consumers*

Being scammed can be conceptualised as essentially a “less desirable” part of the tourist experience and social practice (Xu et al., 2021: 1). The prevalence of frauds/scams is evident. However, as the researcher, I am interested in what travel consumers should look out for when requiring the services of a travel agency and the factors to consider to be able to distinguish between a legit and a fraudulent travel agency. From the travel experts, the issue of associations such as ASATA was believed to be what travel consumers should look for in terms of the agencies’ affiliations. Furthermore, experts warn against too-good-to-be true deals, as illustrated below by one director:

"One can check with the suppliers, check who they are affiliated with. For instance, I am affiliated with eTravel. I don't accept any money from my clients, all money gets paid over to eTravel and they pay it over to the suppliers. Therefore, I cannot run away with my client's money. There are scammers around any corner, it is not always easy to spot them. Also, accreditation is key, with credible bodies such as ASATA and SITA. If the deal is too good, it's probably a scammer as IATA controls fares and prices through credible agencies. Consumers must also look out for lack of credible physical address and accreditation logos."

Echoing these sentiments, one consultant advised that certain reputable sites could be consulted. However, cautions that the risks are always there, furthermore advises that clients should always receive travel documents after payments:

"Years of service / Hello Peter, Google Reviews, etc. if an agent is an ASATA member, you will have less risk, but it does not take the risk away completely. Any agent asking you for a full payment immediately and then they are not able to provide you with travel documents etc. are probably not 100% legit. Fraudulent travel agents will always advertise the too-good-to-be true specials, have an influx of people booking only to disappear with the money."

Fake travel agencies have managed to trick travel consumers by advertising on the internet and social media (Hutchings, 2018). The comprehensive advice from the participants addresses the causes of the travel agency scams stipulated earlier in this paper. According to Xu et al., (2021), solutions are somewhat limited, and this requires proper regulation. In essence, regulation is the best remedy or at least the best practice to deal with these challenges. As seen from the Word Cloud above, the most important factors highlighted are ASATA and IATA to be used as identifiers of a legit travel agency. Potential clients should also check the registration of travel agencies and affiliations. With this in mind, the challenge is that many respondents indicated that a fraudulent travel agency could easily claim to be a member of ASATA. Given that this situation cannot be completely purged, the researcher was also interested in whether there is a governing regulatory body or travel-related bodies according to which a victim of such fraud could report the case of a travel scam. The majority of the agencies indicated ASATA is the main body. One consultant said:

"One can report to the Federal Trade Commission or the ASATA, and if an agent belongs to a consortium, then report to them as well such as XL Travel, Sure Travel."



impact on the sector and not only the sector but consumers as well, who now may find it hard to trust travel agencies. Traditional travel agencies, through associations, must find alternative strategies to create awareness of travel agencies' business for consumers and improve the business's image.

The internet is growing and will continue to change the role of travel agencies as information providers. For customers, the need to investigate the agency before trusting them with travel plans will become even more crucial. It is recommended that travel consumers need more awareness and education in terms of being vigilant when seeking travel services from agencies. For example, checking body affiliation and associations such as ASATA and IATA. Also, it is recommended that consumers get references from previous past clients on the agency's legitimacy. Not only do consumers need to choose reliable agencies but they need to carefully examine agencies that are offering high discounts. Travellers need to be vigilant when choosing a travel agency "a deal that is too good to be true" is suspicious and possibly a scam. There should be a blacklist created on information associated with fraudulent agencies. From an academic and business perspective, this study contributes to understanding the current climate of travel agencies in the face of the internet as the traditional intermediaries in the distribution system, the challenges, and possible solutions. The study further highlights the need for rigorous regulations to protect the integrity of the sector. From the consumer perspective, this study enlightens prospective travel consumers on how to minimise the possibility of falling prey to travel scams. Perhaps for future research, a collaboration with ASATA may enhance the magnitude of the problem identified and devise strategies to enhance the importance of regulating the sector. Future studies should consider the perspectives of consumers to get a holistic view of the problem.

This study contains several limitations. Firstly, this research was conducted on the back of limited empirical research on the topic, thus limited literature. The sample may be regarded as small; with that said, the study obtained valuable qualitative information, which could be used as a basis for a more extensive study for future research. The results cannot be generalised to reflect the views of the whole travel agency sector in South Africa. This is the first research in South Africa to investigate how to combat online travel scams, and it therefore, serves as a point of departure for a more comprehensive inquiry into the regulations of travel agency operations.

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