



Invincible motives for buying packaged tours: A case study of Diano tours

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Abstract

Packaged tours have not always been the preferred choice of tourists. While being the travel mode chosen in the past by mostly educational and church groups, and not recognized as such as a form of recreational tourism, they were not ideal. However, while tourists in the 21st century have the option of buying each single component of a tour or visit, the packaged tour mode of travel and tourism has been evolving as the fashionable and preferred form of touring. For many tour groups it has slowly become the most affordable and convenient way to travel. The many changes in social and consumer behaviours have also influenced the development and choice of this tourism and travel modality. This article presents a quantitative research case study of one tour operator, which is a limitation of the study, in order to investigate some of the personal reasons for a sample of tourists preferring to buy packaged tours. The findings of the study indicate that marketers and/or intermediaries in the tourism industry need to pay closer attention to, and themselves conduct research into the motives or reasons potential tourists/buyers of packaged tours opt for packaged tours. In addition they need to look carefully at reasons for the apparent dissatisfaction of clients with certain aspects of such packaged tours.

Keywords: Intermediaries, e-travel, motives, packaged tours, tourists, travel agencies

Introduction

This article looks at the various advantages and disadvantages of travel modes, including the challenges and opportunities confronting the role-players in the travel industry that come with organizing and participating in packaged tours. While in the past tourists other than those who were members of educational or religious groups, tended to go for individual tours, changes in social and consumer behaviour have resulted in the renewed popularity of the packaged tour as a suitable option. Some of these changes have resulted in, and encouraged an abundance of special-interest clubs and associations, including clubs for motor enthusiasts, choirs, cultural and education groups, and sports/recreational clubs/activities, such as *inter alia*, yachting, hiking, and cycling.

For both the tourist and the entrepreneur packaged tours offer many advantages over individual tours. For the tourist a packaged tour offers the feeling and reality of safety and security which comes from being part of a larger group and freedom from responsibility for organising the tour. For an entrepreneur, packaged tours are a relatively easy way to sell destinations and attractions at attractive prices, having the potential to combine popular and possibly relatively unpopular destinations and attractions into a single package that can be financially viable. The popularity of some components of a packaged tour can make the package sell. Even if some of the other components may on their own be relatively less popular, the popular components serving as an attraction and a motive for potential tourists to purchase the package, gain it an edge.



Literature review

The literature reviewed for this study covered the origin and history of packaged tours, the various role-players involved in promoting and organizing packaged tours, the ways in which they articulate with one another, and their relationships with clients. Besides the tourists, these role-players/stakeholders include intermediaries, travel agencies, and tour operators. In the following sections the various types of packaged tours and role players are defined and differentiated.

Intermediaries

Baloglu and Managaloglu (2001) describe intermediaries as 'middle' agents between clients and principals. The intermediaries charge a particular percentage on the normal price in order to make a profit. Tourists buy the various different packages from the intermediaries and have different reasons for choosing to buy these travel packages from these agents instead of buying them directly from the suppliers. The advantage gained from this kind of transaction by both intermediaries and clients, is that the intermediaries, unlike the principals, manage to sell to clients at reasonable prices. The intermediaries have increasingly emerged as the most powerful and influential bodies within the sector, serving as organisers of packaged tours (Baloglu & Managaloglu, 2001:02). The two main types of intermediaries are travel agencies and tour operators.

Travel agencies

Travel agencies are businesses which organise and/ or book tourism services and get a certain cut as commission for doing so (Weaver & Lawton, 2006:157). Travel agencies often qualify for lower rates as a result of loyalty (loyalty points) to certain service providers, and also often succeed in landing sizeable contracts with companies or government departments to take care of their travelling needs.

There are numerous travel agencies, and types of travel agencies, in South Africa, one notable example being Harvey World Travel and Club Travel. Travel agencies endeavor to create and ensure a smooth connection between tourists and tourism businesses. These agencies play several important roles in promoting and sustaining the tourism industry. Weaver and Lawton (2006:157) indicate that one critical role of travel agencies is that of shaping tourism systems by providing undecided tourists with information and advice about potential destinations. Roday, Biwal and Joshi (2009:170) add another role: travel agencies sell and may sometimes market tourism products and services offered by service providers and tour operators. They may also offer travel related services, such as insurance and foreign exchange (Cooper *et al.*, 2005:437). Many tourists view travel agencies as important informants and superiors/experts in the sense of knowing everything about travelling, accommodation availability, and where to stay. Tourists also view travel agencies as sources of help and support, as saving them from the inconvenience and problems associated with organising transport and accommodation. However, some tourists do not share this view at all. Weaver and Lawton (2006:157) point out that some tourists regard the use of travel agencies as a waste of money because they add an unnecessary percentage to the price making it far costlier for the consumer.

The increasing popularity of technology and social media poses a challenge to travel agencies because people can now easily access tourism products directly online, rather than organising these on a face-to face basis. These online services include services such as *eTravel*. While



many clients believe that buying directly from a travel agency is cheaper and enhances direct contact with service providers, many people are still not familiar or comfortable with the use of technology, and technology can therefore be used to the advantage of travel agencies. Wolff (2010:04) elaborates on this view, arguing that there is absolutely no reason for people to use the expertise of travel agents to enrich these entrepreneurs, and claims that *eTravel* is the leader in the travel market in terms of making independent travel companies more successful, and using this social platform is far less stressful for potential tourists. Despite this argument a large number of tourists continue to use travel agencies for buying packaged tours as they consider these to be a more viable option.

Tour operators

A tour operator is a person or organisation buying individual travel services/products or tourism components (such as transportation and accommodation) from providers (such as carriers and hotels) and combining them into a package (the tour), which is sold with a mark-up directly to the public or through intermediaries (Mancini, 2010:82). Arguments exist that tour operators are sometimes unnecessary; it is argued that they take advantage of their customers and the ongoing debate that intermediaries (tour operators) are not needed has resulted in disintermediation. On the other hand, Buhalis (2003:242) argues that tour operators undertake a broad range of activities and offer a number of incentives for bargaining with suppliers, as well as to plan and sell their packages to tourists. The negotiations include discounts, and the modification of products to suit customers' particular needs and expectations. In this context disintermediation carries the threat of a removal of intermediaries from within the distribution system.

Benefits to tourists of purchasing tour packages

Tour operators and travel agencies offer opportunities to professional travel agencies to develop tourism packages by aggregating packages from disparate services. The following benefits of these opportunities have been gathered from previous studies. According to Buhalis (2003:119), and to Cooper et al. (2003:403), the following are some of the advantages of buying packaged tours:

- Packaged tours allow a degree of flexibility and are sometimes themed. This is normally based on the type of packaged tour and what are seen by tour operators to be the expectations of particular groups of clients. For example, a honeymoon package would have a particular theme related to the reasons for a couple buying it. Thus every component of the package will be linked to the honeymoon theme, including the type of accommodation and the activities.
- Tour operators develop packages based on extensive research and experience. This means that, they research the mistakes made, or the shortcomings of, past tours, and, based on these, are in a position to offer an improved package experience. Thus extensive research will have been carried out by the tour operator before s/he designs a tour package and a comprehensive range of factors would have been taken into consideration to ensure the interest, variety, enjoyment, and smooth running of the tour.
- Tour operators find ways to reduce the total price of the packages by, for example, operating charter airlines and by negotiating prices with principals. Tour operators and travel agencies are often affiliated with major travel associations such as the Association of Southern African Travel Agents (ASATA) and are therefore able to buy in bulk and get discounted prices. This enables them to offer competitive prices to clients.



- The Internet to date remains inadequate and unreliable for destination-naïve or inexperienced tourists in particular. Tourists have often been let down by purchasing packaged tours online because of the unrealistic advertisements which often do not depict the reality, and for this reason still prefer to buy their packages directly from the intermediaries especially in cases where they are not familiar with the places being advertised.
- A large part of the market is computer illiterate in varying degrees. Although many of the people who can afford to travel are equipped with basic computer skills, they have been found to be under-equipped and under-confident when it comes to making reservations and bookings online, mastering payment methods, and understanding the conditions of online bookings.
- Tour operators and travel agencies offer reduced travel insecurity rates as part of their tour packages, as they are responsible for all arrangements and can compensate consumers should products fail to reach specifications. Normally there is commitment to offer the clients quality service and therefore there are precautions taken to guarantee this, such as advising clients accordingly before they depart.

Intermediaries thus serve as a bridge between tourists and tourism businesses. The use of this service seems to be increasing, resulting in re-intermediation. For their survival in today's competitive business environment, intermediaries have to maintain attractive package deals, and standards which are pleasing to their customers. The following section describes and discusses the characteristics of different types of packaged tours including the advantages and disadvantages of each type.

Types of packaged tours

The five different types of packaged tours are indicated in the table below.

Table 1: Types of packaged tours

Types of packaged tours
Inclusive packaged tours
Foreign independent tour
Domestic independent tour
Excursion tour
Escorted tours
Dynamic packaged tour

Source: Adapted from Tourism Study Manual (2001b:06); Wong and Kwong (2004:581); Sharma (2008:170-172)

Table 1 above displays the six types of packaged tours discussed in detail below.

Inclusive packaged tour –an organised journey composed of transportation, combined with several other services or components (Tourism Study Manual, 2001b:6). An all-inclusive packaged tour is a popular mode of travelling according to Wong and Kwong (2004:581).



Foreign independent tour –an international pre-planned, pre-booked and pre-paid tour with the itinerary and components planned according to tourists' specifications.

Domestic independent tour – this is similar to a foreign independent tour. The only difference is that the foreign independent tour is for international tourists, whereas the domestic independent tour is available to domestic tourists within their country of residence.

Excursions tour – a brief tour, such as a sightseeing tour, that can be sold on its own or added onto other travel products. Excursion tours are normally of very limited duration and can be conducted by air, boat, bus, rail, limousine, and even on foot (Tourism Study Manual, 2001b:06). Excursion tours are mainly for educational and leisure purposes (Sharma, 2008:176).

Escorted independent tour – a form of tour where there is a tour guide. However, if there is no tour guide included, it can become a self-guided tour. It still contains all the normal components of a packaged tour. The difference is that there is somebody who is totally in charge of all services for the entire tour (Roday, Biwal & Josh, 2009:184).

Dynamic packaged tour –tourists can build their own package for this kind of tour, including the transport and accommodation, instead of having a pre-defined package (Sharma, 2008:170; Nick, 2009). According to Holloway (2004:217), dynamic packaging is also known as self-packaging, but online agents use the term dynamic packaging. This tour type provides tourists with the opportunity to select a combination of a flight and other products or components to produce their own tailor-made packaged tour. The two terms are in essence the same and often interchangeable (Tour Operators, 2010). The difference lies in the use of the two terms. The flexibility of self or dynamic packaging has enabled it to become increasingly used in the design and booking of packaged tours. However, there is a drawback to self-packaging, in the sense that there is a fear among the travel agency and tour operator fraternity of the risks attached to the dynamic packaged product. The risks include things like financial risks, fecklessness of clients, perishability of services and airlines. (First Conferences Limited Paper, 2005).

Kay (2003:176), and Tak and David (2005:01), explain how a tour operator offering a good price creates the potential to attract more tourists who take into account the convenience and price of the packaged tour. The authors see the advantage to both customer and tour operator of the wide range of choice of different types of packaged tours: tour operators can capitalise on these different types of packaged tours on offer in order to attract customers with different preferences. The following section outlines the research methodology chosen to investigate the reasons, and the rate of frequency of these reasons, tourists choose packaged tours.

The case study and methodology

A case study of Diano tours was chosen as an example of an intermediary that designs and sells packaged tours in the North West Province of South Africa. Diano Tours was formed in 2004 after breaking away from Magic Touch Tours, which was a family business. They offer long and short distance tours at what are considered to be reasonable prices. Page (2003:190) and Page and Connell (2006:10) explain that one technique tour operators use to keep their prices low, is by negotiating quantity discounts with suppliers and this is exactly what Diano Tours does.

The method used in this study is quantitative, because of the opportunity it affords the researcher to use statistical and numerical findings and data analysis related to the phenomenon being investigated (Bryman & Bell, 2017:32). Guderson (2000 cited in Muijs, 2011:1) sees a quantitative methodology as having the potential to explain a particular phenomenon through the collection of



numerical data that are analysed using mathematically based methods and particular statistics. The quantitative methodology was chosen for this study because of its ability to capture a range of reasons tourists have choosing to buy packaged tours, and for its potential to both elicit exact, reliable information and to enable a systematic comparison of the responses of a large number of people in a relatively inexpensive, fast and consistent way. In comparison, qualitative research involves perusing a substantial and time consuming amount of literature at the beginning of the study, to provide direction for the research questions or the hypothesis involved, as well the time consuming process of organising and transcribing face to face interviews and/or focus groups (Creswell, 2014; Neuman, 2014). Time and financial constraints militated against the use of a qualitative research methodology.

Sampling

The sampling method used for the quantitative part of this study was a combination of stratified and convenience sampling methods. Stratified sampling was found suitable mainly because it ensures that the different groups or segments of the research population are sufficiently represented in the sample (Creswell, 2003; De Vos, Strydom, Fouche & Delpont, 2013). With convenience sampling the respondents are usually those who are nearest and most available to the researcher (Rubin & Babbie, 2005; De Vos et al., 2013). The researcher employed both sampling methods to achieve consistency during the survey. The sample consisted of 300 hundred tourists who had at various times undertaken a tour, or multiple tours with Diano Tours.

Data gathering

As described in the previous section, the quantitative data were collected by means of survey and a questionnaire was the data collection instrument used. A questionnaire is a data collection tool consisting of a standardised series of questions relating to the research topic (Bless, Smith & Kagee, 2006:156). The questionnaires were given to the tour manager to distribute to the sample of tourist respondents for them to complete. The questionnaire was designed in such a way that no additional input/clarification from the researcher during the questionnaire administration process was required and its use was seen as a way to avoid bias arising from the researcher's possible subjectivity.

Findings and analysis

The section below discusses the findings of the research.

Biographical and demographic data

The findings from this section of the questionnaire revealed that 55% of the participants of the study were females and 45% were males. Most of the respondents (50,33%) were in the 21–40 years age group and respondents of over 60 years represent only 2,33%, making this age group the smallest age group participating in the survey. Most of the younger respondents who participated in the survey (68,66%) were aged 40 or under, and 31,34% were over the age of 40. However, this does not necessarily indicate that older people are less interested in packaged tours, as there could be other factors (variables) that could have influenced the results. The marital status of the respondents indicated that a large percentage of respondents were mostly single (70,67%) and the smallest percentage of respondents (only 1,67%) were widows and widowers. The occupational statuses of the respondents were grouped into five categories: (a) student, (b) employed, (c) own business, (d) retired and (e) unemployed. It is important to note that there are possible overlaps between these categories. For example, while a student may be employed or



unemployed, all of the student respondents were instructed to state that they were students. Also, respondents who both owned their own businesses and were employed were separated from those who were employed/in employment, meaning working for a company or for someone else other than themselves. Students accounted for most of the respondents (59.00%), and unemployed people of respondents, a mere (0,67%). There were no retired people in the sample.

Assessment of level of satisfaction of packaged tours

Scale Point	Satisfaction	Average % of respondents
1	Totally agree	29,81
2	Agree	50,30
3	Not sure	14,44
4	Disagree	3,89
5	Totally disagree	2,63

The degrees to which respondents assess their satisfaction with packaged tours is a very effective way of determining/measuring the experience and degree of satisfaction of a sizeable sample of customers and what they expect from a tour, particularly if - as is the case with this study - this assessment is based on actual tours that took place and were experienced by respondents. The table above indicates how the customers in the sample assessed the tours they had undertaken. The table indicates that most respondents were satisfied or content with their packaged tours: 50, 30% 'agreed' with all of the assessment criteria provided. However, this could mean that there were (a number of) isolated instances where things did not go well, or that some customers in fact experienced something(s) that was less than satisfactory given that 'disagree' and 'totally disagree' were indicated by some respondents, even if these accounted for a minimal percentage of respondents.

Convenience of a packaged tour

One of the benefits associated with packaged tours is their convenience. The tourist respondents were asked whether they found the packaged tour a convenient way of purchasing and undertaking holidays. Results from responses to this question indicated that 76.33% (26.33 totally agree+50.00agree) of the respondents were positive that the packaged tour was convenient, while 4,33% (4.00 disagree+0.33 totally disagree) indicated that they considered, or found, the packaged tour to be inconvenient. This response would indicate the advisability of the management of Diano Tours to investigate the reasons for these negative responses. This could also be a topic for future and/or further research into packaged tours.

Buying a packaged tour again

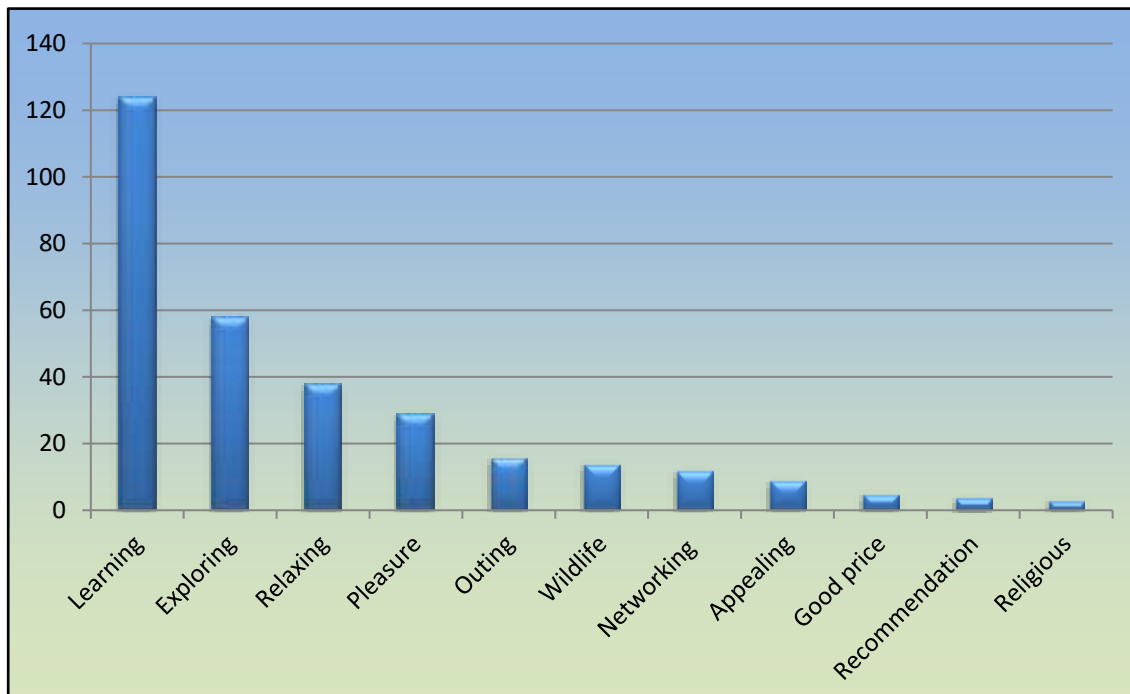
Of interest, especially to the tour operator, is whether customers would buy a packaged tour again. The results revealed that 81,33% (36.33% totally agree+45.00% agree) of respondents were positive that they would purchase a tour again, thus providing repeat business for the tour operator. However, 3,33% (3.00% disagree+0.33% totally disagree) were negative, indicating that the tour operator should consider redesigning packaged tours, based on the reasons for this



dissatisfaction, so that those potential clients who are negative about such tours could be convinced to revise their opinions.

Motives for buying packaged tours

Respondents were asked to provide the motives that influenced them to buy packaged tours. The results obtained were grouped. The figure below illustrates the motives in sequential order, from the reason most indicated to the reason least indicated.



Motives for buying packaged tours (n) (Source: Author's own)

The responses obtained relate, in descending order, to learning (124 responses), exploring, relaxing, for leisure purposes, an outing, wildlife, networking, appeal of the tour, the good price, and recommendations. The least indicated reason was religion, with a frequency of only three responses.

Discussion and Conclusions

This paper presents the dynamic view on packaged tours and could be seen to contribute to the literature on packaged tours. The findings highlight that highest on the list of the motives that motivate people to buy a packaged tour could be learning. One could say that learning, or education, in its broad sense, has always been the reason why people travel to various places. This 'education' can either be formal or informal learning, or be driven by curiosity, thus overlapping with 'exploring' as a reason. The fact that religious reasons for embarking on a tour



received the least number of responses could indicate that different people have different religions and prefer to travel with people of the same religion and on a tour with a religious focus. The other reason that received a large number of responses was 'exploring'. This reason for many people opting for packaged tours could indicate that many tourists are not familiar with a place/destination, and both want to learn (more) about it, and to feel safe and guided while doing so. In terms of marketing packaged tours, according to Morrison (2002), buying a packaged tour is seen as a convenient way of buying a tour especially if the purchasers have insufficient information about the destination(s) (Morrison, 2002:317). This is supported by the fact the most respondents in this study agreed that this is a convenient way of buying a tour. Relaxation was also high on the list of motives for people buying packaged tours. Packaged tours offer total relaxation and freedom from, and lifting of responsibility for, the preparation point as travelers have nothing to worry about. Relaxation is followed by pleasure as a reason and indicates not only enjoyment but also an overlap with relaxation. Many travelers, particularly international tourists, are also lured by the idea of buying a packaged tour which includes wildlife. Thus relaxation, curiosity and enjoyment go hand in hand with attractive prices. The table also indicates – to a relatively small extent - that packaged tours are sometimes bought based on the fact that there are people who recommend them to potential buyers.

It is important to note that, in addition to all of these motives, irrespective of the reasons given by a sample of tourists for buying packaged tours, the tourists are in agreement that the packaged tour is worth purchasing. By far the largest percentage – albeit in varying degrees - rated them positively and as satisfactory, with very few reporting dissatisfaction. As has been noted, the reasons for this dissatisfaction should not be ignored or under-rated and should be the focus of both future academic research and research by management of Diano and other tour operators offering packaged tours. The primary objective was to investigate the motives for, and reasons why, a sample of clients of a particular tour operator (the case study) opted to buy packaged tours.

The study concluded that the primary motive was learning. The findings of the study could be said to be generalizable because of the size of the sample to the tourism industry in South Africa. They can also be said to indicate, and advocate for, marketers and/or intermediaries in the tourism industry to package their tours according to the motives or reasons potential tourists/buyers of packaged tours opt for packaged tours. The study also suggests further research on the part of stakeholders in the tourism industry into the reasons for dissatisfaction of some – albeit relatively few - tourists with this form of touring and to revise their product and marketing strategies accordingly.

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