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Analysis of The Influence of Information Availability, Economic Factors and Changing Trends on Travel Agent Business Sustainability in Digital Era

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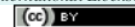
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7 Abstract

The goal of this study is to identify key factors in travel agent management and then differentiate their impact on the value creation of these companies. Researchers group methodologies for analyzing value creation in travel agencies into several main categories. The methods are interview and economic-financial analysis. Then we identify value creation indicators to determine economic value-added options, then we conduct empirical contrast. The research results reveal that travel agents, acting as intermediaries, have become highly relevant, absorbing nearly all industries of this sector's production. The historical analysis concludes that travel agents underwent a positive evolution in value creation during the studied period. The revolution in information technology, which increased staff productivity, and the process of sector concentration and association, which increased rotation, are the main factors driving this evolution. Investments in financial assets, tangible assets, and intangible assets also play an important role in transforming the sector's productive structure. While the evolution of margins plays a less significant role in value creation, the sector faces challenges due to price wars and strong competition. The positive impact of the sector's debt also increased, contributing to a significant increase in economic value-added. Finally, travel agents need to pay attention to these factors in their management in order to remain competitive and achieve their ultimate goal of creating value in this sector.

Keywords: Travel Agent, Economic Value Added, Competitive, Evolution.

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1. Introduction

The tourism sector has experienced significant development in recent decades. The rapid growth in tourist arrivals and associated revenues has encouraged countries to continue developing their tourism sectors. One important aspect of tourism development is improving tourism infrastructure. Countries that have good tourism infrastructure, such as easily accessible transportation, quality accommodation, and attractive tourist attractions, tend to be more successful in attracting tourists. The promotion of tourist destinations also plays an important role in developing the tourism sector. Through effective promotion, countries can increase tourists' awareness of their destinations and encourage them to visit. It is also critical to develop tourism services. Friendly, quality service can enhance tourists' experiences and encourage them to return to the destination or recommend it to others. Apart from that, environmental protection is also an important focus in tourism development. Countries need to ensure that tourism growth does not damage the natural environment or local culture, so that destinations remain attractive to tourists in the future. By managing tourism sustainably, countries can improve the economic and social well-being of local communities while strengthening relations between nations through positive exchanges of culture and experiences.

It is important to increase awareness and recognition of the tourism sector's contribution to the economy and sustainability. Public administration, researchers, educators, and professionals and workers in the tourism sector need to work together to increase understanding and appreciation of this sector. One way to raise awareness is through broader promotional campaigns about the benefits of tourism. Various media, such as social media, advertising, tourism promotional events, and collaborations with influencers and the media, can accomplish this. Furthermore, research and education can help to increase understanding of the tourism sector. Research can assist in identifying potential and challenges in tourism development, while education can prepare future generations for careers in this sector by understanding the needs and best practices in the industry. It is also important to involve local communities in the development of tourism. By empowering and strengthening ties between tourism and

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local communities, the tourism sector can become more sustainable and provide greater benefits for all parties. We hope that increasing awareness and recognition of the tourism sector's contribution will foster greater support for sustainable tourism development that benefits all parties.

The importance of tourism schools, both public and private, as well as the creation of the new Tourism Diploma qualification, have highlighted the need to establish a research framework along with a dedicated bibliography for the study of tourism as a strategic activity for economic development. Tourism studies is the fundamental reason why a scientific body with a tradition in tourism research has not yet been formed, which can provide a large bibliography and channel the research being developed, as is the case in other branches of science incorporated in our universities. In this context, the development of a common research framework and a bibliography specific to tourism studies is of particular importance. This can be done through collaboration between universities, research institutions, and the tourism industry to identify trends and challenges in the industry, as well as to develop solutions and innovations needed to support economic growth and sustainable development. By strengthening tourism research, we can better understand the potential and needs of the tourism industry and increase our ability to produce relevant knowledge and innovation. This will help improve the quality of tourism services, increase the competitiveness of tourism destinations, and provide greater economic and social benefits for society.

The evolution and trends of various indicators, such as the number of incoming tourists, income from international tourism, and contribution to the gross domestic product, often reflect the dynamics of tourism activities. The analysis of various statistics pertaining to these variables reveals a clear expansion in the tourism sector. The increase in the number of tourists entering a country is often the primary indicator of growing tourism activity. Factors such as effective tourism promotion, developed tourism infrastructure, and stable political and economic conditions can cause an increase in the number of tourists, indicating the increasing attractiveness of a tourism destination. Income from international tourism is also an important indicator for measuring the tourism sector's contribution to a country's economy. The country can use tourism's high revenues as a significant source of income for economic and social development. The tourism sector's contribution to gross domestic product is also an important indicator in measuring the sector's economic impact. A high contribution demonstrates that tourism plays an important role in driving a country's economic growth. By observing the evolution and trends of these indicators, we can understand the dynamics of tourism activity and identify the opportunities and challenges faced by the sector. Thus, statistical analysis becomes important in managing and developing the tourism sector in a sustainable manner.

The world tourism organization aims to distinguish between activities that can be considered characteristics of tourism and goods and services related to tourism, given the somewhat unlimited scope of tourism. Most definitions of tourism focus on the demand side, characterizing it as a collection of products and services that tourists acquire, irrespective of their own definitions. This approach posits that tourist spending, both potential and actual, contributes to all industries' global activity. While we cannot ignore demand when defining the scope of tourism, we need to more clearly describe the conceptual structure of these activities from the supply point of view, which forms the foundation of most statistical activities. In this classification, the term nature of tourism activities refers to those activities, like travel agents, tour organizers, and tour guides, that contribute significantly to tourism income relative to total income. Related goods and services are those whose sales portion is important for tourism. Therefore, a better understanding of the concepts and classification of tourism-related activities, goods, and services can help improve statistical analysis and monitoring in the tourism sector, as well as identify potential and opportunities for further development.

Tourism has become one of the most dynamic economic activities, as evidenced by the movement of tourists across countries, income from the tourism balance of payments, and overnight hotel stays. However, over the years, tourism has practically been abandoned and only began to be considered in the nineties, although it has not yet reached full scale. The previous research discussed about the tourism sector, this article reflects this lack of knowledge. This article states that the tourism sector, in its two aspects, hotels and travel agencies, is almost unknown in our country. This ignorance even extends to most of the highest levels of administration, entrepreneurs, both public and private, and their organizations, as well as other sectors of economic activity. This sector has overcome without trauma or resilience major contemporary crises and survived in sometimes very difficult conditions, but with dignity, a high level of maintenance, and sometimes even job creation, to date, which is already visible through the months that have passed and the prospects that are approaching as very favorable. Nevertheless, the growth and contribution of the tourism sector to the economy have been increasingly recognized and understood since the nineties. Increased knowledge about the sector has helped strengthen the tourism industry and identify potential for future development and growth.

Travel agents play a key role in the tourism industry by providing consistent consulting, mediation, and production services to meet customer needs. The growth of this sector shows a complex structure, with a variety of competing companies ranging from small businesses to large corporations. The geographic concentration of travel agents in

certain regions reflects distribution patterns that are interesting for further study. Retail companies' dominance in head office structures highlights their critical role in providing services to customers. The industry also reflects a highly competitive market, with ever-evolving management groups and associations playing an important role in shaping industry trends. Although technology has made a positive contribution to productivity, future challenges, such as threats from new technological innovations, remain a major concern for travel agents to maintain their competitiveness and business continuity. As a result, travel agents must constantly adapt to market and technological changes, as well as pay attention to industry trends, in order to remain relevant and competitive.

2. Research Methods

The aim of the research is to identify key factors in the management of travel agencies as well as differentiate their impact on the value creation of these companies. Prior to initiating the empirical comparison, we reviewed the value creation measures suggested by the financial literature to identify the most suitable indicators for this research. This analysis takes into account the advantages and disadvantages known to the authors, which are still under debate, and, most importantly, its adaptation to the specific characteristics of the information available in the sector. The goal of this empirical comparison is to identify value generators in travel agencies and determine the order in which these factors are important. Based on the current information available in this sector, the factors relevant for economic-financial management and the extent to which investment and financing decisions made by travel agents have determined the evolution of the value creation of these companies have been analyzed. We group methodologies for analyzing value creation in travel agencies into several main categories. First, interviews with travel agents and professionals related to this sector were conducted to gain a deeper understanding of business practices, challenges, and opportunities in this industry. We use economic-financial analysis, primarily ratio analysis, to assess the financial health of travel agents and pinpoint areas where we can enhance their added value. Third, the identification of value creation indicators is used to determine economic value-added options, which helps measure the extent to which travel agents succeed in creating value for shareholders. Finally, we employ regression methods to empirically examine the relationship between various factors and value creation in the context of travel agencies. Using these various methods, we can gain a more comprehensive understanding of value creation in travel agencies and design strategies to increase added value.

3. Results and Discussion

Asset analysis is a complex process that is critical in economic and financial contexts. The goal is to identify the evolution and trends of the main assets that shape a sector's economic and financial structure, as well as the correlation between them. Economic structure analysis is a critical aspect of asset analysis. This analysis evaluates various asset types to observe the relationship between the elements that comprise a sector's economic capital. It covers both fixed assets and circulating assets, taking into account the particularities of the sector. Apart from that, financial structure analysis is also an important part of asset analysis. The aim is to study the different proportions of total liabilities and balance sheet net amounts. This analysis helps examine the relationship between self-funding and external funding, as well as between short-term and long-term resources. We also analyze correlations between structural elements within the context of asset analysis. The aim is to determine the extent to which there is adequate coordination between investment and funding sources. This is important to prevent imbalances in the company management process in this sector. The technique for asset analysis involves expressing the various average balance items as a percentage. We do this to ascertain the absolute value and relative significance of each asset. Apart from that, the analysis also considers the optimal asset structure that can minimize the capacity required for a certain optimal level of activity, as long as it is supported by a stable financial structure. Thus, asset analysis provides valuable insights into the economic and financial management of a sector.

A more detailed analysis will reveal many details, but it is possible to highlight some general aspects of a travel agent's balance sheet composition over a specific time period. First, the balance sheet contains a high weight of current assets. This is not surprising, as this sector tends to have lower investment in fixed assets. Current assets, which include clients, other debtors, and availability, dominate the total asset value, with a value range of 75% to 90%. Second, the value of fixed assets is relatively less significant, even though the trend is increasing. Fixed assets include tangible, intangible, and financial assets, such as offices and branches, computer equipment, reservation systems, software, and investments in other companies in the sector. Financial fixed assets and intangible fixed assets are important items, particularly showing the sector's investment in information technology. Third is the dominance of external financing, especially short-term financing. Financing from suppliers and other creditors at no cost was significant, indicating the existence of sizable debts with poor quality payments. This sector has not widely used financing instruments such as bonds or other securities and relies more on bank financing as the only form of fee-based financing. Finally, the relative importance of personal resources in total liabilities tends to be lower. However, there is a trend toward increased self-financing through reserve items and share premiums, which reduces the weight of net paid-in capital in the total resources owned by the sector. Thus, this overview provides insight into the financial structure and financing within the travel agency sector.

Before we begin to interpret the equity elements on the average balance sheet of the travel agency sector, it is important to note that no adaptation of the general accounting plan has been carried out for this sector, as is done for other activities. Only the latest works prepared for travel agencies are available to meet the specific needs of this sector. This situation is similar to the hospitality sector, where the absence of specific accounting standards for travel agents has made it difficult to achieve homogeneous accounting information from these companies. The lack of good relations between the management of travel agency companies, especially smaller ones, and the accounting department compounded these difficulties. The majority of cases indicate that personnel from outside the company frequently handle accounting functions. In a diagnosis carried out by the company on travel agents, it was found that management was inconsistent in monitoring, controlling, and analyzing accounting budgets. There are many cases where this function is reduced to a simple list of annual income and expenses rather than a comprehensive monthly financial report. Thus, the lack of adaptation of accounting plans to suit the needs of travel agencies, together with limited management involvement in developing the accounting function, has hampered the ability to compile the comparable data required for business analysis.

For travel agents, the setup costs cover the various types of expenses required to set up and run the company well. This includes the costs of setting up a company, such as attorney's fees, notaries, clerks, and the printing of official documents such as reports, bulletins, and titles. Advertising costs and commissions also fall into this category, in addition to other costs associated with starting a company. In addition, the initial establishment costs are also part of the establishment costs, which include the costs of previous studies of a commercial and economic nature, advertising launches, recruitment, training, and distribution of personnel. These expenses also include those incurred as a result of obtaining a travel agent's ownership license. Additional capital costs are also part of the establishment expenses. This includes expenses incurred when increasing a company's capital, such as costs for conducting an initial public offering or issuing additional shares. In addition to establishment costs, travel agents also face debt formalization costs, which include the costs of issuing and modifying fixed-income securities as well as other debt formalizations. This includes general deed fees, taxes, title preparation, and other similar costs. Deferred financial charges are also part of this cost analysis. This includes the difference between the reimbursement amount and the amount of debt received from the travel agent represented or not represented in fixed-income securities. Although this item is not very important in the total amortizable costs, it still needs to be considered in the overall analysis of the travel agent's operational costs. The sector's average balance shows the decreasing importance of total amortizable costs across the time series. This shows that the costs of establishment, formalization of debt, and deferred financing have undergone a certain evolution in this sector.

The travel agency sector calculates practical production value by adding a 5% subsidy to the net sum of turnover and other operating income. The sector provides this subsidy to offset its losses from the previous year. However, the impact of items such as inventories of finished products, products in progress, and work performed by companies on their fixed assets, along with operational subsidies, has had relatively little impact on the sector. The subsidies received indicate that the sector is facing a dangerous situation of exploitation, which necessitates stabilization assistance. However, the impact of the subsidy was not significant in the first two years after its provision. The subsidy did not prevent the year's results from being negative while providing a profit of 2% of total production. Surveys conducted show that wholesale travel agents are the smallest beneficiaries of these subsidies, accounting for only around 10% of the total. This is different from other activity segments, where travel agents are the most significant beneficiaries, reaching 70% and 80%. Thus, the impact of subsidies on travel agents suggests that we should prioritize stabilization and growth strategies for this sector in the long term to achieve better balance and sustainability.

Commissions received from other companies and other services also form part of a travel agent's income. These commissions cover a wide range of sources, such as road, rail, and navigation transportation companies, as well as other services related to the travel industry. Despite their importance, revenues from these items make up a lower contribution to travel agents' total revenues compared to their main sources of income, such as tour package sales and commissions from wholesale companies, air freight, and hotels and restaurants. In this context, commissions received from other companies and other services can be considered income diversification that complements the main sources of income of travel agents. This diversification helps travel agents reduce the risk of dependence on one or two main sources of income, thereby providing greater financial stability. Despite having a lower impact on total revenue, commissions from other companies and other services still make a significant contribution to travel agents. Revenue from these sources shows diversity in a travel agent's revenue portfolio, which can be a smart strategy for managing risk and improving overall financial performance.

Consumption in the context of the travel agency sector refers to the costs or expenses required for the production of travel services. This includes material consumption, which includes goods acquired in the year and the net decrease in the company's warehouse due to consumption, as well as other ordinary operating expenses. These operating costs include taxes related to production as well as the usual allocations for risk and cost allowances. For

the travel agency sector, this consumption plays an important role in their cost structure. Over the period studied, this consumption ranged between 90% and 95% of the production value. This reflects the mediation nature of their activities, where most of the income earned is used to pay for accommodation, transportation, and other services provided by other companies. As a result, these consumption costs indicate how much the travel agent is involved in providing the service and bearing the associated costs. In an economic context, a high percentage of consumption to production value can indicate that a sector is relatively dependent on external resources to carry out its operations. This shows the importance of travel agents being efficient in their operational cost management to maintain their profitability and competitiveness in the competitive travel industry.

External service expenses are a key part of a travel agent's cost structure. They allocate most of the funds for several key purposes, including rent and fees for the business premises, as well as payments for the right to use the computer reservation system and the franchise's trademarks, products, or services. Additionally, travel agents pay independent professionals such as lawyers, economists, tax advisors, or accountants for various services. Advertising is also important, with travel agents using it to attract tourist interest and develop promotional messages that suit clients' needs and preferences. These expenses become more relevant for travel agents who have a role in organizing trips, as they must take into account the individual preferences of their clients. A travel agent's expenses also include the cost of supplies like electricity, gas, and other non-storable items. This is especially true for travel agents who have direct contact with the public. In addition, travel agents allocate funds for various services, such as staff travel expenses and other office costs not covered by other categories. These expenses may also include the cost of office supplies, not as inventory but as an expense for the current year. The trend towards concentration or association in this sector may give travel agents an advantage in negotiations with different suppliers. As the scale of operations increases, travel agents can benefit from appropriate economies of scale, thereby reducing their expenses.

4. Conclusion

From the point of view of assets and liabilities, there is a clear dominance between investment in current assets and external funding in the travel agency sector. The change in the composition of fixed assets reflects the allocation of large resources to the acquisition of shares of other companies in the tourism sector, indicating an interest in developing their business portfolio. Tangible assets, such as travel agency locations, transportation, computers, furniture, and office equipment, have also become important, indicating investment in infrastructure and facilities to support their operations. Additionally, the industry's application of new technologies is increasing the role of intangible assets, reflecting efforts to enhance operational and service efficiency. Changes in the composition of current assets reflect changes in the sector's credit policy, a possible decrease in liquidity levels, and an increase in short-term financial assets. This shows a shift in financial strategy to face business challenges and opportunities. In terms of liabilities, there is a visible dominance of external resources, especially free financing provided by tourism service providers. The low interest rate on bank financing and the lack of negotiable securities issuance indicates limited access to a variety of funding sources. In addition, the trend of increasing burden on their own resources, where the trend is reversing due to increasing debt, indicates changing financial strategies to manage their liability structure.

As travel agents act as intermediaries, consumer goods for intermediaries and personnel become highly relevant, absorbing almost of the sector's output. This intermediate consumption has the greatest impact on the income statement, especially net purchase items and other operating expenses. Other components of the income statement are no longer significant at the sectoral level. This sector's financial expenditure has also decreased, indicating the infrequent use of cost-based financing in their operational activities. These companies' operating margins are very small, considering that most of their revenues go directly to paying for the goods and services necessary to run their operations as intermediaries. This shows the importance of operational efficiency and good cost management in the travel agent industry. From the historical analysis carried out, it is concluded that travel agents experienced a positive evolution in value creation during the period studied. The main factors causing this evolution include the increase in staff productivity through the revolution in information technology as well as the increase in rotation driven by the process of sector concentration and association. Investments in financial assets, tangible assets, and intangible assets also play an important role in the transformation of the productive structure of the sector. While the evolution of margins plays a less significant role in value creation, the sector faces challenges due to price wars and strong competition. The positive impact of the sector's debt also increased, contributing to a significant increase in economic value-added. Increasing efficiency in managing receivables and payables, as well as reducing liquidity, are important considerations in managing the value of travel agents. Finally, travel agents need to pay attention to these factors in their management in order to remain competitive and achieve their ultimate goal of creating value in this sector. This emphasizes the importance of adaptation and change in their operational strategies to deal with rapid market changes.

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