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## **Disintermediation in the tourism industry: an investigation of Thai tourism SMEs**

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**Abstract:** Disintermediation has become increasingly intense, particularly in the tourism industry where many suppliers have successfully utilised the internet and website as a direct channel to sell to their customers. This paper investigates disintermediation situations and argues that in practice disintermediation, despite becoming increasingly intense, will just require travel agents to acclimatise rather than to be removed from the tourism supply chain. Four in-depth case studies of Thai tourism SMEs are presented to show how or whether the hotels have attempted to disintermediate travel agents and how the travel agents responded to the disintermediation.

**Keywords:** disintermediation; e-business; tourism supply chain; Thailand; SMEs.

**Reference** to this paper should be made as follows: Kaewkitipong, L. (2011) 'Disintermediation in the tourism industry: an investigation of Thai tourism SMEs', *Int. J. Electronic Business*, Vol. 9, Nos. 5/6, pp.516–535.

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### **1 Introduction**

Whilst e-business technologies have opened up new opportunities for all players in the industry to present themselves, offer their products online and improve many of their business activities, they also brought about a potential threat. Since several large tourism suppliers have begun utilising the internet as a direct distribution channel, the competition between suppliers and travel agencies thus inevitably increased. Such competition led travel agents to a threatening situation called disintermediation. It was a terminology termed in the e-commerce era, meaning the removal of supply chain intermediaries, expedited by the internet. According to Palvia et al. (1999), disintermediation in the service sector like tourism might occur in a more rapid manner