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Hybrid Travel Intermediation in Small Island Tourism: Value Co-Creation between OTAs and Travel Agencies in Bali–Nusra

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Abstract

The rapid digitalisation of the tourism industry has transformed traditional distribution systems, raising questions about the evolving role of intermediaries in contemporary travel ecosystems. This study investigates the emergence of hybrid travel intermediation in small island tourism, focusing on the integration of Online Travel Agents (OTAs) and traditional travel agencies in the Bali–Nusa Tenggara (Bali–Nusra) region, Indonesia. Adopting a qualitative multiple case study approach, data were collected through in-depth interviews, participant observation, and document analysis involving tourists, travel agents, and tourism stakeholders. The findings reveal that tourism intermediation has shifted from a dichotomous "OTA versus travel agent" paradigm to a complementary and interdependent system. OTAs primarily function as digital enablers, facilitating efficiency, accessibility, and information transparency, while traditional travel agents provide relational value through trust, personalisation, and local knowledge. The study further identifies key mechanisms of value co-creation, including information integration, experience customisation, and continuous interaction throughout the travel journey. Importantly, the characteristics of small island tourism such as limited infrastructure and reliance on local networks reinforce the continued relevance of human intermediaries. The emergence of "hybrid tourists," who combine digital and offline channels, highlights a shift towards multi-channel consumption behaviour. This study contributes to the literature by proposing the concept of hybrid travel intermediation and extending Service-Dominant Logic within a multi-actor tourism ecosystem. The findings offer theoretical insights and practical implications for tourism stakeholders seeking to balance digital transformation with relational service value in peripheral destinations.

Keywords: hybrid travel intermediation; online travel agents; travel agencies; value co-creation; service-dominant logic

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INTRODUCTION

The global tourism industry has undergone a profound transformation driven by rapid digitalization and the emergence of the platform economy, fundamentally reshaping the structure of distribution and intermediation in travel services. The rise of *Online Travel Agents* (OTAs) has significantly enhanced efficiency in searching, comparing, and booking tourism products, leading to a shift in tourist behavior toward self-service, real-time decision-making, and data-driven consumption patterns. In this context, OTAs function not merely as intermediaries but as multi-sided digital platforms that connect tourists with service providers while simultaneously influencing decision-making through algorithms, user-generated

reviews, and personalized recommendations (Bapiri, 2024; Zhi et al., 2024).

This digital transformation has generated two contrasting yet interconnected processes within tourism intermediation. On the one hand, the emergence of Online Travel Agents (OTAs) has accelerated disintermediation, enabling tourists to access tourism products directly without relying on traditional intermediaries. Early studies therefore predicted the gradual decline of conventional travel agencies as digital platforms increased transparency, efficiency, and consumer autonomy (Terblanche, 2018). On the other hand, subsequent research has demonstrated that digitalization has not eliminated intermediaries entirely but has instead facilitated reintermediation, whereby new forms of intermediation emerge alongside traditional actors within increasingly complex tourism ecosystems (Dolgui et al., 2020; Kracht & Wang, 2010). Rather than replacing human intermediaries, digital platforms have altered their functions, creating new opportunities for collaboration and specialization.

From this perspective, tourism intermediation should not be understood as a binary transition from traditional to digital channels, but as an evolving ecosystem characterized by interactions among multiple actors. This shift can be more effectively explained through Service-Dominant Logic (SDL), which conceptualizes value as being co-created through resource integration and interactions among stakeholders rather than produced and delivered unilaterally (Vargo & Lusch, 2016). Within tourism ecosystems, tourists, digital platforms, travel agencies, accommodation providers, and local communities all contribute resources that collectively shape tourism experiences. Consequently, the role of intermediaries extends beyond facilitating transactions and increasingly involves enabling collaborative value creation processes.

Building on this perspective, the integration of OTAs and traditional travel agencies can be conceptualized as a mechanism of value co-creation. OTAs contribute technological resources such as information accessibility, booking efficiency, and digital connectivity, while travel agencies provide relational resources including trust, personalization, local knowledge, and experiential guidance. The interaction between these complementary resources creates opportunities for enhanced tourist experiences that neither actor could generate independently. Therefore, value co-creation serves as the theoretical bridge connecting the processes of disintermediation and reintermediation, explaining how digital and human intermediaries coexist and jointly contribute to tourism outcomes.

Based on this theoretical reasoning, this study proposes the concept of Hybrid Travel Intermediation, defined as an integrated tourism intermediation system in which digital platforms and traditional intermediaries collaboratively participate in the co-creation of tourism value. The proposed concept provides a unifying framework that links disintermediation, reintermediation, Service-Dominant Logic, and value co-creation within a single analytical model. Rather than viewing OTAs and travel agencies as competing entities, the framework positions them as complementary actors whose interactions generate value within contemporary tourism ecosystems, particularly in geographically complex destinations such as small island tourism regions.

Despite these advancements, the existing literature remains fragmented in conceptualizing tourism intermediation. Most studies adopt a dichotomous perspective,

framing OTAs and traditional travel agents as competing entities, often emphasizing substitution rather than integration. This binary approach overlooks the increasing emergence of hybrid distribution systems that combine digital efficiency with human interaction. Recent research suggests that tourism distribution is entering a "hybrid era," where online and offline channels coexist and interact within a unified ecosystem (Wisker, 2022). Furthermore, the development of Tourism 4.0 highlights the importance of integrating digital platforms with localized, community-based services to foster inclusive innovation and sustainable tourism development (Tricahyono, 2026).

The research gap becomes even more evident when considering geographical context. The majority of studies on tourism intermediation have been conducted in developed countries or urban destinations, leaving small island tourism contexts underexplored. Destinations such as Bali and the Nusa Tenggara region (Bali–Nusra) represent unique tourism systems characterized by fragmented supply chains, strong reliance on small and medium-sized enterprises (SMEs), and a high dependence on local knowledge in designing tourism experiences. In such contexts, traditional travel agents often act as *knowledge brokers*, facilitating access to authentic, community-based experiences that are difficult to replicate through purely digital platforms. This highlights the limitations of a purely technology-driven approach to tourism intermediation in island destinations.

Against this background, this study aims to develop the concept of hybrid travel intermediation by integrating the roles of OTAs and traditional travel agencies within a *value co-creation* framework. Specifically, this research seeks to examine how the combination of digital efficiency and human interaction contributes to enhanced tourist experiences, satisfaction, and revisit intentions in small island destinations. By doing so, the study moves beyond the conventional "OTA versus travel agent" debate and proposes a more integrative perspective that reflects the evolving nature of tourism ecosystems.

The primary contribution of this study lies in the development of a novel conceptual framework that synthesizes insights from the platform economy, Service-Dominant Logic, and value co-creation theory. Unlike previous studies that treat OTAs and traditional intermediaries as mutually exclusive, this research positions them as complementary actors within a collaborative ecosystem. This approach not only advances theoretical understanding of tourism intermediation but also provides practical implications for stakeholders in Bali–Nusra, including travel agencies, policymakers, and digital platforms. By highlighting the potential for hybrid collaboration, this study offers strategic insights for sustaining local tourism businesses while leveraging digital transformation in an increasingly competitive global market.

RESEARCH METHOD

Research Design

This study adopts a qualitative research design employing a multiple case study approach to investigate the emergence and dynamics of hybrid travel intermediation in small island tourism. A qualitative design is particularly appropriate for examining complex, context-dependent phenomena where meanings, interactions, and practices are socially constructed rather than easily quantifiable. In the context of tourism intermediation, the integration of Online Travel Agents (OTAs) and traditional travel agencies involves multiple actors, layered

interactions, and evolving institutional arrangements that require in-depth exploration (Yin, 2018).

The study is grounded in an interpretivist paradigm, which assumes that reality is constructed through social interactions and that understanding such reality requires interpreting participants' perspectives (Creswell & Poth, 2018). This paradigm is suitable for capturing how tourism stakeholders perceive and enact hybrid intermediation practices, particularly in destinations characterized by cultural and institutional diversity. The case study strategy enables a holistic understanding of contemporary phenomena within real-life contexts, especially when the boundaries between phenomenon and context are not clearly evident (Yin, 2018).

Research Setting

The empirical setting of this study is Bali–Nusa Tenggara (Bali–Nusra), a prominent small island tourism region in Indonesia. This region encompasses diverse tourism destinations, including Bali as a mature global destination, Lombok as a developing destination, and Labuan Bajo as an emerging premium tourism hub. Small island destinations are characterized by fragmented tourism supply chains, strong dependence on local communities, and limited resource capacity, making them particularly sensitive to changes in tourism intermediation structures (Sharpley, 2020).

The selection of Bali–Nusra is theoretically justified not only because it represents a small island tourism system, but also because it offers meaningful variation in destination maturity, tourism infrastructure, and digital market integration. The study deliberately incorporates three contrasting tourism contexts: Bali as a mature and internationally established destination with high levels of digital adoption; Lombok as a developing destination undergoing tourism expansion and digital transformation; and Labuan Bajo as an emerging premium destination characterized by rapid growth, infrastructure development, and increasing reliance on digital tourism platforms. This variation enables comparative analysis across different stages of destination development while maintaining a common small-island tourism context.

The comparative logic of the multiple-case design is based on theoretical replication rather than statistical representation (Yin, 2018). If similar patterns of hybrid travel intermediation emerge across destinations with different levels of tourism maturity and digitalization, the explanatory strength of the proposed conceptual framework is enhanced. Conversely, variations across cases provide valuable insights into how contextual factors influence the interaction between Online Travel Agents (OTAs), traditional travel agencies, and tourists. Therefore, Bali, Lombok, and Labuan Bajo were selected not only as representative island destinations but also as analytically contrasting cases that enable a deeper understanding of hybrid travel intermediation within diverse tourism settings.

Table 1. Comparative Characteristics of Research Cases

Destination	Tourism Development Stage	Digital Adoption Level	Role in the Study
Bali	Mature destination	High	Illustrates advanced integration between

			OTAs and travel agencies
Lombok	Developing destination	Medium	Examines adaptation of intermediaries during tourism growth
Labuan Bajo	Emerging premium destination	Growing	Explores hybrid intermediation in rapidly developing tourism markets

Source: Authors' conceptual classification based on destination characteristics.

Sampling and Informants

This study employs purposive sampling to identify information-rich participants who possess direct experience with tourism intermediation processes. The sampling criteria include individuals who have actively engaged with either OTAs, traditional travel agencies, or both, within the Bali–Nusra tourism context. In addition, snowball sampling is utilized to expand the participant pool through referrals, enabling access to relevant stakeholders embedded in the tourism ecosystem (Ting, 2025).

The study involves multiple categories of informants, including (1) travel agency owners and managers, (2) OTA-affiliated service providers (e.g., accommodation and tour operators), (3) domestic and international tourists, and (4)tourism stakeholders such as policymakers and community-based tourism actors. A total of approximately 20–30 informants is considered adequate, with data collection continuing until theoretical saturation is achieved, where no new themes emerge from the data (Guest et al., 2020).

Data Collection Methods

Data are collected through a combination of in-depth interviews, participant observation, and document analysis, enabling methodological triangulation and enhancing the credibility of findings.

A. In-depth Interviews

Semi-structured interviews serve as the primary data collection method, allowing flexibility to explore participants' experiences, perceptions, and interpretations. Interviews typically last between 45 and 90 minutes and are guided by an interview protocol focusing on themes such as digital platform usage, trust in intermediaries, service personalization, and value co-creation processes. Interview excerpts presented in the manuscript were translated from Bahasa Indonesia into English and subsequently refined for clarity and readability while preserving the original meaning and intent of the participants. Semi-structured interviews are widely recognized as effective in capturing rich, contextualized insights in tourism research (Kallio et al., 2016).

B. Participant Observation

Participant observation is conducted to capture real-time interactions between tourists, travel agents, and digital platforms. This method allows the researcher to observe operational practices, communication patterns, and service delivery processes, thereby providing contextual depth beyond self-reported data (DeWalt & DeWalt, 2011).

C. Document Analysis

Document analysis includes the examination of OTA platforms, travel agency websites, promotional materials, and policy documents. These sources provide supplementary

data to understand how intermediation practices are represented and institutionalized within the tourism system (Otay Demir et al., 2022).

Data Analysis

The data are analyzed using thematic analysis, following the six-phase approach proposed by Braun and Clarke (2006). This method is suitable for identifying, analyzing, and interpreting patterns within qualitative data. The analysis process involves: (1) Data familiarization, through repeated reading of transcripts; (2) Initial coding (open coding), identifying meaningful data segments; (3) Searching for themes, grouping codes into broader categories; (4) Reviewing themes, ensuring coherence and consistency; (5) Defining and naming themes, capturing the essence of each theme; (6) Producing the report, linking themes to theoretical constructs.

To enhance analytical rigor, elements of grounded theory coding (open, axial, and selective coding) are incorporated to develop an emergent conceptual model of hybrid intermediation (Charmaz, 2014). This approach enables the identification of key dimensions such as digital efficiency, relational trust, and co-creation mechanisms within tourism experiences.

Trustworthiness and Rigor

The rigor of the study is ensured through established qualitative criteria, including credibility, transferability, dependability, and confirmability.

A. Credibility is achieved through triangulation of multiple data sources and prolonged engagement in the field.
B. Transferability is supported by providing thick descriptions of the research context.
C. Dependability is ensured through a transparent audit trail documenting the research process.
D. Confirmability is addressed by maintaining reflexivity and minimizing researcher bias.

These strategies enhance the reliability and validity of qualitative findings in line with best practices in tourism research.

Ethical Considerations

Ethical standards are strictly observed throughout the research process. All participants provide informed consent prior to data collection, and their identities are anonymized to ensure confidentiality. Participation is voluntary, and respondents are informed of their right to withdraw at any stage. These procedures align with ethical guidelines for social science research involving human subjects.

RESULT AND DISCUSSION

Result

The findings are organized into five interrelated themes that emerged from the thematic analysis process. These themes capture the transformation of tourism intermediation in Bali–Nusra, the respective roles of Online Travel Agents (OTAs) and traditional travel agencies, the integration of digital and human-mediated services, and the mechanisms through which value

is co-created within the tourism ecosystem. The thematic structure provides an analytical framework for understanding the emergence of hybrid travel intermediation in small island tourism contexts.

1. The Emergence of the Hybrid Travel Intermediation Model in Bali–Nusra

The results of the study show that the tourism intermediation system in Bali–Nusa Tenggara (Bali–Nusra) has undergone a transformation that is not only technological, but also structural and functional. The intermediation model that was previously dominated by conventional travel agents is now evolving into a hybrid model that integrates the power of digital platforms through *Online Travel Agents* (OTAs) with the advantages of human-based services from local travel agents. This transformation does not lead to the elimination of the role of travel agents, but rather to the redefinition of functions and repositioning of roles in the tourism ecosystem.

In practice, OTAs serve as an initial channel in the traveler's journey, especially at the information-seeking and basic booking stages, while travel agents remain key actors in the provision of services that are contextual, flexible, and experiential. As one of the informants revealed:

> *"Guests often find information and make bookings through OTAs, but they still depend on us for local experiences, personalized assistance, and on-the-ground services" (Travel agent owner, Bali).*

These findings suggest that the two actors are not in a direct competitive relationship, but form complementary and interdependent relationships in the tourism value chain. This is reinforced by the statements of other industry players:

> *"OTAs serve as the entry point for tourists, but the actual delivery of tourism services continues to depend on local operators." (Tour operator, Lombok).*

Furthermore, the intermediation pattern that is formed is multi-layered, where tourists do not only use one channel exclusively, but dynamically move between digital platforms and offline services according to their specific needs. This condition reflects the shift in tourist behavior towards *multi-channel consumption*, which at the same time confirms that the hybrid intermediation model is a form of strategic adaptation to the complexity of the modern tourism industry, especially in the context of archipelago destinations such as Bali-Nusra.

2. The Role of OTA as a Digital Enabler: Efficiency, Access, and Transparency

The results of the study show that *Online Travel Agents* (OTAs) play a dominant role as digital enablers in the early stages of travel travel. This role is especially seen in information search activities, price comparisons, as well as accommodation and transportation bookings. OTAs provide convenience for travelers to access a wide selection of travel products quickly and integrated in one platform. In this context, OTAs not only function as intermediaries, but also as the main source of information that influences the traveler's decision-making process.

Travelers consistently rate OTA as a tool that can improve time efficiency, provide easy

access, and provide transparency of information through features such as user reviews and rating systems. This is reflected in the following traveler experiences:

> *"I always check reviews and prices on the application before deciding to go on a tour." (Domestic tourists, Bali).*

In addition, OTAs also allow travelers to plan trips more independently and flexibly, especially in booking basic services such as hotels and transportation tickets. As expressed by foreign tourists:

> *"OTA helped me plan my trip quickly, especially for hotels and travel tickets" (Foreign tourists, Lombok).*

From the perspective of industry players, OTA has a strategic function as a global distribution channel that is able to expand market reach, especially for local business actors who have limited access to international markets. Digital platforms allow local tourism products to be marketed more widely without having to rely on conventional distribution networks. This is reinforced by the following statements:

> *"Along with the current technological developments, it has given us an advantage, we can get guests from abroad because of OTA, without which it is difficult to reach the global market." (Tour provider, Labuan Bajo).*

These findings show that OTAs not only increase efficiency on the demand side (tourists), but also provide strategic value on the supply side (business actors). This phenomenon is in line with the national trend in Indonesia, where the use of OTAs continues to increase, especially among millennial tourists and digital technology users, thereby strengthening OTA's position as a key actor in the modern tourism ecosystem.

3. The Role of Travel Agents as Relational Value Providers

In contrast to *Online Travel Agents* (OTAs) which focus on digital efficiency, traditional travel agents have a major role in creating relational value through direct interaction, trust building, service flexibility, and personalization of the travel experience. The findings of the study show that the existence of travel agents remains relevant, especially in the context of services that require a human touch and a deep understanding of local conditions.

Travelers tend to use travel agents in situations that involve high complexity, such as visits to remote destinations, trips with special needs, or uncertain conditions. In this context, travel agents are seen as parties who are able to provide a sense of security and certainty of service. This is reflected in the following statements:

> *"If I go to places I have never visited, I trust to use the available travel/travel agents" (Domestic tourists, Lombok).*

In addition, local knowledge possessed by travel agents is an important factor in supporting a more optimal travel experience, especially in archipelago destinations that have

limited digital information. As expressed by foreign tourists:

> *"Local agents know the conditions in the field better, so we feel safer while traveling here" (Foreign tourists, Labuan Bajo)*

Furthermore, travel agents no longer function simply as sellers of tour packages, but have evolved into experience curators who actively design and customize travel experiences according to the preferences and needs of travelers. This process involves intensive interaction between agents and customers, resulting in a more personalized and valuable service. This was confirmed by one of the industry players:

> *"We generally do not only sell packages, but design the experience according to the wishes of guests, so sometimes this is our unique value, so many guests use our services here (Bali)" (Travel agent, Bali).*

As such, travel agents play an important role in strengthening the relational dimension in the tourism industry, which cannot be completely replaced by digital technologies, especially in the context of destinations such as Bali–Nusra that demand a locally-based approach and authentic experiences.

4. OTA and Travel Agent Integration in Real Practice

The results of the study show that there is a real and functional integration between *Online Travel Agents* (OTAs) and travel agents in the operational practices of the tourism industry in Bali-Nusra. This integration is not only conceptual, but has become part of the adaptive strategy of business actors in responding to the dynamics of digitalization. Most industry players no longer view OTAs as a threat, but as a supporting tool that can be used to expand market reach while increasing the visibility of tourism products.

In practice, OTAs are used as a means of promotion and customer acquisition, while more complex and personalized services are handled by travel agents. This reflects a clear but complementary division of roles between the two actors. As expressed by one of the business actors:

> *"We still use OTAs for promotion, but for detailed services, we still handle it ourselves."* (Tour operator, Lombok).

From the traveler's side, this integration is reflected in a pattern of behavior that shows the use of more than one channel in the travel process. Travelers no longer depend on one platform, but flexibly utilize various channels according to the specific needs at each stage of the journey. This indicates the emergence of multi-channel behavior**,** as stated by one of the respondents:

> *"I booked the hotel through OTA, but I booked the tour through an agent after arriving,* (Tourist, Bali)"

These findings show that tourists are actively combining the use of OTAs and travel agents, taking into account the efficiency, convenience, and complexity of the services required. Thus, the intermediation process becomes more dynamic and adaptive, where the selection of channels is not exclusive, but contextual and situational.

5. Value Co-Creation, Archipelago Context, and Its Impact on Tourist Behavior and Loyalty

The results show that the value in the travel experience in Bali–Nusra is not generated by a single actor, but through a process of value co-creation that involves dynamic interaction between OTAs, travel agents, and travelers. This process takes place through information integration, personalization of services, and continuous interaction during the trip. Travelers combine digital information such as reviews and ratings from OTA platforms with recommendations from travel agents to ensure the quality of their decisions. This is reflected in the following statements:

> *"I look for information first on the internet, then discuss with agents to make sure that what is promoted on the internet is true." (Tourist, Lombok).*

In addition, travel agents play a crucial role in creating personalized experiences, by tailoring services based on travelers' preferences and needs. This process does not stop at the planning stage, but continues throughout the trip through intensive communication between agents and travelers.

> *"Every guest has different needs, so we always adjust the itinerary to the wishes of the tourists" (Travel agent, Bali).*
> *"We continue to communicate with guests during the trip, this is to ensure that our service has been provided properly or not" (Tour operator, Labuan Bajo)*

This *value co-creation* process is increasingly influenced by the characteristics of Bali-Nusra as an archipelago destination, which is characterized by limited access, dependence on local networks, and logistics complexity between islands. In this context, travel agents function as knowledge brokers that bridge tourists with local resources that are not always available digitally.

> *"Not all places can be booked online, many have to go through local networks" (Local guide, Lombok).*

The findings also show a variation in traveler behavior, which is divided into three main categories: digital-based travelers, hybrid travelers, and travelers who rely entirely on travel agents. Among the three, hybrid travelers are the most dominant group, showing a tendency to combine technological efficiency with human-based services.

The combination between OTAs and travel agents has been proven to provide a more optimal travel experience, by combining efficiency and service quality at the same time. This has a positive impact on the level of satisfaction, sense of security, and intention to revisit tourists.

"The combination of both online and offline booking makes our trip more comfortable and flexible, because it is to anticipate the unavailability of internet services that are not available." (Tourist, Bali).

Thus, a hybrid intermediation system not only creates higher value for tourists, but also strengthens the sustainability of the tourist experience in the context of archipelago destinations such as Bali–Nusra.

Discussion

The findings of this study demonstrate that the tourism intermediation system in Bali–Nusra has shifted from a traditional model towards a hybrid travel intermediation system, characterised by the integration of Online Travel Agents (OTAs) and traditional travel agencies. This finding directly challenges the classical narrative of *disintermediation*, which suggests that digital platforms will eventually replace traditional intermediaries. Instead, the results indicate the emergence of reintermediation, whereby the role of travel agents is not eliminated but redefined within a digitally mediated ecosystem (Dolgui et al., 2020; Kracht & Wang, 2010). This reinforces the view that tourism intermediation is evolutionary and adaptive in response to technological change .

Furthermore, the identification of OTAs as *digital enablers* highlights their critical role in enhancing efficiency, accessibility, and information transparency. This aligns with recent studies suggesting that OTAs function as *platform orchestrators*, facilitating interactions between tourists and service providers through algorithm-driven systems and user-generated content (Sigala, 2020; Filieri et al., 2021). In this regard, OTAs extend beyond their traditional intermediary role and act as decision-support systems that significantly influence tourist behaviour and choice.

However, the findings also reveal that digital efficiency alone is insufficient to replace the relational dimension of tourism services. Traditional travel agents continue to play a vital role as providers of relational value, particularly through trust-building, personalised services, and flexible problem-solving. This is especially evident in the context of small island destinations, where uncertainty and limited information availability increase the need for human mediation. These findings are consistent with the principles of *Service-Dominant Logic*, which emphasise that value is co-created through interactions among multiple actors rather than delivered unilaterally (Vargo & Lusch, 2016; Rather et al., 2019). Consequently, travel agents can be understood as *experience co-creators* who enhance the emotional and social dimensions of tourism experiences.

The integration of OTAs and travel agents in practice further suggests that tourism distribution systems have evolved into a multi-channel ecosystem. Tourists no longer rely on a single channel but actively combine digital and offline intermediaries depending on their specific needs. This behaviour reflects the concept of *omnichannel consumption*, where consumers engage with multiple touchpoints to optimise their experience (Kazancoglu & Aydin, 2018). In the tourism context, such behaviour underscores the importance of coordination and complementarity between digital platforms and human intermediaries.

A key contribution of this study lies in the identification of value co-creation mechanisms within the hybrid intermediation system. The findings reveal that tourism value emerges through the integration of digital information, personalised service design, and continuous interaction throughout the travel journey. This extends existing literature on value co-creation, which has often focused on single-service contexts, by demonstrating its relevance within a multi-actor tourism ecosystem (Campos et al., 2018; Buhalis et al., 2019). The study thus highlights that meaningful tourism experiences are co-produced through the interplay between technology and human engagement.

In addition, the small island context of Bali–Nusra introduces an important spatial dimension to tourism intermediation research. Characteristics such as limited infrastructure, reliance on local networks, and logistical complexity reinforce the continued relevance of travel agents as *knowledge brokers*. This supports previous arguments that tourism theories developed in urban or highly digitalised contexts may not be fully applicable to peripheral or island destinations (Giampiccoli & Mtapuri, 2020). Therefore, the findings contribute to a more context-sensitive understanding of tourism systems.

Finally, the identification of hybrid tourists as the dominant segment provides important insights into contemporary tourist behaviour. These tourists combine the efficiency of OTAs with the personalised support of travel agents, resulting in higher levels of satisfaction, perceived safety, and revisit intention. This finding is consistent with recent studies demonstrating that integrated and personalised tourism experiences significantly influence customer loyalty and behavioural intentions (Rather, 2021; Sharma et al., 2022).

Overall, this study contributes to the literature by introducing the concept of hybrid travel intermediation, bridging the gap between digital platform theory and relational service perspectives in tourism. It also offers empirical evidence from a *small island tourism* context, which remains underexplored in global tourism research.

CONCLUSION

This study provides empirical evidence that tourism intermediation in Bali–Nusra has evolved into a hybrid travel intermediation system, where Online Travel Agents (OTAs) and traditional travel agencies operate in a complementary and interdependent manner. Contrary to the dominant assumption of disintermediation, the findings demonstrate that digital platforms do not eliminate the role of human intermediaries but rather reshape and redefine their functions within a digitally mediated ecosystem. OTAs primarily facilitate efficiency, accessibility, and information transparency, particularly in the early stages of the travel journey, while traditional travel agents contribute relational value through trust, personalisation, and contextual knowledge.

Furthermore, the study highlights that tourism value is co-created through dynamic interactions among multiple actors, including tourists, digital platforms, and local intermediaries. This process is particularly significant in the context of small island destinations such as Bali–Nusra, where infrastructural limitations, geographical fragmentation, and reliance on local knowledge reinforce the continued relevance of travel agents. The emergence of hybrid tourists, who combine digital and human-mediated services, further confirms the growing importance of integrated and flexible intermediation systems in

contemporary tourism.

This study contributes to the tourism literature in several ways. First, it advances the concept of hybrid travel intermediation, extending existing debates on disintermediation and reintermediation by proposing a more integrative perspective that captures the coexistence and complementarity of digital and traditional intermediaries. Second, the study enriches the application of Service-Dominant Logic by demonstrating how value co-creation operates within a multi-actor tourism ecosystem that includes both technological and human elements. Third, it provides a contextual contribution by situating the analysis within small island tourism, thereby addressing the limited attention given to peripheral and archipelagic destinations in existing intermediation research.

The findings offer several important implications for industry stakeholders. For travel agencies, the results suggest the need to shift from traditional transactional roles towards experience curation, focusing on personalised services, local expertise, and relationship-building to remain competitive in the digital era. For OTA platforms, the study highlights the importance of fostering collaborative partnerships with local intermediaries to enhance service quality and destination authenticity. For policymakers and tourism authorities, the findings underscore the need to support a hybrid tourism ecosystem by facilitating digital adoption among local businesses while preserving the socio-cultural value embedded in human-mediated services. In addition, the study suggests that tourism strategies in island destinations should not rely solely on digital transformation but should integrate technology with local knowledge systems, ensuring inclusive and sustainable tourism development.

Despite its contributions, this study is subject to several limitations. First, the research adopts a qualitative multiple-case study approach within a specific geographical context (Bali–Nusra), which may limit the transferability of the findings to other tourism destinations with different institutional, cultural, and market characteristics. Future research could employ quantitative or mixed-method approaches to validate and extend the proposed Hybrid Travel Intermediation framework across broader tourism contexts.

Second, the tourism intermediation landscape examined in this study is highly dynamic and continuously shaped by rapid technological developments. The roles of Online Travel Agents (OTAs), digital platforms, recommendation systems, and algorithm-driven service mechanisms are evolving rapidly, potentially altering patterns of interaction among tourists, travel agencies, and tourism service providers over time. Consequently, the findings should be interpreted within the technological context in which the study was conducted. Future studies could adopt longitudinal designs to examine how emerging technologies, artificial intelligence, platform algorithms, and evolving digital consumer behavior influence the development of hybrid travel intermediation and value co-creation processes in tourism ecosystems.

Finally, this study focuses primarily on the perspectives of tourism intermediaries and related stakeholders. Future research could incorporate broader stakeholder groups, including tourists, platform operators, accommodation providers, and destination management organizations, to develop a more comprehensive understanding of value co-creation within hybrid tourism intermediation systems.

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