CHAPTER- VI

MARKETING STRATEGIES OF TRAVEL AGENCY

6.1) Introduction:

There are many facets of travel that need careful planning and handling. For example, mode of transport, link transport, accommodation, meals, shopping, entertainment, etc. A traveler who is able to manage all these by oneself is in fact one’s own travel agent. Though many may claim to be doing so but in reality there are few such cases. This is because the person who has even planned or organized his own tour or travel may be lacking in information about the alternatives available. Many more take the pains to stand in a queue or waste time. Hence, dependence on a travel agency.

Humans have travelled since long and even depended on others for travel. The concept of a travel agency in the modern sense originated in England. The ship operators in order to market their capacity appointed agents who would help in filling the ship. In 1729 was started the first travel agency Cox and the Kings.

A travel agency is a “One Stop” shop. The minute a traveler / tourist thinks of extensive travel, he or she thinks of a travel agency. A travel agent has to therefore, add value to the company and to the traveler. A travel Manager specializes in “Packing” the required services. Practically all travel agencies in India are owned by private entrepreneurs and the scope for setting up an agency is great.
6.2) Organizational structure of Travel Agency

Organization of a Travel Agency

- Department of International Passenger Booking
  - Documentation Unit
- Department of Domestic Passenger Booking
  - Reservation Unit
  - Visa Unit
- Department of Tour Operation Booking
  - Sales Unit

6.3) Staff Organizational structure of a large Travel Agency

PRESIDENT / CHAIRMAN

- Executive Vice-President
  - Vice President Operation
  - Sales
  - Finance and accounting
  - Agent Supervisor Commercial Sales Leisure Sales
- Vice President Marketing
  - Advertising Director Sales Manager Finance and Account Specialists Executives
6.4) Activities of a Travel Agency

6.5) Marketing

Marketing is related to meeting the consumer needs and wants and a travel agency has to pay greater attention on these aspects. In travel agency business one comes across different type of clients who have different demands. These can be met only if the employees have a sound knowledge of the products they are dealing with.
Promotion and advertising are vital for selling in travel agency business. For this travel agencies prepare brochures and at times these are supplied to them by the principle suppliers also. But it must be remembered that promotional materials on their own will really sell a product. In fact these are good aids in selling, particularly where there are good photographs and illustrations. Even where the customers has read all the text in the brochure he or she still likes to have the opinion of a local, trusted and trained professional, a job which you have to perform. While making a sale you should actively involve the customer in making a decision by pointing out the interesting aspects of the products and matching them with the needs of the customer. One should also have an alternative suggestion ready should one’s customer reject initial offer. One’s effort should be to get one’s customer’s commitment to buy and this is generally known as Closing the Sale. Better communication skills and positive statements help in getting a commitment but you must follow the golden rule i.e. to lead and guide but never to force a customer.

Leading travel agencies are making use of media in a big way for promotion and advertising purposes. One come across newspaper advertisements as well as T.V. advertisements in this regard. However, not every company can afford this.

A close interaction with the Department of Tourism, government of India is useful for marketing activities because the department provides assistance to help travel agencies in generating business from overseas markets. Similarly, membership of associations like TAAI and IATO, etc. is also useful in this regard. The travel agents also participate in different tourism fares and tourism
marts like ITB, Berlin, WTM, London etc. Recently, tourism marts have started in the domestic sector also.

**6.6) Functions of a Travel Agency**

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<th>Ticketing</th>
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<th>Domestic Tourism</th>
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To promote Travel Agency Business specially in Maharashtra. The Ministry of Tourism has, accordingly, organized a number of promotional activities in Japan to showcase and promote Maharashtra as a tourist destination.

Japan is one of the leading tourist generating markets for India and various states like Maharashtra, Bihar with approximately 1.2 lakh tourists from Japan visiting India and its states during 2006, an increase of over 15.5% as compared to the previous year. During the visit of the Hon'ble Prime Minister of India to Japan in December 2006, a Joint Statement designating the year 2007 as the ‘India - Japan Tourism Exchange Year’, was signed between the two countries for cultural exchanges and to increase the two way flow of tourism.

The Ministry of Tourism has, accordingly, organized a number of promotional activities in Japan to showcase and promote Maharashtra as a tourist destination in the Japanese market and has also dovetailed many of its activities with the events being organized by ICCR during the year.
6.7) Indo-Japan Tourism Relations

1. Profile of the Japanese Tourist to India.
   
a) The seniors, young women in their 20s and 30s and students
   
b) A majority of tourists participate in excursion package tour mostly to North India
   
c) Some students and young travelers enjoy personally arranged backpacking trip
   
d) Buddhists pilgrimage tour to Buddhist Circuit.

2. Popular Destinations in India for Japanese Tourists.
   
a) 90% of the package tour itineraries include Delhi-Agra (Taj Mahal)- Jaipur ‘Golden Triangle’.
   
b) ‘Taj is the first, the second and the third.’
   
c) The most popular destination among Japanese travelers is Taj Mahal. Taj Mahal is the symbol of India – it’s picture appears on every India tour brochure.
   
d) Varanasi, Khajuraho, Ajanta and Ellora are the destinations also frequently visited by Japanese tourists.

3. The Ministry of Tourism launched extensive media campaign around the world directly and also through its overseas offices. The campaign was especially targeted towards the source markets in East Asia including
Japan as part of “Look East Policy” to get greater number of tourists from with special interest in Buddhist sites.

4. Sites connected to life and teachings of Buddha which are spread all across in India from Leh in the North to Amravati in the South, Arunachal Pradesh in the East to Ajanta Ellora in the West can be used to promote India to increase the tourist arrivals from Japan.

5. With assistance of JBIC (Japan Bank for International Cooperation), Ajanta Ellora Conservation and Tourism Development Project (Phase-I) was undertaken in Maharashtra with a loan to the tune of 3745 million Japanese Yen.

6. After successful completion of Phase-I of Ajanta Ellora in 2002 a loan agreement was signed in 2003 whereby JBIC agreed to provide the loan assistance of 7331 Japanese Yen or Rs.299.2 crores for the Phase-II development at Ajanta Ellora. The scope of work for this Phase includes Monument/Heritage conservation, Infrastructure Development and Tourist Development.

7. In 2005, a loan agreement for the Development of Buddhist Circuit in Uttar Pradesh was also signed with JBIC. This project will include improving infrastructure at Buddhist sites at Sarnath, Kushinagar, Kapilvastu, Sravasti and Sankisa.
8. In order to promote India as a tourist destination in Japan India tourism office in Tokyo has been printing literature and publicity material in local languages and has been working closely with Japanese tour operators and travel agents to familiarize them about the country’s tourism products.

9. To promote the Buddhist Circuit, Ministry of Tourism organized an International Conclave on Buddhism and Spiritual tourism, at New Delhi on 17-18 February 2004. This was followed by a dedication ceremony of the holiest site in Buddhism, the Mahabodhi Temple which has been declared as a World Heritage Site by UNESCO at Bodhgaya on 19th Feb. 2004. The main objective of the conclave was to highlight every aspect of Buddhism.

10) Road Shows and exhibitions : Maharashtra tourism department should take part in international tourism exhibitions to propagate and enhance the Maharashtra Unlimited brand image amongst international tourists and tour operators.

11) Newspaper articles and interview : Interviews and articles on particular destinations or tourism policy on the whole can be used as a tool to invite private investors in the tourism sector. Such articles and interviews can appear in publications of associations related to tourism industry, travel magazines and other business magazines and newspapers. Such a publicity campaign can address the target audience of private
entrepreneurs and other funding agencies. This can be particularly used in promoting medium and long-term destinations and projects such as Lonar, Lake District development project, and IT Museum in Pune.

12) FAM tours for tour operators: National and international tour operators should be called for a free visit to priority destinations of the state government.

Visit India Year 2009" is a joined campaign announced by the Ministry of tourism and the World Travel and Tourism Council (India), in collaboration with various private sector industries such as hospitality, travel and airline companies. This campaign has been launched to strengthen the Indian tourism industry which was devastated by global recession and also by the Mumbai terror attack of 2008.

"The main emphasis of "Visit India Year 2009" campaign is to promote India as a complete holiday destination for each and every traveler. For the widespread publicity of this scheme, Ministry of Tourism, India is using its official website. It also publishes advertisements related to this scheme in the mainstream and trade publications, road shows and international travel fairs and exhibitions. The centre of attraction of this campaign is the various complimentary packages developed by airlines and hotels, in accordance with the present condition of the tourism industry in India. Many member hotels of Hotel Association of India (HAI) has decided to offer complimentary stays in their and the third termed it 'Unbelievable India
The Ministry of Tourism, Government of India proposes to launch a focused media campaign in the Global Market during the period January 2007 to May 2007. The Campaign will be launched in the select Global Print and In flight channels. Central and State Governments in India have introduced various schemes / initiatives to boost tourism. Any withdrawal / adverse changes to such schemes / initiatives may affect our working. The Central and State Governments in India are actively promoting India as a tourist destination through Incredible India campaign. This has provided a major boost to the Indian tourism sector. Any decision by the Governmental agencies to de-focus on similar promotions can have adverse impact on the growth of the sector. Address their needs better. Cox and King products vis–a–vis the products offered by our competitors. Thus, over the years we have developed specific brands for our products viz. “Duniya Dekho” for Outbound Travel, “Bharat Deko” for Domestic Travel and “Flexi Hol” for our Flexible Individual Travellers (FIT). Cox and King Success in branding products has created more awareness amongst travellers and has also helped a traveller in distinguishing and identifying our branded products brand has evolved over a period of 250 years and is one of the oldest brands in the Travel & Tourism industry today.

The tour operators strategic position between the various vendors encompassing airlines, transport operators, hotels, etc. and the ability to combine the various elements of travel industry into relatively affordable and standardized tour package, have emerged as the key manipulators of tourism industry. They play a pivotal role in determining tourist flows to a particular destination, in both developed and developing nations.
When tourists choose to book a package or decide to go on holiday, how do they determine which package to buy especially in view of the consumer’s inability to inspect the ingredients marking up the tour package prior to travel. It is the tour ‘marketing’ which applies much more sophisticated strategies of trying to know what the tourist will want and satisfying the needs of the clients by means of the services rendered as well as the other customer’s value satisfaction associated with planning, preparing, and experiencing his travels. Kotler (1988) defines marketing as ‘a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and values with other the American marketing association (1984) defines marketing as ‘the performance of business activities that direct the flow of goods and services form producer to the consumer or users’ in simple words, marketing is the creation of a demand that results in satisfying consumer and accomplishing corporate objectives. Thus, the most important aspect that should be central to any marketing definition is based not only on identifying different consumer needs, but also on delivering a tourist product/service whose experiences provide sets of satisfactions which are preferable to those of the competitors. Tour package marketing is significantly different from the marketing of other tourism elements. This is because of the nature and types of tour packages offered by tour operators. Moreover, in the tour industry the marketing strategies that are effective and profitable for the mass tour operators, will often be substantially different than the marketing strategies/ adopted by tour specialists.
6.8) Developing a Tour Marketing Plan

Tour marketing plan is centered on organizational objective. It is important to have a clear understating of what the tour operator desires to achieve through marketing plan.

6.9) Operation and Execution of a tour

The success of a tour operator depends on how efficiently it operates a tour. This phase is very crucial and has capacity to convert promises into realities. So utmost care has to be taken to realize whatever had been promised in the package tour to offer to tourists. An experienced tour operator develops tour manual for tour manager, tour escort, tour guide, Destination Company and for other services to provide an understanding of how the tour company wants to operate and handle tour. A tour manual provides procedures and polices to conduct tours in more professional manner and the way in which procedures should be implemented as the tour progresses from beginning to end. Practically, a tour manual includes several sections relating to carrying out day-to-day responsibility, policies, and guidelines for working with vendors and tour participants and emergency handleings.

6.10) Tour Operator’s Brochures

The tour operator’s vital marketing tool is its tour brochure which contains comprehensive information to persuade and motivate potential holiday makers to purchase tourist products/services. It presents the product ‘stock’ at the
retail level but, at the time of sale, the total tourism product is no more than an idea – the brochure establishes expectation of quality, value for money, product image and status. Holloway (1992) lists the information that should be included in a tour operator’s brochure.

- Name of tour company responsible for tour
- Transport mode (s) – carrier name, aircraft type and use of scheduled or charter services;
- Details of destination, itinerary and travel time;
- Duration of tour – nights and days;
- Description of destination;
- Type of accommodation and meals;
- Services of ground operators;
- Price;
- Extra charges clearly indicated;
- Details of special arrangements and facilities;
- Full booking conditions including cancellation terms;
- Any optional or compulsory insurance cover;
- Documentation required for travel to the destinations featured; and
- Any health hazards or inoculation recommended.

Thus, the tour brochure consists of several sections and sub-sections. The brochure cover shows the title, date, theme, tour code, and name of the tour company. The inside pages/ flaps highlight the tour features, a brief itinerary, modes of transportation, types of accommodation, payments, unique appeal of destination (s), payment conditions, insurance, currency, documents, internet
address, website(s) and also contains a self-mail flag/page on which potential tourists may fill in tour registration information in order to sign up for the tour.

6.11) Promotion and sales

In order to market their products and services travel agencies depend a lot on promotion and advertising. Advertising in newspapers and magazines is the most common practice. However, leading travel agencies are making good use of electronic media also in this regard. Advertisements on television and loading information on internet are a part of it.

The job of designing brochures, advertisements hoardings, displays etc should be handed over to professional advertising agencies along with the necessary information specifying the objectives which the travel agency intends to achieve by spending in this area.

During Research Study: SOTC, Cox & King, orbit, sita, and other important travel companies were visited and it was observed that many travel agencies were lacking of promotional literatures though they were organizing various promotional activities at different tourist destinations but they could not be able to bring the desired numbers of tourist to sell their products and promote tourism in Maharashtra.

During Research Study it was also found that Cox and King focused on extending network infrastructure in both domestic and international locations. It intends to improve domestic penetration through the exclusive franchised shops. A franchisee model is a business arrangement where the franchisee has the licensed right to own and operate the business based on our business
concept and use our brand name. In this we provide start up help in terms of training, site development, advertising and marketing support. The franchisee is branded as a Cox and Kings shop and sells only our products. It is a one stop travel shop that provides all travel related services under one roof, making traveling more simple for the customers. Though the most of the travel agencies visited at Mumbai, Pune, Aurangabad, Nasik were private nature sufficed from unplanned marketing and strategies and unskilled manpower problem.

Govt. Agencies were also locking of basic infrastructure and unformational technology facilities.

In Maharashtra, tax levied by state Govt. on tourism product is too right incompriison to other states of media and it because heavy financial burden for travel agencies which affects promotional activities adversely. During visiting their offices all most all travel agencies were in complaining position for Govt. support and communication gap between MTDC and travel agencies as well as tour operators. Though Maharashtra has launched a campaign “Maharashtra unlimited” but awareness about this campaign was very less due to lack of Govt. coordination and deficiency of promotional literature.

As per research carried out Travel agencies / Tour operators majority opinion were that Govt. should modernize the old policies and new policies must be framed and implemented to reduce the heavy tax burden as well as sufficient govt. co-operation should be increased.
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