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5.1 Introduction

In this chapter we focus on the second part of our research problem concerning corporate strategies. We interpret the results of semi-structured interviews and archival research of the companies under study to examine their respective corporate/business strategies, their sensitivity to habitus and their relative performances levels. We study and describe various dimensions, which include business strategy, categorization of tourism business, interview feedbacks and performance indicators, of each of these companies. The companies we study include Thomas Cook (India) Limited; Le Passage to India Private limited; Cox & Kings (India) Limited; and Kuoni Travel Group (India) Limited.

5.2 Thomas Cook (India) Limited (TCIL)

5.2.1 The Company Profile

The principal activities of Thomas Cook (India) Limited are to provide travel and related services and financial services that include travellers’ cheques and credit cards. The company operates in two segments namely 1) travel and related services; and 2) financial services. Travel and related services includes retail purchase and sale of foreign currencies and paid documents, tour operation and travel management. Financial services include wholesale purchase and sale of foreign currencies and paid documents. The company provides travel information and acts as a travel agent in arranging tours, transportation, rental of cars and lodging for tourists. In addition the company acts as an authorized foreign exchange dealer providing foreign exchange services. The company also provides a variety of services to its customers like travel insurance, global services and IAPA cards. The company provides its services in more than 196 locations in India and 12 countries outside of India. Travel and related services accounted for 74% of 2005 revenues; Financial services, 22%; and Others (which included cargo business) 4%.

The company in the last two years underwent some major strategic changes through acquisitions and sale out. The company acquired LKP Forex, Travel Corporation (India) Limited and sold 100% stake in Hindustan Cargo Limited (HCL). Acquisition of LKP
provided the company a bigger footprint in financial services; Travel Corporation (India) added the much needed strength to the company in Inbound as well as outbound tourism and Corporate Travel, giving it a strong foothold in core tourism businesses. The selling of HCL looked in conformity with the renewed focus on core tourism businesses as it was a misfit with the rest of the company’s core businesses.

Travel Corporation (India) Limited, now the inbound/outbound arm of Thomas cook (India) Limited, was originally established in 1961 with 25 offices in India and a total of 11 offices in USA, Canada, Europe, Korea, China, Japan and Australia. TCI’s core activities include, Inbound Tourism, Business Travel, and Leisure Travel. TCI employs around 1,000 professionals and reported an income of Rs. 40 crores in 2005-06. While inbound tourism as well as ticketing accounted for 48% each of company’s business\(^7\), outbound travel accounted for 4%.

5.2.2 Business Strategy

Thomas Cook (India) continues its strong foothold in travel related and financial services segments which have been its forte. However, for the last two years a strategic shift is taking place at Thomas Cook (India) from travel related services and financial services to core tourism businesses. A twin strategy of simultaneous diversification and restructuring is on at Thomas Cook. While Thomas Cook is enhancing its presence in core tourism businesses (the take over of TCI is case in example), it is also getting rid of segments which didn’t fit with the core travel related businesses (the sell off of HCL). The travel and related services business segment in the company is, therefore, going through the phase of consolidation. The profits, however, have been under pressure due to internal and external restructuring activities. To offset these activities company is envisaging cost reduction, newer product offerings and enhanced customer servicing. In the new product offerings Thomas Cook (India) launched its new premium holidays, and ‘100% Holidays’ in February 2007. Company has, however, closed down its operations in Thailand and Singapore.

\(^7\) Reported in The Hindu Online, Dec 2, 2006
The rise in customized vacations and the fast growing FIT segment has helped the company mobilize its focus on online booking services, by putting all its products on website and setting up an exclusive warehouse to execute all such bookings. The Company is also planning to reduce commission levels, which indicates a shift from a margin-based business model to revenue-based business model.°

5.2.3 Categorization of Tourism Business

In inbound business segment Thomas Cook is operating primarily through its TCI arm, which is following a product oriented segmentation strategy. The company is pursuing mixed geographic-product segmentation in its inbound business. Its packages are designed on regional basis as well as on product type basis. The first classification is broadly into North, South, Central, East and West, where in each region has its destinations covered under a specific package. The second classification is tailored into six basic product types which are:

1. Traditional Holidays: This includes tours like, Golden Triangle Tour; Captivating Kerala; Deccan Odyssey; Palace on wheels; Royal Rajasthan.

2. Beach Holiday: This includes tours in Andaman Islands, Goa, Dona Sylvia, Kovalam, Marina, and Juhu.

3. Hillside Holidays: This has in it tours like Misty Manali Tour, Wonders of Himachal, Enchanting Kashmir, Adventurous Ladakh, Exotic Ooty and Nainital.

4. Adventure Holidays: This includes wildlife tours like, Bandhavgarh Jungle Lodge; Kanha Jungle Lodge; and Corbett Jungle Lodge.

5. Health Holidays: This is an effort to tap on medical tourism which is picking up as a new product proposition in India, but no programmes have been launched by the company so far.

° Reported from Thomas Cook Annual Report 2006
6. **Pilgrimage Holidays**: This includes pilgrim tours in Hindu as well Buddhist circuits like Kailash, Sarnath and all

5.2.4 **Data Interpretation of Interviews:**

Top corporate level executives of the company were interviewed in a face-to-face meeting, and questions from a semi-structured questionnaire were asked to know their awareness about habitus, the business strategies of the company and the performance level. The data gathered from these interviews is interpreted as under:

Q1: **Connection between Social Stratification & Tourism Consumption**
The company leadership is aware of the growing middle class and its role in the consumption of tourism; and believes that income levels of individuals will be the most important indicator of the pattern of tourism consumption.

Q2. **The World of Tourism is rife with Class Distinctions**
There are different income groups within society who take different kinds of holidays.

Q3. **The Tourist & the Traveller**
Tourists are the package tourists who usually come through travel agents. Travellers are the backpackers who travel alone without any assistance from travel agents.

Q4. **About the categorization in inbound tourism**
That is the product differentiation the company leadership believes is much more meaningful in the sense that it covers all kinds of tours India can offer as a multi purpose destination.

Q5. **The Corporate Strategy**
The Company is going through a restructuring phase, with shift towards core tourism business and achieving leadership in inbound tourism. The Company is all set to move
from adopting a margin-based business model to revenue-based business model. It is mainly because of this that the profits of the company have come under pressure.

5.2.5 Corporate Performance Indicators

- The company has finalized acquisitions in both tourism business and financial services, while at the same time sold out its cargo business segment, which indicates a strategic move towards consolidating core tourism businesses;

- The company has set up an exclusive warehouse to execute online bookings and is putting up all its product offerings on the website, which highlights the company's focus on capitalizing on online travel bookings, which include hotel, transport and tour bookings;

- The company is geared up to reduce its commissions further to make its offerings more competitive, which points to a shift from margin-based business model to revenue-based business model; It also indicates the company's focus to capitalize on mainstream market where price sensitivity matters the most.

- The Company is planning to work toward cost cutting and new product offerings and enhancing customer service, which is a step towards redesigning its packages, like the launching of 100% Holidays;

- Inbound tourism and ticketing segments of the TCI arm earned an income of approximately 39 crores in the year 2005-06. The company received some prestigious awards as well is the year 2006 which include: Best Outbound and Inbound Tour Operator of the Year Award (Hospitality India Awards 2006); Air India Rank & Bolt Award for Responsible & Active Citizenship.
5.3 Le Passage to India Private Limited

5.3.1 The Company Profile

Le Passage to India is at present India’s fastest growing travel agency in inbound tourism. The company is the youngest in tourism corporate houses; was set up in August 2002, by a break away group of top management in former SITA World Travel after the latter’s take over by European travel giant, Kuoni Travel Group. Le passage is already counted amongst the top two inbound tour operators due to its steep rise and phenomenal growth in a short span of time.

As a specialist in inbound, the company sells package tours and private holidays for groups and discerning individual travellers offering a range of specially designed products.

Headquartered in New Delhi, the company is managed by over 200 professionals with over 500 years of collective experience in tourism business. The company has had a great run, growing at a rate of 382 per cent in its first year of operation, and 100 percent the next.

In April, 2005, Le Passage to India entered into a 50-50 joint venture with the leading European travel giant TUI AG, Germany, which brought the latest know-how and the cold hard cash to the company along with its diversified product line of hotels, aircraft, and boats.

Le Passage has a close knit network of 11 branch offices in India and Nepal and 7 main marketing offices in USA, France, Germany, Spain, UK, Australia and New Zealand.

In year 2005, the company added a new division to its inbound operations by setting up ‘Go India Journeys’ which focuses on select markets and has expanded the scope of the company’s coverage for inbound business. In January 2006, Le Passage acquired the domestic tourism company Select Vacations to further diversify its core business into domestic segment.

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9 Company Report for the Year 2006-07
5.3.2 Business Strategy

Le Passage to India has been so far pursuing a focused business strategy to exploit fully its potential for growth in inbound tourism. Inbound tourism being its forte the company strongly believes in integrating technology as strategy for growth. The company considers technology as the future and the most crucial differentiating factor in market apart from its highly experienced team of professionals. The company has recently launched its new business application, which leads to further integration in its B2B, B2C, B2D and B2E customers. The company has developed software called, ‘Travel Assist’, with the purpose of facilitating easy access to all types of customers.

The company strongly advocates extensive use of technology and aggressive marketing abroad, besides covering all source markets extensively by visiting the foreign agents and participating in all international tourism trade conferences and marts. Of late, the company has strongly redesigned its strategy to tap premium leisure niche in inbound tourism based on the philosophy of ‘premium leisure travel being all about experiences and not about seeing places’. To cater to this highly demanding as well as lucrative segment, the company has launched a new brand, ‘Luxe India’ that will exclusively cater to this segment. The company has also launched a supportive product ‘Le Concierge’ service which offers information on fine dining restaurants, choice of wines, art exhibitions, yoga, ayurveda centres, a game of golf, visits to private art galleries and also chartering of private jets and luxury automobiles for touring.

5.3.3 Categorization of Tourism Business

Le Passage to India has categorized its inbound market into six main product offerings which include:

1. Cultural tours: Main programmes in this product are Essence of Kerala; Golden Triangle; North India Nepal; Rajasthan; and South India

2. Special Interest: These programmes include Architecture Tours; Handicraft Tour; Palace on Wheels; the Royal Orient; and the Golden Triangle Golfing Tour
3. **Adventure/Wildlife**: Some of the main programmes in this product are Elephant Safari; Ladakh safari; Special Wildlife Tour; and Rainforest Retreat

4. **City Stopovers**: These are short duration 3days/2nights programmes designed around major cities of India and include Bangalore; Madras; Delhi and Bombay

5. **Incentives**: These programmes which are flexible and may include any of the tours from the entire product line are basically focused on corporate incentive programmes.

6. **Luxury Holidays**: To cater to premium leisure segment the company has revised its strategy by launching a new brand called *Luxe India* which will exclusively be a luxury product supported by another product *Le Concierge* service which, as mentioned above, offers information on services like fine dining restaurants, choice of wines, art exhibitions, visits to private art galleries and also chartering of private jets and luxury automobiles for touring. The average length of these tours is from 7 to 10 days with an average spending $2000 to $3000 a day.

5.3.4 **Data Interpretation of Interviews:**

The Chairman of the company and other corporate managers were interviewed in a face-to-face meeting, and questions from a semi structured questionnaire were asked to know their awareness of habitus, the business strategies of the company and the performance level. The data gathered from these interviews is given as under:

Q1: Connection between Social Stratification & Tourism Consumption

The company leadership believes that it's more of an economic stratification that dominates tourism consumption. However the intellectual experiences of travellers over the unlimited fun of the mass tourists can not be denied. Study tours offered by many companies are an example in case.
Q2. The World of Tourism is rife with Class Distinctions
The company is aware and conscious of different classes in society which consume tourism differently. On the production side however the quality of accommodation is the indicator of distinction between different classes.

Q3. The Tourist & the Traveller
Tourists are either luxury (F.I.T’s) tourists; budget tourists, who use non star categories, prefer coming in groups; or they may be cultural tourists who use 4 star categories and are out to study culture, may come in groups if coming for the first time. Then there are backpackers who travel through rough guides, use lodges usually recommended by friends who have already been to these places

Q4. About the categorization in inbound tourism
This categorization, according to company leadership, is the result of an outstanding experience behind the company decision makers. Cultural tours are intellectual tours with a hint of luxury; Incentives are practically not for tourists as these are free gifts to employees; Special Interest tours have much to do with the profession of the people who take these; Luxury tours are for the upper strata of society.

Q5. The Corporate Strategy
The Company is an ardent advocate of integrating technology with aggressive marketing abroad while continuously representing the company in all international travel marts. The company leadership has a four-point strategic model in place which it pursues with fervor:

1. Growth through integrated technology and know-how;
2. Product diversification through new segments like MICE, Charter;
4. Emphasis on promoting and tapping the premium segment in inbound.
5.3.5 Performance Indicators

- The company registered a growth rate of 382% in its first year of operation and continued to grow at 100% in the following year, presently being regarded as the fastest growing company of India in inbound tourism.

- The company is less diversified and focused on its core business segment which is inbound tourism with highly experienced team of professionals working in a high tech organizational culture.

- The company is enjoying a 50-50 joint venture with the biggest travel giant from Europe TUI AG, Germany providing Le Passage a competitive advantage over other Indian companies in know-how, capital base, and strong European network.

- The company is aggressively targeting the premium segment in inbound with its brands Luxe India and Le Concierge.

- The Company received the most prestigious National Tourism award 2005 in Category One placed at position No. 2

5.4 Cox & Kings (India) Limited

5.4.1 The Company Profile

Cox & Kings owns the distinction of being the oldest travel agency in the World. Established in 1758 as general agents to the regiment of Foot Guards in India under the command of Lord Ligonier, the company never looked back and kept growing on to become a leading multinational travel company. By 1878, Cox & Kings had become official travel agent to most British regiments posted overseas, including the Royal Cavalry, Artillery and Infantry. The company went on to obtain the business of Royal Navy as well as Royal Air Force in 1912. With the fall of
British Empire, however, the rise of Cox & Kings as a distinguished travel agency was evident as it continued its operations in India and its growth as a company.

Cox & Kings (India) is today one of India’s leading travel agencies with a strong foothold in all three major segments of tourism - inbound, outbound as well as domestic segment. Headquartered in Bombay, Cox & Kings(India) has the status of a limited company with its 12 fully owned offices in India across major cities like New Delhi, Calcutta, Madras, Hyderabad, Bangalore, Goa, Kochi, Pune, Nagpur and Jaipur. The company employs more than 500 professionals across its different offices in India. The company also has overseas offices in major countries like UK, USA, Japan, Singapore, Russia and Dubai. The company operates in Europe through its associate offices in Germany, Italy, Spain, Sweden, South Africa and Australia.

In order to target people from semi urban smaller town throughout India, Cox & Kings unleashed two years back an aggressive franchisee strategy wherein the company lures small scale regional travel agents to use Cox and Kings brand, rates, expertise and logistics to garner business from small semi urban towns of India. This strategy has been proving very effective for Cox & Kings and is being replicated by its rivals to stay in competition.

Cox & Kings of late has started diversifying it business, making inroads in travel related services, the foreign exchange services being one such leap in this direction. Having obtained Category II foreign exchange license, The Company is increasing its revenue from Forex business by 60%, twice as fast as the growth reported by its travel segment. Presently travel segment of the company accounts for 85% of the
total revenue, which is going to change very fast with an increased percentage (25% as per company leaders) to be contributed by Forex services\(^{10}\).

Cox & Kings has also acquired a mountain in the Swiss Alps on a long term lease with the aim of boosting growth in outbound tourism from India. To be branded Mt Cox and Kings, the mountain is being promoted as a destination among Indian tourists with a range of activities like skiing, Swiss folk dances, chocolate making and glacier rides.

5.4.3 Business Strategy

Be it overall cost leadership, product differentiation or the focus strategy, Cox and Kings have the tools in kit to increase it's revenue and customer base. In particular Cox & Kings is an aggressive travel agency where profit maximization is preferred over almost everything else. The company has a strong network and a long established presence in Indian tourism industry which makes it the greatest player with economies of scale business model. Although projecting itself as a big player in premier segment, Cox & Kings has a strong focus on mainstream segment which include group holidays, budget tours as well premium holidays; basically two main sub-segments are its target in the mainstream segment - the mainstream budget and mainstream premium. The company consistently and aggressively launches discount schemes to lure the mainstream market. The company believes in creating competitive advantage through increasing bargaining power vis-à-vis suppliers, particularly hoteliers, and the company has been pursuing the strategy given the quantum of pax it handles. Recently the company’s portal eezeego1.com has gained a strong foothold in domestic B2B business by acquiring major stake in Forever Development Private Limited which owns the travel portal ‘eTourisonline’ with about 600 travel agents in the network.

\(^{10}\) Reported from the company reports for the year 2005/’06/’07
5.4.4 Categorization of Tourism Business

Cox & kings segments its inbound market in two broad categories – Group Holidays and Individual Holidays.

Group Holidays (which it defines as a group of 10 or more pax): The group holidays are offered mainly in the form of three kinds of packages:

- Seat in Coach Tours: with fixed guaranteed departures on fixed itineraries;
- Escorted Tours: with fixed itineraries, flexible dates subject to availability;
- Special Interest Groups: for an in depth study of one or more subjects;
- Tailor made groups: which are completely customized tours as per the clients interests.

2. Individual Holidays: which, as the company puts it, are for the discerning traveller. Individual holidays are offered in three kinds of packages which include:

- Car Journeys: With fixed itineraries flexible dates
- Private Journeys: with private transfers and tailor made holidays
- Special Interest Individual: With one or more subjects for an in depth study.

It was observed however that this differentiation of products that the company seems to have in its armor is created, on surface rather than actual, skin deep. It was found that most of the itineraries are common to both the group tours and individual tours thus indicating that differentiations is focused on prices and number of passengers rather than the taste of consumer. Overall a product oriented business strategy. The company seems to have segmented the mainstream market into Mainstream Budget and Mainstream Premium segments price and packaging as effective tools. In the mainstream budget segment price becomes more important than destination, Cox and Kings achieves it through deep discounts and economies of scale and its strong network. In the premium segment it is the packaging and value proposition that matters. The company achieves this with its competitive rates with hoteliers and better sales management.
5.4.5 Interpretation of Interviews

Q1: Connection between Social Stratification & Tourism Consumption
The company leadership believes that it's who affords what and how much of it. Income of the client is the name of the game which decides the duration of stay, the quality of accommodation, the kind of vehicle to be used and all other things included in a package. It is the buying power that decides the destination even.

Q2. The World of Tourism is rife with Class Distinctions
The company management talks about the three major classes of Marx and believes all select holidays according to the disposable income and disposable time available to them.

Q3. The Tourist & the Traveller
The Company managers look at these differences as based in income disparities and unemployed versus unemployed. The travellers, according to the management, travel cheap to cheaper destinations, stay in cheaper accommodation whereas tourists spend more on their comfort and use better facilities to enjoy.

Q4. About the categorization in inbound tourism
The management believes the categorization is what the customer has wanted. The company, say the managers, sells what customers want to buy. The organization is strongly placing the consumer preference on top. However, that does not seem to match with what is on offer and how it is sold.

Q5. The Corporate Strategy
The Company is aggressively targeting the mainstream segment, particularly the group holidays. Even its individual holidays are more or less small groups, with 2-9 passengers considered as 'individual travel'. This is a trend that needs serious thinking. It also depends on how hotels as service providers differentiate between G.I.T and F.I.T rates. One more segment, where the company management is aggressively mobilizing its resources and expertise, is the domestic sector. The company is already running two rail packages and is
planning to start soon a specially designed rail journey in collaboration with Indian Railways, for which it is said to have already invested crores of rupees. The company has also recently ventured in financial services segment related to travel where it is already making remarkable progress according to company sources. This clearly indicates how much the company is diversifying its business to deny its rivals any formidable competitive advantage. The company is also investing heavily in its online portal eezygo.com besides having its main coxandkings.com online booking facility, which shows the company’s emphasis on cheaper market segments.

5.4.6 Performance Indicators

- Cox & Kings (India) holds a strong leverage in the industry due its long customer base. It annually handles 20,000 pax in inbound sector and caters to about 200 companies in the business sector. It recoded a turnover of 600crores in 2005 in all segments.

- The company has a very strong presence in the mainstream tourist segment for its large established sales network and competitive pricing. Cox & Kings has inherited a unique expertise in the mainstream segments which broadly is divided into two main segments Mainstream budget and Mainstream Premium.

- The company is market leader in outbound with an estimated 30,000 pax handling annually. The oldest company with a well established long presence in India, Cox & Kings has developed a penchant for domestic market.

- The company’s overwhelming focus on out bound and mainstream segment in inbound has created weaknesses in its collective strategy in catering to luxury segment where it looses ground against its staunch rivals like Kuoni and Le Passage.

- The company has bagged last years most prestigious awards for performance in outbound sector like Air India Award, Galileo Best performance Award.
• The company has of late ventured into financial services with Category II foreign exchange license and has recorded a 60% increase in its revenues from Forex business which accounts for twice the growth in its travels segment.

5.5 Kuoni Travel Group (India)

5.5.1 The Company Profile

Kuoni Travel Group (India), which is being regarded as the first citizen of the Indian Travel Industry, is India’s largest tour operator and a 100% subsidiary of Kuoni Travel Holding, Switzerland.

Kuoni Travel Group India is an amalgam of a series of acquisitions in tourism on Indian soil. The Group Company came into being in 1996 with the acquisition of one of India’s leading outbound travel agencies, SOTC, with the objective to cater to all tourism and travel needs of tourists from, within and to India. The company recorded a prolific growth with an eightfold increase in profits and consolidated its position in Indian tourism industry as the leading outbound tour operator. In 2000, as a big step towards diversification in tourism, another major acquisition, this time in inbound tourism, took place when Kuoni (India) acquired SITA World Travel, a forerunner in Destination Management, incentive and business travel. In 2001, Kuoni (India), in a strategic move, acquired Tour Club, India’s principal inbound travel agency catering to Middle East, thus giving the Group Company a strategic foothold in Middle East market. The acquisition fever continued in 2006, with the acquisition by Kuoni India of Distant Frontiers, a specialist focusing on the FIT individual travel market and MICE (Meetings, Incentives, Conferences and Exhibitions) segments, and became India’s No.1 Destination Management Company.

Kuoni (India), in 2006, launched Kuoni Holidays - India’s only premium segment brand - to tap the luxury segment with renewed focus and aggressiveness. Kuoni’s Business travel Activity was re-launched as HRG SITA India by forming a strategic alliance with HRG, a global giant in business travel segment.
In travel related services, Kuoni in 2001 launched VFS, its visa service arm as an outsource partner with diplomatic missions. VFS Global has become a global leader now in visa services business, with operations in 18 countries and 135 offices. Kuoni India employes over 2,900 professionals and its turnover had already crossed Rs. 1800 crores in March, 2006\textsuperscript{11}.

To professionalize tourism education and training, Kuoni India, in 2003, set up Kuoni Academy of Travel, which is offers education and training to young aspirants in travel industry.

5.5.2 Business Strategy

The Kuoni Group (India) focuses its activities on two business segments: Leisure Travel (Organization, advice and distribution) and Destination Management (advice, B2B and organizing land arrangements in India). The overall strategy is to steadily and sustainably enhance the value of the Kuoni Group by optimizing its portfolio and its spread of business risk.

The Company (with the exception of its two charter airlines) does not have its own capacity to utilize, and is, therefore, pursuing a low-vertical-integration business model which, the Company leadership believes, gives it optimum flexibility. The company has maintained its broad-based expansion strategy in its Indian Operations with its long term growth potential in inbound as well as outbound tourism.

5.5.3 Categorization of Inbound Business

Kuoni India is distinctive in its approach toward categorizing its tourism business. Here we do not have different product lines created as such, but an entire business unit (which in itself is a leading company) caters to each market segment.

1. \textit{Luxury Holidays}: Distant Frontiers is the SBU that primarily handles this segment.

Kuoni Holidays is the exclusive brand that promotes luxury holidays. The Strategic

\textsuperscript{11} Reported from the Company press release and annual reports for the year, 2004/'05/'06.
Business Unit offers premium holidays, special interest tours for the premium segment and also incentives of premium category. Distant Frontiers creates customized trips that focus on museums, regional cuisines, photography, crafts and textiles.

2. *Package Holidays:* SITA Incoming is the Inbound Division of Kuoni (India) that primary caters to both group as well as individual (FIT) travellers mainly from Europe, UK and North America. Already established leader in inbound for more than 48 years, SITA under Kuoni has risen to number 1 inbound company in India. With a network of 33 offices in India and 6 marketing offices abroad, the SBU accommodates over 300 committed professionals carrying out operations in India, Nepal and Sri Lanka.

3. *Charter Holidays:* SITA Charters, an SBU of SITA Inbound, plays a pioneering role in developing charter business to India. The unit handles each year nearly 30,000 clients into Goa and Kerala. The unit has handled some of the leading Charter Operators from the UK, Scandinavia, Germany, Iran, Poland, Russia and various CIS countries.

4. *Tour Club:* One of the SBU’s of SITA Inbound Division, Tour Club is a destination management company dealing primarily with FIT inbound. Started in 1988 as DMC, the SBU now has leadership in Middle East market, employing a staff of more than 56 professionals. The SBU recorded a turnover of RS, 33 crores in 2004. The SBU has expanded its operations, of late, to include South Africa, South East Asia and Eastern Europe.

5. *Online Travel:* E-Holidays is the SBU that handles the global online travel bookings. Offering cheap competitive holidays, hotels, and other travel services with a plethora of options and information, E-Holidays is the online inbound business unit of Kuoni India.
6. **SITA Care:** Healthcare tourism is tipped to be the next big business for India, due to the exceptional expertise, cost advantage and simply world class facilities that India offers in medical services. The breaking down of distance barriers and the rising desire to avail of quality healthcare services have further brightened the prospects. Kuoni India is out to tap the segment through SITA Care, which in collaboration with a panel of doctors and hospitals is set to explore the healthcare tourism market.

5.5.4 **Data Interpretation of Interviews:**

The Corporate Managers at SITA and Distant Frontiers were interviewed in a face-to-face meeting, and questions from a semi-structured questionnaire were asked to know the management’s awareness about habitus, the business strategies of the company and the performance level. The data gathered from these interviews is interpreted as under:

Q1: Connection between Social Stratification & Tourism Consumption

The top level executives in the company are aware of emerging socioeconomic groups and the prospects these new emerging niches hold for tourism companies in India. The spread of different lifestyles and changing consumer tastes are putting up challenge for companies in tourism business as well.

Q2. The World of Tourism is rife with Class Distinctions

The key managers in the organization show strong awareness about the different social classes in tourism and their distinctive needs in consuming tourism. The company management is keeping these things very much in its collective memory as to how to cater to these distinctions in a more successful way.

Q3. The Tourist & the Traveller

There is a wide difference between tourist and traveler- so does the company leadership believes. Even among tourists – the management contends - we have different segments which require different types of packages and services. Traveler business segment, according to the management, is not an organized sector, though there are companies which are trying to tap this segment. Their very low budget makes it difficult for bigger
companies to cater to them. And, travellers, the management believes, usually don’t follow any itinerary or programme.

Q4. About the categorization in inbound tourism
The company has set up for each segment a separate business unit to achieve greater focus and employs exclusive expertise in catering to different tourist segments. The company is primarily operating in seven niches:

1. Premium Segment through Distant Frontiers
2. Mainstream inbound segment through SITA Incoming
3. F.I.T inbound leisure segment through Tour Club
4. MICE and Charters through SITA Charter
5. Health Tourism through SITA Care
6. Special Interest through Distant Frontiers
7. Online hotel and holiday bookings through E-Holidays

Q5. The Corporate Strategy
The Company stands from expansion and diversification within the core tourism businesses. It believes expansion holds a big strategic advantage in markets which have a substantial potential for long term growth. The company is continuously pursuing the low-vertical-integration strategy, utilizing capacities of its suppliers from outside which, the management believes, gives it the flexibility and alertness to external changes.

5.5.5 Performance Indicators

* The company’s net sales have been growing phenomenally since 1997. From Rs.2000 crores in 1997, the net sales reached Rs.6000 crores in 2000 and continued to grow throughout to cross Rs.15000 crores mark in 2006\textsuperscript{12}.

\textsuperscript{12} Reported in Company Press release for the year, 2007.
The company is in possession of India’s leading business entities like SITA, Distant Frontiers and Tour Club all operating in the respective domains to give Kuoni India a distinctive status and tremendous competitive advantage in all major segments of tourism.

Kuoni India is the only organization in Tourism Indian industry with its organizational structure and organizational functioning based on the principles of modern business management. The division of portfolios, separation of different business by creating different Strategic Business Units, and the organizational network that follows the modern principles of unity of command and organizational communication can hardly be seen in any other Indian tourism company.

Kuoni India in 2005-06, for the 5th consecutive, time bagged the National Tourism Award (first position) for Destination Management Services. The company also received, for the 4th consecutive time, Galileo Express travel World Award for the Best Inbound Tour Operator in Destination Management for 2005-06.