Chapter VIII

8.1 The tourism industry has grown phenomenally in the last few decades and has become an important contributory factor in the economy of many nations. It has emerged as the world's largest export industry and has become a unique instrument for economic development as well as for percolation of economic benefits to the weaker sections of the society. Today the travel industry is becoming more and more competitive. The amateur stage of the travel agency business is long over. In the last three decades, the travel companies have transformed their structure and working to meet the challenges of the internationaltourism market.

So, in this volatile business environment, only those travelagencies will succeed who will change to meet the growing competition and opportunities. To meet the needs of a new travel market, they will have to bring creativity, innovation, determination and professionalism to their operations. In order to retain market share, tour operators will need to offer more flexibility in the designing of their holidays and travel agents will have to seize the opportunity and offer a more customized service to their customers.

The most significant factors affecting hospitality and tourism in India are:Changing characteristics of Tourism Sector,Infrastructure management; Government policies; Workforce issues and Education in hospitality and tourism; Strategies for growth; Tourism Company Management; the Management of Destinations in India and the Use of Online techniques for Marketing.

8.2. **Conclusions -**

8.2.1Changing characteristics of Tourism Sector – The Indian tourism sector is changing – from the customer profile to sightseeing places, to means of transportation and quality standards. These changing trends are discussed below -

8.2.2 Growth in short holidays and breaks. Both domestic and outbound tour operators will have to provide short breaks to meet growing demand.

8.2.3 Developments in transportation, such as the Pune Mumbai Expressway, DualCarriageway ofNH4, introduction of new train routes and a promised new airport near Pune will stimulate the tourism sector.

8.2.4 Demand for activity and health-related holidays is on the increase. Examples are Spa holidays, Wellness holidays and Adventure holidays. Growing interest in health and fitness will offer an opportunity for travel agents to develop greater variety in their activity programmes.

8.2.5 There is a growing trend towards last minute bookings. Changes in lifestyle and work patterns will mean a shorter lead time for travel purchases.

8.2.6 Greater concern for quality. Concern over indifferent standards of holiday tours have dogged the tourist industry in recent years, making it essential for tour operators to put quality at the top of their agenda when planning new tours.

8.2.7 Heightened concern for the environment. Customers will expect their travel intermediaries to operate in a manner that is respectful of the long-term well-being of the environment when choosing the constituents of their packages.

8.2.8 Many tourism companies look for unqualified labour for the sake of paying less. The skill gaps in the tourism sector must be overcome under the condition of insecure and often seasonal employment and relatively low pay. It was noted that training and development played a crucial role in this respect.

8.3 Strategies For Growth –Tourism companies need to plan well and introduce professional systems in their management. This will help them to meet the customer expectation and growing competition.

8.3.1 Service Differentiation: Tourism Services are sold both as final services and as intermediate inputs. A company has to differentiate its service from its competitor. For this, it is necessary to develop newservices. This does not mean that the tourist company will have to abandon its current service offerings but it will have to continually improve its existing services and introduce new services to draw tourists. Decisions on what facilities, programs and services to provide should be based on the needs of the target market. They should not be based on the preferences of the owner/manager or necessarily on what the competition is providing.

8.3.2 A tourism experience includes five elements: trip planning and anticipation; travel to the tourist spot ; the experience at the site; travel back home; and recollection. Business should look for ways to enhance the quality of the overall experience during all phases of the trip. This could be accomplished by providing trip-planning packages, which include maps, attractions on route and on site, and information regarding lodging, food and quality souvenirs and mementos.

8.3.3 Tourism businesses should also view their service in generic terms. Thinking of products/services in this manner helps focus more attention on the experiences desired by customers and also the facilities, programs and services that will produce those experiences.

8.3.4 There is a wide scope for underdeveloped countries like India to promote tourism. If India overcomes the challenges by enriching its

present strategies, it will emerge as successful tourismdestinationand will yield maximum foreign exchange to our country. A world-class destination requires professional planning to prevent haphazard, uncontrolled growth, strict architectural controls, and strong infrastructure.

8.3.5 It requires improvement of entry points and appropriate facilitation services. Training programmes are required not only for tourism managers but also for tourist guides, taxi-drivers, hotel staff ,porters etc, as the manner in which they conduct themselves affects the tourist's experience of the country.

8.3.6 Important do's and don'ts in terms of a code of conduct needs to be inculcated among the service providers.

8.4 Use of online techniques for marketing.- The changing demographic profile of customers over the last decade suggests that the evolving internet and related systems will ultimately be adopted by the large majority of travelling public and therefore the internet will be considered an important source for traveling information. The internet will increase the communication between customers and the tourism industry and this new technology will continue to provide an environment for creating relationships, allowing customers to access information more efficiently, book and compare tour offerings.

So the marketing mantra ' Atithi Devo Bhava' of the Department of Tourism is to position India as a global brand to take advantage of the burgeoning global travel and trade and the vast untapped potential of India as a tourist destination.

8.5Recommendations – Based on the research the Researcher recommends the following changes that can boost tourism and help meet the challenges in a competitive market.

8.6. Workforce Issues – The staff working in a tourism company forms its backbone. We have seen that the tourism service includes staff behavior, knowledge and expertise in planning a tour. So getting and retaining capable staff is important for tourism companies.

8.6.1 The Need for Manpower Planning and Recruitment -Tourism Companies do not attract the best available manpower. The reason is not far to seek –very often the employment is seasonal and the pay is poor. Travel agencies need tourism professionals specializing in different operational and managerial functions like tour planning and itinerary designing, travel information, reservation and ticketing services, destination counseling, sales and marketing, finance and accounts, conferences and conventions, visa and travel insurance, foreign exchange services etc. Therefore, a company's recruitment policy should focus on functional expertise and on attitudes and approaches that fit their corporate goals and culture. Unfortunately, the employee turnover is very high in thetravel agencies and tour operation business.

8.6.2 Expectation of job flexibility, little provision for training, high staff turnover, and long working hours result in tourism sector not finding talented manpower. Many qualified employees leave the sector and many trained tourism school graduates do not enter the sector, leading to a sheer waste of resources and skills.

8.6.3 By encouraging automation and re-engineering the workprocess more people can be enticed to join the industry, and thus alleviate the shortage of manpower in the industry.

8.6.4 There should be many more Guide training institutes to provide well trained guides especially at places of historical importance.

8.7 Tourism Companies – As the tourism companies become more professional and organized they can take the following steps to become even more successful -

8.7.1 Strengthen Distribution: Distribution is the key to the reaching more customers. Tourism had made great progress in the distribution of services.Strengthened distribution provides comprehensive services and the solutions to the customers.

8.7.2 Proper Communications: Communication both internal and external must be effective and result oriented. Tourism can retain existing customers, attract new customer, increase brand awareness, build business and gain the trust of their customers through promotional campaigns.

8.7.3 Interaction between Tourism and Non-Tourism Business Sectors: Currently, there is limited formal interaction, understanding and appreciation among the tourism and non-tourism business sectors like transportation (airlines, railways and roadways), hotels and restaurants. In addition, tourism industries are not aware of the funding, services and other resources available to them. Forums or educational/informational sessions are needed to assist in developing better understanding.

8.7.4Enhance local awareness of offerings: The local population has an important role to play in the sightseeing and attractions in the country that are promoted to the tourists. One aspect of the tourism marketing campaign should be aimed at the Locals - enhancing their pride andencouraging awareness oftheircultural offerings.

8.7.5. Building of new Partnerships and Packages for Tourism: Partnerships should be encouraged between hoteliers, restaurants, retailers and cultural groups. Increased understanding will generate appreciation and interest in collaborative activity that can benefit all parties involved.

8.7.6TheAutomation of Travel Companies — With online booking of Airline Tickets, Hotels, Railways and Bus it is now essential for travel companies to become automated. Airline online Reservations can be made on Amadeus Software for Air France, Iberia Lufthansa, SAS Air Inter, Linjeflyg,Finnair, JAL ,Adria, Braathens, Icelandair, Emirates Interflug, and Thai Airways .Galileo software can be used for British Airways, Alitalia, Swissair, Austrian, KLM, Sabena, Olympic Aer Lingus and AirPortugal. Abacussoftware is used for Singapore, Royal Brunei and Cathay for domestic ticketing.

8.8. Marketing

8.8.1 Our overall marketing strategy has remained more or less static in terms of spread, innovation, imagination, new techniques and coordination. The role and influence of the overseas offices of the Department of Tourism have been extremely marginal. They do not have adequate funds to launch a well-coordinated publicity drive, let alone mount a sustained campaign.

8.8.2 Another noticeable drawback is that different agencies like hotels, travel trade, airlines, Tourism Corporation, etc., are selling their services independently. This disjointed effort spread thinly over a large areas, naturally yields little benefit.

8.8.3 We should launch a national image-building and marketing plan in key markets by pooling resources of the various public and private agencies. This would yield abundant benefits for tourism growth and also be of advantage in trade and commerce.

8.8.4 Marketing should be done by the choice of appropriate media (radio, television, print) aimed at target markets. Thecompaniesneed to develop and maintain their websites and update them regularly giving information about current tours.

8.8.5 Follow-ups and Feedbacks: Follow-up and feedback should be taken from the customers .With growing competition the customer

satisfaction should be given utmost priority. After execution of service, they shouldtakethe feedback of the service that has been rendered so that required improvementscan be made in the future.

8.8.6 There isa lack of awareness in the field of tourism can also be treated as a major challenge. This awareness is, at present, limited to few enlightened people in our society. It must be extended into a felt need of the masses. Only then it will become the national goal. The Indian publicity is unimaginative and weak. So far, it covers only the tourists and the potential tourists with the purpose of luring them to visit various places in India. Such publicity has no persuasive pressure on the people of these places to welcome the tourists. For the common citizens, a visiting tourist group is no concern at all. They are strangers for the local people. These guests are either avoided or exploited.

8.8.7Pricing: When setting prices it is important to take into consideration the availabilityand prices of accommodation available in the service area for example, hotels, lodges, and bed and breakfast.

When establishing prices, tourism businesses should give attention to pricing strategies which encourage differential pricing in high season andlow season, longer stays, group business, and the sale of a combination of room, meals, and recreational facilities.

8.9 Government Initiatives –

While tourism can be a catalyst for development, it is of the utmost importance that the government plans and develops tourism carefully so that the benefits can be optimized without creating social and environmental problems. Despite the increasingly important role of tourism in the socioeconomic development of country, there is a lack of reliable and systematic research on its economic impact. When the link between national economic policy-making and tourism development is weak, integrated planning becomes difficult and tourism is consequently

given unduly low priority. In order to pursue sustainable tourism development, the Government of India needs to strengthen its capabilities in formulating appropriate policies and strategies for the promotion and development of tourism in the country. The challenges of tourism industry can be tackled more effectively through the following initiatives

8.9.1Overseas publicity – The department of tourism and ITDC are now participating in various tourism festivals in different countries all over the world to promote different tourism destinations in India. Though this is a costly marketing initiative the government has to continue with this initiative as it is effective . It can also have road shows in important cities of the world.The government can open more overseas offices at different countries to promote India as a tourism destination.

8.9.2 Production of tourist Literature – Tourist literatures should be published to advertise particular destinations. Guide books, tour brochures, posters, folders need to be distributed to inform tourists about the tourism destinations and sightseeing points. This literature should be written by scholars and experts in the field of History and Archeology. It should not be populist literature but erudite literature.

8.9.3Guide Training – Proper training programs to be arranged for the guides and service providers to meet the need of foreign tourist. Guides should know different languages which will allow them to provide good service to the foreign tourists.

8.9.4Collection and Publication of tourism statistics – collection and collation of tourist statistics will help us to find out the quantum of touristsvisiting a particular destination .This will help in making infrastructural investments and manpower planning

8.9.5Star accommodations – India needs more star category hotels in different destinations in the country. Presently the tourist find good accommodation in cities but more such hotels need to come up near touristdestinations.

8.9.6 Liaison with Government departments and private companies There must be proper liaison between different Governmentdepartments responsible for providing facilities required by the tourists and travel companies to provide better service to the customer. This can be done by regular meetings with the travel bodies and associations and the tourism department.

8.9.7Classify and recognize travel companies. The government should categorise the recognized tourism companies on the basis of the services and quality. They can be given quality standards like star categories in the hotel sector. This will help the customer to choose the travel companyon the basis of the quality and service he is looking for.

8.9.8. The government should introduce more luxury trains like Palace on Wheels and Royal Orient to cater to the affluent Indian tourists and foreigners.

8.9.9 Same taxes should be levied in all states At present Goa has the lowest rates and Karnataka has thehighest.

8.9.10 There should bea list of guidelines for travel companies that are to be strictly followed .

8.9.11 The Government should introduce tourism police in travel spots.

8.9.12 All airlines hike their rates during high season .These high Seasonalrates of airlines should be controlled.

8.9.13 There should be regular cleanliness drive of religious places.

8.9.14 One window Tourism information and permissions for tourism companies.

8.9.15 Encourage local arts aadivasis ,crafts in tourism policy .

8.9.16 Afavourable attitude towards visitors is of prime importance. A favourable attitude towards visitors is created through good publicity and service oriented programmes. Local people should be convinced of the importance of tourism. Special training should

beconducted for the persons who come in direct contact with the visitors – hotel employees, service station clerks, guides, coolies, taxi drivers etc. They should be given good instructions concerning greeting the visitors, providing information being helpful, gracious, friendly, cooperative, willingness to serve, welcoming spirit and having a pleasing personality .

8.10 Infrastructure Management

8.10.1 More than any other type of development, tourism requires a clean environment to flourish. This is particularly true in the Asian and Pacific region, where the region's major marketing strategy extols the beauty and tranquility of its coastal areas. It is essential that tourism in the region is developed and managed in such a way as to protect natural assets. Tourism development should be planned and controlled in an orderly and coordinated manner. This will bring long-term quality in the tourism sector and result in the success of the industry. This can be done by the

8.10.2 Development of infrastructure to meet the present and future needs of tourist.

8.10.3 Developing basic infrastructure.

8.10.4 Building of airports near places of tourist interests.

8.10.5 Having Parking places near tourist attractions.

8.11. Management of Destinations

8.11.1 Preservation of cultural, heritage and environment at tourist destinationsto attract more tourists.

8.11.2 Proper coordination between the states and central tourism department in order to develop the destinations.

8.11.3 By controlling the number of tourists visiting a sensitive eco system.

8.11.4 Restoration work of Forts, historical monuments as an ongoing activity.

8.11.5 Strict action against tourists defacing the monuments and artifacts

8.12 FUTURE OF TRAVEL AGENCIES

8.12.1 The Travel agents are doing well at present –in India and all over the world, serving as a vital link between the traveler and the travel services. However , it is one of the paradoxes of the travel industry that the body of gentlemen who, following the footsteps of Thomas Cook, have done so much to instill travel habits in the public's mind, should now be those whose very existence is most threatened by the expansion and development of their industry.

8.12.2 In the 'good old days', when travel abroad was complicated and the various components of a trip had to be laboriously assembled to meet the requirements of the well-heeled individual customer, the services of a travel agent were essential. Airlines,Hotels and Customers relied on him. Nowadays all three are beginning to desert him. Airlines tend to regard him as an expensive, inefficient and unnecessary middleman between themselves and customers, and the customer often finds it quicker, more convenient and cheaper to deal directly with the carrier through online bookings. Hotels are also open to direct online booking by the customer.

8.12.3 It is a fact that air travel is becoming more like rail travel and the customer does not necessarily require the services of a middleman. With greater choice of airlines and flights, advance booking may also become less important. Similarly, some wholesale tour operators have started feeling that the retail travel agent is an unnecessary overhead on the sale of their packages. These are the signs to indicate that the travel agent may become dispensable one day.

8.12.4 The emergence of new technology will revolutionise the marketing of airline tickets through use of automated machines at many locations around the country. Although several airlines have already installed ticketing machines at airports for commuter travel in USA, i.e., New York ,Washington etc. it has not yet affected the business of travel agents .The airlines fares, especially the international fares, are so complex that the customer needs help. Besides, prices too vary in an unregulated environment with the result that the customer now shops around to get the best bargain helping the travel agency industry to sustain itself.

8.12.5 In mid-nineties, travel agency industry worldwide was in a state of euphoria as profits were soaring, business was up, commissions were high and airlines wooed the travel agents as their main source of higher sales. The numbers of travel agency outlets all over the world were increasing at a fast rate. When people were able to make direct bookingsforall their travel plans like transportation,hotels and sightseeingarrangements on the internet the picture began to change. Since then, businessby way of Internet has increased at a fast pace. Travel is an information based industry, already exposed to computers for 25 years and the impact of Internet on this business is most marked.

8.12.6 In India however the pace is not as fast as the Western world. Moreover the impact of modern technology is today felt mostly in the metro cities. Hence the future of the travel agents in India looks stable for the next few years. However as the internet and personal computers make way into thehinterland travel agents will have to rethink their role.

8.12.7 The Future

Perhaps, one day, tourism will be a wholly mental activity, with no need to travel, an activity which takes place purely within the tourist's own home and is limited only by the imagination of the tourist.

8.12.8 Theme resorts could be built where tourists could totally immerse themselves in a fantasy experience. The tourist could be a historic figure,

Roman gladiator, a medieval knight, a cartoon figure or a superman. They could enjoy playing these roles in a safe environment.

8.12.9 Alternatively, one day we will be able to create artificial environments, where tourists can experience holidays under the sea, or in gravity-less environments.

8.12.10 Travel Technology consultant Paul Richer says that the travel industry is relying more and more on technology to deliver its services cost effectively. Yet, technology, will never replace the human face of the travel agent- it can certainly help agents work more effectively. The travel agent's role will only become important in the future, and the need of the hour is to develop a competent tourism workforce by nurturing a pool of creative, capable and internationally- oriented managers, along with the development of a comprehensive skills and attitudinal training programme.

8.13 Recommendations for Pune Tourism –

8.13.1 An airport for Pune needs to be built very fast. The current airport is very restricted as it is a defense airport only allowing civilian operations. There are severe restrictions on flight times and when air force sorties are in progress commercial flights are not allowed to operate. The tourism industry bears the brunt of theserestrictions. So Pune Tourism needs an airport for both international and domestic flights.

8.13.2 The local government needs to develop the sightseeing places near Pune . This is because customers are looking for short weekend breaks near Pune . These places include Temghar, Amboli ,Tarkali , Lonar , Kashid etc.

8.13.3 The local government should involve more local residents in the Bed and Breakfast schemes so that a budget option for tourists will be available near tourist spots and beaches.

8.13.4 Local specialities like Strawberry festival in Mahabaleshwar , Wine festival in Nashik and Mango festival in Konkan and the indigenous floral beauty of KaasPathar should be encouraged and organized .

8.13.5 New Tour ideas like Bollywood Tours, Marathi Film Tours should be implemented because there is huge demand to see stars and film shootings.

8.13.6 Pune tourism companies can attract the NRI segment by jointly organising floats and parades on India days in important cities abroad. This will create an awareness of the tourist offerings in India.

8.13.7 In an important education center like Pune more tourism schools should be opened. There should be a tie-up between the schools and tourism companies so that the syllabus would be industry oriented and placementwould be automatic.

8.13.8 Manmade destinations near Pune should be planned and built. The attraction of the existing tourist places will wane in a few years so new manmade destinations should be built to take their place.

8.13.9 Encourage Agri tourism to places near Pune like Morachi Chincholi Pimploli, Mulshi etc.

8.13.10 Adventure Tourism is growing so companies should encourage tours and camps based on trekking , rafting ,rock climbing , rappelling ,and rifle shooting . They could organize camps in Dandeli, backwaters of Pavana and Mulshi .

8.14 Contribution made by the researcher to the existing body of knowledge.

Though the tourism sector has shown foreign exchange earnings of Rs 94487 Crores in 2012, it is not placed in the dominant position it deservesin the Indian economy. This is due to the lack of systematic marketing. The researcher has studied the problem with the help of Tourism Experts, Customer Survey, Tourism Company Survey, Tourism

Company Top executive Survey, Tourism Company Manager Survey, On Tour Observations, Observations of staff and a case study of the marketing strategies of Tourism Company. This gives a 360 degrees picture of the present Pune Tourism scene.An empirical study such as this will help the Pune Tourism industry in becoming organised and professional and making more informed decisions by devising better policies and evaluating existing procedures.

The Study presents hitherto unavailable research on the Tourism Companies in Pune with reference to their marketing strategies. The research work studies the marketing channels and advertising methods used by the Pune Tourism Companies. The study depicts the range of strategies the companies use for their target markets The study examines the Pune Customer – socio demographic profile spending patterns, preferred tours and destinations .This study is important to know customer needs and wants and plan future tours and destinations .The study throws light on what the customers expect from the tourism companies and what services they will expect in the future. The study delves into the assessment of valuecreation needed for competitive differentiation by developing a differentiated offering, delivery or image.

The researcher has put up marketing strategies appropriate to the tourism companies customers and type of tours. These suggestions will help the Tourism industry as a whole to expand in future.

8.15. Limitations of the Study

The study is limited to the study of marketing aspects of travel agencies in Pune City.

Tourism is influenced by a host of other supportive industries like airlines, railways, hotels etc. whose impact was not covered. These industries help in the planning of a tour itinerary.

It was difficult to get appropriate responses from a few tourism companies especially about the tourist volumes they handled each year.

The Top executives of the Tourism companies were reserved about revealing their advertising budget.

There is limited published data available on the industry. Information about tourist arrival and infrastructure availability at many destinations is largely based on the limited available data and estimates of the local tourism department at these locations.

In spite of the above limitations all efforts were made to reduce bias and ensure correctness in the data collection and analysis process.

8.16 SCOPE FOR FURTHER RESEARCH

The study was conducted with reference to Pune City. Pune City is a representation of the urban India. The study will be useful for research on marketing Tourism services in metros.As no such detailed study was previously available, it will act as a base for the further studies.

The above study was conducted in Pune City which is a representation of the urban India. But 65% of India's population stays in rural India. A study of market development of tourism services aimed at rural India on the basis of the above study will also be welcomed by the industry and academia.

Research studies to estimate the carrying capacity of the tourism destination have rarely been carried out. Also norms on the extent of development that can be allowed at various tourist destinations have yet to be developed by the state / local administration. Detailed destination specific studies will need to be carried out by the state tourism department in association with the Town planning department, environment department and other relevant government departments. This will help tourism companies to market responsibly and not burden the delicate eco system of the destination.

8.17In conclusion this thesis has linked the findings with the set objectives, analysed major factors that affect marketing in tourism and drawn appropriate conclusions. In this the researcher has highlighted the

factors that play a major role in marketing in tourism. Results are fairly encouraging and actions should be taken to improve marketing to increase the market share in tourism.

""It is good to have an end to the journey but it is the journey which matters in the end."Ursullale Quins