ABSTRACT

Tourism development requires both public and private sectors active participation. The tourism development takes place through the travel intermediaries like the travel agencies which play a key role in tourism development. The electronic world has transformed the entire system and paving a new powerful way to locate, learn and buy all types of products and services provided by the travel agencies. The dawn of the budget airlines and the stiff competition among the airlines has reduced the airfares to a greater extent. Huge volume of online ticketing for airlines, hotel bookings could be made easy and simplified with the user friendly computerized reservation systems (CRSs). This recent development has a huge impact on the business of travel agencies and tour operators and witnessing a drastic decline in Turnover by them.

The geographical areas chosen for the study include Coimbatore and Tiruchirapalli districts of Tamil Nadu, India. Descriptive research design has been adopted and the study is concerned with describing the characteristics of travel agencies in Tiruchirapalli and Coimbatore districts. It further deals with the narration of facts and characteristics concerning the role of travel agencies, in the study area, possible challenges and constraints to sustain in the competitive and e-governance environment. The data were collected by using survey method, with a structured interview meeting the respondents personally. The data relating to the business profile, motives to start their business in the study area, their business strategies adopted, etc. Tie-ups with the hotel
industry, airlines, tour operators, tour guides, government tourism department, their contributions in promoting tourism in the study area and the constraints faced by them had also been collected.

The analysis revealed that the investment required to start a travel agency ranged from Rs.5 to 15 lakhs. Tourism and travel industry have attracted relatively young entrepreneurs. Most of the travel agencies operate to book tickets and offer services. Majority of the tourism entrepreneurs are men. Though it is only a service enterprise where it is quite likely that the women can enter and make a mark, in this study it is still dominated by men. The marital status of the respondents obviously indicates that a large majority of the tourism entrepreneurs in this study are married. 53 percentage of entrepreneurs in this study are in nuclear family. Whereas little less than half of them live in joint families. Only around five percent have school qualification and others have entered with higher education say, graduation or post-graduation indicating that running travels and tourism requires education.

The region wise analysis revealed that more than three fourth of the entrepreneurs in the study area are in urban and the remaining have hailed from rural areas. It implies that still tourism and travel industry is predominantly captured by urbanities. It is found that private limited and sole proprietorship are observed as ownership patterns in this study. Maximum number of organizations started their enterprise a decade ago; and around 50% of them have started during the period 1991 to 2012. It indicates that travel agency business have emerged as an entrepreneurial activity only recently

Travel agencies are normally in prominent place. It is quite difficult to have their own premises, because they need to be operated in the main area where purchase of land or building will be expensive. It is observed that more than half of the sample
entrepreneurs, were able to bring their own investment and others have partially raised funds towards initiating their enterprise. It is demonstrated in this study that more than 60% of the sample respondents have started the travel agency business with sufficient experience. It indicates that to enter in to tourism and travel industries, it is necessary to have work experience. Less than 40% do not have any prior experience to start the enterprises.

It is shown in this study that as high as 84% of the entrepreneurs are first generation entrepreneurs. Those who have just entered a decade ago might belong to second generation. The enterprise would have been run by their parents earlier. The motivational factors are Inner strength, family support, government schemes, support and guidance of friends, to harness the resources and utilize the education and skills, to gain social prestige, to be independent through self-employment and of course with the vision for future development in the field etc.

The facilities in general are good in terms of location, office space, comforts etc. However enterprise in prominent places where every additional square foot would incur huge advance and additional rent. It is observed that more than half of the travel agencies in the study do not have web site. Among the travel agencies which have web site, the web site has been designed by professional company by majority of the sample enterprises which have facilities for interactive booking, provides related links, track number, e mail, virtual package etc. Other sample enterprises lack such facilities.

The travel agencies if they are accredited by concerned Department, it will be easy for them to get support in future. Among the tourism entrepreneurs 60.29% of them have their business approved by the accrediting travel and tourism authority. Among the tourism entrepreneurs, 69.11% do not representing any national or international group tour operators and the remaining one third respondents were able to have authorized
linkage with national and international groups. Group tours operation has been offered by around one third sample enterprises. There are other services such as tour guidance, liaison services, organizing for special events, arranging meeting, transportation, packages with transport, resorts, insurance etc are not offered. As high as 73.52% sample entrepreneurs do not provide any on line services to their customers.

It is very clear that only regular tourism is promoted by majority of the sample entrepreneurs though there are pilgrimage, medical, transit, rural, cultural and heritage tourism. Finance is one of the major constraints which constitute the base for starting any business but the travel agencies in the study are not able to get the support from formal sector. Majority of the entrepreneurs do agree to the statements given, be it infrastructure, facilities at the destination, market promotion, safety and protection etc. However, they felt that there is inadequate provision for tourist guides and lack of attractive facilities to invite foreign tourists. There is significant positive association between persons with entrepreneurial drive and their contributions to development of tourism in the State. In general, those who followed entrepreneurial approach were able to perform better than others.

Based on the findings of the study, it can be noted that entrepreneurial approach to tourism development will be the most successful strategy to promote and develop tourism. Since tourism is highly fragmented sector consisting of many MSME’s (Micro Small and Medium Industries) of travel and tourism business entities. Taking into consideration the business competition among the tourism entrepreneurs, airlines, hotels and cab operators. With large volume of on-line transactions are performed by the customers. With more awareness and easy to use e-tourism rapidly increasing, this has become a real challenge for the tourism entrepreneurs.