

# STRATEGIC IMPACT OF TOUR AND TRAVEL AGENCIES ON THE DEVELOPMENT OF TOURISM INDUSTRY

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**Abstract:** Tour & Travel tourism sector in India accounted very important in development of tourism and employment generation. It plays an important role such as bridge between clients and principal suppliers, image builder, rapid travel services, social and continues process. This paper has surveyed various literatures which plays a vital role in establishing the background for research work in tour and travel agencies in the development of tourism industry in Karnataka. In this paper an attempt is made to understand the determinants and impact factors of Tour and Travel agencies in the promotion of tourism industry in Karnataka. The questions included in the questionnaire are about the parameters of the Tour and Travel agencies and questions related to tour guides. The total number of respondents chosen based on convenience judgement sampling technique for the present study is n=125 from two Bagalkot and Vijayapur districts of Karnataka. Hence, tour and travel agencies are most significant in creation of comfort zone, social contact, incredible culture, experience new cuisines and make travel happiness.

**Keywords:** Strategic impact of tour & travelers, potential factors and performance.

## 1.1 Introduction:

Indian tourism has significant potential as the rich culture, historical heritage, ecology, terrains, and places of natural beauty spread across nation. Tour & Travel tourism sector in India accounted very important in development of tourism and employment generation. T & T industry has the status of being the world's largest industry growing rapidly is viewing no sign of stopping. The tour travel agencies play a predominant role in tourism development and it can be considered as vital destination in Karnataka. 8% of the total employment opportunities generated in the country in 2017, providing around 41.6 million people during same year<sup>1</sup>. Tour

<sup>1</sup> Source: Media Reports, Ministry of Tourism, Dept. for Promotion of Industry and Internal Trade, PIB, Union Budget 2018-19.

and travel agency which packages and processes all the attractions, accesses, amenities addition to that ancillary services of a country then presents them to the tourists. Tour and travel agencies are plays an important role such as bridge between clients and principal suppliers, image builder, rapid travel services, social and continues process.

## 1.2 Review of literature:

This paper has surveyed various literatures which plays a vital role in establishing the background for research work in tour and travel agencies in the development of tourism industry in Karnataka. Review of literature is very imperative for finding research gap and for in depth discuss, books, articles, and scholarly published research papers have sagaciously studies and inference their main ideas.

The author revealed that the consumer perception of travel agencies on communication, images, needs and expectation during tour. The researcher an attempt was made on identify several needs and information expected by the tour clients and contrary to the researchers' assumptions, tourists didn't respond to travel ads differently for common and uncommon destinations. Few travel agencies had developed more loyal clients during their operations (**K.W. Kendall & Bernard H. Booms, 1989**)<sup>2</sup>. The paper exposes that the role of travel agencies in the development of tourism and factors affecting in implication of Alba Country are insufficient development of tourism resources such as lack of finance, poor infrastructure and less important are considered laws (**Carmen Pastiu et al., 2014**)<sup>3</sup>. The authors revealed that the future prospects of online retail in travel industry in India. Tour operators are gaining by operating at low cost and increase as per their business convenience. Tour agencies know the vital of incredible India campaign for the tourism industry (**Kirti Singh Dahiya and Dr. D.K.Batra-2016**)<sup>4</sup>. The researchers encompasses that the tourism is a means of leisure, business, education, culture and for entertainment; tour and travels is one of the most vital journey for humankind (**Ayush Vikram Singh et.,2018**)<sup>5</sup>. The paper explains on satisfaction of foreign tourists on tour agencies in India. Study found that two observable attributes such as tangible and intangible for the travel agents working and these two dimensions significant impact on tourists' satisfaction as well as tourists intended to revisit due to service providers (**Rohit Singh Tomar and Dr. Deepika S. Tomar-2013**)<sup>6</sup>.

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<sup>2</sup> Consumer perception of travel agencies: communication, images, needs and expectation, Journal of Travel Research, Vol-27(4), Pg: 29-37, April 1, 1989.

<sup>3</sup> The role of travel agencies in tourism development in Alba Country, Trends in Tourism and Hospitality industry Congress proceedings, Pg-327-337, 2014.

<sup>4</sup> Travel industry selecting between online and offline mode, international Journal of Scientific and research Publication, Vol-6(9), ISSN-2250-3153, Pg-694-701, Sept.-2016.

<sup>5</sup> Tour and Travel, International Research Journal of Engineering and Technology, Vol-5(3), Pg-1630-1632, May, 2018.

<sup>6</sup> Measuring Foreign Travelers' Satisfaction with Traveling agencies in India, IOSR Journal of Business and Management, Vol-12(1), ISSN-2319-7668, Pg-26-32, August-2013.

### 1.3 Need and purpose for the study:

The tour and travel tourism industry in India is currently evidencing unprecedented growth. The industry is one of the largest and most profitable industries in India and contributes significantly to the national income. In this paper an attempt is made to understand the determinants and impact factors of Tour and Travel agencies in the promotion of tourism industry in Karnataka. The questions included in the questionnaire are about the parameters of the Tour and Travel agencies and questions related to tour guides. Hence, study of strategic impact of tour and traveler agencies on the development of tourism industry is more needful and helps to the tour operators.

### 1.4 Objectives of the study:

- To study the strategies of tour and travelers in the development of tourism industry.
- To study the impact of tourism promotion strategies of tour and travelers in select area.
- To explore performance of tour and travelers in the enhancement of tourism industry in Karnataka.

### Hypothesis:

1. **Ho1 (Null hypothesis):** there is no significant strategies of tour and travel agencies effect on the development of tourism industry in Karnataka.

**Ha1 (Alternative Hypothesis):** There is significant strategies of tour and travel agencies effects on the development of Karnataka Tourism Industry.

2. **Ho2 (Null hypothesis):** there is no impact of tourism promotion strategies of tour and travel Agencies in select area.

**Ha2 (Alternative Hypothesis):** there is impact of tourism promotion strategies of tour and travel agencies in select area.

3. **Ho3 (Null hypothesis):** there is no performance of tour and travel agencies in select research area.

**Ha3 (Alternative Hypothesis):** there is performance of tour and travel agencies in select research area.

**1.5 Methodology of the study:** The present study is an explorative research in nature. The relevant data has been collected from both primary and secondary sources.

**Respondents Profile:** The research area is Bagalkot and Vijayapur districts been selected. Primary data has collected from set open and close ended questionnaire through interview method. The questionnaire divided in two parts. First is related to the demographical details of the tour and travel agencies and rest related to impacting strategic factors of tour and travel agencies on tourism industry in Karnataka. Likert Scale method had used for collection of response.

**Sample Details:** The study is based on the responses given by the respondents residing in the total number of respondents chosen based on convenience judgement sampling technique for the present study is n=125 from two Bagalkot and Vijayapur districts of Karnataka.

**Secondary data** also considered for review of literature and to understand conceptual phenomenon through the books, journals, magazines, newspapers, govt. report and authorized websites.

**Data Measurement:** Data analyzed had been done by using some statistical tools and techniques such as mean, S.D., regression methods, and ANOVA test been conducted to gathered result. **Data analysis and inference:** The personnel working and behaving in such a way that others think of them as competent, reliable and respectful. The personnel should have some ethics and etiquettes in his profession such as skills, communication, and the personnel should gain knowledge through the training.

**Table 1: Number of Personnel against Nature of Personnel**

No. of Personnel	Nature of Personnel				Total
	Skilled	Unskilled	Trained	Untrained	
20-40	40	0	8	0	48(38%)
40-60	6	29	16	3	54(43%)
60-80	5	0	1	0	6(5%)
80 and above	0	0	17	0	17(14%)
Total	51(41%)	29(23%)	42(34%)	3(2%)	125(100%)

**Source: Field Survey, 2014-19.**

Nature of personnel effects on the performance of the tour and travel agents. From skilled and trained workers the agencies get more business opportunities. The mean result **1.9360** with **SD** of **0.98982** reveals that most of skilled workers are working in the agency whose personnel capacity of 20 to 40. Majority of the unskilled workers are in the agency those are engaging in the tour activity having personnel about 40 to 60. The statistical results show that only few agencies are running their tour agencies with unskilled and untrained employees.

**Table 2: Nature of Personnel Experience as a travel agent**

Nature of Personnel	Experience as Travel Agent				Total
	3 to 5 years	5 to 7 years	7 to 9 years	9 years and above	
Skilled	13	2	9	27	51(41%)
Unskilled	9	2	13	5	29(23%)
Trained	3	13	10	16	42(34%)
Untrained	0	0	3	0	3(2%)
Total	25(20%)	17(14%)	35(28%)	48(38%)	125(100%)

**Source: Primary Data, 2014-19**

Success of any business may be measured by considering experience as one of the measurements. Out of 125 respondents 38% of the respondents have experience of 9 years and above as travel agent whereas only 14% have experience of 5 to 7 years. With the mean result 2.8480 it is said that most of the tour agencies have much

experience in the field. Only few agencies have 3 to 5 years' experience. 28 % of the respondents have 7 to 9 years of experience.

**Ho: There is significant difference between nature of personnel and experience of tour agent in the performance of tourism development.**

**Table 3 Summary of ANOVA test:**

Source of Variation	SS	df	MS	F	P-value	F critical Value
Within the Rows	327.19	3.00	109.06	2.67	0.11	3.86
Between the Columns	134.19	3.00	44.73	1.10	0.40	3.86
Residual Error	367.06	9.00	40.78			
Total	828.44	15.00				

The two way Anova test result shows that the null hypothesis not rejected at the 0.05 LOS ( $\alpha$ ) because F1 Value < CV (2.67<3.86) and F2 Value < CV (1.1<3.86). Henceforth, there is no significance difference between skilled, unskilled and trained and untrained on the experience of tour agencies. P values also less than F value.

**Table 4: Maintaining files of Tourist**

Maintain file for tourists	Frequency	Percent	Valid Percent	Cumulative Percent
Foreign Tourist	21	16.8	16.8	16.8
Corporate Officials	39	31.2	31.2	48
VIP'S/VVIP's	42	33.6	33.6	81.6
NRI's	13	10.4	10.4	92
Schools and Colleges	10	8	8	100
Total	125	100	100	

**Source: Primary Data, 2014-19**

Maintenance of file for tourists' means managing the data base of clients who are visited to the agency and travelled through the tour package provided by the tour agency. According to the table 33.6% of the tour agencies maintain files of VIP'S and VVIP'S and only 8% maintain files related to schools and colleges. 31% of the respondents are maintaining files regarding corporate officials. The mean value 2.6160 with SD 1.1272 revealed that most of the tour agencies are maintaining filling system for VVIP's and corporate officials, less importance has given to the foreign tourists, NRI's and academic institutions.

**Table 5: Mode of selling ticket to tourists**

Mode of selling tickets to the tourists	Frequency	Percent	Val.Percent	Cum.Percent
Direct to tourists at the counter	26	20.8	20.8	20.8
Online selling through outlets	66	52.8	52.8	73.6
Reservation Service	33	26.4	26.4	100
Total	125	100	100	

**Source: Primary Data, 2014-19**

Sale is an activity of transferring a particular good or service from one to another with the help of money as an exchanging factor. From the table it is evident that 53% of Tour Agencies sell their tickets online through outlets whereas only 21% sell directly to tourists at the counter. 26% of the respondents were using reservation policy to sell tickets. The mean value 2.0560 and SD 0.0615 indicates only few are interested to sell their tickets directly at the counter, it is evident that most of agencies are wanted to contemporary and new technologies to sell their tour tickets.

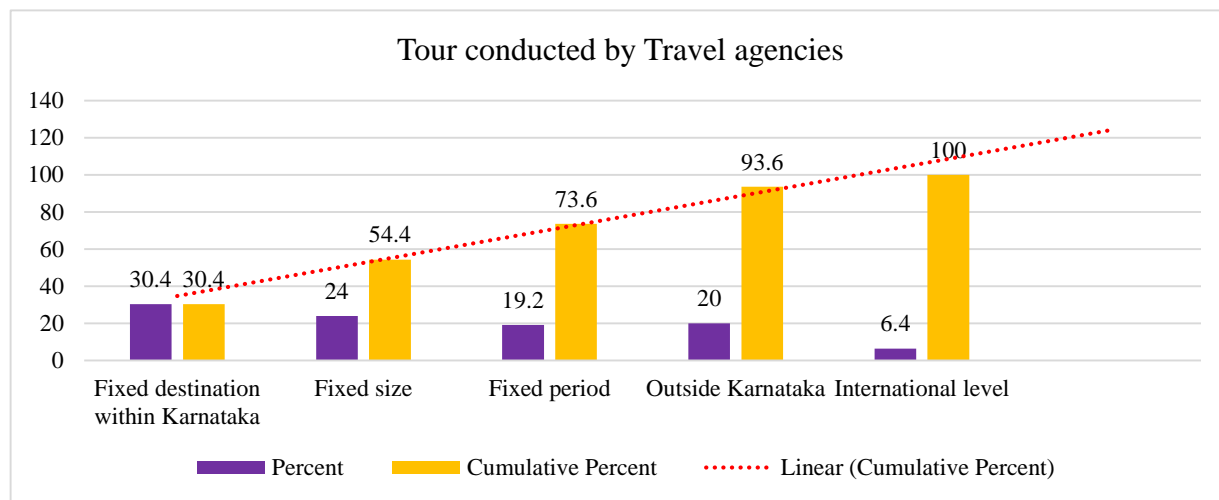
**Table 6: Opinion on how the Tour Agencies market their services**

Mode of market your services	Frequency	Percent	Val.Percent	Cum.Percent
Advertisement in Radio and TV	20	16	16	16
Direct approach to clients	11	8.8	8.8	24.8
Personal contact	12	9.6	9.6	34.4
Direct contact with other agency	40	32	32	66.4
Banner and hoardings	19	15.2	15.2	81.6
Internet blogs	23	18.4	18.4	100
<b>Total</b>	125	100	100	

**Source: Primary Data, 2014-19**

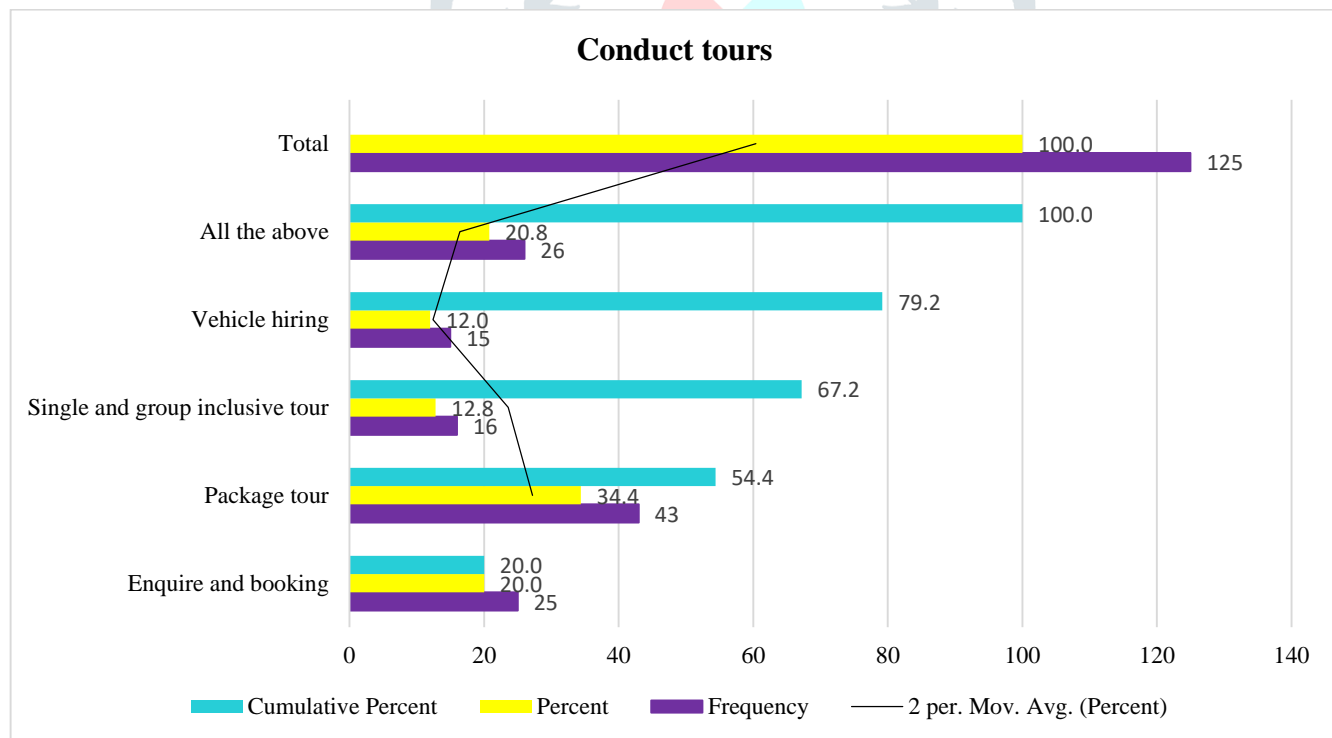
From the table it is evident that 32% of the Tour agencies market their services by having direct contact with other agency whereas only 8% market their services by personal contact with the clients. Almost 18% of the respondents are told that they have practice of marketing their services through internet blogs. The mean value 3.7680 indicated that most of tour agencies markets their service by contacting with other tour agencies where as some agencies are considering recent strategies like advertising through TV and Radio and internet etc.

**Figure 1: Tour conduct by tour companies.**



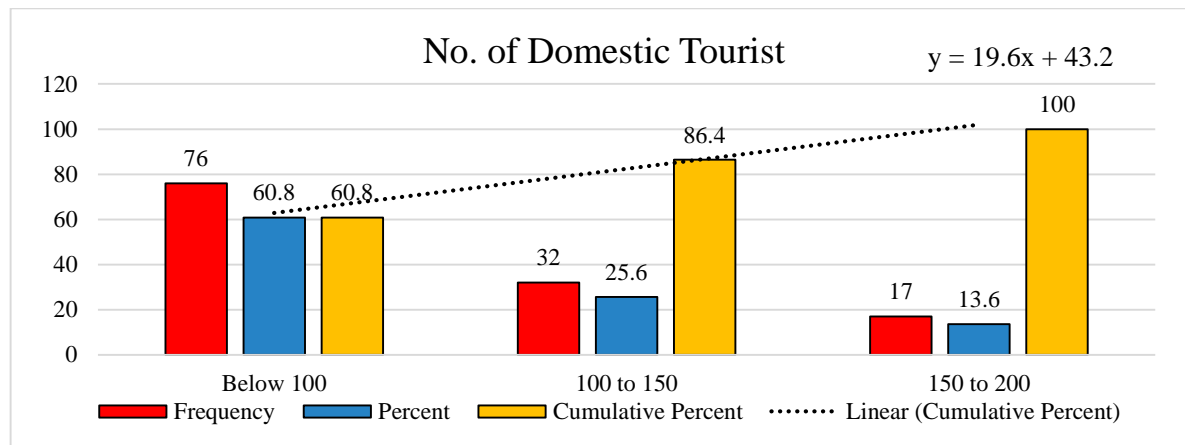
According to the respondents 30% of the company conducts tour with fixed destination within Karnataka with tour conduct whereas only 6% conduct tour at international level. According to the resulted mean value of 2.7440 and Variance 2.789 it is evident that maximum percentage of tour agencies are preferring tour packages especially within Karnataka. About 19% of the agencies conducting fixed period tour like one week, one month etc. The results show that the percentage of agencies conducting tour at international level is very less.

**Figure 2: Tour conduct by Office Deals:**



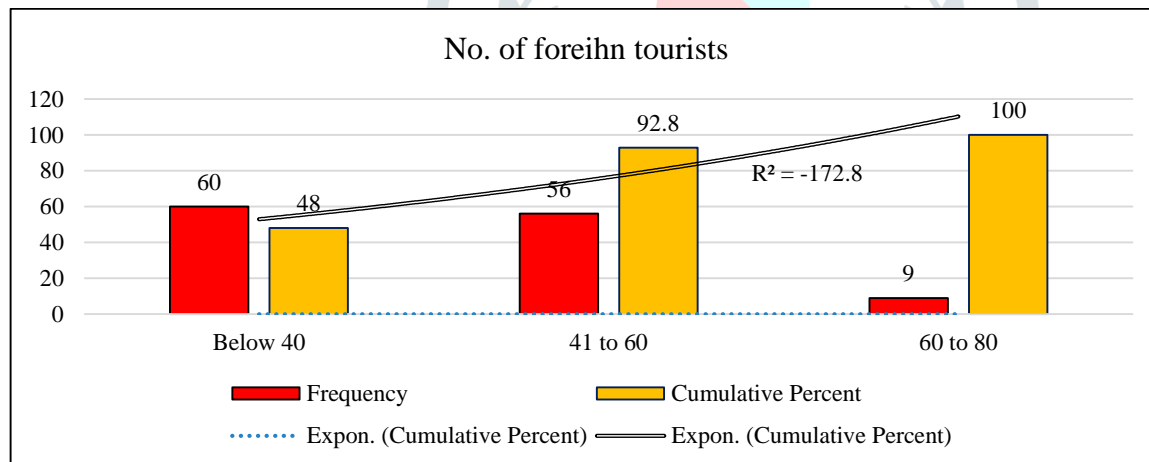
Respondents were asked to indicate their response regarding conducting tours by dealing with office works. According to the respondents review, 28% of the tour agencies conduct tour with package tour and only 12% by hiring vehicles for the sake of tourists. The SD 1.63924 with the mean value of 3.080 indicates that most of the agencies conducting package tours and few agencies have practice of conducting tour by handling all other activities along with them.

**Figure 3: Number of Domestic Tourist per day.**



Now a day’s tour agencies serving the customers irrespective of their nationality. According to the study it is evident that the number of domestic tourist per day below 100 is 61% and 150-200 is 14%. And 25% the respondents are getting domestic customers between 100 and 150. The mean results show most of the tour agencies are getting less than 100 domestic customers per day. Only few agencies are getting 150 to 200 customers per day. It is evident that maximum percentage of tour agencies running their business at average level.

**Figure 4: Number of Foreign Tourist per day.**

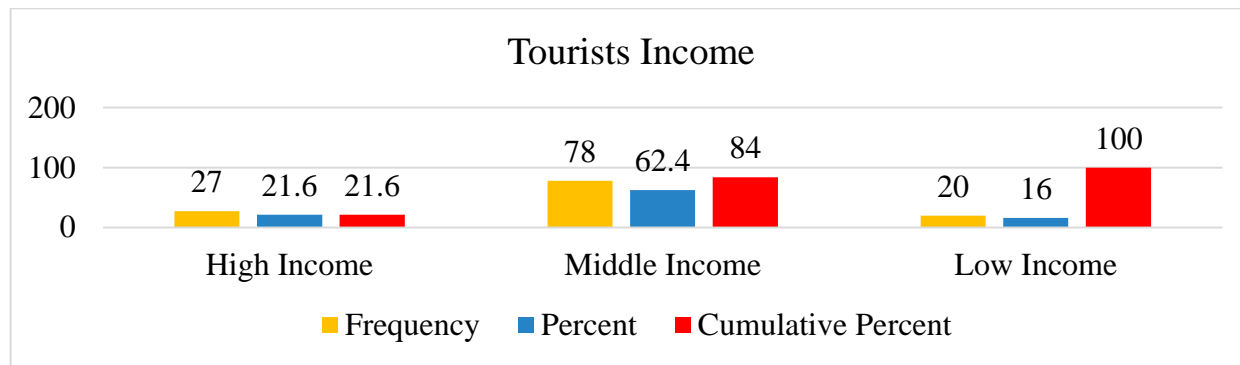


**Source: Primary Data, 2014-19**

The mean value 1.5920 indicated that most of the agencies are getting below 40 customers per day. There is variation of S.D 0.6234 with every context. From the table it is evident that the number of foreign tourist per day below 40 is 48% and 60-80 is 8%. From this result we can understand that every agencies getting medium number of foreign customers because the overall frequency of foreign customers visited India is very less as compared to domestic tourists.

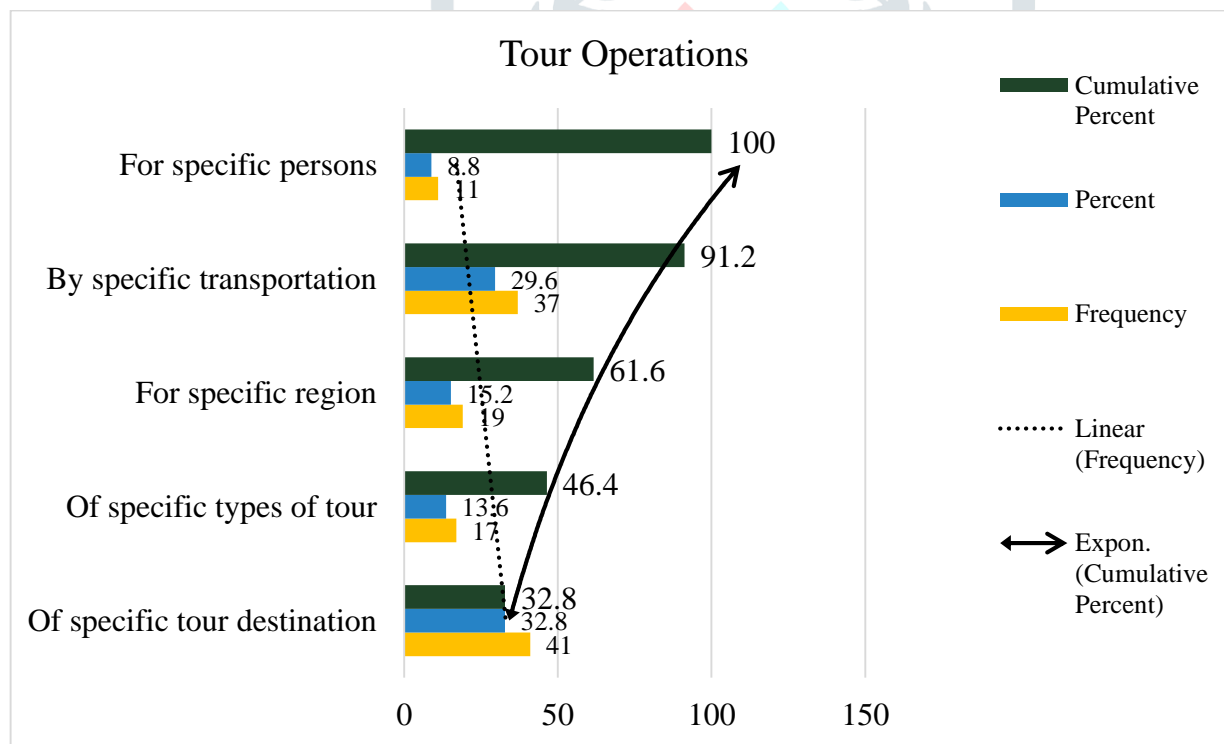


**Figure 5: Income Category of Tourists.**

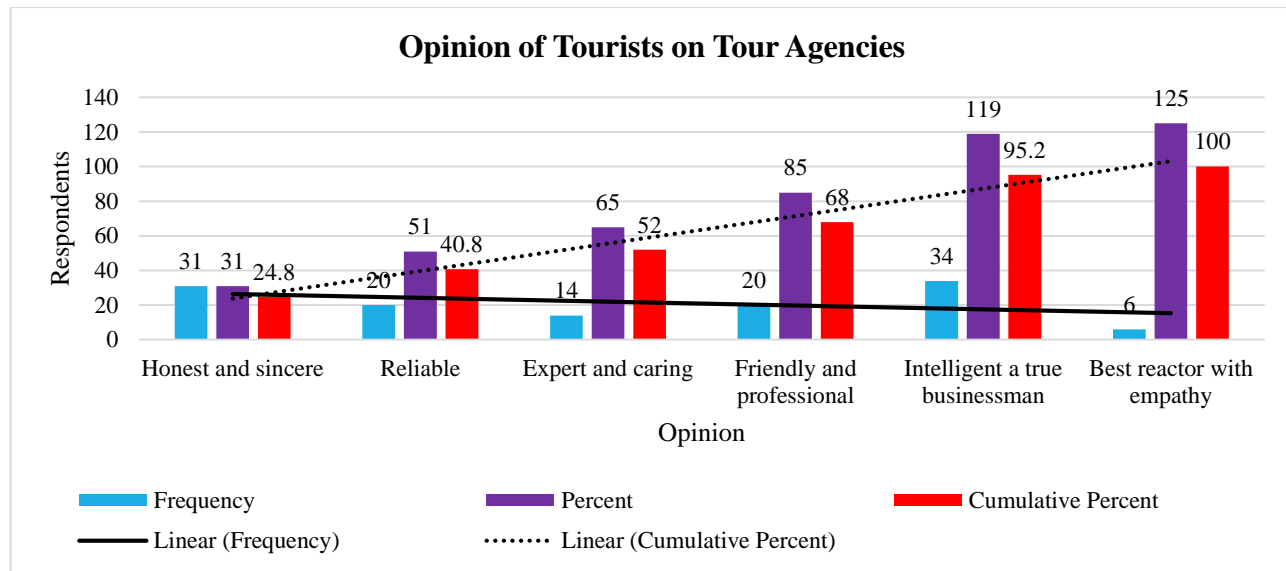


Income level of the tourists becomes one of the determinants while evaluating the earning capacity of the agency. In general context most of tour agencies prefers middle class family. The mean 1.9440 and SD 0.6131 indicates that maximum number of tour agencies are preferred the people who are having moderate level of income. About 62% of the respondents agreed and told they are preferring tourists who have middle level of income. Only 16% of the respondents prefer having low level income people, it means they are serving their services to the untouchables also.

**Figure 6: Type of Tour agencies Operated**



Respondents were asked to indicate their opinion on type of tour they are operating. Most of the tour agencies restricted their services to some particular packages. The mean value 2.6800 and SD 1.41763 indicates that most of tour agencies operate tour by specific tour destination and by specific transportation. From the table it is evident that 33% of the tour agencies operate specific tour destination tours, 30% by specific transportation, 16% for specific region, 14% specific type of tour and 8% only specific persons.

**Figure 7: Opinion of Tourists on Tour Agencies**

Feedback is the most important thing that every business should consider because it determines the position of business. 27% of respondents were agreed about intelligence of the tour agency, 25% of respondents told as the tour agency has honest in rendering service, only 5% of agencies got best reactor with empathy as feedback. 16% of agencies got rewarded as reliable, friendly and professional and 11% got rewarded as expert and caring with the mean of 3.1920

### Findings:

- 43% of the respondents are skilled and trained those having only 40 to 60 work force, it is found that the travel agencies are maintaining and offering qualitative service to the clients.
- 38% of the travel agencies serving to the society with having experience of 9 years and more as travel agent that would impact them to recognize as excel in tour and travel business.
- 33% of the respondents' maintained files for tourists becomes proof in the future and recording only VIP's & VVIP's, Corporate Officials and less importance to the academic institutions.
- 53% of the respondents is transforming their business from traditional to modern; it is found that most of the tour agencies are selling tickets through online outlets.
- 30% of the respondents are more preferable regional tour destinations as Karnataka State.
- 34% of the respondents are providing better service to the clients such package tour.
- Research found that majority (61%) tour agencies are getting less than 100 domestic tourists and less than 40(48%) foreign tourists per day.

8. 62% of the respondents preferring middle class families those have moderate level income. And 33% of the respondents conducting tour for specific destination like historical places.
9. 16% of the respondents are rewarded by their clients as friendly and professional. It is found that most of the tourists given feedback as the tour agencies are intelligent and true businessman i.e 27%.

### **Suggestions:**

1. Travel agencies should develop skills among unskilled workers they may help to achieve organizational goal in short and stipulated time. The tour agencies may run their business by using different strategies to attract tourists.
2. Filling system should be maintain properly for their tourists. Online marketing strategies need to be adopted in selling tickets.
3. Tour and travel agencies should introduce their services among villagers by physical mode like banners, hoardings, pamphlets etc.
4. Tour agencies should concentrate outside Karnataka as tour destination, this may enlarges the number of clients. Tour agencies should provide single and customized services.
5. Travel agencies should enlarge the number of domestic and foreign customers by providing quality and reasonable service. And agencies should also consider high and low level of income families.
6. Tourists given good feedback and rewards regarding tour agencies and their services so, they can maintain loyal tourists for long-term.

### **Conclusion**

Tourism is one of the ways to be fun and joyful in life, people get together to see the places and some for getting adequate knowledge from the particular place. Behind their happiness tour and travel agencies are working honestly. The tour and travel agencies are playing vital role in promoting tourism in India, they creates awareness among the public about tourists places. Tour and travel agencies are providing huge opportunity for employability. The study found that many travel agencies are serving better, reasonable and qualitative services by using different tactics, workforce and infrastructure and transportation. Hence, tour and travel agencies are most significant in creation of comfort zone, social contact, incredible culture, experience new cuisines and make travel happiness.

### **Reference:**

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