

Marketing Strategies of Travel and Tourism Industry

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ABSTRACT

Travel and Tourism is an assemblage of all the leisure, luxuries, comfort, travel products, and services provided by suppliers including airlines, hotels, transportation like self-drive agencies, cruise lines, restaurants, etc. All these functions require marketing. This study aims to explore the marketing patterns of tourist agencies to increase customer awareness. The tourism sector also helps to promote the various hotels, restaurants, rental agencies by giving a platform for all these services to promote their services and also provide a customer discount for customer satisfaction.

Keywords: Marketing Strategies, Travel and Tourism

INTRODUCTION

Travel and tourism are an important social activity for humans. Tourism is the activity of traveling outside the country to have fun or learning new knowledge. People travel for leisure, entertainment, exploration, and business purposes. People enjoy the sensation of being in a foreign country and exploring different cultures and scenery to relax.

However, along with the developments of technology, people's awareness of many issues increased. Recently, due to the continuous spreading of Covid-19, the government forcefully stopped the tourism industry temporarily, resulting in a reduction in the performance of the travel and tourism industry. As the environment and people's needs and behaviors change, companies have to change not only for the customer but also for them to survive.

Veena World is one of the top travel agencies in Mumbai, India that offers a wide range of domestic and international holiday packages. It was founded by Veena, Sudhir, Sunila & Neil Patil on 18 June 2013. The company has more than 150 guest touchpoints and simple online bookings. There are over 950 dedicated travel professionals, over 500,000 satisfied guests, and over 2000 travel and hotel associates.

In India, the travel and tourism is the largest service industry. It provides heritage, cultural, medical, commercial, and sports tourism. The main aim of this sector is to maintain India's competitiveness as a tourist destination, improve and expand existing tourism products to ensure job creation and economic growth. We have seen the discussions about the underdevelopment of tourism in India and mentioned the importance of the needs of marketing strategies. Lack of marketing and inappropriate marketing strategies are obstacles to the development of India's tourism industry.

This study observes the marketing strategies used by the travel and tourism industry to promote their products and services. Veena World was a special reference to support our study and the information that we gathered. In the next section, we will present more information about Veena World and more facts and details of the marketing strategies used by the travel and tourism industry.

The strengths of the company implies that the company has internal features that help it thrive and be competitive for it, such as its broad growth, brand name, and trustworthy image and service. The company's weaknesses mean disadvantages that affect how a company like Veena World, a newly established company, competes. The company's opportunities mean that the company has alternatives that will allow it to be stronger, such as expanding to more developing countries and attempting to find new destinations for customers. Threats represent the risks that might harm the results and performance of the company. For example, the damage to the company's image causes losing an enormous amount of customers. With no customers, no company exists.

To analyze Veena World within the market, this study starts with the bargaining power of suppliers. The company has many suppliers, including hotel management, airlines, caterers, restaurants, places of entertainment, and instructors. As Veena World contains a limited branch overseas, the company can choose what suitable for its benefits so the bargaining power of suppliers is weak. Also, the bargaining power of buyers is weak although the travel packages are diversifying, without loyal customers, Veena World could lose its customers. The service is accessible on their website with different travel packages so it is hard to reach customer's hands. For the creation of a travel schedule, considerations such as costs of airline tickets are highly significant in the tourism industry.

Another factor is competitors. Competitors, such as other internet agencies, are approached directly by travel agencies or even airlines. Veena World has to compete with other travel agencies. They typically serve at a less costly price and expertise during a given sport. Usually, companies offering higher-priced and costlier packages have a "soft" adventure. The advantages of these companies should include established reputations, extensive knowledge of the industry, and key personnel and management. They are familiar with local service providers and have established strategic relationships compared to Veena World. Therefore, they will offer a more cost-effective price implying the competitors' threat is powerful. Lastly, it requires huge capital and robust expertise.

To help us understand the complete picture of changes that a company might be exposed to, and take advantage of the opportunities they present, it is necessary to describes the Political, Economic, and Technological changes in the business environment.

Political Environment encompasses the economic impact on business firms. Economic and political environments are closely interrelated. Whenever a change of state occurs, it heralds a change in economic policies. The type and severity of the effect depend upon what variety of political change has occurred in a country. As an example, Americans and other foreigners have had significant difficulty getting out and their ATMs are empty. While this turmoil hopefully will not last, it will discourage many of them from traveling there, a country that depends heavily on the tourism industry. A better political climate of a country triggers a rise in tourism as it indicates its safety for tourists.

Every type of business, whether domestic or international, are always affected by the dynamic economic environment conditions in the market. Several economic factors such as interest rates, demand, and supply, recession, inflation, affect the business world. The travel and tourism industry are also affected by the economic environment but the government always encourages the tourism industry. This is because the tourism industry is a major engine of economic growth, an important source of foreign exchange earnings, and a generator of employment. Moreover, it can help to stimulate growth and expansion. The economic environment affects the tourism industry yet the tourism industry and economy both are favorable and mutual. The Indian economy started contracting in 2016 to 2017 and recently has shrunk by 22.8 percent due to the Covid-19 pandemic. Gita Gopinath, the International Monetary Fund economist, asserted that India is facing one of the deepest slumps in its history (India Today, 2020).

External factors of technology greatly influence business operations. Changes in technology affect how organizations will do their businesses. They may have to change their operating strategy dramatically as a result of a changing technological environment. Technology in business is highly vital in the process of production, marketing, and distribution. Therefore, technology is required to make a robust business.

Technology is a critical part of the tourism and travel industry for its day-to-day operations while improving the customer experience. It can be said that technology and travel are perfect partners. Mobile technology brings advantage since most tourists prefer booking by their phone due to its speed and convenience. Furthermore, technological advances help travel agents to do their jobs more effectively and efficiently. The technology allows them to check their customer's information, payments and confirmations quickly. Thus, hotels, airlines, and restaurants, and other companies must keep abreast of technological developments.

Within the travel and tourism industry, there are no goods produced; therefore, the foremost crucial aspect is the services provided to the customers. If there are more enhanced services provided, they will have more customers satisfied and so will become loyal customers. Veena World has prepared all the travel services in its one-stop service. Hence, Veena World is the foremost effective travel agent in India ensuring the best holiday experiences. Its several services, such as tour arrangement, tourist attraction information, food and transportation preparation, and accommodation booking, had gained good feedback from the customers. The tour manager also plays an important role to make sure everybody on the tour is aware of the tour plan for the day, and feels comfortable and enjoyable.

RESEARCH METHOD

This section describes the methods used in the research. The primary data were collected by interviews and a questionnaire survey. The interview is one of the most common methods that may help us to get a response from the interviewees. In the interview, some questions have been asked regarding the understanding of marketing strategies utilized by Veena World. In addition, we used Google Forms to survey respondent's knowledge of marketing strategies.

The secondary data were obtained from archive reviews and observations. According to the Latest Solid Dictionary (Archival Research, 2001), archival research means references. This research involves various sources, such as websites, newspapers, books, and dictionaries. These resources provide relevant information. We have also conducted online researches to collect information about the understanding of marketing strategies utilized by the travel and tourism industry. To induce references and knowledge of the topic, we searched articles by Google.

Besides online research, we also used dictionaries to elaborate on some specific words to bring a broader understanding of our research topic. Observation methods could also be a method to measure the research variables. In addition to questionnaires and interviews, observations are another method of collecting information or data. The researchers observe the subjects' behavior in line with the identified variables. The researchers played their parts as observers on behavioral changes either remotely or up close.

RESULTS AND DISCUSSION

Table 1. Respondent Demographics

Characteristics	Category	Frequency	Percentages
Age	Below 20 years old	4	3.9%
	20-30 years old	90	88.2%
	30-39 years old	5	4.9%
	40-49 years old	2	2%
	50	1	1%
Nationality	Malaysia	21	20.6%
	Indonesia	7	6.9%
	India	74	72.5%
Education Level	High School	12	11.8%
	Diploma/A-level	6	5.9%
	Degree	74	72.5%
	Master and above	10	9.8%

Based on Table 1, over half of the respondents (88.2%) are between 20 to 30 years old, and about three-quarters of the respondents (72.5%) were Indian. Also, the majority of the respondents had a degree level (72.5%).

Table 2. Knowledge of Veena World

Have you heard of Veena World before?	How do you know Veena World?	Number of Respondents
No	Advertisement	5
No	Friends / Family	10
No	Other	19
No	Social Media	5
No	(blank)	7
Yes	Advertisement	31
Yes	Friends / Family	9
Yes	Other	1
Yes	Social Media	15

Table 2 shows that the majority of the respondents have heard about Veena World from advertisement (30.39%), social media (14.71%), friends or family (8.82%), and other (0.98%).

Table 3.1. Marketing Strategy

Marketing Strategy	Number of Respondents
Social Media	81
Product Differentiation	23
Influencer Marketing	28
Value-based strategy	24
Chatbot marketing	6
Promotions	42

Table 3.2. Internet Research

Are you usually researching on the Internet when planning a trip?	Number of Respondents
Yes	87
No	15

Table 3.3. Network Platform

Network Platform	Number of Respondents
Facebook	39
Youtube	70
Blog	34
TV Advertisement	29
Twitter	6
E-mail	9

Table 3.4. The Importance of Email Marketing

Is Email Marketing Important?	Number of Respondents	Percentage (%)
Yes	76	74.5
No	26	25.5

Table 3.5. Marketing Strategy's Rate

The rate among the three marketing strategies of the Veena World	Social Media	Product Differentiation	Value-Based Strategy
1	7	1	3
2	6	11	11
3	40	50	45
4	34	30	36
5	15	9	9

Social media marketing is the use of social media platforms to connect with your audience and customers. Based on Table 3.1., the majority of the respondents (79.41%) said that the marketing strategy they frequently see is social media promotion. This implies that to build Veena World brand, increase sales, and drive website traffic, they should use social media marketing. Table 3.2. indicates that 85.3% of the respondents would search on the internet when planning a trip. By using this marketing, Veena world can publish great content on their social media profiles, listening to their followers and engaging them, analyzing their results, and running social media advertising. Veena World has its official account on Instagram, Facebook, Twitter, YouTube Channel, Pinterest and they also have their official websites too.

Table 3.3. shows 68.6% of the respondents use Youtube when they are planning a trip. Having a YouTube channel with 6560 subscribers, Veena World could use its YouTube channel more efficiently. Veena World could promote their travel packages, promotion, and the scenario of the trip's destination.

Table 3.4. indicates about three-quarters of the respondents (74.5%) believed that email marketing is important. Therefore, Veena World can use email marketing strategies to promote travel packages to ensure communication between Veena World and its customers.

Table 3.5. shows 39.2% of the respondents rated the effectiveness of Veena World social media marketing strategy at the neutral level (3). This means that although most of the respondents are more familiar with the social media marketing strategy, half of them were not familiar with Veena World since a few of them know Veena World from social media. Apparently, its social media marketing is not enough to attract new customers.

Table 3.6. Product Differentiation

Who do you travel with the most?	Number of Respondents	Percentage (%)
Alone	5	4.9
Couple	3	2.9
Family	60	58.8
Friends	33	32.6
Tour with a Group	1	0.98

Table 3.7. Special Package Value

Will special travel value packages attract you?	Number of respondents	Percentage (%)
Yes	95	90.5
No	7	9.5

Table 3.8. Favorite Special Package

Special travel value packages attract you the most	Number of Respondents	Percentage (%)
Student's Special	64	62.7
Women's Special	31	30.3
Senior's Special	7	6.8

Veena World is also developing a product differentiation as their marketing strategy to attract more customers. It is a strategy to distinguish products or services from other competitors, by features, quality, price, brand image, or after-sales service. Alsbaity, Alvianti, Hengkeng, & Nurlaila (2018) argued that the more differentiated the products/services, the lower the competition. Veena World differentiates itself from other travel companies in both the domestic and international sectors by offering many types of specialty tour packages to their customers such as Women's Special, Seniors' Special, Student's Special.

Veena World creates Seniors' Specials to provide the senior citizens with a chance to travel in their 'Golden Age' by designing a journey to their dream destination and promise with an extra touch of personal care. Veena World also creates Student's Special for their student customers. This is because some parent's vacation times may be different from their children's. Thus, Veena World creates cost-effectively priced student tour packages for those students.

Based on Table 3.8., we recommend Veena World not continuing the Seniors' Special package as there are only 7 respondents who think this special value package will attract them most. In contrast, over half the majority of the respondents (62.7%) said that the Student's Special package will attract them the most. Hence, we encourage Veena World to design more Student's Special packages during school holidays to attract more student customers.

To improve the marketing strategy, we also recommend Veena World to create a new travel special value package by collecting the opinion from our respondents. Three respondents suggested a Birthday Special Package. Veena World could design this package by giving promotions to those who are traveling in their birthday month or by planning a birthday party in their travel journey.

Table 3.9. Value-Based Strategy

The rate among the three marketing strategies of the Veena World	Social Media	Product Differentiation	Value-Based Strategy
1	7	1	3
2	6	11	11
3	40	50	45
4	34	30	36
5	15	9	9

Table 3.10. Travel for Designated Festivals

Do you travel to designated festivals or anniversaries?	Number of Respondents	Percentage (%)
Yes	65	63.7
No	37	36.2

Table 3.11. Appealing Packages

Value travel packages appeal to you	Number of Respondents
Family Special Tour	73
Honeymoon Special Tour	10
Christmas Special Tour	14
Jubilee Special Tour	2
Couple Special Tour	21
Friends Special Tour	49
Others	9

Table 3.9. shows 44.1% of the respondents gave neutral (3) rate for value-based strategy among the three marketing strategies used by Veena World. Veena World always focuses on creating packages that can make their customers enjoy unforgettable and unique moments together with their lovely families and spend quality time with their beloved.

Tour package means a pre-arrangement, prepaid trip that mixes two or more travel components such as airfare, airport transfer, accommodation, and other services. Practically, defining the tour package concept could be a complex one rather than be understood. According to Gregory in Share Your Essays (n.d.), “a tour package is an advertised journey including specific features, arranged and promoted with tour literature by a tour operator and acquired fully by the tourists before starting the tour.”

Table 3.10. signifies the majority of the respondents (63.7%) traveled to designated festivals or anniversaries. This result shows that Veena World has a good value-based strategy since they currently have overall 169 specialty tour packages around the globe including Honeymoon's special tours, and Jubilee special tours. There are even customized holiday tour packages in which customers can just tell what they would like and Veena World will design it for them. The travel package provides comfortable inclusive accommodations, meals, transport, sightseeing, flights, and visas for all countries. We suggest Veena World design more Family Special Tour packages since there are 73 respondents that believed that this package is valuable for them (see Table 3.11.).

The success of the promotion activities can be reached through collaboration with travel bloggers. Travel bloggers has a big influence on netizens as they present quality content with immense numbers of fans and visitors. They can recommend a natural link to the company's website to their audience. Therefore, this strategy could help to improve website travel optimization. Apart from that, Veena World has to set up its platform to present the information to inspire its customers because a personal platform can usually attract other people with a more personal approach.

Search Engine Optimization (SEO) is vital for online Tour and Travel businesses to win the competition on search engines. It is a special strategy to optimize contents to reach a wider market. In general, people demand specific information while looking for tourist object references or planning a vacation trip. It is a great opportunity to promote the services form the contents. This strategy is also suitable for targeting customers interested in special destination programs.

CONCLUSIONS

The marketing strategies used by Veena World is social media marketing. A total of 39.2% of the respondents know Veena World through social media although most of the respondents are more familiar with the social media marketing strategy. We recommend Veena World using email marketing more frequently due to 74.5% of the respondents believe email marketing is important in promoting the travel packages.

Besides that, Veena World is using product differentiation as their marketing strategy. It is necessary to stop designing the Seniors' Special package and design more Student's Special packages for their customers. Veena World can also design a new travel package such as the Birthday Special package since this package are the most anticipated travel package.

Furthermore, Veena World also uses a value-based strategy as their marketing strategy. More than 44.1% of respondents agreed that a value-based strategy is an effective marketing strategy. It allows tourists to relax with vacation packages as everything is well organized. There are economies of scale so the customers can make new friends.

Based on the data, it is beneficial that Veena World could maximize the use of its website or travel blog and Search Engine Optimization (SEO) Long Tail Keywords as their new marketing strategies. This is because travel bloggers have the power to influence netizens in making their decisions. Moreover, SEO is a special strategy to optimize contents to obtain a wider market reach.

To conclude, the Indian tourism industry would not be able to get the desired growth and impetus unless it is backed up by intense promotional and marketing strategies. To make it more familiar all around the world, Veena World needs to develop and change its employment, processes strategy, goods or services, or marketing strategies.

Finally, a number of potential limitations need to be considered. First, it is the availability of information. In the process of collecting relevant information, we encountered the dilemma that the information was incomplete and could not find the information about Veena World's marketing policies. This is because this company is not a world-wide enterprise and the limited company operating in India makes it impossible for us to find relevant information and to better understand the marketing methods of this company.

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