

ONLINE TRAVEL PORTAL AND THEIR EFFECT ON TRAVEL AGENCY : A STUDY ON VISITORS OF VARANASI

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Abstract : The internet revolution has changed the scenario of travel industry through the easily accessible of travel products to the mass consumers by their virtual presence rather than physical. The online travel Portal (OTP) is also known by Online Travel agent, E-travel agents and virtual travel agents (VTA 's). The concept of travel agents immersed as a connecting link between supplier and consumer. In a last 5-10 years techno friendly visitors prefer more to buy their travel services online like the online shopping of physical goods. The OTP has served vast prospects for travellers to buy their travel directly online thereby evading the traditional travel systems i.e. travel agencies. While serving as an intermediary means between service providers and tourists, internet has reduced the significance of the traditional intermediary (travel agents) or at the large extent traditional part became very uncommon in today's practice. Web-services may eventually progress to disintermediation of travel business since the travel facility and product suppliers can sell their products and services directly to the travellers. Yet, Traditional Travel agencies still have the benefit of serving personalized services particularly in giving advice to travellers with an individual touch. This paper attempts to examine perceptions of tourists travelling from eastern Uttar Pradesh who had not only used traditional methods but also booked their itinerary through at least one travel website and Web Portals which can relate their experience in using them and their opinion upon disintermediation. The study will determine preference of tourists in choosing their services in accordance to their length of stay, demographic and socio-economic characteristics upon their purchasing behaviour.

Keywords: Disintermediation, Online Services, Perceptions, Tourists, Travel Agency.

Introduction

The globalization of the world changed the scenario of travel industry by introducing fastest internet revolution. The emergence of online travel agencies made the travel accessible for mass people. Make My Trip Limited is an Indian online travel company founded in 2000 by Deep Kalra, considered as pioneer online portal of Indian origin. The changing paradigm of business equally changed the service providing mode of private and public sector. IRCTC, a Mini Ratna of Indian government and subsidiary of the Indian Railway booked the world's highest of 1.5 to 1.6 million tickets every day. Its tagline is "Lifeline of the nation". The Online travel agencies are the result of Internet revolution in the 21st century, when a customer has the choice to compare the services and purchase the best deal. The knowledge of computer and Internet enhances and promoted the accessibility of online travel services. The web-services have brought diverse range of prospects for travellers to book their tours directly through internet thereby circumventing the traditional travel channels i.e. travel agencies. While helping as an intermediary passage among tourists and travel service providers, the internet has reduced the significance of the traditional intermediary (travel agents) or at the least made that orthodox role very unlike in today's practice (Tang, 2009). The OTA (online travel agency) industry in India is presently forecasted to be around \$800 million and rest largely upon air travel-related dealings (Marian and Sanjai, 2008). [20:57, 14/03/2026] The marketplace is quite disordered, with a variety of both recognized businesses and start-ups offering indistinguishable offerings. Seemingly, price has played the significant part in consumer choice of service supplier. A variety of OTA brands serve multiple customer segments – leisure, business and group. They are global in reach and innovative in functionality. They are marketing engines, search engines, booking engines and execution platforms for consumers. OTAs also hold a prominent place in travel information search and multidevice (mobile) applications. Vacationers in the tourism business are the centre as well as focus point for all tourism events that includes blend of inter-reliant groups of tourism members and enterprises such as travel agents, promoters, operators etc. When reserving a trip, tourists may involve directly with any of the tourist facility suppliers, but eventually they will require specialized services provided by tourism organizers such as travel agencies or tour operators (Cook, Yale and Marqua, 2006). When buying a trip, a tourist may begin

scheduling by contacting different airlines, hotels or tourist centres in finding flights, accommodation and transfers. To simplify the quest, it is convenient to come in interaction with travel organizations, who will select the best options for guests. The function of the travel agency is to therefore establish tours for their clientele, beginning from advising them about the destination, its attractions, activities, accommodation, amenities and different transport means and everything regarding the journey (Cook, Yale & Marqua, 2006). Travel organizations are often categorized as dealers to business and holiday tourists, offering flight, lodging, car rental, cruise, foreign currency exchange, travel insurances, data about destinations and many more. Today, tourists can arrange for their own travel by booking. This preprint research paper has not been peer reviewed. Electronic copy available at: <https://doi.org/10.1111/j.1471-6298.2014.00311.x> straight from the providers themselves via the internet (Law, Leung & Wong, 2004). The providers of travel products are often regarded as travel principals, possessing specific travel elements that are combined as packages containing several travel elements mentioned Holloway, Davidson & Humphreys, 2009, p. 594). There are two different kinds of travel agencies providing same kind of travel products on different playground, namely traditional travel agency and online travel agency. Traditional agencies were the first to emerge into distribution channel followed by the online agencies, whose business first took place when the Internet and the World Wide Web was developed in the 1990s. The online travel agency has been successful and almost outperforming because of its global accessibility and 24x7 customer assistance. However, the opportunities of physical interaction with customers, selling products and services at stores have favoured the traditional agency over the last decades (Syrratt & Archer, 2003, p. 16-17). However internet and its travel websites do not signify only loss for the traditional travel agents. Travel agents still have the benefit of providing personalized operations particularly in proposing advices to clients with a personal touch. This ability to make services individual will assure the role of travel agents remains secure (Law, Leung, & Wong, 2004). The role of travel agencies would remain safe if their information proposing ability were strengthened by existence of internet rather than function according to more negative image of being merely a booking organization. Most of the tour operators including hotels, airlines and cruise-lines prefer to sell their own products to the tourism industry through their own websites or stores in order to avoid commission fees, and in order to communicate their products and services directly to the customers without interfering of the intermediaries. In order for the travel agencies to survive in the tourism market, they have to choose the right marketing strategy that suits the products and services they offer best. Most of the tour operators including hotels, airlines and cruise-lines prefer to sell their own products to the tourism industry through their own websites or stores in order to evade commission fees, and in order to connect their products and amenities directly to the clientele without interfering of the mediators. In order for the travel agencies to persist in the tourism market, they have to choose the right marketing strategy that suits the products and services they offer best. Intermediaries have ability to organize and aggregate large amount of data into one price. They have fundamental role for counselling and delivering a personalised service according to specific need of customers (Kracht and Wang, 2009). Travel Trade – A Historical perspective Thomas cook is considered the pioneer of travel agency business set up a “World’s First Travel agency” to organise excursion in 1845. He conducted the world’s first international tour from England to Paris at 1855 developed the concept of inclusive tour. The travel agency business in India is relatively new. The Jeena & Company considered the first travel agency of Indian origin. The travel business in India, in an organised manner started with setting of ‘The Travel Agents association of India’ (TAAI) in Mumbai in 1951. However, Jeena & Company and other two Indian Travel agencies were merged into one composite travel company known as ‘Travel Corporation of India Ltd,’ (TCI) in 1961 (Chand, Mohinder, 2009). At present 2500 and more leading companies involved actively with the travel and tourism industry are active members of TAAI (www.travelagentsofindia.com). Travel Agency Travel agent acts as an intermediaries serving between the various service providers and travel consumers. They sell and market the products and services provided by the suppliers such as hotel, transport operators, airlines, railways, cruise etc. Travel agents serve as a link between the travel suppliers and the tourists. The travel agent thus organizes the travel for the consumers. Travel agents are also referred to as ‘travel consultants’, ‘travel counsellors’, and sometimes even ‘tour operators’. In a compile and compact form we can say that “A travel agency may be an individual, a business firm, or company which acts as an intermediary in the sales and promotion of different travel related services selling to its client and earns commission”. According to Airlines Reporting Corporation (ARC) “a travel agency is defined as a business that performs the following functions: quote fares, rates, make reservations, arrange travel tickets and accommodation, arrange travel insurance, foreign currency, documents and accept payments. European commission, define travel agency as a retailer, leisure and business tourists, selling flights (charter or scheduled), hotels, car rentals, foreign exchange, travel coverage and other facilities. The travel agency acts as an intermediary, accessibly linking clientele with the supplier of travel products (Holloway, Davidson & Humphreys, 2009,

p. 594). India is a huge country in terms of area and economy; with the growth of per capita income the people are becoming more passionate for travel and simultaneous increasing the demands of travel agency. Thomas Cook, SOTC, Cox and Kings, Yatra.com, make my trip are some of the iconic name in the travel world. Online travel agency: Online travel agency, so called OTA, is an automated intermediary focussing in giving consumer services, products and reservation capability on World Wide Web (Law et al., 2004, p. 100). An Online Travel Agency/portal/ website (OTA) is an intermediary agent selling travel products and services such as the airlines, car rental, cruise lines, Hotels Accommodation, railways and vacation packages on behalf of suppliers using internet as a medium. They establish an online market place and earn profits on the discounts commonly referred to as commission offered by the suppliers (Ministry of Tourism, Government of India, Guidelines). This preprint research paper has not been peer reviewed. Electronic copy available at: [https://ssrn.com/abstRAVEL AGENCY \(OTA\)-:](https://ssrn.com/abstRAVEL AGENCY (OTA)-:) The recognition as an approved OTA shall be granted by the Ministry of Tourism (MOT), Government of India (GOI), New Delhi, for five years, based on the Inspection Report Recommendations of a Committee comprising the concerned Regional Director (RD), a representative of FHRAI, and a representative of IATO, and approval of Competent Authority (Chairman, HRACC). The Organisation which govern and Regulate the Travel Agency of India are the following:- Ministry of Tourism, Government of India- A public unit of central government with a regulating and monitoring authority to frame the policy and planning regarding the Travel agency. Travel Agents Association of India (TAAI):- It is a non-political, non-commercial and non-profit making New Delhi based organisation formed at 1951 very soon after India gets freedom. The TAAI symbol is a guarantee for reliable and professional service. TAAI has been recognised as the 'voice of travel and tourism' in India. The primary purpose of TAAI is to protect the interest of its members, promotes the orderly growth and development of tourism. Indian Association of Tour Operators (IATO):- Established in the year 1981 to promote, encourage, and assist in the development of tourism with the ethical practices of intermediaries. International Air Transport Association (IATA):- IATA is an international non-governmental, voluntary and democratic body formed by a group of airlines. The headquarters of IATA is in Montreal, Canada. It certifies the travel agents and tour operators who work in the field of airlines and at the same time safeguard the right of passengers about their safety and value for money across the world.

Study Area

Varanasi is an eclectic mix of the Tangible and Intangible, manifested in its rich Cultural Landscapes. Due to rise in education levels and income most of the residents of the city used to travel to other places to visit natural attractions, meet VFR's or leisure activities are increasing every year. Due to increasing influence of web-services, it becomes imperative out perceptions of outgoing tourists of Varanasi regarding online travel agencies and how will they impact upon traditional travel agencies and upon possibility for disintermediation of travel organisations. The aim of our study is to compare different marketing focus of these two types of travel agencies from comprehensive perspectives in order to understand their competitiveness. As mentioned above, we think this understanding is important to both online travel agencies and traditional travel agencies because it might lead to a better understanding of customers' needs and reactions on marketing efforts.

Objectives of study

To study Online Travel Agencies and their effect on Traditional Travel Agencies

- To study perceptions of outgoing tourists on online travel agencies and analyse their impact on traditional travel agencies in Varanasi.
- To analyse the opinions of tourists of Varanasi with perspective of short and long haul vacationers on possibility for disintermediation of travel organisations. To investigate customers' future intentions on travel service booking

LITERATURE REVIEW

Various researches have shown significance of web-services on tourism services (Buhalis & Licata, 2002; Christian, 2001; Poon, 2001). With the rise of the web-services, the procedure of fast data transfer can be addressed efficiently at low-cost. The travellers can now obtain complete, timely and significant information in a simulated environment to support their decision-making procedure. Also tourism industry is varied, with excess of different service providers that functions self-sufficiently, even as travellers imagine travelling to be whole experience. To decide this disparity, the Internet offers an efficient way for emerging single and workable e-infrastructure for data collection and business transaction for both tourists and suppliers. Tourist choices have been increasing at an exponential rate. Equipped with laptops, smart phones and tablets, tourists are using multiple devices and searching innumerable sites to plan their trips. In burgeoning travel markets like China and Russia, young, adventurous and newly minted "middle class" consumers will clutch their handhelds to book

their getaways this year, many through OTAs. While OTAs are certainly intermediaries, they do more than shift share among competitors. They can be an effective tool to: preserve market position, extend search marketing, meet customer demand for packaged and spontaneous travel, support yield management, and execute integrated marketing strategies. Raini Hasija, Group GM- IT, IRCTC declared at the 5th IAMAI Travel and Tourism (August 2014) that “At present we book around 10,000 tickets online per minute which is beyond our expectations. When we launched this service, our target was to book 7,200 tickets per minute. With over 2 Lakhs agents booking through IRCTC, we are gearing-up to higher ticketing per minute in time to come.” For, the hotel reservations Nikhil Ganju, Country Head, TripAdvisor.com in IAMAI 5th Travel and Tourism Summit 2014 “Hotel bookings are driven by online research. Hotel reviews by local are a driving factor in selecting a particular property. It is interesting to see that 30% of India’s TripAdvisor users are coming to the site using their mobile devices” This preprint research paper has not been peer reviewed. Electronic copy available at: <https://ssrn.co> According to Malone (1987), the first to bring in concept of intermediation or disintermediation proposed that the function of distributors, retailers, or any middlemen will be reduced during transaction among consumers and service providers. With regard to the influence of web-services, expanding public access to the Internet in the early 1990s portended the possibility of large-scale ‘disintermediation’, or the disengagement of suppliers from mediators in favour of direct or alternative marketing relationships with consumers Bennett & Lai, (2005). Primarily, the prospect of the Internet in this regard was limited by weak brand awareness of the fledgling ‘cybermediaries’, ordinary websites, and security concerns (Kim, Kim, & Leong, 2005). These hindrances were slowly removed, and online giants such as Travelocity and Orbitz now rank among the top online travel agencies in sales. (Goeldner & Ritchie, 2006). The success of the web-services is due to the nature of tourism product, easy to convey through the web (Anckar, 2003). But according to Hoontrakul, P. and Sahadev, S. (2006), the internet does not change the major role of intermediaries who exist to simplify buyers’ choice processes.” In spite of the security factors, many of the retail travel agencies are flourishing, representing the volume to their senior management to correctly identify and take advantage of influential forces within a changeable and challenging external environment.

RESEARCH METHODOLOGY

The Methodology adopted is secondary data analysis by analysing, trying to prove the conclusion. This article is purely descriptive and required information collected from secondary sources like Journals and other publications relating to Travel Portal and travel agency are invaluable assets which have been inherited by us which is to be preserved for future generations.

CONCLUSION

The paper demonstrated the perception of the travellers towards web-services and its impact on traditional travel agencies in Varanasi. The findings indicated that short-duration travellers were more intended to use online travel agencies, where Long-duration travellers preferred their traditional travel agencies. It was observed that with an increase in education and income level people tendency to travel increases. Considering the limited range in area and sample size, the findings could not be generalised regarding travellers view upon disintermediation of traditional travel agencies. The wide customers has been a From this study it can be concluded that traditional travel agencies along with personalised services should also focus on web-services structure and should be aware with changing distribution based scenarios. Online travel service delivery has grown as a popular direct distribution channel in travel industry. Customers has intent to book travel service online, however, many of them favour to the traditional travel agency. The web-services should be used as an opportunity rather than threat by the agents as its impact in travel industry is very large. Online travel agencies have rather advantage of fast processing of information and transaction; however vulnerability in booking system should be improved to ensure secured web-operations.

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