MB-122E

Sl.No. : **Total No. of Pages : 4**

Fourth Semester M.B.A. Degree Examination, June - 2023
(Non CBCS) (SLM Scheme)
MANAGEMENT
Travel Agency Management (Elective - E)

Time : 3 Hours **Max. Marks : 80**

SECTION-A

Answer any Five sub-questions. Each question carries Three marks. [5 × 3 = 15]

1) a) Define Travel Agency.

b) What is Horizontal Integration?

c) What is IATA?

d) What do you understand by Corporate form of Travel Agency?

e) What is Inbound Tour Package?

f) What do you mean by Travel Insurance?

g) What is ARNK segment?

SECTION-B

Answer any Four questions. Each question carries Five marks. [4 × 5 = 20]

2) Bring out the difference between travel agency and tour operation.

3) State functions of ground handling companies.

4) What are the benefits of ITDC approval Travel Agency? Explain.

5) Explain the various types of Tour Operator.

6) Discuss the components of a standard tour brochure.

7) Explain the marketing strategies Travel Operating Companies in brief.

SECTION-C

Answer any Three questions. Each question carries Ten marks. [3 × 10 = 30]

8) Discuss the integration and linkages of Travel Agency Business.

9) Explain the role and Contribution of Travel Companies in the growth and development of Tourism.

10) Elucidate the procedure for effective itinerary designing and development.

11) Describe the formalities on arrival at destination airport.

12) Discuss the factors affecting the tour costing and pricing.

SECTION-D

13) Case Study (Compulsory): [1 × 15 = 15]

Global competition has forced local travel industry to adopt new global business standards to compete in its traditional markets. In return, the local travel and tour operation companies are finding much diversification of business in the new overseas and domestic tourism markets. Travel agencies are becoming increasingly aware and prepared to face the burgeoning growth of online travel agents as a result of Internet. Tour operators have found the dependence on online business to decrease the transactional costs, including the costs for users of tourism services.

For the sale of airlines tickets, airlines do take the help of online travel portals and hotels also take the help of online travel agents for the sale of hotel rooms. The online travel companies are aware of the consequences of online transactions and are taking the advantage of the information and communication technology for the larger market share.

Giving varied discounting is a major trend of online travel agents to increase the sales. The effect of B2B and B2C model has significantly reduced the cost and that results in the reducing the prices of airline tickets, hotel rooms, etc. For example,

consolidator like Groupon has entered into the market offering discounts of 50 per cent or more when more customers sign up for a vendor's offer. The range of products and services being sold continues to find better market areas.

In addition, hotel chains increasingly bank on the social media sites like Facebook and Twitter to build a network of potential customers. Hotels offer limited-time special offers to sell off the unused room inventory during the off season. A second key trend is personalization of tourism services. Everyone wants the tailored-made programmes to their needs.

Traditional travel agencies still face the big challenges in their shift online. The first challenge is to develop the multi-channel strategy that is not an easy task to accomplish as far as the constraints of travel business is concerned. Travel agencies trace the background of customers and reach them over the Internet, mobile and social media channels.

The most important challenge that traditional travel agencies are facing is to find the right mix in their online product and services offers. In order to make their online channel more profitable and alluring, they include additional products such as hotels, (dynamic) holiday packages and flight related ancillary services like airport VIP lounges and fast tracks or priority boarding.

Low Internet penetration was the major challenge for the online travel companies. Another challenge is the habit of Indian travellers. The habit of buying an air ticket through a travel agent and booking a hotel room through calling the hotel directly takes long time to change. It is essential to change the habit that online travel agents are doing all possible efforts to covert the traditional customers to tech-savvy users of online services.

Online travel is the driving force in the e-commerce segment and has brought about revolution in the travel market in India. It has global contribution of 70 per cent of all e-commerce activities. However, the internet availability, broadband penetration and the prevalence of online banking and credit/debit card is very low India. The volatility in the aviation industry not only impacts the inventory and pricing, but also the consumer sentiment while buying a travel product. It is reported that the online

travel portals are facing numerous new challenges such as rapidly rising costs, meeting customer expectations and enormous economic pressures. At the same time, the challenges of the India Online travel agents are given below.

- Problems in deciding the distribution of products through multiple online and offline sales channels while managing inventory.
- Pressure to up sell and proper management of the seats sold out.
- Difficulty in deciding the charges as a flat fee or a commission.
- Changing economic conditions
- New financial regulations

In view of the above challenges, the online travel agents are still bleeding with losses or many of them are toying hard to reach the breakeven point. In one hand, the users of online purchase of travel services and solutions are becoming more and the dependence is also becoming more. Can these challenges be overcome? How long it will take?

Questions :

a) What are the critical features of an online travel agent?

b) Why there is an increase in number of market share of online travel agents?

c) What are the challenges before the online travel agents?

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