MB122E

Sl.No. :

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Fourth Semester M.B.A. Degree Examination, May - 2025
(SLM Scheme) (Non CBCS)
MANAGEMENT
Elective - E : Tourism
Travel Agency Management

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

SECTION - A

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

Q1) a) Define Tour Operator.

b) What is Vertical Integration?

c) What is IATO?

d) What do you Understand by Private form of Travel agency?

e) What is outbound Tour Package?

f) What do you mean by Domestic Travel agency?

g) What is Circular Trip?

SECTION - B

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

Q2) Highlights the key features of travel agency.

Q3) Elucidate travel trade in India.

Q4) What are the benefits of IATA approval? Explain.

Q5) Explain the various types of Travel itinerary.

Q6) Bringout the various components of tour brochure.

Q7) Explain the marketing strategies for Tour package.

SECTION - C

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

Q8) Explain the functions of Travel agency and tour operator.

Q9) Discuss the tour packaging marketing mix with relevant examples.

Q10) Discuss the significance of online travel agency business in travel and Tourism growth and promotion in India.

Q11) Discuss the usage of Digital technology in travel and Tourism business.

Q12) Explain procedure for the development of Cruise Tour Package.

SECTION - D

Q13) **Case Study (Compulsory)** **[1 × 15 = 15]**

Traditionally, travel agents used to depend largely on the ticket sales for the bulk of share of total revenue. With airlines selling tickets directly to travellers through multiple e-ticketing platforms, travel agents do not have any choice and they are out from their dominant business haven. This direct sales method is a global trend resulting from the need for airlines to maximize revenues or minimize loss while keeping costs down. As such majority of airlines are facing the challenge of breakeven and other issues leading to the closure of the companies. For example, Kingfisher airlines shut down the services abruptly in 2011 due to the heavy losses. International and domestic airlines used to offer 8 and 5 per cent commission on a ticket sold to travel agents respectively. However, it was gradually reduced to one percent and it is now zero percent due to overheads cost. It is observed that several airline sites even offer reduced costs and extra incentives for customers ordering tickets online.

Zero percent commission and ticket booking through website is one of the 47 recommendations of Prof. Dholakia Committee Report on the cost cutting in Air India. The Ministry of Civil Aviation has accepted all these recommendations. The Zero Commission policy on ticket sales adopted by almost all airlines has forced the travel agencies to switch over to the new streams of revenue along with new services.

To reduce their reliance on airline commission payments, travel agencies are resorting to the following strategic options to sustain and survive in the business.

• Streamlining operations and controlling staff costs whilst ensuring the customer feels as little impact as possible

• Expanding or moving into the leisure business where commissions on non-air products remain high (cruise & hotel)

• Specializing in geographic areas or becoming niche players for specific leisure products (e.g. destination weddings, student travel, group travel & cruises only)
• Establishing a service fee driven business model

Diversification is a form of growth strategy. Growth strategies involve a significant increase in performance objectives (usually sales or market share) beyond past levels of performance. Diversification strategies are used to expand firms' operations by adding markets, products, services or stages of production to the existing business. Many organizations pursue one or more types of growth strategies.

- Coffee shops
- SMS marketing
- MICE
- Foreign exchange
- Courier service
- Film Ticket booking

Travel agencies are now adopting the E-business revenue models, Digital Content Revenue Model, Advertising-Supported Revenue Model and Fee-for-Transaction Revenue Model.

Questions :

a) What triggered the airlines to stop paying usual commissions when travel agents still play dominant role in the airline markets?

b) What are the diversified sources of revenue for travel agents now?

c) What are the business strategies of travel agents to overcome this zero commission challenge?

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