

Digital dilemma of travel agencies

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Travel agency acts as an agent for different suppliers that can cater the need of the travelers. It reacts to the needs of the traveler while acting as an agent for the supplier. This agency earns income in the form of rate minus or net plus. It is a commercial enterprise where a traveler can secure information and expertise, get impartial counseling and make arrangements to travel by air, sea or land at any point in the world. Its functions include promoting and marketing the business, dealing with customer queries and complaints, providing advice about visas or passports.

Every day there are a lot of development that's happening in our respective community. However as developments happen in the world, developments also happen in the world of technology. These developments gave birth to the Online Travel Agencies. Online Travel Agencies enables people to book flights with just one click away.

Many hotels are experiencing a notable increase in bookings coming from online travel agencies, most and at the same time, direct bookings, those generated from a hotels own website and increase their total sales volume, based only on what is described as an unfair breach of rate parity clause. Low prices, better deals, past positive experience and recommendations for the site, existence of loyalty/rewards programs, and prominence in search results that are the reason why people prefer online over traditional travel agencies are on the decline level.

The main problem is on how could PTAA improve their competitiveness and survive in the market in the midst of rising online travel agencies.

Root Causes:

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- a) Limited time offer on Online Travel Agencies, because in online travel services it is easy to access travel services that offers great deal with lesser amount of time.
- b) Rising number of mobile users at home with an easy access with internet connection that enables them to easily connect in any online travel agencies.
- c) Online travel services that offer cheaper prices and great deals that traditional travel services do not offer.

Cause of the Problem

1. Limited time offer on Online Travel Agencies

In online travel services it is easy to access travel services that offer great deal with lesser amount of time. Nowadays, people tend to depend on what they see in their social media rather than what they see in the real world. Therefore, people always put their trust in their mobile devices than put it in the hands of actual people who has more knowledge in Travel Agencies.

2. Rising numbers of mobile users

Nowadays, people depends their life on social media more. It always has an immediate access for mobile users that also has an internet connection at home. These people always have their full trust upon giving information online. Therefore, the rising numbers of mobile users will also raise the numbers of market share of the Online Travel Agencies.

3. Cheaper prices in Online Travel Agencies

The traditional travel agencies services offer high prices with great deals. On the other hand, people always prefer cheaper prices with the same deals that high prices travel agencies offers. People always prefer a travel experience with a whole satisfaction provided and therefore, online travel agencies are a chosen one for them. These online travel agencies are gaining more numbers of market shares rather than the traditional travel agencies.

DECISION CRITERIA AND ALTERNATIVE SOLUTION

The problem with regards on the way PTAA improve their competitiveness and survive in the market in the midst of rising online travel agencies is evaluated through the criteria below. Time frame: The number of hours, days or months that is needed to perform the suggested solution.

Competitiveness: On how competitive the solution. On how the solution can retain and maintain the loyalty of the customers.

Innovativeness: How effective and liable in occurrence of innovation and improvements

Solutions: I propose that they should increase the customer satisfaction. This is in order for them to acquire more customers and this will stop the customers from looking for other agency. The customers of the PTAA are their main key to success. Customer's trust plays a strong role on the thought of PTAA being the best in the Philippine Tourism Industry. The customer I proposed that that they should use digital marketing for their promotions. People nowadays are always on their phone and this should be the main reason why digital marketing should be used. The PTAA will be able to compete with the Online Travel Agencies through this and at the same

time, they will be able to promote their product and services. Promoting with the digital marketing can help them reach a larger audience for we are now living in the technological world. This could also be a way to the customers to book conveniently. I propose that they should improve their production mix. Improvement plans should be done for the betterment of the company. And as the value increases, the certainty and convenience of the improvement will also increase. People always prefer a travel experience with a whole satisfaction thus this plan will make the company improve their competitiveness in terms of satisfying and giving the customers the things that they need.

Main Solution: With all of the solution I prefer the second solution which is “ I proposed that that they should use digital marketing for their promotions” because right now people now a days mostly used phones or any gadgets to their daily lives. People want easy access to their everyday life.

So I prefer that PTAA should use digital marketing to their promotions. In that case they will easily promote their ads in the social media or YouTube or any accounts or apps in social media. It will be easily for the people who want to travel to get access to PTAA. Instead of coming to their store just to book some travel plans. And when they start doing their digital marketing plan PTAA will also be known to the other country. PTAA will easily compete with the Online Travel Agencies here in our country if they will use the digital marketing. It's 2018 people want easy access to everything.