

Sita tours and travels tourism essay



**ASSIGN
BUSTER**

The Tourism Industry is a flourishing all over the world. The scenario of the tourism industry is ever changing; it is always in a state of flux. Tourism Industry in India is experiencing a high period of growth and has improved over the years however there is still a lot of scope for improvement and expansion. It is fast becoming an important player in the global market. It is also proven that tourism is the industry that contributes most to the Indian GDP, employment and foreign exchange reserves. The tourism industry proves to be the back-bone of other allied sectors for example, hospitality, transport, handicrafts, etc. According to WTTC, in 2011, India has been ranked 1st in direct contribution to employment through travel and tourism and 2nd in total contribution with monetary value of 24974900 jobs and 39351900 respectively. Also in terms of GDP, India ranks 11th in direct contribution and 12th in total contribution[2]. The Indian Government has invested a substantial amount in infrastructure development to promote tourism for the country after sensing the importance in the GDP contribution. This effort has been successful to an extent in increasing the arrival of foreigners in the last decade. The “ Incredible India” campaign was also a contributing factor to the increase in tourism. The campaign helped create a colorful and diverse image of India in the minds of travel enthusiasts all over the world. It has directly led to an increase in the interest among tourists and created interest generally around the world.

WTTC (World Travel and tourism Council) ranked India 4th in terms of travel and tourism investment with a total of \$ 26. 7 billion[3]. Also (in Asia), after China, India stands second. In 2006, 4 million international tourists visited India and spent US \$ 8. 9 bn[4]. In 2011 (Jan-June), the total Foreign Tourist

Arrivals (FTAs) in India was 2.92 million and foreign exchange revenues stood at US\$ 78.11 billion which is up 14.2% [5]. As a matter of fact, in spite of a negative growth rate of -2.2% in 2008-09 [6], Foreign Tourist Arrivals increased considerably which registered a growth rate of 8.1% in 2009-10 [7], despite the world recession, Indian tourism showed a positive growth. According to World Travel and Tourism Council, India will be a tourism hot spot between the years 2009-2018 which will show maximum growth rate during this period.

“ Nowhere in the world is found, such a beauty, different and diversified climate, flora, fauna, religions, languages, dialects, dressing patterns, life style and rituals, like India.” [8]

Domestic tourism is also very huge in the GDP contribution in the country. There is still a lot of scope in promoting the tourism in many parts of the country. Since tourism is seasonal, it is slightly difficult for the Tourism Department, Government of India. It is India's middle class that has promoted the tourism in the country. The increase in disposal income among this class of people has contributed to rise in tourism within the country. Consequently, they spend most of their disposable income on travelling. In 2009, there were 669.02 million domestic tourists which comprised about 18.8% of the total tourists in the country. The Indians going abroad is also increasing at a growth rate of 12.28% per annum.

Scope of Tourism

According to the past trends, India has seen to contribute 0.5% to the global tourism industry. There is still a lot of scope for businesses to tap the market.

India has a very diverse geography, culture, food, monuments and a rich past. The ‘ Incredible India’ campaign was promoted in order to attract various interests from tourists all over the globe in the varied types of tourism that has a scope for development and promotion. In recent times, Pilgrimage and Medical Tourism are one of the most popular among the foreign tourists. Medical tourism is currently growing at around 30% per annum. The other types of tourism are

Adventure Tourism

Leisure Tourism

Eco Tourism

Cultural Tourism

Wildlife Tourism

Highway Tourism

Heritage Tourism

Rail Tourism

Rural Tourism

An Indian Background chairman of the company, in 1956 established the first office in New Delhi, India. Company wanted to take the benefits of the religious beliefs attached with their company’s name “ SITA” in India. It is still associated with high quality and brand. In 2000, Kuoni Travel Holding, a Switzerland based tourism firm acquired the 100 % stake of SITA World

<https://assignbuster.com/sita-tours-and-travels-tourism-essay/>

Travel India (Ltd.) and it became India's largest travel company as Kuoni Travel India Ltd. Now, SITA World Travel is an Inbound Division of the Kuoni Travel India Ltd. And It is handling incoming international tourist to India from all over the world through a network of 30 offices in the region including associate offices in Sri Lanka and Nepal. SITA earned its reputation by giving world class services to its clients – travelers, tour operators and the corporate houses. Also it has specialized itself by providing personalized service and close working relationship with its customers around the world.

Factors which affect travel destination selection[9]

Things to do and see

Safety and security

Overall image of the holiday destination

Tourist facilities and infrastructure

Ease of obtaining Visa's

SWOT Analysis

Strength:

Mass market product with small profit margin and economic of scale to create profit even though demographics and changing consumer trends

Training academy

Providing customized packaged tours

Personalized customer support

Online booking of packages

Offices in major cities of India

Weakness:

People expectation has changed but their packaged tour has not changed

Price of hotel is rising: no solution between cutting slim margin and rising price to customers

Limited only to main destination spots, needs to cover more ground

Proper feedback system not in place

Opportunity:

People go on holiday more than before

Travelers want exotic destinations or short city breaks

Increase in number of tourists because of upcoming sports event

Government lending support as part of “ Incredible India” campaign

Increase in disposable income

Threats:

Heavy Price competition

People wait till last minute for bargaining

Rising hotel rates all over the world

General economic slowdown and terrorist attacks

<https://assignbuster.com/sita-tours-and-travels-tourism-essay/>

Locally established travelling companies

PEST Analysis

Political

The strongest reason of tourists visiting India is its rich and vast cultural heritage which is under the control of Archaeological Survey of India. So any changes in policy have a very major impact on the tourism industry. Political instability in many states also hinders the tourism opportunities. E. g. - north east is still out of coverage of SITA travels because of this very reason.

Although the government is now taking up various measures like stepping up vigilance in major tourist destinations in order to promote India as a safe tourist destination.

Economic

This industry thrives on the spending power of the people. The spending power is increasing in the country as well as all over the world. This increase in the spending power has left a good amount of idle cash in hand. This has led to a tourism boom and more and more people are now coming into the country with more cash and better affordability.

Social

Tourism is seen as something that will ultimately lead to the destruction of the social fabric. It is perceived that more the number of people travelling into a place, the more is the probability of the place to lose its identity. But apart from that people have now started perceiving tourism as a form of recreation. They are now more willing to go for packages like adventure tourism to Leh and Lakshadweep.

Technology

Although it does not seem to be a great factor but it plays a major role.

Better technology has resulted in connecting many remote and unexplored areas. On the same terms online booking and transportation facilities provided by SITA travels have increased their number of clients.

PORTER'S Five Forces Model

Threat of New Entrants

As the search cost has been reduced due to the advent of internet it opens up the market for potential entrants, thereby increasing the possibility of a new company joining the market as the entry barrier has been reduced.

Rivalry among Existing Firm within the Industry

The major competitors of SITA Travels in India are Kesari Tours, Cox & Kings India Ltd

As the number of companies is increasing due to the advent of internet and the competition is increasing because of geographical expansion of markets and the reduction of entry barrier, thereby raising the rivalry and hence increasing the discount.

Power of Supplier

Entry barrier reduction and increased competition results in the increase of the power of supplier.

Power of Buyer

Reduction in switching costs has increased the bargaining power of the buyer.

Price has become an important criterion as people now can compare products and gain knowledge about them.

Threat of Substitutes

Competitors offer similar type of products and services.

Segmentation

Tourism (Inbound and Outbound tourism)

Segmentation types: Psychographic segmentation (Class), Behavioral segmentation (User status: First time, Regular, Potential). SITA is a large segment market addressing the customer needs of the international tourists.

Targeting

International Tourism: Initially tourists from USA are targeted, as SITA has stronger links with USA (Origin). Later they focused on other international markets like UK, Japan and Hong Kong. They have started a magazine called 'INDRAMA'. This magazine portrays the rich tourist literature there by attracting foreign tourists to India). The idea of 'Heritage village' further helped them to become a better tourism facilities provider. Inbound and outbound tourists are the tourist types of International tourism.

Market growth of inbound and out bound tourists:

Outbound market: The primary target market segment is out bound tourism.

Overall Market: The total market size of the out bound tourism in 2010 is 12 million. It is expected to cross 20 million by 2015 and 50mn by 2020 (Source: UNWTO); more than 6. 29 million tourists visited India in 2011. The total revenues of the out bound travel market is \$14bn in 2010[10]. The Indian

outbound travel market has grown from 3.7 million in 1997 to 9.8 million international departures in 2007; the pace of growth has accelerated since 2004 at an average annual growth rate of over 16%[11]

Inbound market:

Overall Market share: The total market size of inbound tourism is 6.18 million

with a growth rate of 8.9%. The total revenues generated rounds off to US\$ 16.691 billion.

Competitive Intensity: The major competitors of SITA Travels in India are Kesari Tours, Cox & Kings India Ltd which has more share than SITA while the others are Thomas Cook India Ltd, Karnataka State Tourism Development, Mercury Travels Ltd, Raj Travels & Tours Ltd, D Pauls Travel & Tours, Sachin Travels and Goa Tourism Development.

High budget Customers: The program ‘Affordable India’ targets the High budget segment tourists who come to Indian subcontinent. This program provides value added services to high budget travelers in order to customize destinations which were luxurious and affordable[12]

Positioning strategies

India’s first Leisure travel brand(Luxury segment) (Jan 2006)

Tourist Safety with SITA (Mumbai) (2006)

India’s Destination management service provider (June 2006)

India's tourist destination for Business travel (Kuoni Business travel) (Feb 2007)

Tourism education (Kuoni Academy) (May 2007)

Young achievers ' Out learn , Outdoor' school trips (2009-2010)

Perfect moments with Kuoni (2011-2012). This program covers 3 packages ' The world is mine; Romantic escapes; undiscovered destination

Uniform service : Accommodation, updating tourism infrastructure, travel related equipment's same in all the offices to maintain uniform service

' Enpact' (2011- 2012; Kuoni Academy: Pioneers to introduce a new teaching methodology

" Out of the ordinary tours for everyone" (2012) (Targeting individuals and small groups)

Responsible tourism (2012) (Thru CSR activities)

Indian travel brand which is focused on the luxury segment, Incentive, Trade Fair tours and Sports

Tourism Departments

In order to meet the tourists demand of visiting various places, SITA has tie up's with local agencies. The services offered by the local agencies are meeting passengers on arrival/ departure, arranging local sightseeing and transport. SITA is maintaining a wide agency network to handle inbound and

out bound tourism. The tourism department in SITA is divided in to two sectors as below:

Inbound tours:

This is the main foreign exchange earnings department of SITA. The marketing for this segment is done through various ways as below:

Brochure Tours: Marketing in the form of brochures (Tour plans in brochure)

Tailor made tours: Customers design their tour

Special interest tours: Organized by companies and other agencies

Conferences and conventions: Arranging travel, registration facilities, accommodation arrangements, conference facilities, entertainment and leisure activities.

Out bound tours:

This is one of the fast growing tourism segment markets in India. Indians are the target customers in this segment. With an increase in the income level of the people, they are showing interest in visiting other countries. The tourist destination for the Indians is primarily USA and Europe[13]

Indian out bound travel market is 3. 7 mn in 1997. Currently it is 13mn (2011-2012)

Estimated \$28billion revenue in the year 2020.

Fastest growing out bound market in the world in terms of numbers (After china)

SITA Out bound tourism marketing

Major sources of marketing are through brochures and advertisements in the newspapers

Out bound division of SITA received TAAI travel award for 2011[14].

MARKETING MIX

PRODUCT (Services & Brand)

While planning the market offering, SITA's marketers focused on five elements that constitute its customer's value hierarchy:

Core Products

Destinations are the core products offered by any tour operator. Those offered by SITA are classified into:

Inbound Leisure: SITA's major portion of foreign exchange is earned by this group. These destinations are designed to focus on leisure while travelling. Apart from must-do destinations these include tailored tours such as Cultural and Heritage Tours, Trekking and mountaineering Tours, Wildlife holidays, wellness and spa holidays, etc.

Individual Travel: SITA has maintained an unparalleled expertise in customizing travel packages for foreign tourists or working professional expecting a well-tailored itinerary which optimizes their time and ensures that all arrangements are in order.

Incentive Travel: Handled by: Distant Frontiers

Designed for large companies to motivate or stimulate their employees

Briefs are taken from each group, tailored to suit their needs and surpass their expectations by offering them special events planned exclusively for each travel group

Post-trip follow-up approach to stay in touch with the customer and ensure a re-visit

Main destinations include:

India

Nepal

Sri Lanka

Bhutan

M. I. C. E.: Meetings – Incentives – Conferences – Exhibitions

SITA is a member of:

The International Congress and Convention Association (ICCA) – a worldwide body that handles all types of International Meetings and Exhibitions

The India Convention Promotion Bureau (ICPB)

The Society of Incentive & Travel Executives (SITE)

Charters:

Leading player in India with the largest number of charters to Goa and Trivandrum

Handles leading charter operations from the UK, Germany, Russia, Poland, and various CIS countries.

Cruises:

Major players in Cochin, Chennai, Goa, and Mumbai

Shore Excursions- Regular sight-seeing trips

Overland Tours- Designed to explore the deep interiors of India

Adventures: Camel Safaris, cycling, trekking, scuba-diving, rafting, biking, mountaineering holidays designed especially for intrepid travelers

Basic Products

Transport

Ground transportation

Flight reservations

Train reservations

Accommodation

Culture & cuisines

Special arrangements- Like Women's Group, Senior Citizens Tours, etc

Conferences and Events- In collaboration with MICE

Ground assistance

Meet & Greet services

<https://assignbuster.com/sita-tours-and-travels-tourism-essay/>

Tour Guides

Tour Escorts

Expected Products

These are impeccable services for corporate clients like:

Seat availability on needed time

Accurate information

Quick check-in for the senior management

Information about various package and routes to a particular destination

Efficient customer support system

Augmented Products

These are the products that distinguish SITA from others. These may include special facilities like Wi-Fi availability throughout the journey, tele-checking, laptops on request, customized meals, etc.

Potential Products

SITA plans to come-up with underwater tourism very soon.

PLACE

SITA has its own branches situated throughout India hence are easily accessible. The customer can either go to the Tour office or plan a tour online. Hence strategic locations are very important for SITA.

North India: Agra, Delhi, Jaipur, Gurgaon, Varanasi, Udaipur

South India: Bangalore, Chennai, Cochin, Trivandrum, Hyderabad

West India: Mumbai, Goa

PROMOTION

The promotional strategies employed by SITA travels are:

Advertising

Publicity

Sales promotions

Personalized products such as Flight bags, wallets, Foreign Exchange and covers of passport, etc

Word-of-mouth Promotion

Credibility: The high magnitude of this is due to high credibility of SITA's channel, especially in the eyes of the potential tourists.

Sensitivity: The qualities of services they promise are world-class and client-oriented

Approach: The marketers keep their eyes open to identify the opinion leaders and offer special facilities for them to keep stimulating and creating demand

Personal Selling

Exhibitions- State and national tour packages, cruises, holiday financing, hotels, educational excursions, etc

E-Marketing

Twitter

LinkedIn- <http://www.linkedin.com/company/155449>

Facebook- <http://www.facebook.com/SITAWorldTours>

CSR Activities- Responsible Tourism

Spiti Initiative- To build a Solar Bath for a Buddhist nunnery in Spiti

Child Protection- Carries out workshops to protect children in rural and semi-urban parts of the country. Also offers training to children in various educational fields.

Literacy India Program- Has an independent paper recycling unit where women work to earn their living.

Bihar Flood Relief- Using its transportation system, it worked closely with Goonj to dispatch necessities to the flood affected areas in Bihar

Let's Go Green- Implemented across all offices through posters and Green Utility trays.

Creative Alliance Network- promotes responsible tourism practices amongst the businesses that benefit from Rajasthan's rich cultural environment.

PEOPLE

Employees

Well versed with the latest technologies in travel management

<https://assignbuster.com/sita-tours-and-travels-tourism-essay/>

Well trained to handle difficult customers

Extensive training program's- SITA Travel & Tourism Academy

Training on courses conducted by WATA, PATA

High credence quality via

Good work place design

Job Design

Other Customers

Caters to customers from diverse backgrounds by offering First class, Deluxe, or Luxury preferences

SITA Travels Online support

Unique Tours and value-added services

Personalized customer support

Bibliography

World Tourism Organization and the European Travel Commission. (2009).

Retrieved from [http://publications.unwto.](http://publications.unwto.org/sites/all/files/pdf/090616_indian_outbound_travel_excerpt.pdf)

[org/sites/all/files/pdf/090616_indian_outbound_travel_excerpt.pdf](http://publications.unwto.org/sites/all/files/pdf/090616_indian_outbound_travel_excerpt.pdf)

Indian Tourism Department. (2010). Retrieved from [http://tourism.gov.](http://tourism.gov.in/writereaddata/CMSPagePicture/file/marketresearch/New/2010.pdf)

[in/writereaddata/CMSPagePicture/file/marketresearch/New/2010.pdf](http://tourism.gov.in/writereaddata/CMSPagePicture/file/marketresearch/New/2010.pdf)

Kuoni. (2011, December). Retrieved from <http://www.kuoniindia.com/press-2011.asp>

SITA World Tours. (2012, January 20). Retrieved from <http://www.sitatours.com/press/sitaaffordablerelease%20012611.pdf>

EconomyWatch. (2010, June 30). Economy Watch. Retrieved from <http://www.economywatch.com/business-and-economy/tourism-industry.html>

Mol, A. (n. d.). Preserve Articles. Retrieved from <http://www.preservearticles.com/201103084425/essay-on-tourism-industry-in-india.html>

Olivia Ruggles-Brise, E. A. (2012). World Travel & Tourism Council. Retrieved from http://www.wttc.org/site_media/uploads/downloads/nepal2012.pdf

Prof. Manjula Chaudhary, D. S. (2011, August). Indian Institute of Tourism & Travel Management. Retrieved from IITTM website: http://www.iittm.org/doc/IITTM_ITC_Report-2011-rev..pdf

Reshma S Kulkarni, S. S. (2011, November 26). The Hindu. Retrieved from <http://www.thehindu.com/life-and-style/travel/article2659391.ece?homepage=true>