



## **CONSUMER'S PERCEPTION AND SATISFACTION OF OUTBOUND TRAVEL COMPANIES**

**Dr. Charu Sheela Yadav**

Assistant Professor,

Indian Institute of Tourism & Travel Management, Noida, India

**Dharna Vyas**

Research Scholar, Pacific University, Udaipur, India

### **ABSTRACT**

As a travel and tourism industry is on its increase to reach its heights, this is due to increase in the number of people traveling outside India, which has generated a tough competition amongst the tours and travel companies to gain more market share than the other. Thus in this competitive environment mostly all the big tours and travel companies have common countries in their tours itinerary.

In order to achieve the sales targets these travel companies and the company agents forget that this is a long term business and because of their fake promises they are spoiling their clientage.

As the tour industry is the service based industry, this survey is based on the customer perception that have traveled with OBT company and as customers satisfaction has become the most essential thing in today's competitive environment for any company to survive.

Results finding revealed that people who have traveled with an OBT has got their real value of money with the best of facilities and services which money could buy, right from the day of arrival till the day of their departure the customers got what had been promised to them by the company.

**Key Words:** OBT (Outbound travel), Travel Company, Consumer Satisfaction.

### **INTRODUCTION**

According to the World Tourism Organization (WTO), tourism has a remarkable growth potential, and may be far higher than other economic sectors. WTO forecasted that tourist arrivals



worldwide would raise from the 528 million recorded in 1995 to 1,018 million in 2010. Jafari (1994) defined tourism as a study of people away from their usual habitat, of the industry, which responds to their needs, and of the impacts that both they and the industry have on the host and guest sociocultural, economic and physical environments. In particular, tourism is the activity that people travel from an originating area to a destination for pleasure or business purpose, and it is the concept of cultural, economic and social exchange processes (Lumsdon, 1997). Several scholars explained tourism as a system rather than as an industry or market. Indeed, tourism marketing is a continuous, systematic and coordinated process. The tourism system includes all the products and services that are needed to create a travel experience. Each component of the tourism system is dependent based on the characteristics of the market. However, all the products and services in the tourism industry are interdependent. The significant point of tourism system is the exchange mechanism of the market that brings consumers from generating areas to receiving destination (Lumsdon, 1997).

At its core, tourism is primarily about human activity, which involves travel from an originating area to a destination for pleasure or business purposes. This seemingly simple phenomenon embraces cultural, economic and social exchanges in the process. Travel and tourism is one of the biggest industries in the world in terms of gross output and value added, capital investment, employment, and tax contributions.

As travel and tourism Industry is on its increase to reach its heights, this is due to increase in the number of people traveling outside India, which has generated a tough competition amongst the tours and travel companies to gain more market share than the other. Thus in this competitive environment mostly all the big tours and travel companies have mostly common countries in their tours itinerary.

In order to achieve the sales targets these travel companies and the company agents forget that this is a long term business and because of their fake promises they are spoiling their clientage.

A notable feature of international tourism growth has been the gradual shift in the preference for destinations, from Europe and North America to South Asia. There is also a phenomenal explosion of the outbound tourism which is an inevitable by product of the prosperity that India has achieved during last decade.



The economic liberalization and reform process of the 1990s, enabled tourism sector to attract investment for tourism related infrastructure development. The national policy on tourism was related infrastructure development. The national policy on tourism was announced, with the following as its salient features:

- Position tourism as a major engine of economic growth;
- Harnessing the direct and multiplier effects of tourism for employment generation, economic development and providing impetus to rural tourism;
- Acknowledge the critical role of private sector with government working as a pro-active facilitator and catalyst

Modern tourism is closely linked to development and encompasses a growing number of new destinations. Tourism has become one of the major players in international commerce, and represents at the same time one of the main income sources for many developing countries. This growth goes hand in hand with a increasing diversification and competition among destinations. UNWTO assists destinations in their sustainable positioning in ever more complex national and international markets.

Current developments and forecasts

- International tourist arrivals grew by 4.3 % in 2014 to 1.133 billion
- In 2014, international tourism generated US\$ 1.5 trillion in export earnings
- UNWTO forecasts a growth in international tourist arrivals of between 3% and 4% in 2015

India's tourism industry, be it inbound, outbound or domestic, every segment has witnessed rapid changes especially in the last five years.

## OUTBOUND TOURISM

This term applies when people travel from their home country to visit other international countries for leisure or business. Examples of this could be:

- A family from Belgium going on holiday to Austria;
- Business people from the UK traveling to America to visit a major exhibition;
- A day tripper from southern Malaysia visiting Singapore.



## THE ACTIVITIES OF PERSONS TRAVELLING TO AND STAYING IN PLACES OUTSIDE THEIR USUAL ENVIRONMENT FOR NOT MORE THAN ONE CONSECUTIVE YEAR FOR LEISURE, BUSINESS AND OTHER PURPOSES.- World Tourism Organization, 1993

In order to assist people with their travel arrangements, there are specialist travel service providers. These include travel agencies who retail travel products direct to the individual or groups and business travel agencies who specialize in providing travel for the business customer or promoting conference trade. Tour operators provide a package for individual and principals provide the basic services required by the travel and tourism industry.

Travel agents provide a customer with advice and professional guidance on the choice of a holiday or to purchase travel products. The main aims of travel agents are:

- To sell holidays and associated products like insurance, car hire, currency exchange;
- To provide information;
- To advise clients.

According to the Pacific Asia Travel Association (PATA), India has one of the fastest growing outbound travel markets in the world. While the country grows, so does outbound tourism. Indians leave their home country to tour other parts of the world, from nearby Asian countries to Australia, Canada, and the U.S. and beyond.

## TOURISM TRENDS

Indian outbound tourists' number is growing year on year. India Outbound tourism market will surpass the figure of US\$ 40 Billion by 2020. Renub Research report entitled "India Outbound Tourism Market: Outbound Tourists Visit, Tourists Spending and Forecast to 2020" provides a comprehensive assessment of the fast-evolving, high-growth India outbound travel industry. With more than 1.1 billion inhabitants and GDP increasing by more than seven percent every year, India offers enormous potential for future growth in outbound travel. Whether it is to meet a relative settled abroad, a shopping trip, a global sport event or just for leisure, Indians are increasingly travelling abroad. Personal and Official Travel for holiday/ leisure, business and MICE tourism are the most significant contributors for growing outbound travel.



The UNWTO predicts that India will account for 50 million outbound tourists by 2020. While business travel, holiday and VFR trips dominates outbound volumes, people are also opting for niche products like sports tourism, luxury travels, MICE, honeymoon packages and cruises. According to the "Economic Times," India's middle classes are moving into the "cash rich/time poor" bracket, meaning they work long hard hours to make steady money but lose out on vacation time to spend and enjoy it. While business travel, holiday and "VFR" trips--visiting friends and relatives--still dominate the outbound tourism market, Indians are also leaning toward niche travel like sports tourism, luxury and spa excursions, honeymoon packages and cruises. In order to achieve a promising consumer satisfaction, it is vital that the agencies of the travel packages with minimal costs but without any compromise with the facilities provided. The most enticing feature of a travel package is its cost and its facilities, hence any such package would invite huge response and queries which can be converted into clientage with impressive marketing skills, the consumers look for convictions and such travel packages are their investments which can be paid back in the form of a happy and fruitful stay, with the assistance of the agency.

## OBJECTIVES OF STUDY

- To explore the perception of the people aspiring to travel outside India.
- To study the quality of customer services in the OBT companies

## METHODOLOGY

The paper attempts to understand the Indian Outbound traveler's retail behavior through the use of descriptive research design. The criteria for selection of respondents was that they should have already vacationed outside India at least once.

Quantitative research via questionnaire distribution was performed to achieve to the research objective. The respondents were drawn from population that have already experienced the tourism product and hospitality services.

**SAMPLE** - Sample of 30 customers who have traveled with an OBT companies were taken.



**DATA COLLECTION** – Primary data was directly collected from the respondent using data collection methods like survey interviews. Age group taken was 15 and above.

## FACTS AND FINDING

The study was conducted with the aim to explore the customer's satisfaction undertaking the international tour from an agency. Such international tour falls in Outbound Tourism Sector. This sector is growing immensely with the growth in demand and economic structure of customers.

### Clients perceptions were studied on following grounds:-

#### 1. Deciding factors pertaining to choice of package-

There are various factors which influence customer's decision while choosing the package. These factors can be personal, financial or psychological. As per the analysis done, the major factors which influence the customer are:

	EXECUTIVE SUGGESTIONS	FAMILY SUGGESTIONS	VALUE FOR MONEY	COUNTRY
TOURS PACKAGE	02	16	10	02

- Executive suggestion- Usually a customer enters the store with certain preferences for the destinations but the executive provide them with better options as per their needs and demands.
- Family suggestion- As in India there are more of joint family system and families prefer to select such destination or package which is preferred by all members of family. Also as per the data analyzed it was found that customer's preferences are based on family suggestions. Out of 30 customers 16 preferred to go with the decisions made by the family.





- Value of money- Client always looks for the value of money invested. Be it a leisure activity a customer is completely satisfied only when they get total value of their money. Again second priority is given to the value of money, which could be easily seen from the collected data that if the package gives the value of amount invested then customers will prefer such packages. As such out of 30 customers 10 prefer with the criteria of value of money.
- Country- More of publicized country is preferred. More the country is known and more would be its clientage.

These factors were well examined by the analysis done on the customers coming to the OBT Company. As per the data examined more preference is given to family suggestions by the client while choosing the tour package.

2. The study also focused on the customer's preference to travel with whom. Again as per the data collected and analyzed it was found that more of family tours were preferred by client, as it could be seen from the analyzed data that out of 30 customers 12 prefer to go with family that is the highest as per the Friends which is only 5, Spouse is 08 and Alone is 05 only. The number of customers travelling with family is much higher than ones traveling with friends, spouse and traveling alone.

FRIENDS	FAMILY	SPOUSE	ALONE
05	12	08	05

3. Another analysis was made as per the source of the income of the customers. As the income is very important factor for any individual to indulge in leisure activity, an analysis was made under which it was found that more of clientage for outbound tours/international tours was business traveler's i.e. 13 customers out of 30. The second highest number of clients falls under the group of private jobs i.e. 10 customers, remaining customers from government jobs- 05 and others-05.



SOURCE OF INCOME	BUSINESS	PRIVATE JOBS	GOVERNMENT JOBS	OTHERS
	13	10	05	02

### Client's satisfaction were studied on following grounds:-

Tourism is a service based industry and as talking about customer's satisfaction the hospitality and services provided in the organization i.e. OBT Company to the customers is very essential. As the data was collected from an OBT company results found was mostly excellent. The services in various departments of a company i.e. outbound, visa and forex are all more than satisfactory and the OBT company where the survey was undertaken. Departments like VISA & FOREX gives customers extra advantage of getting their VISA forms filled and getting them sanctions on time. This job is also done by the executives of the company itself without troubling the client. Also the Forex Department helps the customers by providing them with foreign exchange at nominal rates than the market. This saves both time and money of the customer which he mite spends outside the company. As it could be seen from the data given below that maximum number of the customers have found the services of the company excellent.

	OUTBOUND	VISA	FOREX
Excellent	15	12	10
Good	06	08	08
Average	06	03	05
Poor	03	07	07

Thus, it can be concluded that people who have traveled with the company got the real value of their money with the best of facilities and services which money could buy, right from the day of





arrival till the day of their departure the customers got what had been promised to them by the company

## CONCLUSION & SUGGESTIONS

The list of variables mentioned in the study is not exhaustive. The research can be extended to include various other variables and can subsequently be associated or otherwise with, socio demographic and psychographic variables. There are many challenges in outbound travel. In India, companies tend to specialize in either inbound or outbound, few do both successfully. The skill sets and experience needed for both segments are unique and not complementary. The average Indian travel agent deals with customers who are extremely price sensitive and are inherent shoppers. Bargaining is a cultural trait. There is basically a feeling that agents have no right to make money. In general, agencies in India are not equipped or trained in charging fees. Another hurdle for Indian outbound tourism market is the rupee depreciation that has become a very big hurdle for Indian outbound tourism.

1. There should be more executives in the outbound tourism so that the work pressure could be handled.
2. There should be more people hired in the VISA department so that the visa officer's works pressure reduces to an extent and he would get a further support in handling the visa cases which would save a lot of time.
3. Companies should appoint a CRO (customer relationship officers), so that company can make good relations with customers.
4. There should be more coordination amongst the office staff and with the other offices also.

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