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# **COMPARATIVE ANALYSIS OF BIG ONLINE AND OFFLINE PLAYERS OF TOURISM INDUSTRY IN INDIA**

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# Comparative Analysis of Big Online and Offline Players of Tourism Industry in India

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**Abstract – India has turned out to be one of the most loved tourism goals for the sightseers. Numerous remote vacationers visit India for this reason. They utilize online tourism administrations to discover areas and spots offering these administrations. Online tourism administrations are the administrations which are offered by the tourism gateways to explorers through the Internet. People groups need everything to be appropriately arranged and they are taking activities to arrange their own particular excursions as indicated by their comfort and this has made conceivable effectively by the utilization of online tourism benefit gateways. Travel gateways make the voyager self-subordinate and give all data on single tick. Despite the fact that, there are many advantage of e-Tourism specialist co-ops yet at the same time the development rate of client of e-tourism administrations are inadmissible. This is a direct result of numerous unidentified reasons.**

**Keywords – Tourism, e-Service, Perception, e-Tourism, Online Services**

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## 1. INTRODUCTION

Tourism division is one of the developing administration areas of the Indian economy. As reports show, tourism is a quickly developing division contributing just about 6 % in the GDP furthermore offering work to parcel of individuals. It is normal that, before the end of 2020, tourism in India could contribute Rs. 8, 50,000 crores to the GDP. It can likewise be considered as the spine for different segments like transportation, common, neighborliness. Tourism area is likewise one of the critical benefactors to remote trade save of the nation. As the report titled "Indian Tourism Industry Analysis" anticipated, outside visitor entries in the nation are required to develop at a CAGR of around 8% amid 2010-2014 because of expanding business and relaxation needs. The utilization of Information and Telecommunication Technology (ICT) assume a vital part in development of tourism administrations. With the expanding part of ICT in this area, an alternate sort of tourism, electronic tourism (e-tourism), has developed which is fundamentally changing the tourism business around the world. Presently, clients offer need to look for data identified with tourism benefits on the Internet. Online tourism administrations are the administrations which are offered by the tourism webpage and gateways to clients on the Internet. For the most part individuals like to utilize Internet to make their working quick and helpful. Since people groups need everything to be legitimately arranged thus they are taking activities to

arrange their own particular treks as indicated by their comfort and this has made conceivable effortlessly by the utilization of online tourism benefit entrances. The principle point of these entrances is to make the explorer self-subordinate and to give all data on single tick. Web is a one stop-shop where voyagers discover each and everything from an exceptionally mainstream goal to a remote place. These administrations help the residential and in addition outside travelers. India has turned out to be one of the most loved therapeutic tourism goals for the visitors. Numerous remote sightseers visit India for this reason and they utilize online administrations to discover area of the spots offering these administrations and they get everything just by writing it on the web crawlers and consequently different connections are shown with the wanted data. Today, the Indian therapeutic tourism industry is at an early stage, yet has a gigantic potential for future development and advancement. This division has the most noteworthy development potential after IT and BPO and will section India among the world's first class social insurance suppliers. Accordingly one can discover everything by utilizing on the web administrations. These online tourism administrations assume a vital part in advancing any nations' tourism. There are different tourism administrations which are accessible online like aircraft ticket appointments, railroad ticket appointments, lodging appointments, auto rental, transport appointments, journey appointments and so on. Presently the explorers are

achieving their goals before voyaging and online tourism administrations have made it conceivable. One can discover every single goal on web with the vacation destinations which merit seeing. Furthermore, what is the perfect time to visit a specific place furthermore about the history craftsmanship and art and culture of that place with the nourishment accessible there. One can likewise look at the goals via seeking the data's about both and can analyze the costs of various destinations additionally with the assistance of web and after that can choose which place to visit. Each goal has its claim to fame like Goa is celebrated for shorelines. Kerala for back waters and Jodhpur for have lies and so forth so the explorer can pick his wanted place by survey all these data's on the web. E-Tourism not just encourages the explorers, on the opposite side it likewise offer chances to SMEs to build up their business over the world. As Internet based electronic trade expels all geological limits, firms get scope for getting business over the limits. Internet-based web based business gives significant extensions to the tourism business to grow their client base, enter new administration advertises and build up their business. E-Business makes conceivable SMEs the chance to embrace their business in new and savvy ways. As per WTO, the Internet is changing the conveyance of tourism data and deals.

## 2. REVIEW OF LITERATURE

The investigation of Internet based electronic trade in the tourism business has risen as a 'wilderness region' for data innovation. The reviews on this territory of research were fundamentally audited with a view to building up a structure reasonable for tourism industry. Web based business is characterized as the way toward purchasing and offering or trading items, administrations and data by means of PC systems including the Internet characterized electronic business 'as the utilization of electronic transmission mediums to take part in the exchange, climate purchasing or/and offering, of items and administrations which required transportation, might be physically or even carefully, and starting with one area then onto the next area'. Since because of such a large number of advantages of web based business like less exchange cost, efficient, simple to get to, these days web based business is turning out to be first decision for any corporate association, it doesn't make a difference whether it create merchandise or rendering administrations. Nonetheless, selection of ICT is one a player in the story. Specifically, arrange get to costs, scattering of data on electronic trade, preparing, aptitude advancement and HR give huge difficulties to the business associations. E-Business arrangements are one of the significant difficulties developing in the present economy, which contemporary organizations need to confront. The level of e-Business gathering goes about as an aberrant determinant for the level of aggressiveness of an organization'. He investigated unique e-Business gathering model (EBRM). This review was for the most part centered around both sorts of organizations, i.e.

assembling and administration organizations. As the discoveries of this review uncovered, between the two concentration bunches, benefit situated organizations have a more elevated amount of gathering of e-Business arrangements as contrast with assembling organizations. Cho and Jerome (N.A.) uncovered the elements that influence the relationship amongst clients and the online specialist organizations. The review was centered on the variables that influence the client fulfillments by the administrations gave by online travel offices. An extremely fascinating point over here expressed by the creators is the usability and the disposition of the clients toward the use of the online buys. They have additionally specified if the online administrations are gainful to the shoppers of various levels and diverse ages; how it helps the online organizations to comprehend state of mind of clients enhance them. Consider solidly trusts that the clients ought to be especially mindful of the data with respect to the online exchange they make, furthermore it is the obligation of such administration businesses to keep them advised. Ekinci and Cobanoglu (N.A.) concentrated on the positive and negative parts of the online buy the clients do concerning their touring plans. They emphatically expressed that e-Purchases ought to be more valuable and more helpful to the clients by giving a few offices. Online business locales are relied upon to have a vaster and clearer itemizing and a superior method for correspondence with their clients, if the need to get positive reaction from the voyagers and increment their business. Numerous a circumstances the explorers confront certain challenges like, deficient information of their travel goals, broken appointments, and so on and to lessen such issues the specialist organizations ought to have an appropriate administration to facilitate the travel buys made by sending booking affirmations, 24 hour help furthermore showcasing chiefs promptly accessible to advise the clients and ease and take care of their issues. This lessen in hazard considers surely will develop a certainty among the clients and hence help up the deals. The review likewise proposed that entire consumer loyalty is the way to this business and consequently an esteemed brand name can be accomplished. As there are number of literary works accessible in the territory of electronic tourism administrations or Internet based tourism benefit yet at the same time not very many inquired about is there which engaged and utilized essential information to investigate the different drivers influencing adoptability of e-Tourism administrations. In this way, there is have to put a few endeavors to investigate these drivers and comprehend their significance in E-Tourism (Cardoso, 2005)

## 3. ROLE OF INTERNET IN THE TOURISM INDUSTRY:

The internet has had a profound impact on business generally since the mid – 1990's. It has resulted in new business models, and in many cases more choice and information for consumers. The travel

and tourism sector was one of the first to be affected by the internet with airlines offering tickets directly to consumers via the web and new travel intermediaries springing up and becoming major forces in the industry.

A significant amount of destination marketing has also shifted to the web and in recent year's web 2.0 approaches have spawned large amounts of user generated content in the form of Travel Blogs and Reviews and this often appears highly ranked in search engines when consumers enter keywords.

The tourism industry is an intensive user of information and organization adopted information technology (IT). To provide reliable and accurate information Travel Agencies, for examples use IT for reservation, accounting and inventory management functions.

GDS are used for reservations, information search, client management, and reporting, Organizational information systems (OIS) on the other hand are used for accounting, reporting, record management, and billing. Over all IT has helped in reducing costs and improving service to customers within the Travel and Tourism sector.

The consumers in particular have greater access to information and prices and over all greater choice and convenience. Indeed, it is argued that internet has facilitated a shift of power from travel providers to consumers since they now have access to a wide range of travel provider on the internet that often compete on price.

#### **4. ONLINE TOURISM – A STEP TOWARDS INTERNET MARKETING OR E - MARKETING**

Online tourism has been defined as a new form of travel product distribution where a supplier / service provider offers products/ service mainly through the medium of internet to a group of customers, irrespective of their physical location. Online tourism equips a tourist, Tour Operator or Travel agent for convenient exchanges using electronic medium. Even in its introductory Stage. Tourism industry has largely been benefited by online tourism in certain countries. It has led to electronic marketing popularly known as E – Marketing or Internet Marketing (Berkowitz, *et. al.*, 1979. Bhatnagar, *et. al.*, 2000). Online tourism is one such natural outcome of online marketing that boomed in last two decades. The concept has gained much attention among modern business organizations.

**Internet Marketing = Online Marketing = Web Marketing = I Marketing**

Internet Marketing being one of the biggest digital marketing channels includes search engine marketing, social media marketing, display marketing, referral

marketing, affiliate marketing, email marketing, content marketing, designing and development and much more. So more precisely internet marketing can be formulated as shown below -

**Internet Marketing = Search Engine Marketing + Social Media Marketing + Email Marketing + Referral Marketing + Content Marketing + Designing...**

Internet is one of the biggest and cost effective digital medium available worldwide. Internet Marketing can be defined as marketing or promotion of brands, products, services to the consumers by utilization of internet as a digital medium. When we say that we are online then it simply means that we are using internet or in other words accessing the World Wide Web and so internet marketing is also known as online marketing or web marketing. Moreover the word marketing is also used as an abbreviated form for internet marketing.

New travel intermediaries have become a recognized force in the industry and tourism destinations have embraced the internet for promotions and marketing. The convenience of internet purchasing of Travel products and the growth in numbers of people with internet access has led to continued growth in travel consumers. Technology and the internet have created a revolution in tourism marketing. The internet not only inspires and provides consumers with information on potential travel destinations, but enables them to take immediate action by booking online. And, this is only the beginning of their online engagement, as the internet continues to play a role during the vacation as well as long after the visitor returns home. Online tourism is rapidly becoming a growing topic of research and its importance as future mode of acquiring information and purchase of tourism products and services is growing day by day (Griss & Pour, 2001. Huhns, 2000. Kelly, *et. al.*, N.A.)

#### **5. PRESENT SCENARIO OF ONLINE / INTERNET IN INDIAN MARKET AND CONSUMER'S BEHAVIOUR**

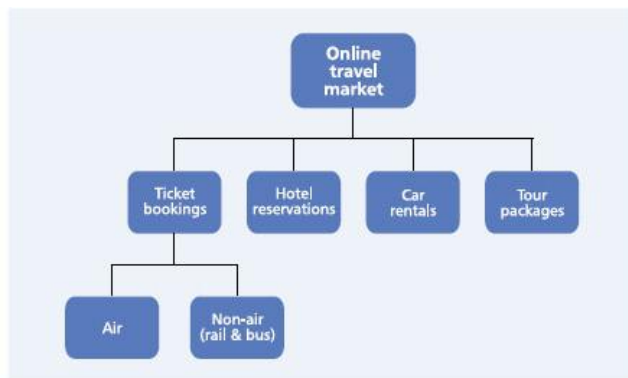
Online travel in India continues to dominate the country's travel market. The industry is expected to grow by 17.8% during 2013 – 2016, outperforming the overall travel market by 6.0% points. Online penetration in travel and tourism bookings is estimated to increase from 41% in 2014 to 46% in 2017.

While air and rail make up the vast majority of India's online travel market, the country's fragmented hotel landscape holds the greatest promise (Flint & Herbert, 2000).

The travel and tourism industry in India, which comprises both domestic (85% of the market) and international inbound travel (15%), is estimated to grow at a CAGR of 12% to \$27.5 bn in 2016 from \$19.7 bn in 2013.

The Indian travel and tourism industry, set to grow at 12% CAGR over the next three years, is the second fastest growing market, following China, which is growing at 16%. In contrast, while the US market is growing at 6%, the worldwide market is clocking just 4% over the same time frame.

For people with access, it's a major part of their daily or weekly schedule. The internet is a gateway to world knowledge as well as a massive platform for national media and documentation. Once people start using the internet their behaviour changes permanently and already in India over two thirds of people with access use it several times a week or more. Work audiences account for significant amounts of the online total population. Access from internet cafes remains extremely high, averaging 30% on working days.



Source: D&B Research

Online travel sales have increased drastically in recent years. Greater proliferation of the Internet, growth in low-cost air carriers, secure payment mechanisms, and coming-up of the Indian railways portal have led to rise in online sales in the travel industry. A number of low-cost carriers operate on certain routes, and hence online booking offers choice of air carriers to customers. Airline ticket booking constitutes more than 70% of online travel sales (Magion, R. Maroudas, *et al.* Ng, 2000).

However, a shift is being seen from air to non-air segments in the online travel market. This shift is due to the non-air ticket booking segment growing swiftly with launch of the Indian Railways online portal ([www.irctc.co.in](http://www.irctc.co.in)) and many online travel agencies providing bus tickets. Indian Railway Catering and Tourism Corporation is the largest travel website in the APAC in terms of transaction volumes. A number of hotels also use the Internet for booking of rooms.

Travel portals and hotel chains used to provide 360 degree virtual tours, audio tours and photographs, and text reviews to the travellers. They are now marketing through video reviews and video blogs, either put up

by themselves or travellers on the travel agency portal or a social media video platform.

Online travel booking has become simpler and easier. High pressure lifestyle coupled with simpler online travel booking has led to travellers taking short, random trips during the year. This has given rise to the concept of 'spontaneous travel'. Realizing the potential in this segment, travel companies also offer services for 'last-minute bookings'.

Within the domestic travel and tourism industry, the online travel segment has significantly grown over the past few years. India's online travel segment is expected to grow 17.8% during 2013–2016E, outperforming the overall travel market by 6.0 percentage points. Online travel (online gross bookings) now constitutes an estimated 41% of the overall Indian travel market (2014). The high degree of convenience, increasing e-Commerce penetration, rapidly increasing Internet and mobile penetration, and a growing middle-class population are some of the factors boosting online travel bookings. The online travel market in India, estimated at \$9.1 bn (2014), comprised air travel (\$5.1 bn), rail travel (\$3.1 bn), hotels (\$0.8 bn), and others (\$0.1 bn). Online penetration in travel and tourism bookings is estimated to increase from 41% in 2014 to 46% in 2017, according to Phocuswright, a leading travel data aggregator online travel market sales are expected to grow in the coming years (Norhayati, 2000. Paynter, and Lim, 2001. Plaza, *et al.*, 2010).

## 6. MAJOR ONLINE PLAYERS IN INDIA:-

### Make My Trip:

- Established in 2000
- Gross bookings 480 million USD (2010)
- Largest market share in Indian OTA industry
- First Indian OTA to be traded on NASDAQ
- Global presence – US, Canada , UAE
- Covers 450 + cities in India through travel agent partners

### Cleartrip.com:

- Established in 2006
- Gross bookings 180 million USD (2010)
- Partnered with Tripadvisor.com
- Globe Presence – Middle East (UAE, Oman, Qatar, Bahrain, Kuwait)



#### **Yatra.com:**

- Established in 2006
- Gross bookings 240 million USD (2010)
- Partnered with Reliance world for ticket distribution
- Started 'Holiday Lounge' in 50 major cities in India
- Global presence : US, UK

#### **Travelocity.com**

- Established in 1996 (US), 2007 (India)
- Gross bookings Global 10 Billion USD (2007)
- Global presence – US, Canada, Germany, France, Scandinavian Countries, UK and Mexico (Cho and Agrusa)

### **7. MAJOR OFFLINE TRAVEL COMPANIES IN INDIA:-**

#### **Thomas Cook India Pvt. Ltd:**

- The company set up its first office in India in 1881.
- Currently extends to over 232 locations in 92 cities across India.
- Revenue –INR 3863 Million (2010).

#### **Cox and Kings India:**

- In 1758 it was appointed as general agents to the regiment of the foot Guards in India under the command of Lord Ligonier.
- Global offices: UK, USA, Japan, Russia, Singapore and Dubai 149 countries.
- 12 fully owned offices in India.

#### **Tui India Pvt. Ltd. (LPTI)**

- In 2005 operationally starts in India.
- Global Presence: 180 countries.
- Revenue: Euro15, 051 million (2013).

#### **Kuoni Travels – SOTC**

- Established in 1906.
- Operating in 18 countries.
- With SOTC it has a network of 12 fully – owned business travel centres across India.

### **FOREIGN TOURIST ARRIVALS (FTAS) IN INDIA, 1999-2016 (TILL JUNE)**

TABLE 1  
 Foreign Tourist Arrivals (FTAs) in India, 1999-2016 (till June)

Year	FTAs in India # (in million)	Percentage (%) change over the previous year
1999	2.48	5.2
2000	2.65	6.7
2001	2.54	-4.2
2002	2.38	-6.0
2003	2.73	14.3
2004	3.46	26.8
2005	3.92	13.3
2006	4.45	13.5
2007	5.08	14.3
2008	5.28	4.0
2009	5.17	-2.2
2010	5.78	11.8
2011	6.31	9.2
2012	6.58	4.3
2013	6.97	5.9
2014	7.68	10.2
2015	8.03	4.5
2016 (P) (Jan-June)	4.19	8.9@

Tourism has been a major social phenomenon of societies all over the world. It is driven by the natural urge of every human being for new experiences, and the desire to be both educated and entertained.



Tourism is the act of travel for the purpose of recreation and leisure and it also refers to the provision of services to achieve this goal. It is often mistakenly considered a creation of the modern society, but in fact its roots can be noticed even during the ancient times. It has evolved along with the socio-economic development of society and it has blossomed since the middle of the 20th century. The first effect of tourism that the society noticed was the economic effect. Nevertheless, nowadays it is completely clear that this is not its only significance. Other aspects, such as social, political, educational

and great number of more have gained their well-deserved place in the tourism.

## CONCLUSION

Study depended on the electronic tourism and expected to investigate the significant drivers influencing adoptability of e-Tourism benefits in India; along these lines, it was focused on the essential information as it were. The review uncovered aggregate five drivers/calculates specifically Utility, Economic, Reliability, Efficiency and Security. As the discoveries shows that in India, there is tremendous degree to enhance the percent of online business adoptability, increment in the percent of web based business adoptability would be at last come about positive change in the e-Tourism infiltration rate. The review discovered significant five drivers in light of the essential information, which are as critical as all other required backings including framework, laws, mindfulness and so forth to expand the adoptability e-Tourism benefits in India.

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