



A Study on Effectiveness of Promotion Techniques Adopted by Travel Agencies

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ABSTRACT

Market promotion plays major role for the growth travel agencies. A travel agency can achieve the tremendous market growth by the effective and efficient mix of the promotional elements. It is not enough for a business to have good products sold at attractive prices. To generate sales and profits, the benefits of products have to be communicated to customers. In marketing, this is commonly known as "promotion". A study on effectiveness of promotion techniques adopted by travel agencies will be detailed in this study. The primary data were collected from the respondents by using a well-structured questionnaire through the survey method. The secondary data were collected from the magazines, journals, publications and web sites. The sampling technique adopted for the study was simple random sampling. Samples of 150 respondents were selected from Madurai, Tamil Nadu. 150 respondents were using the services of travel agencies very frequently. The data collected was classified for the purpose of analysis by using tools like simple percentage analysis and chi-square test, and this research provides a reasonable suggestions & recommendation to the travel agencies to improve their services.

KEYWORDS : Advertisement, Influence, Popularity and Promotion

Introduction

Promotion is the business of communicating with customers. It will provide information that will assist them in making a decision to purchase a product or service. A promotional mix is the result of a conscious effort to select promotional methods that reinforce a marketing strategy. Advertising will not attract enough customers. Sales promotion alone will not be effective. Publicity may be important but it will not sufficiently inform the public. Personal selling links buyers and sellers but the sales persons need support systems or other promotional means to grab customers.

The goal of promotion programme is to generate sales. In order to achieve this goal, organization adopts various methods like informing, persuading and reminding its target customers about their existence and their products and\ or services.

Scope of the study

It is not enough for a business to have good products sold at attractive prices. To generate sales and profits, the benefits of products have to be communicated to customers. In marketing, this is commonly known as "promotion". Thus, in this study the researcher will evaluate the effectiveness of various promotion techniques. And this study will also help to understand how promotion mix will affect the buying decision of the consumers on using tourism services. The geographical scope was restricted to Madurai only and the sample size was restricted to 150.

Objectives of the study

To study the effectiveness of promotion techniques adopted by Travel agencies.

- To know the profile of the respondents.
- To list the promotion strategies adopted by travel agencies.
- To test the hypothesis between age and advertisement popularity.
- To make suggestions.

Review of literature

Raheela Niazi (2008) states that promotion is one of the key element of four p's of marketing mix and as such has a key role to play in market success. It has a great influence in sale.

Bobby Andersson, Aman Hail Emaraian (2007), said that great care should be given to the promotional aspect of the product. Sales promotion will lead to the market success. Personal selling will create a great influence in the mind of the buyer.

Lenard C. Huff; Dana L. Alden; Brian C. Tietje, Published in Journal of promotion management, Volume 5, Issue 1 May 1999, pages 77 – 89, though an integral component of many marketing strategies, relatively little has been written about the management of consumer sales promotions. This study introduces a framework that examines the relative importance of key factors on managers' use of two consumer promotions: coupons and sweepstakes. Their results show that brand managers use trade and consumer sales promotions more extensively than media advertising, but do not consider sales promotions to be more effective in meeting objectives. Their sample of U.S. brand managers heavily favour price-oriented over non-price promotions. They conclude that managerial use of sales promotions is influenced primarily by competition and short-term pressures. A national survey of brand managers of packaged convenience goods provides support for the proposed framework

Philip J. Kitchen (Department of Marketing, University of Strathclyde, Glasgow, UK), Suggests that significant changes are taken place within the promotional mix in UK FMCG firms. In particular points to the emergence of public relations as a dynamic tool within the promotional mix, indicating why this tool may have emerged in relation to the more well-known promotion tools. Puts forward reasons for changes in promotional mixes and the emergence and usage of new tools. Reports on the perception among FMCG executives of movements towards integration between marketing and corporate public relations

Aradhna Krishna and Bari Harlam: the effectiveness of any promotional strategy depends, in part, on how accurately channel members predict consumers' perceptions of their promotional activity. However, empirical research on channel member predictions and their accuracy is virtually nonexistent. In this article we examine manufacturer and retailer beliefs about consumers' perceptions of sales promotions and assess the accuracy of these predictions. Our findings indicate that manufacturers and retailers hold similar, but equally inaccurate views of consumers' industry knowledge. When assessing consumers' specific beliefs about different types of promotions, these channel members underestimate consumer knowledge. Their motivational knowledge, however, appears quite accurate -whether predicting consumer or other channel member perceptions of motivations. The similarity of supplier and retailer knowledge bodes well for channel efficiency, yet limitations in their understanding of consumer knowledge about promotions may lead to weakness in channel marketing strategies

Carl. F. Mela, Sunil Gupta, Donld. R. Lahmanna, the authors examine the long-term effects of promotion and advertising on consumers'

brand choice behaviour. They use 8 1/4 years of panel data for frequently purchased packaged goods to address two questions: (1) Do consumers' responses to marketing mix variables, such as price, change over a long period of time? (2) If yes, are these changes associated with changes in manufacturers' advertising and retailers' promotional policies? Using these results, the authors draw implications for manufacturers' pricing, advertising, and promotion policies. The authors use a two-stage approach, which permits them to assess the medium-term (quarterly) effects of advertising and promotion as well as their long-term (i.e., over an infinite horizon) effects. Their results are consistent with the hypotheses that consumers become more price and promotion sensitive over time because of reduced advertising and increased promotions.

Limitations of the study

The sample population was limited to 150 respondents.

The study was limited to Madurai only and hence the result cannot be generalized and applied to any other place.

The analysis was based on the idea collected with the help of questionnaire and this might have its own limitation.

Some of the respondents refuse to fill the questionnaire because they think it might affect their personal life.

Suggestions and recommendations will hold through only if there is no significant change in the market.

Research Methodology

Research methodology is a way to solve the research problems. The research design used in this study was descriptive in nature. Both Primary data and Secondary data sources were used to get the information. Questionnaire has been used as the tool for primary data collection from customers. Secondary data were obtained from magazine and websites. Survey method was the research approach. Sample respondents were selected by applying simple random sampling.

Analysis and Interpretations

Advertisement popularity of Travel Agencies

OPINION	No. OF RESPONDENTS	%
Strongly agree	93	62
Agree	32	21.3
Disagree	20	13.3
Strongly disagree	5	3.3
Total	150	100

Source: primary data

Interpretation

It is inferred that 62 % of respondent agree that the advertisement of tourism services are very popular and 21.3% agree and 6.7% disagree and 10% strongly disagree with respect to popularity of Tourism Advertisements.

Sources of Information

SOURCE	No. OF RESPONDENTS	%
Friends	20	13.3
Relatives	24	16
Advertisement	72	48
Executives	22	14.7
Exhibition	12	8
Total	150	100

Source: primary data

Interpretation

It is observed that 48% of respondents get information from advertisements.

Promotion mix Influence in purchase decision

OPINION	No. OF RESPONDENTS	%
Strongly agree	86	57.3
Agree	34	22.7
Disagree	16	10.7
Strongly disagree	14	9.3
Total	150	100

Source: Primary Data

Interpretation

It is interpreted that 57.3% of the respondents strongly agree and 22.7% agree, 10.7% disagree and 9.3% strongly disagree that the promotional activities will lead to purchase decision.

Awareness about information of the promotional activities

OPINION	No. OF RESPONDENTS	%
Very well aware	105	70
Aware to some extend	40	26.7
Not aware	5	3.3
Total	150	100

Source: primary data

Interpretation

It is observed that 70% respondents are very well aware about the promotional activities offered by the travel agencies.

Influence of Personal selling

OPINION	No. OF RESPONDENTS	%
Highly influencing	92	61.3
Influence to some extend	39	26
No influence	19	12.7
Total	150	100

Source: Primary Data

Interpretation

Out of the total respondents, 61.3% of respondents opined that personal selling has high influence on purchase decision.

Chi- Square test

Table showing Age category and Advertisement popularity

Age/ Advt. popularity	S.A	Agree	Dis Agree	S. DA	Total
Below 20	3	2	2	1	8
21-30	16	10	5	1	32
31-40	33	10	6	1	50
41& above	41	10	7	2	60
Total	93	32	20	5	150

Null hypothesis (H0): There is no significant relationship between age and advertisement popularity.

Alternative hypothesis (H1): There is a significant relationship between age and advertisement popularity.

Calculation of chi-square

O	E	(O-E)	(O-E) ²	(O-E) ² /E
3	4.96	-1.96	3.84	0.77
16	19.84	-3.48	14.74	0.74
33	31	-2	4	0.12
41	37.2	3.8	14.44	0.38
2	1.70	0.3	0.09	0.05
10	6.82	0.18	10.11	1.48

10	10.66	-0.66	0.43	0.04
10	12.8	-2.8	7.84	0.61
2	1.06	0.94	0.88	0.83
5	4.26	0.74	0.54	0.12
6	6.66	-0.66	0.43	0.06
7	8	-1	1	0.12
1	0.26	0.74	0.54	2.07
1	1.06	-0.06	0.36	0.33
1	1.66	-0.66	0.43	0.25
2	2	0	0	0
Calculated value of χ^2				7.97

O=observed frequency; E=expected frequency; r= row total; c= column total.

Degrees of freedom= (r-1) (c-1)

$$=(4-1) (4-1) = (3) (3) = 9$$

Level of significance = 5%

Tabulated value of χ^2 : 16.919

Calculated value of χ^2 : 7.97

Interpretation

Hence, calculated value is less than the table value of chi-square, H_0 is accepted. i.e., there is no significant relationship between age and advertising popularity.

Findings

Most of the respondents are females.

There is no significant relationship between age and advertisement popularity.

Customers of Tourism services are mainly from upper class and upper middle class families.

Factors like image of the travel agencies, advertisement, personal selling have equally influenced the purchase of tourism services.

Suggestions

It should be better to frame promotion programmes targeting the lower class people.

With regard to advertising, the company should focus on persuasive advertising highlighting the unique features and benefits of tourism products.

More advertisements should be given in media other than television.

Steps should be taken to approach organizations, schools, colleges to offer tourism services.

Proper blending of all types of promotions tools is also suggested.

Offers at reduced prices, tour packages for different segments of markets such as religious packages, package for honeymoon couples can also be offered.

Conclusion

Now-a-days business firms are more concentrate on a promotional aspect. So it is always important for a firm to know the influence of promotion mix in the purchase decision of the customers. This information will help them to concentrate more about the promotional strategies. Promotion mix includes advertisement, sales promotion,

direct mail, exhibition, personal selling, etc., so further research can be done on the impact or influence of all these factors and their roles in the purchase decision of customers. Further research can also be done in the relationship between promotion mix and positioning of the tourism product.

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