

# How social media affects tour agencies

---

## Project work written report

Project mentor: Mrs Yeong-Loke Lai Fun

Group 10-21

Ngoi Cheng Yi 103

Tan Yu Ming 103

Jiang Kaiyao 103

Ching Pui Hang Jason 103

---

## Background

### What is big data?

Big data is a term that describes the large volume of data which inundates a business on a day-to-day basis. But it's not the amount of data that's important. It's what organizations do with the data that matters. Big data can be analyzed for insights that lead to better decisions and strategic business moves. The importance of big data doesn't revolve around how much data has been collected, but what is done with that amount of data. Businesses take data from any source and analyze it to find answers that enable cost reductions, time reductions, new product development and optimized offerings. When big data is analysed correctly, they could help businesses generate coupons at the point of sale based on the customer's buying habits.(Statistical Analysis System, SAS)

Customer relationship building is critical to the businesses – and the best way to manage that is to manage big data. Businessmen need to know the best way to market to customers, the most effective way to handle transactions, and the most strategic way to bring back lapsed business. Big data remains at the heart of all those things. Big data can help businesses in customer-centric assortment planning and optimization. With big data, businesses can predict customer demand by channel and forecast the impact on future sales. This will help them identify opportunities to improve performance and increase profitability.(Statistical Analysis System, SAS)

Businesses, with the help of big data, are able to optimize marketing decisions to improve the customer experience. For example, price optimization which is businesses tweaking the price of a product based on data collected from customers which increases customer satisfaction and ensures that they still receive a profit. This helps them attract more customers in the future at the same time not suffering any monetary losses (Statistical Analysis System, SAS)

Using big data gathered from customers, businesses can analyze demand data to spot patterns, preferences and insights related to sales, shipments, pricing, promotions, etc. With this information, businesses can plan for future supply of products, eg, manufacture more products that customers usually buy. After putting the strategies into effect, businesses can then measure the effect of these sales and marketing strategies on customer satisfaction and amount of revenue earned to decide if the strategy could be used again.(Statistical Analysis System, SAS)

All in all, the large amount of big data today opens countless opportunities to capture insights that drive innovation. From more accurate forecasting to increased operational efficiency and better customer experiences, sophisticated uses of big data propel advances that can change our world – improving lives, healing sickness, protecting the vulnerable and conserving resources.(Statistical Analysis System, SAS)

## **Challenges and Disadvantages of Big Data**

### **1. Privacy and Security Concerns**

One of the notable disadvantages of Big Data centers on emerging concerns over privacy rights and security. Even large business organizations such as Yahoo and Facebook have experienced numerous instances of data breach. With data privacy laws becoming more stringent as exemplified by new policies such as the General Data

Protection Regulation or GDPR of the European Union, businesses seeking to develop and maintain Big Data capabilities also need to invest on protocols, processes, and infrastructure aimed at protecting data and mitigating security risks.(Profolus, 2019)

## **2. Technical Challenges and Requirements**

Big Data requires both processing capabilities and technical proficiency. In other words, for a business to have the capacity to mine large volumes of data, they need to invest in information technology infrastructure composed of large databases, processors with adequate computing power, and other IT capabilities. Furthermore, they need to have a certain degree of competency that would allow them to address more specific issues such as data storage and transportation, database management, data access and sharing, quality and validity assurance, and scalability of the infrastructure, among others. These requirements necessitate substantial investment from businesses which could pose as a challenge to them.(Profolus, 2019)

## **3. Issue Over the Value of Big Data**

Another problem with Big Data is the persistence of concerns over its actual value for businesses. As mentioned, resolving the challenges and responding to the requirements of its implementation involve investment. Not all businesses can afford these costs. Large businesses can easily develop Big Data capabilities, thus putting their smaller counterparts at a disadvantage. It appears that due to the costs, as well as the drawbacks and risks of Big Data, its advantageous applications only benefit large businesses, especially established ones, while expanding further the competitive gap between them and smaller businesses.(Profolus, 2019)

# **Our community of choice**

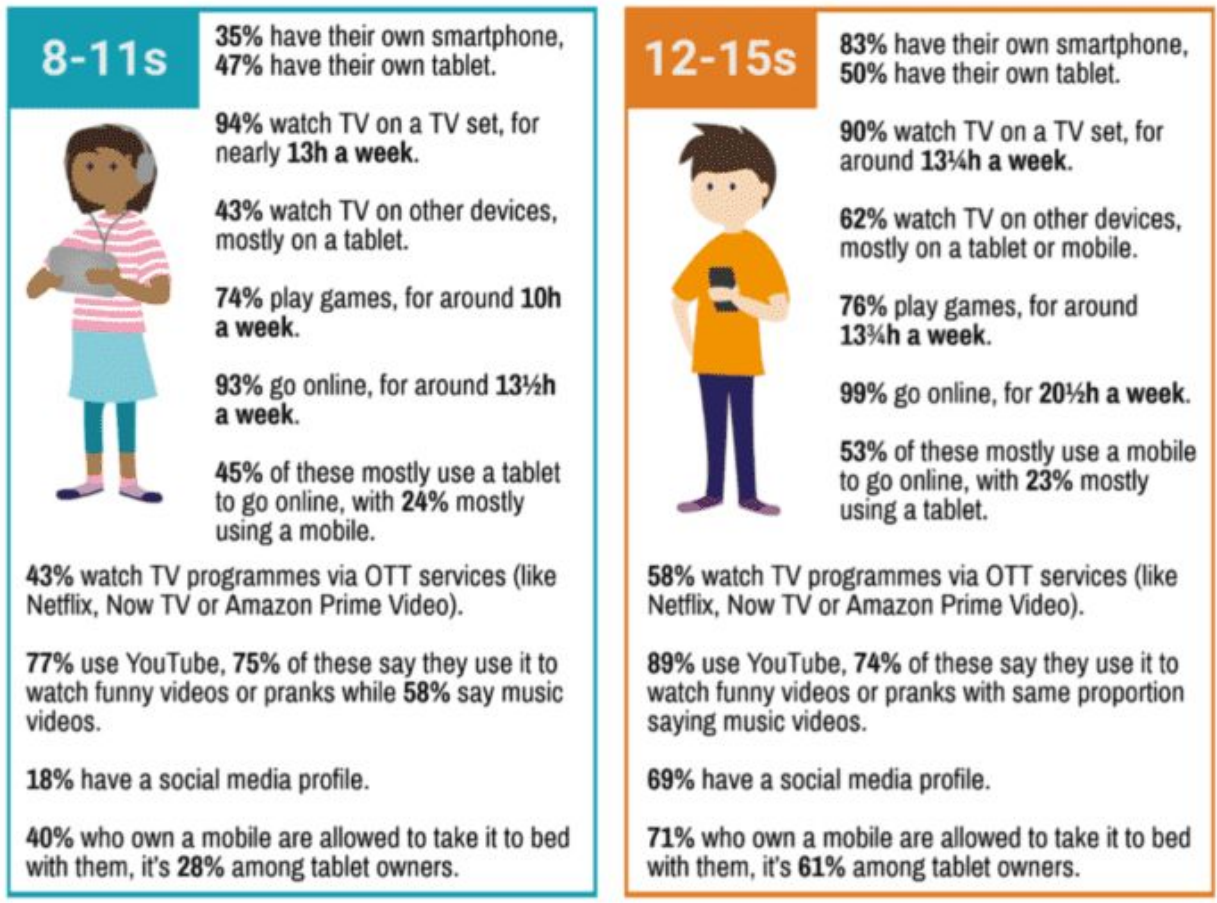
## **Social media**

Social media is a phrase we throw around a lot these days, often to describe what we post on sites and apps like Facebook, Twitter, Instagram, Snapchat, and others. Just what exactly is social media, anyway? Social media are web-based communication tools that enable people to interact with each other by sharing and consuming information. Common social media features are personal user accounts, profile pages, friends, followers, hashtags, newsfeeds, personalization, notifications, saving or posting, like buttons and comment sections, review or rating systems etc. (Lifewire, 2019)

Social networks have transformed marketing and, as this post shows, their popularity is still growing in the latest global social media statistics research summary for 2020 . Networks vary in popularity with different demographics and they're still evolving. Research by Global WebIndex shows that globally, social media users are now spending an average of 2 hours and 24 minutes per day multi-networking across an average of 8 social networks and messaging apps. (Smart Insights, 2020)

Digital 2020 Global digital overview published on the 30th January 2020 shows that more than 4.5 billion people have been using the internet since the start of 2020. 49% of the global population use social media and active social media users have passed the 3.8 billion mark with this number increasing by more than 9 percent (321 million new users) since this time last year. In addition, nearly 60 percent of the world's population is already online, and trends suggest that more than half of the world's total population will use social media by the middle of 2020. (Smart Insights, 2020)

A 2019 children and parents media use and attitudes report published by OfCom (UK) shows future adult use of social media. It highlights the continuing decline of Facebook use by younger demographics with 12-15-year-olds with a Facebook profile decreasing from 40% in 2017 to 31% in 2018. Instagram increased from 14% to 23% in the same period with Snapchat fixed at 31%. Here's a snapshot of upper primary and secondary school students online usage. (Smart Insights, 2020)



## Why are we focusing on tour agencies?

Touring and travelling has become increasingly popular in recent years as countries become more developed and people enjoy a higher standard of living. The travel agency industry in the United States is projected to generate 17.3 billion U.S. dollars in revenue by 2020, up from around 15 billion U.S. dollars in 2015 and about 12.2 billion U.S. dollars in 2010. The industry did not only grow in terms of revenue, however, but profits of travel agencies in the United States have also increased annually in recent years. A decade ago, the industry's average profit-to-revenue ratio came to six percent. This figure is estimated to have doubled to 12 percent by 2015. (Statista, 2018)

Global online travel sales have grown over the past few years. Online sales value of air travel, hotels and OTAs are all expected to grow by at least six percent in 2015. In the following year, online travel sales cumulatively generated 564.9 billion U.S. dollars. This figure was forecasted to grow to 817.5 billion U.S. dollars by 2020. In 2015, the largest

share of online travel sales were conducted in North America, the U.S. alone generated around 168 billion U.S. dollars through mobile and desktop travel sales. This figure was forecasted to grow annually until 2019. In terms of sales, Expedia Inc. was the largest travel agent in the world, followed by the Priceline Group, highlighting the threat OTA's pose to traditional travel agencies. Online travel booking has been increasing in the United States. Between the spring of 2008 and the spring of 2016, the number of internet users who managed travel reservations online increased from around 40.6 million to 64 million. (Statista, 2018)

Travelers are also relying more on travel review sites when booking. The share of U.S. travelers who said travel review sites influence their travel choices increased by 10 percent between 2014 and 2015. The leading travel site used in the United States based on the number of visits was, however, not an online travel agency. As of October 2016, TripAdvisor, which operates primarily as a review site, gained the highest share of travel website visits with 13.8 percent. (Statista, 2018)

Research shows that social media can significantly impact travel plans. In fact, 52% of people report that friends' photos on Facebook have inspired travel plans. Additionally, 55% of people like social media pages related to trips they are planning. This presents a valuable opportunity for travel marketers and brands looking to attract more customers. And travel brands have started using social media to make it easier for people to find and book with them. For example, 50% of hotel companies have a booking engine or widget on their Facebook page. When planning a trip, 1 in 5 travelers use social media for inspiration when researching. After using social media to research bookings, only 48% of travelers stuck with their original plan. This means that tour agencies who maintain a presence on social media can significantly influence travel plans (Smart Insights, 2017). However, for those tour agencies who don't, they could lose customers and face extremely intense competition in marketing tour packages.

All the research above shows that tour agencies will definitely be affected with the rise in social media usage, whether it is negative or positive. "For the travel and hospitality sector, in particular, the rise of the Internet and the increased popularity of social channels has altered travel marketing. From the way that travelers research potential destinations to the activities that they participate in once they arrive, the new ways that consumers use social media to make purchasing decisions has influenced tourism marketing from start to finish." (Entrepreneur, 2017) We are therefore investigating the change social media will bring to travel marketing and challenges tour agencies will face as a result of these changes.

# Community Investigations

## Survey

A full scale survey(Google forms) was sent to over 1000 tour agencies. 52 tour agencies responded and about 37 of them are local while 15 are overseas. Details of the survey can be found in Annex A.

## Future Trends Analysis

### The 5 challenges

**Challenge 1: Fierce price competition from online travel agencies (OTAs). From our survey results, about 57% of tour agencies believe that they would face intense pricing competition with OTAs which could affect their business.**

Travel sites such as Expedia guarantee low pricing and travelers know they are getting the best deal (Cloudbeds, 2015). OTAs constantly analyse every customer's travel preferences and come up with a pattern that is capable of predicting that same customer's choices. With these data, OTAs can offer highly personalised discounts and promotions to attract more customers. The offers cater to that customer's needs and are more relevant to the customer than general offers from traditional tour agencies and will attract more customers. In addition, OTAs are popular with customers who like to compare accommodation costs as this will help them make the best decision. (Nibusinessinfo)

According to Smith Travel Research's (STR) 2019 Traveller Panel survey, the top reasons travellers choose to book through an OTA are access to personalised discounts and promotions, and the ability to compare deals(Sugati Travel, 2019). In a 2017 report, Eye For Travel and Jumpshot analyzed consumer purchase patterns over a two month period on a number of OTAs and tour agencies, finding that OTAs hold a majority of the UK market (73%). With online travel poised to reach \$1.1 billion in 2022, according to Allied Research, the intense price competition between traditional tour agencies and OTAs is heating up.(DPO, 2017)

Another piece of research - Gazzoli et al. (2008) stated that one of the main reasons for the success of OTAs was their ability to offer cheaper rates than those offered by hotels and their reservation offices. Global hotel distribution survey revealed that online intermediaries offered the cheapest room prices in 36% of all cases. Based on results collected from an interview, the main benefit that customers enjoy if they book tours with OTAs is better pricing. E.g. OTAs have consistent prices; customers can compare room rates; selling through OTAs is safe and reliable; customers can enjoy sales promotions; price comparison and advertisement of hotels on OTAs websites. In addition, OTAs are flexible in price cutting. E.g. They cut their own commission in order to reduce rates, offer promotions and attract guests to book their tour packages. In addition, there is also a rate disparity between tour packages marketed by OTAs and by traditional tour agencies. Lower rates are being offered on OTAs websites and distribution channels as compared to traditional tour agencies which would attract more customers. (Faculty of Tourism and Hospitality, Dhurakij Pundit University, 2019)

Therefore, as OTAs need not spend money to maintain a physical shop unlike traditional tour agencies, they could afford to lower prices of tour packages to attract more customers and not suffer losses in the process of doing so.

**Challenge 2: Tour agencies do not have the resources and skills to digitalise their business and continuously upgrade and maintain it to compete effectively in the online travel market. Based on our survey results, about 50% of the tour agencies do not have a strong online presence due to lack of IT skills and resources.**

However, this could pose as a problem as customers start to become more IT-savvy. More customers go online to book their tour packages and those traditional tour agencies will start to lose more customers to OTAs. As traditional tour agencies have to channel their resources towards maintaining their brick-and-mortar shop, they could also not have enough resources, especially IT resources, to set up an online website and maintain it.

Recent studies show today's traveler is spending more and more time connected to their mobile device. With so many travelers researching, purchasing, and reviewing travel destinations via their mobile devices, responsiveness and agility in a travel company's website and overall online presence is key - travel companies without such responsive design capabilities run the risk of losing potential customers.(DCS, 2016)



In 2014 alone, more than 26 million U.S. customers booked their travel accommodations via a smartphone or tablet - and that was just two years ago and in the U.S. alone, not taking into account the rise of mobile devices and internet access in Europe, Asia, and other emerging countries. In addition, it's well-documented that one of the most sought after market segments in today's travel industry, the millennials, are spending more and more time online via their mobile devices and utilizing these devices to answer travel-related queries and conduct travel-based research.(DCS, 2016)

Another piece of research - "As we've seen in the last few years across a broader cultural scope, the proliferation and development of smart technology has made it easier than ever before for more and more people to incorporate the latest and greatest advancements in smartphones and tablets into their lives. The advent and advancements of things like Apple TV, Google Glass, and other personalized technologies are also proof how quickly the tech landscape can change and adapt. Operating a website in 2016, though not necessarily a guarantee, better positions a travel company to grow and evolve with the tech industry and leverage new technologies into existing online platforms. Essentially, travel companies with websites have done their best to provide fertile ground on which they can grow and align their web presences as technology continues to develop."(DCS, 2016)

**Challenge 3: Customers prefer greater convenience under OTAs compared to tour agencies. From our survey results, about 63% of customers use online means to book and plan their tours and about 30% of the tour agencies believe that this is because it is more convenient for them.**

Customers book tour packages with OTAs as it helps them save a lot of time. They need not go all the way down to the physical shop to book their tour packages. Payment transactions can also be done online which is so much easier and faster. As most tasks for customers under OTAs are automated, customers do not have to spend much time trying to plan and book their tours. Most of the itineraries are already planned out by OTAs based on the customers' preferences so they do not have to worry and re-plan their own travel itinerary. Nowadays, customers love to live hassle free lifestyles, where they can book their tour packages very easily and conveniently. OTAs provide that and hence this is the reason why many travellers choose to use OTAs.

Technology should be convenient. It should be clean, simple and make life easier for customers. In STR's 2019 survey, 48% of travellers cited convenience and ease of use

as their number one reason for booking with an OTA. Travel businesses which “Allow customers to secure their accommodation with as few clicks, swipes and details entered as possible,” have the greatest advantage. (Sugati Travel, 2019)

Based on the results of the interview conducted, one major benefit of OTAs is convenience which is why customers like to book with OTAs. E.g. customers can check the rooms and pictures before making a reservation; customers can find the hotel easily; they can read reviews and they do not have to pay a deposit before check in. (Faculty of Tourism and Hospitality, Dhurakij Pundit University, 2019)

The global retail e-commerce sales was expected to grow to 4.88 trillion U.S. dollars in 2021 from 2.3 billion U.S. dollars in 2017, that's a 111.72% increase in just 4 years.(DailyWireless, 2019) This shows that more people are purchasing products online, including tour packages. Customers are relying less and less on physically communicating with a tour agent to book tours. This shows that customers believe online booking of tour packages is more hassle-free and convenient and thus prefer to book tour packages online.

**Challenge 4: Not being able to predict customers' preferences and thus unable to market enough tour packages. Based on our survey results, about 35% of the tour agencies do not collect big data from customers and use it to find out travel preferences. Some simply do not have the resources while others believe that it is not an effective way to market tour packages.**

A Forbes article discussing a survey from Deloitte, notes that “49 percent of respondents said analytics helps them make better decisions, 16 percent say that it better enables key strategic initiatives, and 10 percent say it helps them improve relationships with both customers and business partners. (Grow, 2020) This applies for tour agencies too. With big data collected from customers, tour agencies can analyse it to better improve their tour packages and give customers a better experience.

Tour agencies can harness data to make decisions about: 1)Finding new customers, 2)Increasing customer retention, 3)Improving customer service, 4)Better managing marketing efforts, 5)Tracking social media interaction, 6)Predicting sales trends. In sum,

data helps tour agents make smarter decisions to increase their revenue. (Grow, 2020) Without big data to help them, tour agencies stand to suffer some losses and would not fare well in the tour industry with increasing competition.

“Like for every other industry, big data analytics is benefitting the travel industry too. It had been around for a while but apparently, now, it is picking up momentum in the correct direction. It is said to be the next big thing in the travel industry. The ever growing chunk of data that is created every second online by travelers is being processed by big data analytics to give businesses an edge over their peers.” (NewGenApps, 2018)

With big data at such a large scale, it is one of the most important factors driving the evolution of the travel industry today and for the foreseeable future. It has immense potential for a major drift for all the travel industries to embellish both the experience of travel and business.” With the help of Big Data, travel agencies can easily track their customer preferences of destinations, give them suggestions and then produce personalized packages for them. Big Data would help consumers get more personalized services at very high speeds. Whether it is travel agencies, hotels, airlines or just travelers, all would get the benefits of big data. (NewGenApps, 2018)

### **Challenge 5: Tour agencies believe that they offer much better services than OTAs**

Based on our survey results, 40% of tour agencies believe that they offer better services than OTAs and about 18% of tour agencies heavily rely on that to help them compete effectively in the tour industry.

However, this could pose a problem to tour agencies as they do not realise that OTAs could surpass them in providing better services to customers. OTAs are already offering better customised tour packages to customers which customers prefer. Tour agencies should acknowledge this and work towards offering better services like increased convenience to attract more customers.

The data analyzed by OTAs’ specialists is collected in big amounts, and as more information about an individual is gathered, better services would be provided to that

client. The algorithms OTAs use are more complex thus the services provided by them are better. Clients using OTAs actually receive fewer offers, but these offers are the most relevant ones possible, which is what matters. This is something that a traditional travel agent cannot offer.

Based on Travel Daily News, millennials, also known as Gen Y, hold the largest travel market share at 33% and are drawn to OTAs for their ability to book memorable experiences at a great value and estimated that around 52% of Millennials prefer to book their hotels via an OTA. This shows that OTAs are becoming increasingly popular due to the better experiences that they provide.

## **Underlying problem**

**Given that the future scenario shows increased competition in terms of resources, pricing and convenience between traditional travel agencies and OTAs as customers become more IT-savvy, how might we help them overcome these challenges to attract more customers and market their tour packages effectively in the year 2030 and beyond?**

## **The 5 Solutions**

### **Solution 1: Partnership with large companies like Intel for technology resources and to reach out to customers**

As technology improves every day at a shocking rate, a sponsor of resources, especially IT resources, is something that will benefit tour agencies, especially tour agencies new to the online travel market. Based on our survey results, a large number of tour agencies are switching to online platforms as it is convenient, yet more effective in attracting customers than brick-and-mortar shops. However, most tour agencies cannot afford more IT resources to build their online website and continually upgrade it to effectively compete with other tour agencies. As such, by having distribution partnerships between tour agencies and companies specialising in the IT sector, this would allow tour agencies to get the IT resources that they need and set up their online website efficiently.

For example, based on Intel's own partnership website, all the companies who seek for partnership needs to do to get support and exclusive rewards, is to just promote the

companies product to the customers by switching their companies' computers into ones that are powered by Intel. They also offer clouds for more efficient data storage if they become their partner, thus making it easier for smaller companies to better and more efficiently plan the tour packages. Technology allows travel agencies to stay connected with the world while they are travelling with the tourists. Hence, with the integration of technological resources to the tour agencies, they can digitalise more easily and be more tech-savvy.

In addition, tour agencies can allow data analysts from the tech companies to explore data, and to produce and share results. This can be from any number of sources and can be produced using tools such as spreadsheets. Their results are extremely useful, especially for driving innovation and new ideas. Their exploration and discovery is much needed in any organization, and results can help to drive actions. (CIO, 2016)

## **Solution 2: Introduce more customised discounts and tour packages to suit customers' needs**

Everyone loves discounts. It saves money yet gives us the same experience which is what we want. If tour agencies give special discounts based on the preferences collected from customers, it would definitely attract them. With the discounts and tour packages personal to every customers' preferences, it would ensure that the tour agency catered to customers' needs accordingly.

This ensures that tour agencies give customers the best travel experience which increases customer satisfaction. They could start recommending the tour agencies to other customers which would bring in more business and more profits. Therefore, instead of constantly upgrading their online website to compete with other tour agencies' online presence, they could still rely on publicising and promoting customised tours and discounts to appeal to customers' preferences and attract them. More customers would be given the incentive to take up cheaper tour packages.

Offering discounts can also help enhance the reputation of your company. If you offer discounts or coupons to senior citizens, military personnel and needy people, your business will gain recognition as a socially-responsible organization. (IdeaCafe, 2013)

“Offering discounts help to attract customers. As mentioned, discounts are very attractive to customers and may not only bring new clients but can also bring back previous customers. Discounting products and services, particularly in-demand ones, is a good way to get attention. Especially in these days of social media, word-of-mouth traffic can increase results on promotions exponentially quickly. Your business is likely to experience increased traffic online or in-store (or both), and a boost in sales.” (SheerID, 2013)

### **Solution 3: Funding/Grants from government**

Singapore is aiming to be a more digitalised economy and the government has set up many schemes and funds for it. Through the formation of small enterprise associations, the tour agencies can approach or engage the government to set up a grant programme or a financial scheme to help support digitalisation of the tour industry. E.g. \$1 for \$1 scheme, where the government sets up a scheme to match the tour agencies' investment cost to convert to an online platform. This is a win-win situation for both parties, because on one hand, the society becomes more digitalised, while on the other hand, the tour agencies also receive incentives to digitalise their business. This way, the society can become more digitised with all the tour agencies going online, leaving Singapore on the right track to become a Smart Nation.

Based on a Singapore's government agency website, Enterprise Singapore, they offer financial assistance for local businesses, for example, like Productivity Solutions Grant (PSG), which is for companies looking to kick-start their adoption of technology with pre-qualified IT solutions and equipment that enhances productivity and Startup SG Founder for the start up companies which provides funding support, mentorship and business networks. (Enterprise Singapore, 2018) As such, local tour agencies could apply for funding if they want to adopt new technologies to boost or start up their online website.

More funds are granted for training course fees, salary support for hotels that send staff for training and a \$1,000 payout to tour guides are among measures introduced to bolster tourism companies hit hard by the coronavirus outbreak. (The Straits Times, 2020)

Local employees in the tourism sector will have up to 75 per cent of their salaries paid by government subsidies for nine months, as part of a second wave of measures aimed at helping firms and workers cope with the impact of the coronavirus outbreak. (The Straits Times, 2020)

### **Solution 4: Partnership between young interns from universities and tour agencies to digitalise the marketing platform**

The youths in the current society are usually more technology savvy. The traditional tour agencies can tie up with the universities and allow students at the universities to work as interns at the various tour agencies. This is also a win-win situation for both parties. On one hand, the interns from the universities can gain invaluable work experience and exposure when they are working at the different tour agencies. On the other hand, the tour agency also benefits due to the limited costs needed to engage the resourceful and tech-savvy interns but yet they can help to make the whole tour agency more digitalised at a cheap cost.

Based on Singapore polytechnic official website, they offer internships of up to 24 months on IT resources and business information technology at an allowance of \$600. This not only benefits the tour company as they had their digital platform setup at a low cost, but also provides experiences for the young interns to be able to find a job faster as more and more companies have a requirement of work experience, thus it's a win-win situation. (Singapore Polytechnic, 2019)

Collaborations between companies and universities are critical drivers of the innovation economy. These relationships have long been a mainstay of corporate research and development (R&D) for example, creating the knowledge foundations for the next generation of solutions. As many corporations look to open innovation to augment their internal R&D efforts, universities have become essential partners. Indeed, companies now look to universities to anchor an increasingly broad set of innovation activities, especially those grounded in engaging with regional innovation ecosystems. University collaborations are an important mechanism for corporations seeking to open up new avenues of engagement with a broader innovation ecosystem. (MIT Sloan, 2018)

Silicon Valley, Kendall Square in Cambridge, Massachusetts, and Block 71 in Singapore are among the most visible innovation ecosystems where universities are essential stakeholders in an innovation community that also includes corporations, government entities, venture investors, and entrepreneurs. Following corporate giants like General Electric, Siemens, Rolls-Royce, and IBM, which have collaborated with universities for years, a variety of younger companies including Amazon, Facebook, Google, and Uber are using universities as a key part of their early-stage innovation and new ventures strategy. Thus, in addition to serving as sources of people and ideas for corporations, university collaborations are an important mechanism for corporations seeking to open up new avenues of engagement with a broader innovation ecosystem. (MIT Sloan, 2018)

### **Solution 5: Take IT courses to digitalise their marketing platform**

Estimations show that the OTA online US travel market share will reach 41% by 2020 with US\$81.4 million in online gross bookings. As such, tour agencies should start to enter the online travel market to attract more customers as the society becomes increasingly IT-savvy and OTAs start to take over the travel industry.

This ensures that they have a headstart in the online travel market which allows them to gain more experience and learn how to attract more customers through online means. They can learn different ways on how to gain a competitive streak in the cruel tour industry, and this will definitely give them a big boost, especially in the increasingly digitised tour industry.

One such good IT course is the Google Digital Marketing Courses (Free with

Certification). One area that is covered in detail is Digital Marketing training. In particular, Google offers the following online marketing courses:

- Fundamentals of Digital Marketing (includes a digital marketing certification)
- How to start an online business
- How to make sure customers find you online
- How to promote a business with online advertising (Google Ads)
- How to expand a business to other countries
- Mobile Marketing
- Promote a business with content marketing
- Social Media Advertising
- YouTube Course (Includes certification)

“All courses include both video and text materials and some can be completed in 3 hours while others can take up to 40 hours. The digital marketing fundamentals certification is accredited by Interactive Advertising Bureau Europe and The Open University. If you are new to digital marketing and want to get a good idea of what is digital marketing and how the different components work together, then this is a good course to follow. The certification is also globally recognized which is a great way to boost your career.” (Reliablesoft.net)

## Criteria for choosing of solutions

### **1. Affordability of solution for our agencies**

Reason: This ensures that the best solution that we choose is reasonably affordable so that our agencies do not need to spend too much money to implement this solution and still reap the benefits of it.

### **2. Shortest time taken to implement the solutions**

Reason: This ensures that our agencies do not need to spend too much time implementing this solution and they can still spend time doing their normal business activities. As such, they would not need to sacrifice time and possibly customers just to implement this



solution.

### **3. Easiest to implement**

Reason: This ensures that tour agencies can implement the solution quickly and efficiently. As the best solution should be convenient to maintain and implement, it would not be too much of a hassle to tour agencies.

### **4. Most lasting effect**

Reason: This ensures that the solution has beneficial effects on the tour agencies' revenue growth for a long period of time and is sustainable. As such, the solution can be used for a long period of time and need not be constantly replaced by new solutions.

### **5. Effectiveness in solving the Underlying Problem**

Reason: This ensures that with the same amount of effort, time, money and resources, tour agencies' can achieve the best results on their revenue by using the best solution. Tour agencies can overcome competition with OTAs and attract the most number of customers through this solution, and hence allowing our underlying problem to be solved.

## Criteria

Sol' n #	<b>Solution idea</b>	#1	#2	#3	#4	#5	Total
<b>1</b>	Partnership with large companies like Intel for technology resources and to reach out to customers	<b>4</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>21</b>
<b>2</b>	Introduce more special discounts and customised tour packages to suit customers' needs	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>17</b>
<b>3</b>	Partnership between young interns and tour agencies to digitalise the marketing platform	<b>5</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>19</b>
<b>4</b>	Funding/Grants from government	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>8</b>
<b>5</b>	Travel App in Phones	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>10</b>

## **Action plan**

**Best solution: Partnership with large companies like Intel for technology resources and to reach out to customers**

### Implementers and Assisters

Traditional tour agencies will work with Intel or any other tech companies who have technological resources in their possession to set up their online websites. For the tech companies, their technological services are also being promoted to the customer population. The MTI (Ministry of Trade and Industry) and STB (Singapore Tourism Board) will definitely be in favour of these partnerships as the tour industry would experience a spike in the number of tour bookings. This will help improve Singapore's economy significantly.

### Implementation Timeline

Tour agencies will find out more information about tech companies and decide which tech company to partner to best suit their needs from 2020. By 2021, Tour agencies and tech companies will start discussions about their terms and agreements for their future partnership by holding monthly meetings. Tour agencies will secure a long term partnership with a tech company and work with the online resources from their respective partners by 2023. By 2028, tour agencies will start to see results of a stronger online presence in terms of the number of bookings they receive.

### Obstacles and Resistors

#### Disagreements on use of resources

Partnerships are not perfect. Companies can change their objectives and ideas and this can reflect in their relations with partners in a negative way. However, if companies find a mutual interest and work to achieve their goal, including adjusting their strategy as they learn more, they will have better possibilities of success. (Sisense, 2019) The divorce rate for business partners is 80%. That includes partnerships between

individuals and entire companies. (Business Insider, 2010)

Tour agencies and tech companies could have potential disagreements over the amount of technological resources tour agencies get as the tour agencies could possibly request for more resources as they want to quickly develop their business. This could give way to more arguments and disagreements which would sour the relationship between them.

Partnerships break down due to “disputes over how resources should be used. Often, there is conflict regarding whether financial resources should be used for a specific purpose such as buying new equipment. Hopefully, a partnership agreement details who will have authority over the particular decision or what process should be used to make the decision. However, if authority is not clearly delegated and partners have to decide together, it could be difficult to resolve the conflict when they hold opposing positions on the issue of resource allocation.” (Brown & Charbonneau, LLP, 2019)

Partnership failures are caused by “general disputes about how to utilize partnership resources. Disagreements on how to use partnership income to promote the business and what expenses should be incurred by the business are common. Perhaps one partner wants to advertise on a billboard while the other thinks radio is better. One partner thinks they need nicer offices, while the other would rather slum and make more money. Should we lease vehicles under the business? Pay for cell phones? Offer health insurance? Disagreements on the small things quickly turn into big problems.” (G&G Law, LLC, 2016)

### Solution to solve this obstacle

Both parties should negotiate and decide how much resources the tour agencies can use and how the tour agencies should use them. Then, they should write down the terms in a contract that is signed to ensure that they don't argue over these matters. This ensures that if they try to use more resources for their personal needs, the other party can refer to the contract and use it as proof to deter that party from deferring from the agreed terms.

In addition, tour agencies and tech companies should have monthly meetings to discuss whether to change the use of tech resources. These meetings are for both partners to express their opinions about the use of tech resources and negotiate for new terms if

necessary. Although people could think that meetings are boring and do not accomplish anything, this is untrue and meetings, if conducted properly, will definitely yield results.

“The reason we resist meetings is because most meetings we attend are not very productive. We need to learn how to conduct better meetings. Start by setting a firm time limit. If you are dealing with tension or disagreement, keep the meeting short. 30 minutes is an ideal time frame.” (TeachU)

### Some tour agencies are unconvinced on the effectiveness of the action plan

Some tour agencies may not be convinced that partnering with tech companies is effective in helping them attract more customers through online means. From our survey results, some tour agencies believe that having a physical shop is better than digitalising their marketing platform. Some tour agencies also do not want to collect data from customers to find out customers' preferences as they feel it is not effective. As such, they may not want to partner with tech companies for tech resources as they are not convinced that they need these resources.

Some tour agencies do not believe that using online means to market their tour packages is effective because many customers still don't trust in the electronic methods of paying and give up buying online because of this. There is a lack of trust of the users because of the constant virtual promotions that appear to be frauds or scams. This is an aspect that deteriorates the reputation of quality and honest companies. In addition, there's no personal interaction between travel agents and customers. Some customers enjoy the shopping experience of being in a store as they can interact with the travel agents and better understand the tour package that they are interested in. As such, tour agencies believe that there is no need to have an online presence as it will not be as welcomed by customers as having a physical presence.

Some tour agencies could also believe that having partnerships with tech companies may not work out due to differing goals and objectives. Many partnerships do not succeed because the partners are not in alignment with the goals of the organization. As the business evolves the differences can become an increasing source of friction. Potential partners may disagree on their visions for the company and have radically different notions of the long-term goals of the organization. (The Balance Small Business, 2020)

## Solution to solve this obstacle

First, if tour agencies are not convinced because they think it is not an effective solution, we must prove to those tour agencies with our first trial action plan, that the partnership will, in fact, help them market tour packages more effectively through showing them the increase in revenue earned from tour agencies who use this action plan. This will definitely convince tour agencies to take up this solution due to the positive effects of the action plan on previous tour agencies.

We can also provide them with statistics to show them that using online means to market their tour packages will help them attract more customers due to the increasing trend of going online to search for and purchase products including tour packages. In 2020, LinkedIn stated that 78% of salespeople engaged in social selling are outselling their peers who are not and that social selling leaders are 51% more likely to reach quota. It also stated that salespeople active on social media report 45% more sales opportunities. (Hubspot, 2020)

In 2018, there were over 3.2 billion people on social media globally. Due to the sheer amount of people on social media, ensuring tour agencies are sharing content related to their tour packages as well as details about their company via a platform or two has the potential to help them attract more customers “It's important to be where your audience of potential customers is today, and where they might be tomorrow. It's better to be ahead of the curve than behind.” — Andrew Delaney, Social Media Marketing Manager at HubSpot. (Hubspot, 2020)

If tour agencies believe that partnerships with tour agencies may not work well due to differing goals and objectives, we could suggest that these tour agencies and potential partners of tech companies, particularly those entering into their first partnership, need to be realistic about the business prospects and temper their expectations accordingly to avoid possible disappointment due to the tech companies' unwillingness to cooperate. To avoid long-term conflict between tour agencies and tech companies, the company vision should be agreed upon and described in advance in a vision statement and sections of the business plan should be used to formalize the long-term goals of the organization. Thoroughly scrutinizing the tech companies (potential partners) in advance and developing a comprehensive written partnership agreement will improve the tour agencies' odds of having a successful, long-term business partnership with the tech companies. (The Balance Small Business, 2020)

## Consequence and effect of action plan

### **Spike in number of tour bookings**

By allowing the tour agencies and the large technology companies to collaborate, this allows the tour agencies to move and digitise their platforms and websites at a cheap cost and a fast rate. Digitalising the tour companies allows them to properly handle large amounts of data, as well as measuring the aspects of customers' preferences and their behaviour (Simon Kucher and Partners, 2017). This allows them to expand their business as they are able to adapt to the current market and reach out to a large and wider range of customers. (Good Rebels, 2017).

Businesses that don't transform how they operate in the online world will suffer and fail by not knowing how to create influence nor how to deliver their unique brand value to their audience. ~ Doyle Buehler, a renowned speaker on digital leadership. (Top Dog Social Media) As such, without an online presence or with a weak one, tour agencies will not be able to attract more IT-savvy customers and will stand at a losing end in the tour industry.

Revenue will definitely increase due to the larger potential customer range. (Forbes, 2019). Hence, the tour industry will experience a surge in the number of bookings made, which will in turn boost the economy of Singapore, and the Singapore Tourism Board (STB) and the Ministry of Trade and Industry (MTI) will thus approve of this parted business between the two parties.

### **Technological Companies are able to further promote their sales**

When the tour agencies use the products, services and resources of the technological companies, they are giving the technological companies advertising. The technological companies' services are also being promoted to the customer population, hence we feel that this partnership will benefit both parties.

"Both or all the partners must gain business benefits. If a partnership becomes a zero-sum game, it will fail. The effects of the partnership must become visible on the bottom line." (AEC Business, 2016)

Partnerships bring “co-branding opportunities add value to your company, increase brand awareness and create brand trust.” (Business.com, 2020) Strong partnerships are definitely a win/win situation where everyone benefits and the relationship between partners is still healthy. (SimpleLegal, 2020)

From the tech industry, companies can form alliances with other organizations to develop software and tools that cater to similar audiences and could integrate with one another. Rather than treating each other as competitors, businesses in this situation can create complementary partnerships to cross-promote their products or services. (Salesforce, 2019)

One important benefit of the partnerships is “new customer reach. All participating companies have their own independent customer base and marketing channels. Through a complementary partnership, you each can push messaging that promotes your partner’s business to your respective audiences. As a result, both organizations should experience increased brand recognition and an uptick in sales. To further expand reach, you may take this opportunity to create joint advertising and marketing campaigns to promote the new partnership. In turn, you’ll collectively reach larger audiences and convert new customers.” (Salesforce, 2019)

## **Age of the customers influenced via online means will be younger**

When tour agencies attract customers via their online websites and platforms, the age group of the potential customers attracted to the tour packages will be younger in comparison to the amount of potential customers purchasing tour packages from brick and mortar shops. This is because the potential customers that are looking to purchase the tour packages online are usually more tech-savvy, hence they will have easier access to the tour packages offered online.

More than nine-in-ten Millennials (93% of those who turn ages 23 to 38 this year) own smartphones, compared with 90% of Gen Xers (those ages 39 to 54 this year), 68% of Baby Boomers (ages 55 to 73) and 40% of the Silent Generation (74 to 91), according to a new analysis of a Pew Research Center survey of U.S. adults conducted in early 2019. (Pew Research Center, 2019)

Similarly, the vast majority of Millennials (86%) say they use social media, compared with smaller shares among older generations. In terms of specific platforms, around



three-fourths or more of both Millennials and Gen Xers now report using Facebook (84% vs. 74%, respectively). (Pew Research Center, 2019)

While generations differ in their use of various technologies, a 2018 Center survey found that younger internet users also were more likely than older Americans who use the internet to say the internet has had a positive impact. (Pew Research Center, 2019) This shows that millennials are more likely to be influenced by the internet which tour agencies should be targeting with the implementation of the action plan.

## **Conclusion**

Partnership with large companies like Intel for technology resources and to reach out to customers is the best way for small tour agencies to survive in the competitive market

By implementing this action plan, we hope to increase the rate at which the small tour agencies adapt to the competition within the tour industries, helping them set up their online website faster, thus increasing their sales. This not only benefits the tour agencies, it also benefits the tech companies, as partners with them have to change their computers to those powered by their company, therefore promoting the products of the tech companies, making it a win-win situation for both the tour agencies and the tech companies.

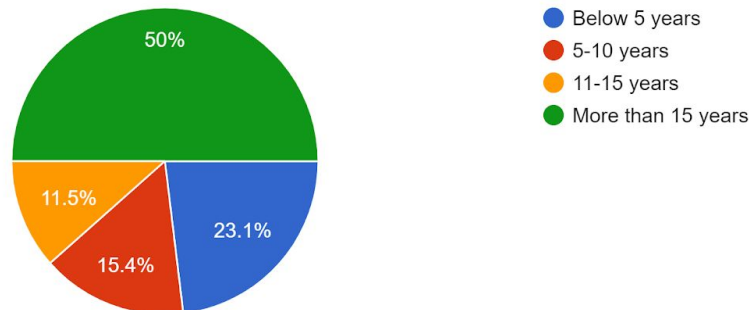
## **Annex A** **Survey**

A full scale survey(Google forms) was sent to over 1000 tour agencies. 52 tour agencies responded and about 37 of them are local while 15 are overseas. Details of the survey can be found in Annex A.

## **Survey Results and Analysis**

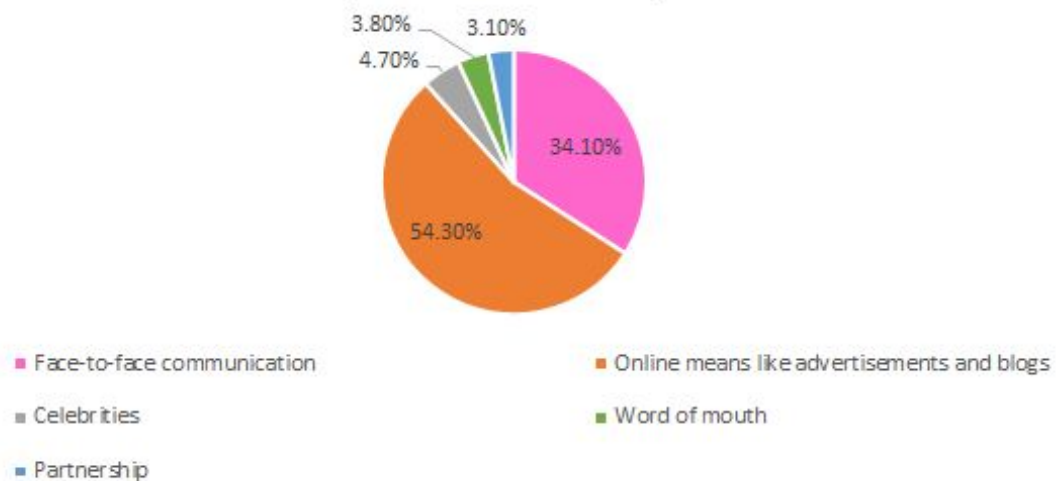
1) How many years has your tour agency been in operation?

52 responses



50% of the tour agencies we interviewed had more than 15 years of experience thus the responses we get will be mostly accurate and reliable. The responses could also reflect the many years of experience and show the gradual changes in the tour industry. About 23% of the tour agencies have less than 5 years of experience and are “new” agencies which could inform us of innovative ways and marketing methods they are using as they just entered the tourism industry.

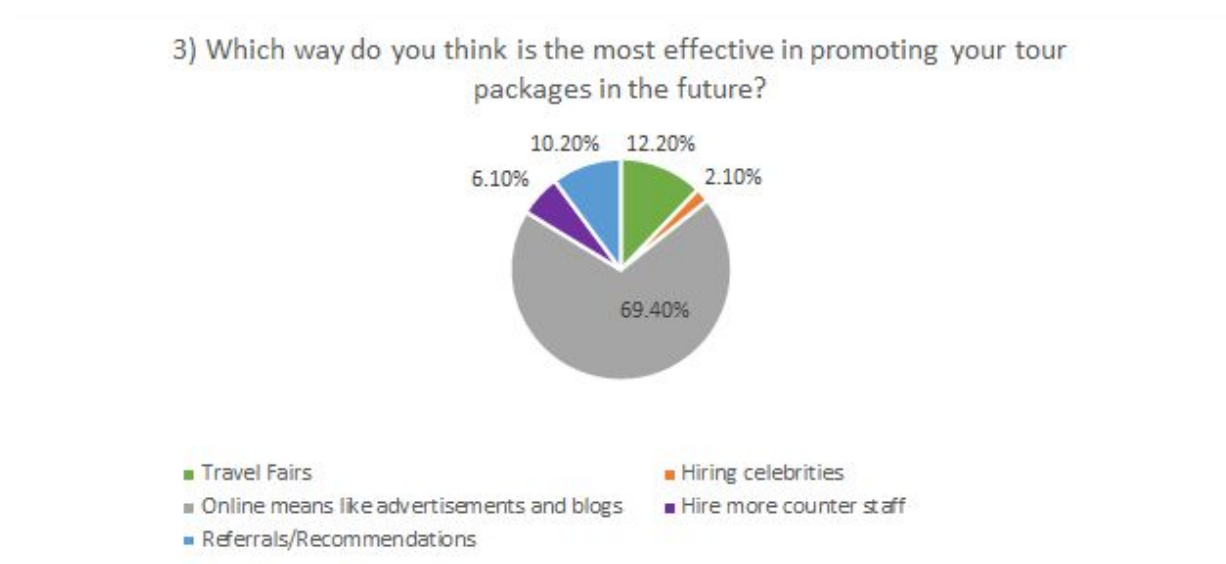
2) Currently, which way do you use to promote your tour packages? You may choose more than 1 option.



About 54% of tour agencies use online means like advertisements and blogs to promote their tour packages. This shows that the majority of the tour industry is moving towards online tour packages marketing to cater to the increasingly IT-savvy consumer population. Most of the tour agencies will have to start using online means to promote

their tour packages so as to gain more profits. Tour agencies have to start learning new IT skills and changing their marketing methods to gain profits.

About 34% of the tour agencies still use face-to-face communication with customers to market their packages. Some customers probably still believe in the old-school method of going to a travel agency or a travel fair to obtain accurate information about tour packages, although this number is slowly dwindling as technology becomes more advanced and easily accessible.

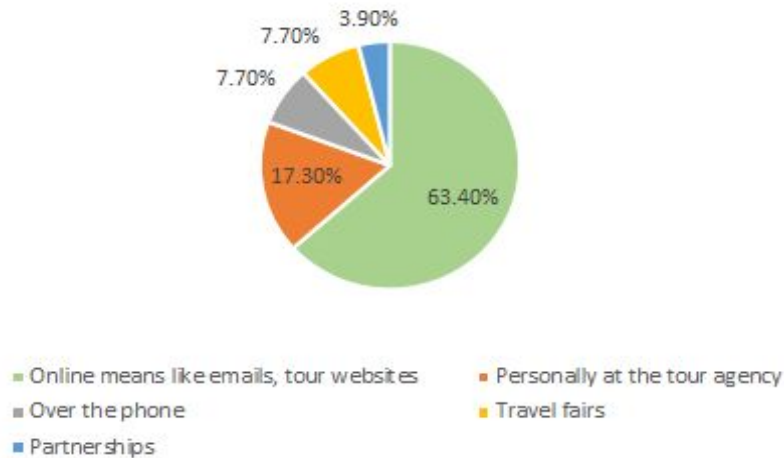


About 69% of the tour agencies believe in using online means like advertisements and blogs to promote their packages in the future. Compared to the 54% of tour agencies who are currently using online means of communication to attract customers, there is a higher number of tour agencies that feel that online means like advertisements and blogs is the most effective in promoting their tour packages in the future. Most of the tour agencies will have to start using online means to promote their tour packages so as to gain more profits.

About 12% of the tour agencies believe that travel fairs are most effective. Some tour agencies still feel that face to face communication is more efficient than online means of advertisements like blogs or websites. They prefer to give information to customers first hand rather than believing other people's opinions and information as it could be fake.

About 10% of the tour agencies believe in referrals/recommendations. People are left with a good impression after getting good services and treatment from the tour agency. This will lead to them recommending the tour agency to their friends or families. After hearing all the compliments about the tour agency, they will source for the tour agency and book tours through the tour agency with the impression that they would receive good service.

#### 4) Which way do most customers use to book tour packages?

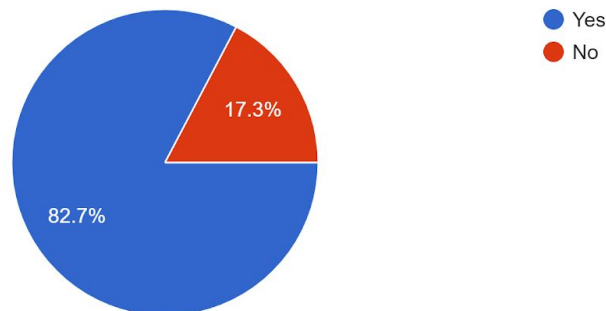


About 63% of the customers use online means like emails and tour websites to book tours probably because it was much more convenient and hassle-free. The online payments also prevented hiccups and troubles along the way and using online means is an efficient yet effective way to book tour packages. This tells us that as customers are increasingly going online to book tour packages, tour agencies also have to adapt with the times and cater to the demand of online tour packages to attract more customers.

About 17% of customers, however, still prefer to use the traditional method of personally going down to the tour agency to book tours. They probably believe that it is more trustworthy and reliable to communicate with the tour agents physically as there would not be any misunderstandings which could cause serious problems.

#### 5) With the rise of social media and an increasingly IT-savvy population, do you think your tour agency will be ready to meet your customers' preference in selecting and booking a tour in future?

52 responses



6) If your answer to question 5 is yes, please indicate why you think you will be able to meet their needs.

**Answers:**

Nil

We are ready digitally and have presence in social media too

We are already moving towards AI, most use social media nowadays.

No

You need not have to wait till the next working day, its 24/7

It's not about needs. When a customer wants to travel, social media only acts as a medium to remind them.

Ease of booking online, thorough & comprehensive website

we are in the market since 1929... we faced wars, crisis, terrorism attack, etc... we are still here - we'll be able to adapt to the muted condition ourselves

we are the backbone of hundreds of online travel agencies selling online, we have been doing this since 2012 and have won awards for the innovative technology we developed over the years to ensure all products are online friendly with features like instant confirmation, e-tickets, e-vouchers, real-time pricing etc etc

Digital marketing

Our own in house IT department and Marketing

We have set up digital channels for customers to interact with us online

provide indirect sales marketing strategy to induce sales. example, providing useful relevant contents to soft sell destinations.

We offer inbound tours. Most of our customers are overseas visitors to Singapore

Our tour agency has a well-build website that allows customers to place their inquiries via an e-contact form, where we can easily contact them.

More competitive and attraction, services provided

we are already on it when we begin operation.

Get special direct deal with vendors

Changing our vision of social media used as a sales channel as well as cooperating with professional companies or people

We already have website

no. The game os SOSMED is very tedious, tiring and does not bring in revenue for us.

We will be able to meet the needs of customers, by focusing on the services we are good at and having the knowledge to promote our services to customers via social media and online channels.

This is MUST for the survival of the travel business, so we need to adjust to clients wishes, demands, preferences .... of the best way to book the tour they want.

Otherwise, our products will not be found in the market

Answered no, please refer below.

heavy investment in terms of resources, namely time and money into it

We have complete tech and marketing team

Already doing online

We have a good track record with personalised services.

We have invested heavily in digital. Prior to Covid-19, online sales were strong.

Through Tripadvisor, Expedia.com

Travel portal

Ours is a chat to buy business model and usually customers want to gather lots of information before they buy.

N.A.

upskilled during COVID 19 to meet the demand

I have signed up for digital courses and also my current mode of marketing is via e-commerce

We have a dedicated Social media marketing team to stay relevant with IOT and industry 4.0

There are more people booking their tours online

It's easier than having to visit the agency.

we are constantly engaging with our guests and trying to find new trends in distribution

Provide detailed information and real-time booking capability as well as payment gateway

we will have solutions to meet their needs

We are working on a project to make it happen.

NA

Nowadays there is a shortage of manpower in the travel industry, as well as the costs, online is the best to cut down all the relevant costs, and gain profits for the company.

We are constantly evolving our marketing strategies and products to suit to customers' needs

We need to be competent in displaying our products and services through the online method with secured payment gateway integration to cater various modes of payment options. We also need to collaborate with various service providers with discount codes as a means of attracting potential clients from various segments/ demographics.

We are also gearing up to head that direction

7) If your answer to question 5 is no, what challenges do you foresee you will meet?

**Answers:**

NA

Nil

n/a

-

Over competitive in the ecosystem

N.A.

We are connecting with existing customers and potential new customers through social media and trying to conduct regular communication and engagement with them online.

Still a long way to go as business is still very small and had negative impact due to covid-19 as all new booked tours had to be cancelled, nevertheless we are engaging

customers with online and virtual activities.

i said yes !

Online portal

my answer to question 5 is a YES

No one product will suit all customers

Now IT so advance, I can foreseen future will be online services more than just walk- in

But my IT knowledge are not strong and I can't design a good website to let the whole world know about our Singapore

There's still a challenge even though we are online because it just gets so crowded and every digital space is fighting for eyeballs.

Have to keep developing

There aren't sufficient IT people

too many businesses doing the same gigs. including those independent unlicensed operators

answered no

not any

Needs to go in sync with the uprising IT industry to outreach to the technological advanced population.

No comment

N a

answered above

No

No relevant

A travel agent has no control over price or quality/quantity. From basic economics, this means that a travel agent has no control over his demand and supply curves. Instead, this is done by the companies who own the services (e.g. airlines, hotels). A travel agent is just one of the distribution channels by the companies on a "pay per customer referral" basis. Even online travel agencies (e.g. Expedia) are also feeling the pressure as airlines and hotels begin to learn how to market directly over the internet. All

middleman businesses, which includes travel agents, will increasingly exit the market as sellers and buyers are able to connect more and more directly. In the good old days, a travel agent has more information about a destination than the customer (i.e. information asymmetry) and access to specialised systems (e.g. airline ticket booking). The internet has levelled that, and anyone can get good information through a combination of Google, TripAdvisor (just look at how many reviews and ratings for a guide/hotel/etc) and the local government tourism website.

N.A

All information inside the internet. Customer eager to travel by themselves

NIL

my reply is yes

Lack of resources and capabilities to build a sophisticated system

N/a

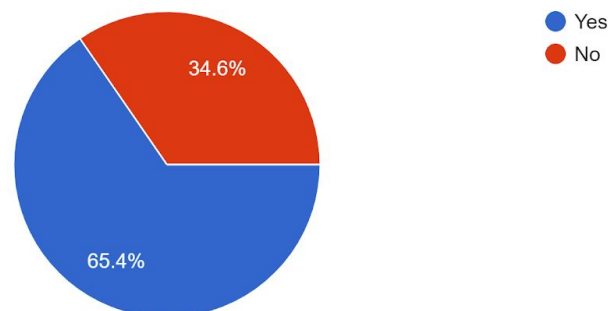
Need new IT infrastructure, which entails costs and work process

hacks and data manipulation by other IT service providers who want to get money out from it (virus)

My answer is Yes

8) Do you make use of data related to your customers' tour enquiries and bookings to plan and promote your packages?

52 responses



9) If yes, what are some applications of the data used?



**Answers:**

CRM

No

Mostly Facebook marketing.

Promoting, discount

In house

Customers preferences will determine which platforms to advertise in

Currently still normal records in Ms Excel, Ms Word and Google forms

i said no

in-house built dashboards, tableau

Email and online bookings

-

use data to analyze levels of engagement. Also use data to predict buying behaviour

internal analysis program and excel

using excel charts

Popular duration/destination/size of tours to allow us to strategize and plan for tours.

No data keep as from my side

thru surveys, popularity of our posts on our social media platforms etc. Google analytics, booking histories

SEO

CRMs, LiveSpace

Just excel

Nil

none

answered no

we use impressions and feedback of our clients to post them on our website so the prospective clients can read them and make easier decision to book with us

simple clients' email database

Accumulation and analysis of data arising from types of / to where, do what enquiries

Analytics

Online

We analyse booking data from our reservations system / booking engine.

EXCEL

Existing itinerary

Based on our customer segment we are able to create targeted packages for them

N.A

Travel Period, kind of tours to be able to supply sufficient staff and be ready in time with all requirements and logistics

We will send EDM of certain promotional tour fares to our group of customers

Email, whatsapp

web based cloud.

It is more effective

Data collection followed by online promotion.

interest to gauge current trends

Identify popular hotels amongst different age groups and work out better deals for this

n/a

N/a

NA

In the meantime, my agent website is still yet to be launched, sooner will do so within a few months.

Travelling pattern and preferences

Electronic Direct Mail and retargeting (but of course we don't overdo it)

10) If no, why is data related to your customers' tour enquiries and bookings not relevant to your business planning?

**Answers:**

NA

Na

n/a

All our guests have different sets of requirements on their private journeys, every request is unique which requires our vast resources and network across the globe

Nil

N.A.

Nil

they are relevant and are my issues to be solved .. how to collect, managed and use in a proper way the data we have

Against online regulations

no way of recording or storing information

My answer was a YES

volume is not great

-

Didn't keep my data

It is

It is not the role of travel consultant

most only comes once

Analysis of data is something that bigger companies can afford to do, for most SMEs, we do not have the additional resources and time to analyse data.

answered above

Answered yes. please refer above.

No comment

No

answered above

We depend on overseas agents to help promote our tours.

NO time to analyze

Not relevant

Because the enquiries are highly varied, and tend to always be about whether price can be cheaper. Customers also tend to use travel agents as the first stop in their own trip planning process to jumpstart on the research.

N.A

Yes

nil

my reply is yes

No relevant

Not applicable

because we have our own strategy

They are relevant but we do not have the capability to analyse the data.

no means to collect data and crunch the numbers

its relevant nowadays

11) With increased consumer awareness and use of online travel portals like Booking.com, Expedia.com, etc., what are some challenges you may face in your business?

**Answers:**

Eroding profit margin. Losing out on simple travel components on hotels / resorts / air tickets bookings

NA

Revenue dropped, not enough products to compete , prices war

Free and easy packages are heavily impacted

Not relevant

Difficulties Matching or getting lower prices when booking accommodation and transport on behalf of customers, very low or nil margin

use these tools (and others) better than my customers

those are the type of companies we define as distribution partners

To reach customers with 1 shop full package deals

Pricing

Global online portals can undercut and price us out of the market. They sell on price not service.

These international chains have a lot more hotels and tour essentials around the globe. it is not something a local travel agency can compete with directly.

Price comparison, customers want lower price for tours

Although these online portals allow for consumers to book flights and accommodation, hardly any offer a full package (including transportation). Many consumers may think that booking through such portals is cheaper, but in reality, most of our tour packages are much more affordable, considering that they include transportation on land.

customer knows how to compare

crowded and every digital space is fighting for eyeballs. who has the bigger budget for digital marketing.

Competitiveness

Implementation our content into these systems. Positioning our own reservation tools in an online environment

More competition

Hotel bookings will decrease

OTA listed every product including those independent unlicensed operators. oTA does not do their investigations on what are good operators. They care most about commission which is about 20% to 35% of the tour prices.

Online travel portals have affected local travel agencies adversely. These portals are backed by big investments, even though it is not always the case that they are profit making. The existence of such portals dilutes the genuine services that local travel agencies offer. Customers have the impression that online travel portals are 'better' because it is an easy to use and convenient platform for them to make a booking on

demand. However, post customer services are known to be lacking. Also, customers, may not read in detail and overlook certain details (eg. flight connection time, refund policy, no show and cancellation policies) that may affect them in any unforeseen circumstances. When customers book with travel agents, these issues will be addressed and made known to them clearly. With the additional personal service provided by travel consultants at local travel agencies, it is challenging to keep manpower costs down. Moreover, customers often compare prices with the online portals but do not necessarily realise the difference in the service provided. This has become a vicious cycle as travel agencies aim to match the prices offered by the online travel portals, but yet, are suffering from having to employ staff to service the customers. It is really a challenge for travel agencies to survive in the current age. Having said that, it is imperative for local travel agencies to change with the changing times. To redesign the business process to reallocate resources within its manpower. For instance, menial tasks like answering enquiries from customers can now be replaced by deploying bots using artificial intelligence. Since enquiries do not necessarily translate into revenue, but quality responses are still required, it cannot be entirely disregarded. Instead of hiring manpower to answer enquiries resources should be allocated to manpower with the ability to manage such bots that are able to help with the menial task of the business.

such travel portals ARE NOT BEST for REAL tourism - they are ok for promotion of services but the REAL EXPERIENCE and true tourism is best if planned and arranged by travel professionals and tour operators

Price competitions

informed customers

Nothing, we are competing with them pretty good. The only problem we face is price matching. They have huge pockets to provide offers so our margins are thin.

Cancellation policy

Yes

High commissions that OTAs such as booking.com, etc charge.

Most of the FIT guest getting lesser

Working with them

Price Competition

We may lose of the the room bookings to them

Please see answer to Q5.

We customize to the request of our client, and provide services they won't find on OTPs

As of now , no changes will be made yet

Their price are cheaper

Saturated market.

must use an effective portal

It is a big challenge to compete.

dilution of own branding

Losing customers to such online portals

it is not effect to our market

Price war.

price competition and brand awareness

Since my agent website is not in operation yet; cannot tell how much of an impact in future and the challenges are yet unknown.

After all well-known online travel portals are saturated, then my company will look into it and set up our strategies to attack

Price wars

Prices as most big brands have a wider source of discounts to give to customers specially for their new website visitors/ log ins.

We will definitely see stiffer competition in terms of pricing and convenience

12) List some ways you might be using to overcome these challenges.

**Answers:**

We customize luxurious bespoke travel experiences especially for high net worth individuals which are not possible to find on OTAs due to the complexity which we had

tried & tested. These are ultra exclusive and bespoke travel experiences versus cheap travel components found on OTA's Sites

NA

Work with OTA B2b portal

Develop online booking system to continue business

Not relevant

Making arrangements with Airbnb, hotels and transport companies for better group pricing. Source and manage more business partners such as transport providers for better rates

... secret :)

no challenge there, we are fully b2b and hope to be able to partner with as many online travel agencies as possible

Digital

Package products as a combination of services to hide individual prices

We have a strong local presence, so we are able to provide better after sales support.

Booking.com, Expedia etc are also declining business models. These gave rise to more current travel models like airbnb, and withlocals to suit the current needs of travelers today. To overcome these international players you have to make use of their B2B facilities to incorporate into our own business site. Travel agencies will never be able to beat these international players in terms of free and easy packages. We are looking for ways to revive group travels, and small group travels, infusing regular sight seeing spots with local experiences that free and easy travelers will never get to experience if they are to do it themselves. For example, visiting a local house and them teaching you their local dishes, enjoying it together with their family, and a stroll around their neighborhood after which. Or following a local to explore touristic spots and they bring you to some secret spots that only locals will go to.

Offer customised tours, with new experiences

-

I must have a strong and attractive website to pursue customer to see



stay on digital but working on personal branding. You are your company brand, your company brand is you. Promote your people as part of your brand.

Digitalisation

Create a special team for online booking processes. Designate budget for such a project.

Follow what they r doing

Do cooperate business with government instead of FIT booking

increase the UX of our own site and hire an SEO company to ensure the website brings in business.

Training and upgrading of manpower.

not any

Uniqueness of the trip where normal agencies can't duplicate. (eg. Ice climbing)

greater outreach to clients

Better pricing.

Using a central booking system

Provide good service and looking forward more referrals

Everything is on a back burner now, survival through Covid crisis is a priority.

Need to learn how to adapt to new online platforms.

Working with them

Travel portal

We focus on the other aspects of the travel experience instead of fighting for rooms revenue .e.g. tours & meals revenue

Exit the market and pivot to more sustainable businesses that adds-value. These challenges are not surmountable in the long run because the structural role of a middleman (i.e. agent) is fundamentally changing.

N.A.

Sign up for digital online for the company , like e-invoicing , set up B to C platform and payment gateway

Direct meeting

don't sell locally, sell globally and create your own product and content.

some personal approach

Still using the social and print media.

not forgetting to build our own brand even when we are using online travel portals

Develop our own booking engine with more competitive prices than the bigger players

n/a

Provide services that these websites don't.

create brand awareness through marketing

Hiring staff with IT-savvy, and training up their loyalty.

staff based on the Quality, not quantity

Customised products

a. attractive packages and prices

b. easy navigation of the website

c. good customer service support

Collaboration with online suppliers to match these ebiz portals and embracing e-commerce solutions as well, moving forward as the travel industry evolved.

## **Bibliography**

Statistical Analysis System, SAS --- "Big Data: What it is and why it matters".  
[https://www.sas.com/en\\_us/insights/big-data/what-is-big-data.html](https://www.sas.com/en_us/insights/big-data/what-is-big-data.html) Retrieved July 24, 2020

Profolus (2019) "Advantages and Disadvantages of Big Data".  
<https://www.profolus.com/topics/advantages-and-disadvantages-of-big-data/> Retrieved July 25, 2020

Lifewire (2019) "What is Social Media?".  
<https://www.lifewire.com/what-is-social-media-explaining-the-big-trend-3486616>  
Retrieved July 25, 2020

Smart Insights (2020) "Global social media research summary 2020".  
<https://www.smartinsights.com/social-media-marketing/social-media-strategy/new-global-social-media-research/> Retrieved July 25, 2020

Statista (2018) "Travel agency industry - Statistics and Facts".  
<https://www.statista.com/topics/1859/travel-agencies/> Retrieved July 25, 2020

Statista (2018) "Online travel market - Statistics and Facts".  
<https://www.statista.com/topics/2704/online-travel-market/> Retrieved July 25, 2020

Smart Insights (2017) "How Social Media and Mobile Technology Impact Travel".  
<https://www.smartinsights.com/social-media-marketing/social-media-mobile-technology-impact-travel/> Retrieved July 25, 2020

Entrepreneur (2017) "5 Ways Social Media Has Transformed Tourism Marketing".  
<https://www.entrepreneur.com/article/286408> Retrieved July 25, 2020

Sugati (2019) "How can travel businesses compete with OTAs?".  
<https://sugatitravel.com/how-travel-businesses-can-compete-with-otas/> Retrieved July 26, 2020

DPO (2017) "How Can Travel Agencies Compete With Online Travel Agencies?".  
<https://blog.dpogroup.com/how-can-travel-agencies-compete-with-online-travel-agencies/> Retrieved July 26, 2020

Cloudbeds (2015) "Analysis of Major Online Travel Agencies - OTAs".  
<https://www.cloudbeds.com/articles/analysis-of-major-online-travel-agencies-otas/>  
Retrieved July 26, 2020

Faculty of Tourism and Hospitality, Dhurakij Pundit University (2019) "Benefits and Problems of Using Online Travel Agencies (OTAs): A Study of Independent Hotels in Thailand".  
[http://apheit.bu.ac.th/journal/Inter-vol8-2/%E0%B8%99%E0%B8%B2%E0%B8%99%E0%B8%B2%E0%B8%8A%E0%B8%B2%E0%B8%95%E0%B8%B4\\_%E0%B8%9A%E0%B8%97%E0%B8%84%E0%B8%A7%E0%B8%B2%E0%B8%A1%E0%B8%A7%E0%](http://apheit.bu.ac.th/journal/Inter-vol8-2/%E0%B8%99%E0%B8%B2%E0%B8%99%E0%B8%B2%E0%B8%8A%E0%B8%B2%E0%B8%95%E0%B8%B4_%E0%B8%9A%E0%B8%97%E0%B8%84%E0%B8%A7%E0%B8%B2%E0%B8%A1%E0%B8%A7%E0%)

[B8%B4%E0%B8%88%E0%B8%B1%E0%B8%A2\\_2.pdf](#) Retrieved July 26, 2020

DCS (2016) "3 Ways Digital Technology is Changing the Travel Industry"  
<http://www.dcsplus.net/blog/3-ways-digital-technology-is-changing-the-travel-industry>  
Retrieved July 26, 2020

DCS (2016) "The Importance of Responsive Websites for Travel Companies"  
<http://www.dcsplus.net/blog/the-importance-of-responsive-websites-for-travel-companies>  
Retrieved July 26, 2020

Nibusinessinfo "Advantages and disadvantages of online travel agents".  
<https://www.nibusinessinfo.co.uk/content/advantages-and-disadvantages-online-travel-agents>  
Retrieved July 26, 2020

Grow (2020) "Why is data important for your business?"  
<https://www.grow.com/blog/data-important-business> Retrieved July 26, 2020

NewGenApps (2018) "How Big Data is taking the Travel industry to places"  
<https://www.newgenapps.com/blog/how-big-data-is-taking-the-travel-industry-to-places/>  
Retrieved July 26, 2020

DailyWireless (2019) "2019 Internet Statistics, Trends and Data"  
<https://dailywireless.org/internet/usage-statistics/> Retrieved July 26, 2020

Internet World Stats (2020) "Internet Growth Statistics 1995 to 2019 - Global Internet Usage"  
<https://www.internetworldstats.com/emarketing.htm> Retrieved 14 August 2020

Enterprise Singapore (2018) "grants from singapore government"  
<https://www.enterprisesg.gov.sg/financial-assistance/grants> Retrieved 14 August 2020

IdeaCafe (2013) “Why is Offering Discounts Important to Your Business?”  
<https://blog.ideacafe.com/why-offering-discounts-important-your-business> Retrieved 14 August 2020

Singapore Polytechnic (2019) “Internship” <https://industry.sp.edu.sg/internship/>  
Retrieved 14 August 2020

Sisense (2019) “Partnerships in Tech: The When, Why, and How”  
<https://www.sisense.com/blog/partnerships-in-tech-the-when-why-and-how/> Retrieved 14 August 2020

MIT Sloan (2018) “Developing Successful Strategic Partnerships With Universities”  
<https://sloanreview.mit.edu/article/developing-successful-strategic-partnerships-with-universities/> Retrieved 14 August 2020

CIO Asean (2016) “How partnerships between IT and the business breed success”  
<https://www.cio.com/article/3046136/how-partnerships-between-it-and-the-business-breed-success.html> Retrieved 14 August 2020

Sheerid (2013) “Back to Basics—Why Offer a Discount?”  
<https://www.sheerid.com/blog/back-to-basics-why-offer-a-discount/> Retrieved 15 August 2020

Reliablesoft.net “The 10 Best Online Courses on Digital Marketing (Free & Paid)”  
<https://www.reliablesoft.net/best-digital-marketing-courses/> Retrieved 16 August 2020

The Straits Times (2020) “Coronavirus: More funding for tourism firms to train staff, cash to shore up tour guides' wages”  
<https://www.straitstimes.com/singapore/coronavirus-more-funding-for-tourism-firms-to-train-staff-cash-to-shore-up-tour-guides> Retrieved 16 August 2020

The Straits Times (2020) “Tourism businesses affected by Covid-19 to receive wage subsidies of up to 75% for 9 months”  
<https://www.straitstimes.com/politics/covid-19-tourism-businesses-to-receive-wage-subsidies-of-up-to-75-per-cent-for-nine-months> Retrieved 16 August 2020

Business Insider (2010) "10 Business Partnerships That Went Down In Flames"  
<https://www.businessinsider.com/11-excruciating-business-partner-breakups-2010-11>  
Retrieved 16 August 2020

Brown & Charbonneau, LLP (2019) "Most Common Reasons for Partnership Disputes"  
<https://www.bc-llp.com/common-reasons-partnership-disputes/> Retrieved 16 August 2020

G&G Law, LLC (2016) "Top 6 Causes of Business Partner Disputes"  
<http://danburycattorneys.com/business/top-6-causes-business-partner-disputes/>  
Retrieved 16 August 2020

The Balance Small Business (2020) "Why Business Partnerships Fail"  
<https://www.thebalancesmb.com/why-business-partnerships-fail-4107045> Retrieved 17 August 2020

Hubspot (2020) "The Ultimate List of Marketing Statistics for 2020"  
<https://www.hubspot.com/marketing-statistics> Retrieved 17 August 2020

Hubspot (2020) "Social Media Marketing: The Ultimate Guide"  
[https://blog.hubspot.com/marketing/social-media-marketing?hubs\\_signup-url=www.hubspot.com%2Fmarketing-statistics&hubs\\_signup-cta=null&\\_ga=2.217022098.507031570.1597655536-2005417916.1597655536](https://blog.hubspot.com/marketing/social-media-marketing?hubs_signup-url=www.hubspot.com%2Fmarketing-statistics&hubs_signup-cta=null&_ga=2.217022098.507031570.1597655536-2005417916.1597655536) Retrieved 17 August 2020

TeachU "How to Resolve a Disagreement with Your Business Partner"  
<https://teachu.com/how-to-resolve-a-disagreement-with-your-business-partner/>  
Retrieved 18 August 2020

Simon Kucher and Partners (2017) "Digitalisation in the Travel Industry"  
<https://www.simon-kucher.com/en/blog/digitalization-travel-industry> Retrieved 18 August 2020

Good Rebels (2017) "The tourism sector impact of digitalization"  
<https://www.goodrebels.com/tourism-sector-impact-digitalization/> Retrieved 18 August 2020

Forbes (2019) "7 Examples Of How Digital Transformation Impacted Business Performance"

<https://www.forbes.com/sites/blakemorgan/2019/07/21/7-examples-of-how-digital-transformation-impacted-business-performance/#535a1fe651bb> Retrieved 18 August 2020

AEC Business (2016) “Benefits and Pitfalls of Partnerships Between Companies”  
<https://aec-business.com/benefits-and-pitfalls-of-partnerships/> Retrieved 18 August 2020

Business.com (2020) “5 Reasons Your Business Should Have Strategic Partnerships”  
<https://www.business.com/articles/connor-blakley-strategic-partnerships/> Retrieved 18 August 2020

Pew Research Center (2019) “Millennials stand out for their technology use, but older generations also embrace digital life”  
<https://www.google.com/amp/s/www.pewresearch.org/fact-tank/2019/09/09/us-generations-technology-use/%3Famp%3D1> Retrieved 18 August 2020

SimpleLegal (2020) “4 Ways Legal Ops and Vendor Partnerships Benefit Both Parties”  
<https://www.simplelegal.com/blog/4-ways-legal-ops-and-vendor-partnerships-benefit-both-parties> Retrieved 18 August 2020

Salesforce (2019) “The Business Benefits of Complementary Partnerships”  
<https://www.salesforce.com/ca/blog/2019/07/business-benefits-complementary-partnerships.html> Retrieved 18 August 2020

Top Dog Social Media “5 Essential Steps to Increase Revenue in Your Business”  
<https://topdogsocialmedia.com/increase-revenue-in-your-business/> Retrieved 18 August 2020