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Travel Agency Perspectives on Tourism Demand in Coimbatore

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Abstract

Tourism plays a significant role in the economic development of a region. The travel agencies act as key facilitators in promoting and shaping tourism demand. This study explores the perspectives of travel agencies in Coimbatore regarding tourism demand, booking patterns, and factors influencing traveller preferences. The research examines how booking agencies assess market trends, adapt to evolving customer expectations, and respond to emerging travel preferences in the post-pandemic era. By analysing agency-driven booking behaviours, marketing strategies, and challenges, this study aims to provide insights into the role of travel agencies in Coimbatore's tourism growth. A simple random sampling technique is employed to select the sample, and the sample size is 150. The findings contribute to a deeper understanding of how travel agencies influence destination choices and customer experiences, ultimately aiding in the development of sustainable tourism strategies.

Keywords: Booking Behaviour, Customer Preferences, Tourism and Travel Agencies

1. Introduction

Tourism is a vital contributor to regional economic development, offering employment opportunities and driving growth in allied industries such as hospitality, transportation, and entertainment. Travel agencies play a crucial role as intermediaries between travellers and tourism service providers, influencing booking decisions and shaping market trends. The city of Coimbatore, known as the "Manchester of South India," has emerged as a significant travel hub due to its strategic location, industrial growth, and proximity to popular tourist destinations such as Ooty, Valparai, and the Western Ghats[1]. With the rapid digitisation of the travel industry and evolving consumer preferences, the role of traditional and online booking agencies has become more dynamic[2]. Understanding the perspectives of travel agencies in Coimbatore is essential to assessing tourism demand, identifying key influencing factors, and developing effective strategies for tourism promotion.

2. Review of Literature

Smith and Jones[3] examined the impact of travel agencies on tourism growth, emphasising their role in influencing traveller decisions, destination marketing, and customer satisfaction. The study found that travel agencies, both traditional and online, contributed significantly to shaping tourism demand by offering personalised packages, discounts, and expert recommendations. The research highlighted that despite the rise of online booking platforms, travel agencies continue to play a crucial role in guiding tourists, especially in developing regions. Rao and Sharma[1] explored tourism demand patterns in Tier-2 cities in India, including Coimbatore. Their study indicated that factors such as improved infrastructure, rising disposable incomes, and government initiatives for tourism promotion have contributed to increasing travel demand. The study emphasised that travel agencies play a key role in identifying emerging tourism trends, catering to niche markets, and ensuring sustainable tourism practices. According to Kumar and Gupta[4], digitalisation has

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reshaped the tourism industry, forcing travel agencies to adopt new technologies to remain competitive. The study analysed the transition from traditional booking methods to digital platforms and the role of artificial intelligence in predicting customer preferences. It was observed that agencies integrating technology with personalised services witnessed increased customer engagement and business growth. The findings suggest that travel agencies must embrace digital tools to cater to modern travellers effectively. A study by Patel *et al.*[5] investigated the challenges faced by travel agencies in the aftermath of the COVID-19 pandemic. The research highlighted issues such as reduced consumer confidence, financial losses, and the need for innovative business strategies to revive the industry. The study suggested that travel agencies must focus on flexible booking policies, health and safety assurances, and digital marketing strategies to regain customer trust and stimulate tourism demand.

3. Statement of the Problem

Tourism plays an inevitable part in the economic development of a nation, and travel agencies act as key intermediaries in promoting tourism demand. However, with the increasing influence of digital platforms, changing consumer preferences, and evolving market dynamics, travel agencies in Coimbatore face challenges in sustaining their relevance and effectiveness[4]. This study aims to analyse the role of booking agencies in shaping customer decisions, adapting to industry trends, and addressing challenges such as digital transformation and competition from online travel platforms.

4. Objectives of the Study

- To analyse the role of travel agencies in influencing tourism demand in Coimbatore.
- To identify key factors that influence travel agencies' decision-making and booking trends.
- To examine the significant relationship of factors influencing tourism intentions of booking agencies, cultural aspects and local amenities on tourism promotion, and the importance of tech innovations and online facilities in tourism management on various types of booking agencies.
- To provide recommendations for improving the efficiency and competitiveness of travel agencies in Coimbatore's tourism industry.

5. Research Methodology

The present research is descriptive in nature, undertaken in Coimbatore city. A simple random sampling technique has been used to select the sample. A sample size of 150 has been selected. Both primary and secondary data were used. The primary data has been collected with the help of a well-structured questionnaire and secondary data through websites, journals and official tourism reports. Various statistical tools, namely percentage analysis, descriptive statistics and one-way ANOVA, have been employed to analyse the data.

6. Findings and Discussions

6.1 Description of Booking Agencies

Table 1 gives various details on the travel booking agencies in Coimbatore City.

It is evident from Table 1 that, 29.3% of respondents equally are Online Travel Agencies (OTAs), traditional travel agencies and tour operators, 62.7% of booking agencies are doing business in the busy area of Coimbatore, 36% of the booking agents are in operation for 1-3 years, 32% of the booking agencies have 1-5 employees and 32.7% of the agencies have their turnover as up to Rs.50,000.

6.2 Factors Influencing Tourism Intentions of Booking Agencies

The factors that influence the tourism intention of booking agencies are analysed with descriptive statistics and shown in Table 2.

Table 2 reveals that digital marketing is essential for tourism services to effectively reach and engage their target audience (Mean score of 3.17), followed by easy access and transportation facilities (Mean score of 2.88). These factors play a vital role in affecting the tourism intentions of booking agencies.

6.3 Influence of Cultural Aspects and Local Amenities on Tourism Promotion

The influence of cultural aspects and local amenities on tourism promotion is analysed with descriptive statistics and depicted in Table 3.

Table 3 reveals that the uniqueness and variety of cultural attractions significantly influence the decision to include them in tourism offerings has medium level of

Table 1. Details on travel booking agencies

Description	Variables	Frequency	Percentage
Type of booking Agency	Online travel agency (OTA)	44	29.3
	Traditional travel agency	44	29.3
	Tour operator	44	29.3
	Others	18	12.0
Total		**150**	**100**
Location of the booking agency	In the busy area	94	62.7
	On the outskirts	56	37.3
Total		**150**	**100**
Years of operation	Less than 1 year	33	22.0
	1-3 years	54	36.0
	4-6 years	37	24.7
	7-10 years	26	`17.3
Total		**150**	**100**
Number of employees	1-5	48	32.0
	6-10	45	30.0
	11-20	36	24.0
	Above 20	21	14.0
Total		**150**	**100**
Annual turnover	Up to Rs. 50,000	49	32.7
	Rs. 50,001 – Rs. 1,00,000	36	24.0
	Rs. 1,00,001 – Rs. 5,00,000	45	30.0
	Rs. 5,00,001 – Rs. 10,00,000	12	8.0
	Above Rs. 10,00,000	8	5.3
Total		**150**	**100**

Source: Primary data

Table 2. Factors influencing tourism intentions of booking agencies

Factors	Mean	SD
Travel agents are more likely to promote a destination if it is perceived as highly attractive.	2.50	1.330
The quality and diversity of local cultural attractions play a pivotal role in shaping tourism promotion strategies.	2.39	1.169
Easy access and transportation facilities are key factors in tourism offerings.	2.88	1.375
The availability and quality of accommodation options significantly influence the composition and appeal of tourism packages.	2.37	1.184
Digital marketing is essential for tourism services to effectively reach and engage their target audience.	3.17	1.512

Source: Computed

influence (mean = 2.75, SD = 1.352). The availability of well-maintained infrastructure, such as roads and public transportation, has a positive impact on tourism promotion efforts and also has a significant influence (mean = 2.87, SD = 1.317). Investments in improving cultural attractions will develop new tourism packages, have a neutral influence (mean = 2.56, SD = 1.358). Further, Easy accessibility to cultural attractions significantly enhances tourists' satisfaction and overall experience (mean = 2.75, SD = 1.285), and has a little significant influence.

The local government support and heritage initiatives are essential for integrating cultural preservation into

Table 3. Influence of cultural aspects and local amenities on tourism promotion

Factors	Mean	SD
The uniqueness and variety of cultural attractions significantly influence the decision to include them in tourism offerings.	2.75	1.352
The availability of well-maintained infrastructure, such as roads and public transportation, has a positive impact on tourism promotion efforts.	2.87	1.317
Investments in improving cultural attractions will develop new tourism packages.	2.56	1.358
Easy accessibility to cultural attractions significantly enhances tourists' satisfaction and overall experience.	2.75	1.285
Local government support and heritage initiatives are essential for integrating cultural preservation into tourism strategies.	3.39	1.320

Source: Computed

Table 4. Importance of tech innovations and online facilities in tourism management

Factors	Mean	SD
Online facilities (*e.g.*, websites, mobile apps) help to promote tourism services.	3.29	1.339
The use of online booking systems enhances both operational efficiency and overall effectiveness.	2.98	1.195
Social media marketing helps to reach and engage segmented customers.	3.09	1.070
CRM software enables personalised service delivery and enhances customer satisfaction.	3.14	1.199
Technological innovations (*e.g.*, AI, VR) enhance the experience.	2.11	.913

Source: Computed

tourism strategies is identified as the most influential factor (mean = 3.39, SD = 1.320). This suggests that tourism agencies highly value government-led efforts, viewing them as crucial for shaping city-wide tourism strategies.

6.4 Importance of Tech Innovations and Online Facilities in Tourism Management

Table 4 shows the importance of tech innovations and online facilities in tourism management.

Table 4 shows that online facilities (*e.g.*, websites, mobile apps) help to promote tourism services provided by a booking agency (mean score 3.29), followed by CRM software enables personalised service delivery and enhances customer satisfaction. (mean score 3.14). The least important factor is that the technological innovations enhance the experience, with a mean score of 2.11.

6.5 Relationship between Various Dimensions and Types of Booking Agencies

The significant relationship of factors influencing tourism intentions of booking agencies, cultural aspects and local amenities on tourism promotion, and the importance of tech innovations and online facilities in tourism management on various types of booking agencies is analysed by framing the following null hypothesis and is analysed with ANOVA at 5% level of significance. The results are shown in Table 5.

$H_{0:}$ There is no significant relationship between factors influencing tourism intentions of booking agencies, cultural aspects and local amenities on tourism promotion, and the importance of tech innovations and online facilities in tourism management on various types of booking agencies.

It is found from Table 5 that the ANOVA result shows that there is no significant relationship between the factors influencing tourism intentions (F = 1.459, Sig = 0.228), the influence of cultural aspects and local amenities on tourism promotion (F = 2.002, Sig = 0.116) and types of booking agencies. Further, it is also found that there is a significant relationship between the importance of tech innovations and online facilities in tourism management (F = 2.628, Sig = 0.053) and the types of booking agencies.

7. Suggestions

Based on the study's findings, the following recommendations are proposed:

Table 5. Relationship between various dimensions and types of booking agencies

Dimensions	Types of booking agencies	N	Mean	SD	F	Sig.
Factors influencing tourism intentions of booking agencies	Online travel agency (OTA)	44	2.51	0.665	1.459	.228
	Traditional travel agency	44	2.68	0.801		
	Tour operator	44	2.68	0.739		
	Other	18	2.92	0.471		
	Total	**150**	**2.66**	**0.714**		
Influence of cultural aspects and local amenities on tourism promotion	Online travel agency (OTA)	44	2.80	0.546	2.002	.116
	Traditional travel agency	44	2.81	0.693		
	Tour operator	44	3.05	0.561		
	Other	18	2.71	0.599		
	Total	**150**	**2.86**	**0.609**		
Importance of tech innovations and online facilities in tourism management	Online travel agency (OTA)	44	3.11	0.724	2.628	.053*
	Traditional travel agency	44	2.73	0.706		
	Tour operator	44	2.95	0.492		
	Other	18	2.87	0.617		
	Total	**150**	**2.92**	**0.656**		

Source: Computed * Significant

Enhancing Digital Presence: Booking agencies in Coimbatore should prioritise strengthening their digital presence by utilising online booking platforms and social media marketing. This will enable them to expand their reach, attract a larger customer base, and effectively engage with potential travellers.

Adopting Technological Innovations: To stay competitive, travel agencies should integrate advanced technologies such as Artificial Intelligence (AI) and Virtual Reality (VR) to offer immersive travel experiences. Additionally, optimising Customer Relationship Management (CRM) software will help personalise services, improve customer interactions, and enhance overall satisfaction.

Strengthening Industry Collaborations: Establishing partnerships with other booking agencies, local businesses, and cultural institutions can contribute to more attractive and well-rounded tourism packages. Such collaborations will enhance the city's tourism appeal and promote sustainable growth in the industry.

8. Conclusion

The role of travel agencies in shaping tourism demand remains significant, despite the growing influence of digital platforms and evolving consumer preferences[3]. This study highlights the importance of booking agencies in Coimbatore in facilitating tourism growth, influencing traveller decisions, and adapting to market trends. The findings emphasise the need for agencies to embrace digital transformation, adopt technological innovations, and strengthen collaborations with local businesses and cultural institutions to stay competitive[5]. By enhancing their digital presence and leveraging advanced tools like AI and VR, travel agencies can offer more personalised and engaging experiences to customers.

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